



2023 First-quarter Earnings Conference Call

April 28, 2023

Company-wide Transformation

*Driving Customer Satisfaction and
Technology Leadership*

2023

WORLD'S MOST
ETHICAL
COMPANIES[®]

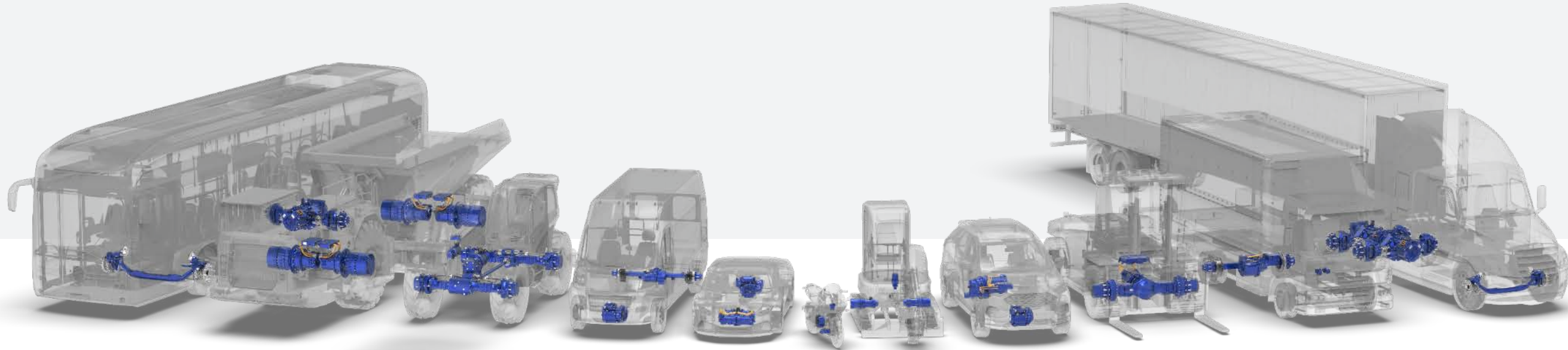
TM

ETHISPHERE

Safe Harbor Statement

Certain statements and projections contained in this presentation are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this presentation speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

Agenda



Craig Barber

Senior Director,
Investor Relations and
Strategic Planning

Introduction

James Kamsickas

Chairman and
Chief Executive Officer

Business
Review

Timothy Kraus

Senior Vice President
and Chief Financial Officer

Financial
Review

Highlights

Q1 Financial Results

sales

\$2.6 billion

↑ \$164 from prior year

free cash flow

\$(290) million

↓ \$53M from prior year

adjusted EBITDA

\$204 million

↑ \$34M from prior year

diluted adjusted EPS

\$0.25

↑ 9¢ from prior year

Key Items



Operating environment and outlook



Leading sustainability



Key launch highlights

Electrification.
Delivered.

Leveraging in-house EV innovation

Company transformation driving growth and positioning us for continued success

Operating Environment

Commodity Costs & Currency



- Steel moderating compared to 2022
 - Certain grades increased slightly in Q1
 - Expected to be profit tailwind
- Commodity recoveries progressing
- Translation of foreign currencies to U.S. dollar to remain a headwind

Cost Inflation & Operations



- Cost inflation continues:
 - COLAs driving labor costs higher
 - Higher energy costs in Europe
- Pricing actions muting inflation impact
- Strong operational execution partially offset customer production volatility

Market Demand & New Business



- Demand remains strong across all end markets
- Disrupted customer order patterns cause supplier inefficiencies
 - Some improvement in H2
- Commercial-vehicle market share gains driving above-market growth
- Roll-on of new programs improving pricing

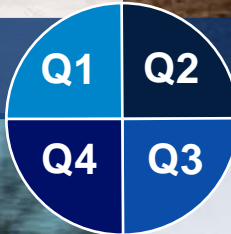
Market conditions expected to improve throughout 2023

Major Launch Highlights



Launch on track and nearing completion

Pre-production beginning



Late fourth-quarter launch

Battery cooling production ramp-up

Roll-on of latest models of traditional and EV platforms

Sustainability: Climate Action

75%

Reduction of Scope 1 and Scope 2 GHG emissions by 2030

25%+

Reduction in Scope 3 GHG emissions by 2030

2040

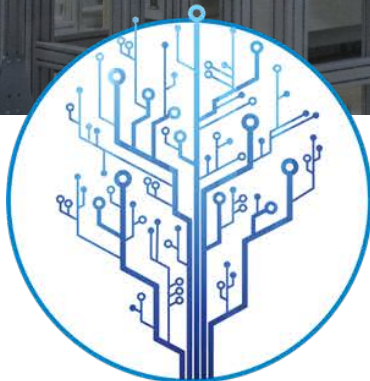
Net zero



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Managing with Science Based Targets



Changing Our World Through e-Propulsion



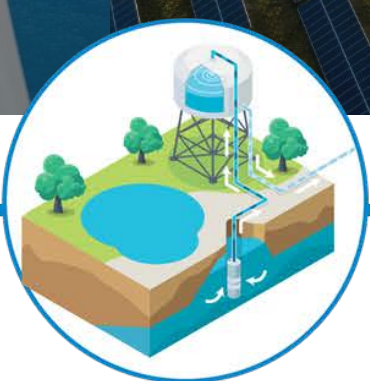
Actioning Renewable Energy



Greening Our Operations



Driving a Responsible Supply Chain



Protecting Water Resources



Financing and Manufacturing Sustainably

Technology Expertise: Performance e-Transmissions



Dana EV technologies drive the most advanced performance cars in the world

Advanced Clean Transportation (ACT) Expo



 **ACTEXPO**
CONFERENCE MAY 1-4, 2023 | EXPO MAY 2-4, 2023
ANAHEIM CONVENTION CENTER | ANAHEIM, CA

James Kamsickas
Chairman & CEO
Dana Incorporated



Unveiling our latest
electric drive system
for medium-duty trucks

Electrification. **Delivered.**[™]

Look for our press
release on
Tuesday, May 2, 2023



DAN
LISTED
NYSE

Financial Review

Value Others | Inspire Innovation | Grow Responsibly | Win Together

2023 Q1 Financial Results

- Sales growth primarily due to increased demand and recovery of cost inflation, offset by currency headwinds
- Improved profit driven by lower net manufacturing costs, EV investment, and commodity costs
- Higher income tax expense due to increased profit and jurisdictional mix
- Lower FCF driven by increased working capital requirements

Changes from Prior Year

(\$ in millions, except EPS)

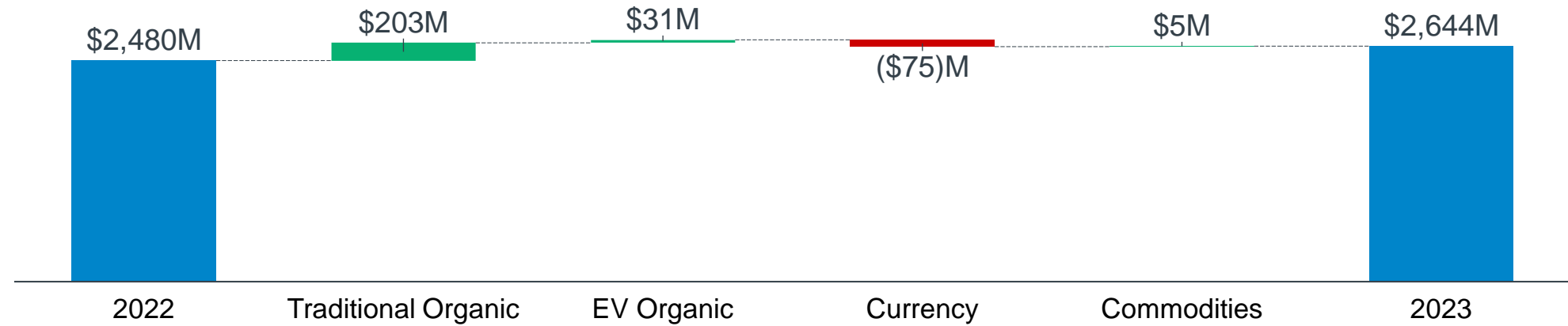
	<u>Q1 '23</u>	<u>Q1 '22</u>	<u>Change</u>
Sales	\$ 2,644	\$ 2,480	\$ 164
Adjusted EBITDA	204	170	34
Margin	7.7%	6.9%	80 bps
EBIT	90	66	24
Interest Expense, Net	30	29	1
Income Tax Expense	30	18	12
Net Income (attributable to Dana)	28	17	11
Diluted Adjusted EPS	\$ 0.25	\$ 0.16	\$ 0.09
Operating Cash Flow	(170)	(121)	(49)
Capital Spending	(120)	(116)	(4)
Free Cash Flow	(290)	(237)	(53)

See appendix for comments regarding the presentation of non-GAAP measures

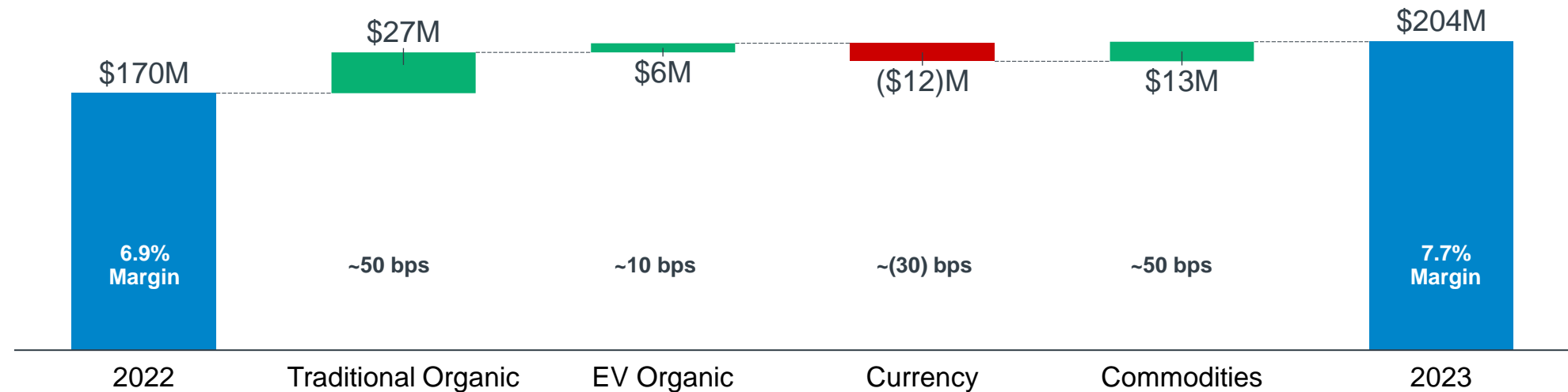
Strong demand and improved profit

2023 Q1 Sales and Profit Changes

Sales



Adjusted EBITDA



- Organic growth driven by improved demand, pricing, and mix
- Strong operational execution muting cost inefficiencies from customer order volatility
- Cost inflation offset by customer recoveries
- Timing of investment in EV business driving modest margin benefit
- Translation of foreign currencies to U.S. dollars was a headwind to sales, profit, and margin
- Lower commodity costs and higher recoveries benefited sales and profit

Profit improvement due to lower net manufacturing costs, EV investment, and commodity prices

2023 Q1 Free Cash Flow

- Free cash flow use driven by increased working capital
- Higher cash interest due to timing of payments
- Higher working capital primarily driven by increased inventory to support launches and higher sales in heavy vehicle markets

Changes from Prior Year

(\$ in millions)

	<u>Q1 '23</u>	<u>Q1 '22</u>	<u>Change</u>
Adjusted EBITDA	\$ 204	\$ 170	\$ 34
One-time Costs¹	(2)	(5)	3
Interest, Net	(23)	(15)	(8)
Taxes	(23)	(25)	2
Working Capital / Other²	(326)	(246)	(80)
Capital Spending	(120)	(116)	(4)
Free Cash Flow	\$ (290)	\$ (237)	\$ (53)

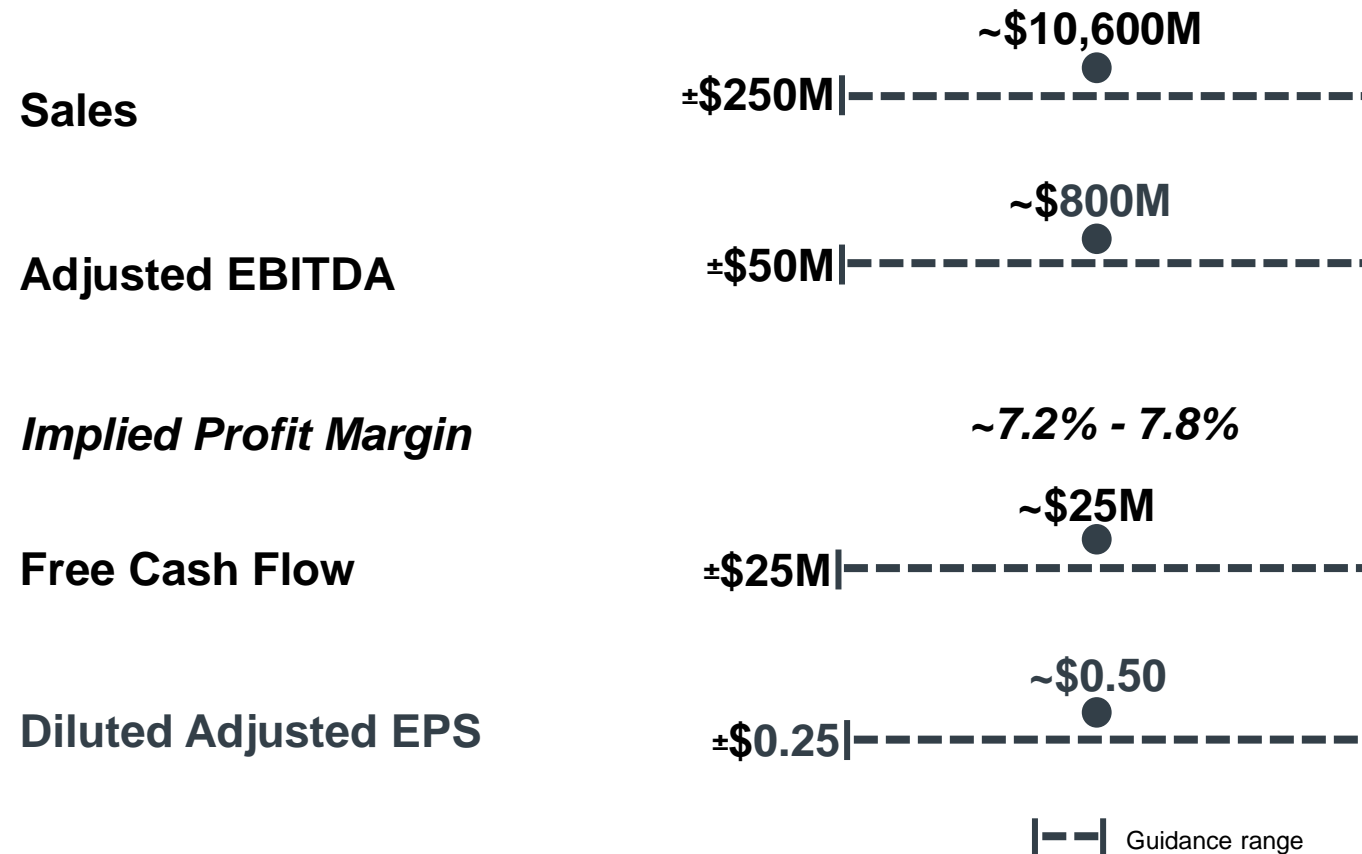
¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

FCF use driven by higher working capital requirements

2023 FY Financial Guide

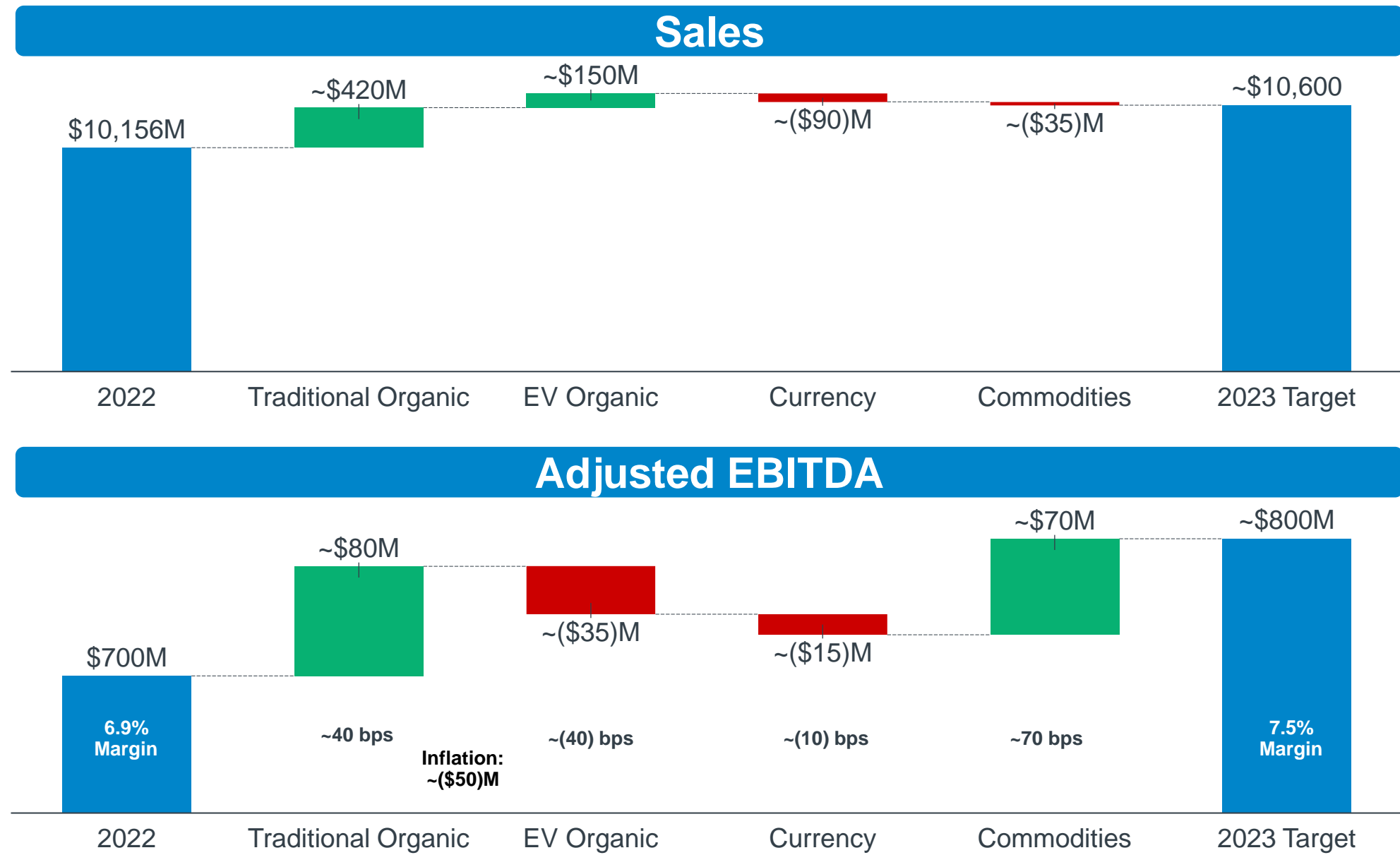
Guidance Ranges Remain Unchanged

- Sales growth supported by improved end-market demand, pricing actions, and market share gains
- Cost inefficiencies, driven by volatile customer production, and higher sales due to cost recoveries hindering margin
- Free cash flow includes significant capital investment to support accelerated EV growth and roll-on business
- ~60% effective tax rate included in adjusted EPS guide driven primarily by valuation allowances in U.S



Reaffirming guidance range while monitoring favorable currency movements

2023 FY Sales and Profit Changes



- Organic growth driven by strong sales, pricing, and market share gains
- Gross inflation and related recoveries are now expected to be lower than prior estimate; net profit impact from inflation remains the same, as cost recovery actions are expected to offset all but ~\$50M of inflation headwind
- Continued investment in EV business offsetting profit contribution
- Translation of foreign currency expected to be slightly less of a sales headwind due to the revised outlook for the relative value of the Mexican peso, Brazilian real, and Argentine peso
- Steel price outlook slightly elevated from prior estimate, lowering the expected margin benefit by ~20 bps

Sales growth with improved profit due to cost recoveries and lower commodity costs

2023 FY Free Cash Flow

- Positive free cash flow even with increased capital spending
- Working capital expected to be a modest source, even with sales increase, as efficiency gains from 2022 continue
- Higher capital spending to support new business backlog and EV programs

Changes from Prior Year			
(\$ in millions)			
	<u>2023T</u>	<u>2022A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~800	\$ 700	\$ ~100
One-time Costs¹	~(25)	(16)	~(10)
Interest, Net	~(110)	(107)	~(5)
Taxes	~(145)	(132)	~(10)
Working Capital / Other²	~15	204	~(190)
Capital Spending	~(510)	(440)	~(70)
Free Cash Flow	\$ ~25	\$ 209	\$ ~(185)

¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Higher profit and continuing working capital efficiency allowing for increased investment

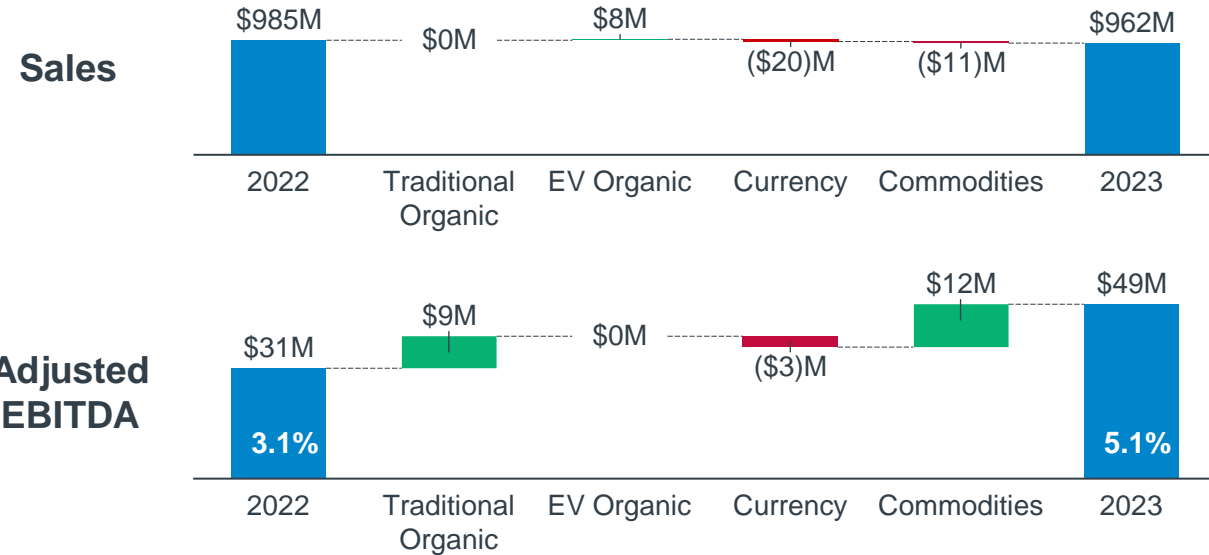


Appendix

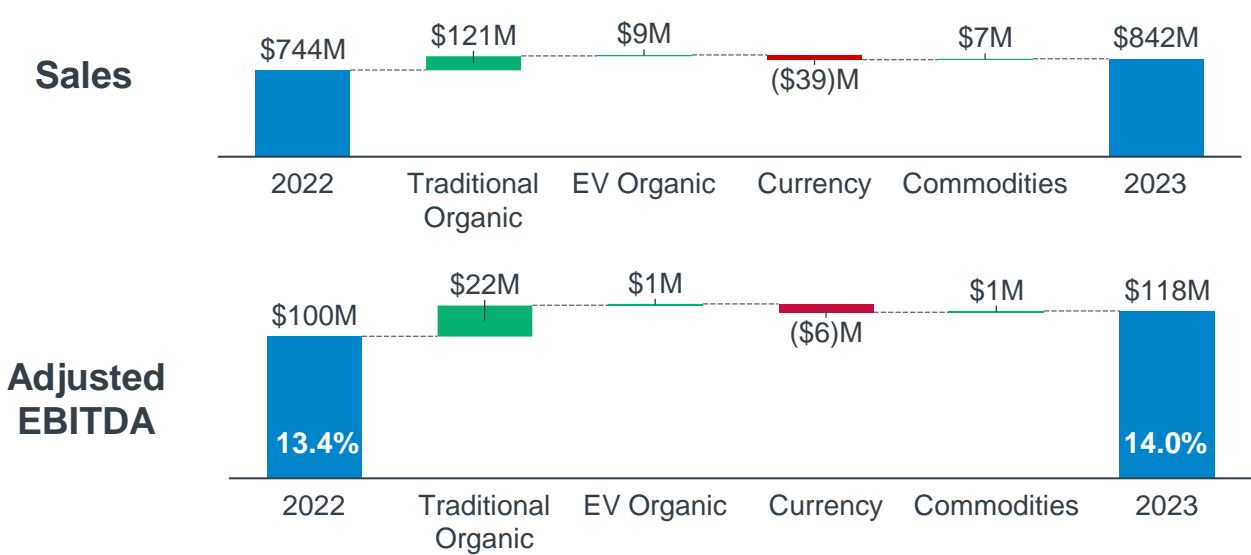
2023 Q1 Sales and Profit Change by Segment



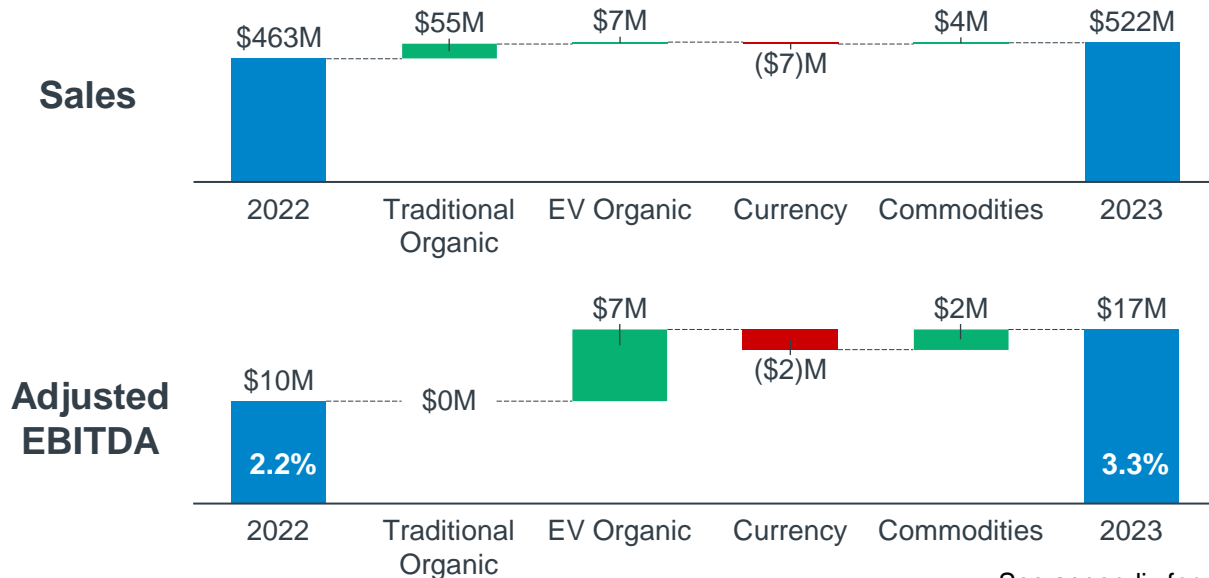
Light Vehicle Drive Systems



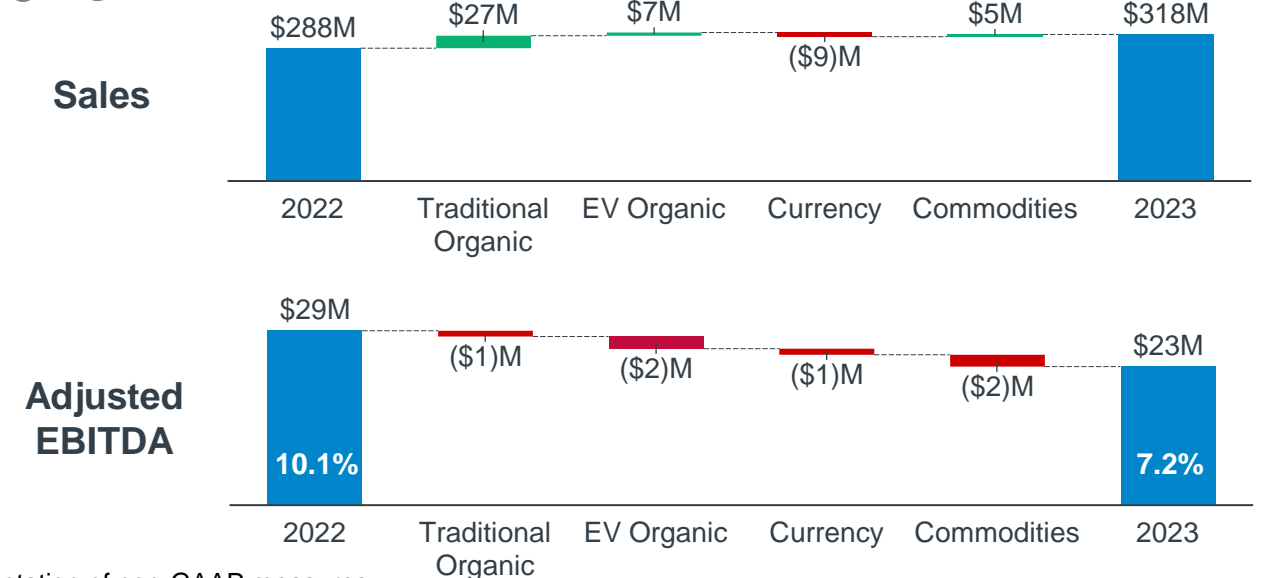
Off-Highway Drive and Motion Systems



Commercial Vehicle Drive and Motion Systems



Power Technologies



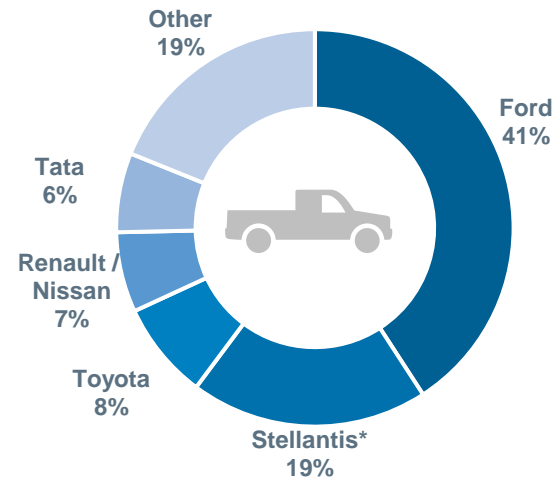
See appendix for comments regarding the presentation of non-GAAP measures

Segment Profiles

CUSTOMER SALES

Light Vehicle Drive Systems

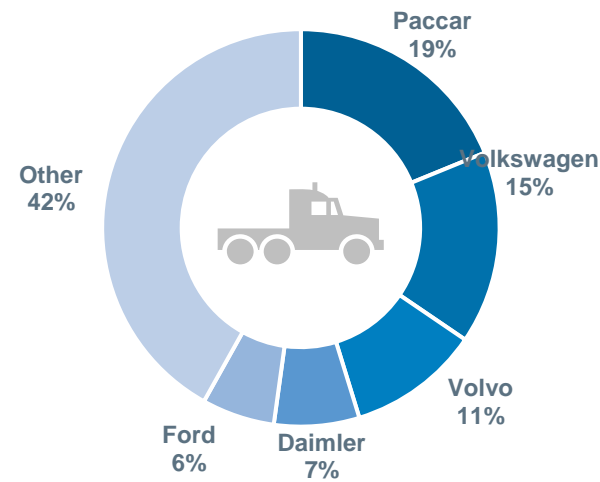
Year to Date 3/31/2023



* Includes sales to systems *integrations* for driveline products that support Stellantis vehicles

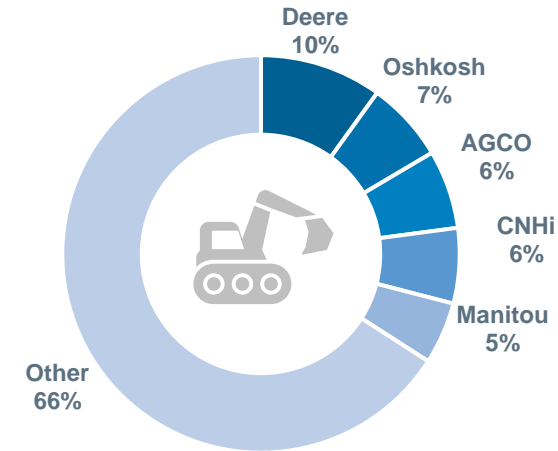
Commercial Vehicle Drive and Motion Systems

Year to Date 3/31/2023



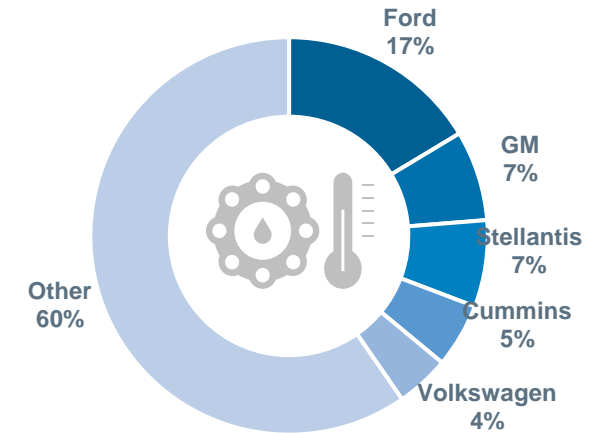
Off Highway Drive and Motion Systems

Year to Date 3/31/2023

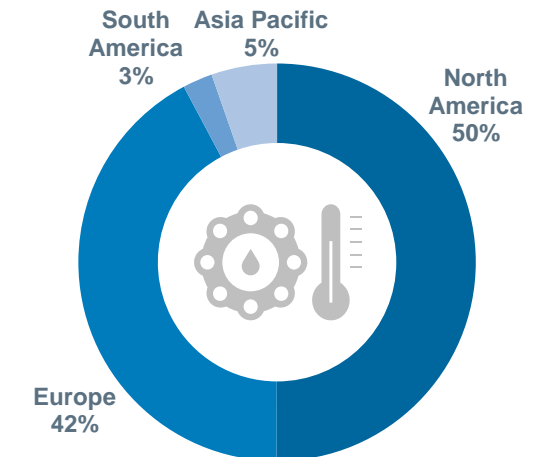
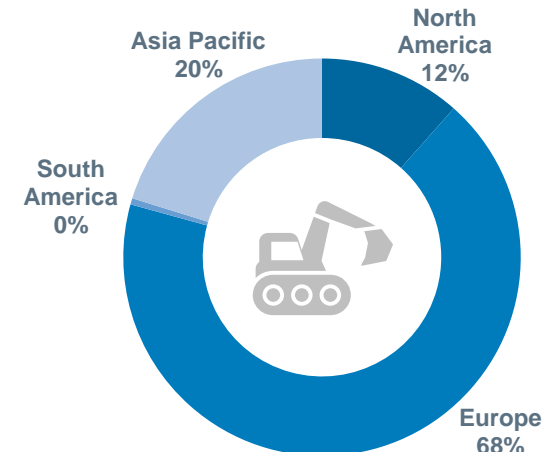
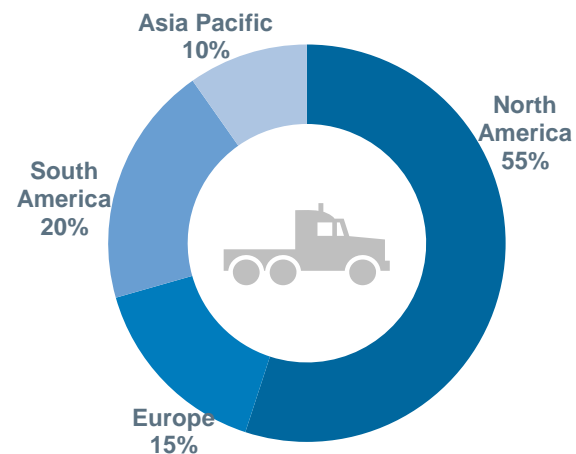
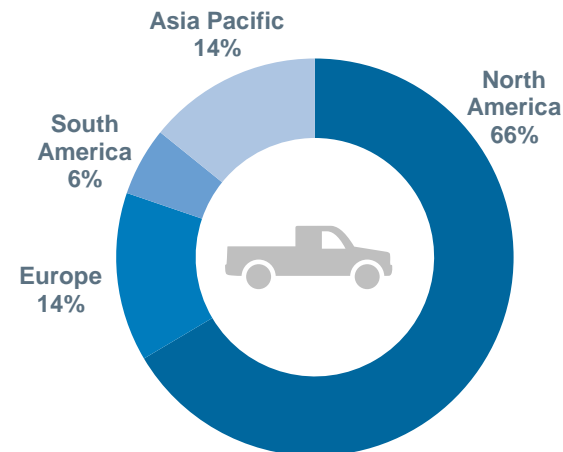


Power Technologies

Year to Date 3/31/2023



REGIONAL SALES



Diluted Adjusted EPS

DANA INCORPORATED
Reconciliation of Net Income Attributable to the Parent Company to
Adjusted Net Income Attributable to the Parent Company and
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended March 31, 2023 and 2022

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2023	2022
Net income attributable to parent company	\$ 28	\$ 17
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	1	(1)
Strategic transaction expenses	1	2
Distressed supplier costs	8	
Loss on disposal group held for sale		
Other items	(1)	2
Items impacting income taxes:		
Net income tax expense on items above	(6)	(2)
Adjusted net income attributable to the parent	<u>\$ 36</u>	<u>\$ 23</u>
Diluted shares - as reported	144.3	145.3
Adjusted diluted shares	144.3	145.3
Diluted adjusted EPS	\$ 0.25	\$ 0.16

Segment Data

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended March 31, 2023 and 2022

(In millions)	Three Months Ended	
	March 31,	
	2023	2022
Sales		
Light Vehicle	\$ 962	\$ 985
Commercial Vehicle	522	463
Off-Highway	842	744
Power Technologies	318	288
Total Sales	<u>\$ 2,644</u>	<u>\$ 2,480</u>
Segment EBITDA		
Light Vehicle	\$ 49	\$ 31
Commercial Vehicle	17	10
Off-Highway	118	100
Power Technologies	23	29
Total Segment EBITDA	<u>207</u>	<u>170</u>
Corporate expense and other items, net	(3)	
Adjusted EBITDA	<u>\$ 204</u>	<u>\$ 170</u>

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended March 31, 2023 and 2022

(In millions)	Three Months Ended	
	March 31,	
	2023	2022
Segment EBITDA	\$ 207	\$ 170
Corporate expense and other items, net	(3)	
Adjusted EBITDA	<u>204</u>	<u>170</u>
Depreciation	(92)	(91)
Amortization	(5)	(6)
Non-service cost components of pension and OPEB costs	(3)	
Restructuring charges, net	(1)	1
Stock compensation expense	(6)	(4)
Strategic transaction expenses	(1)	(4)
Distressed supplier costs	(8)	
Other items	2	
Earnings before interest and income taxes	<u>90</u>	<u>66</u>
Interest income	4	2
Interest expense	34	31
Earnings before income taxes	<u>60</u>	<u>37</u>
Income tax expense	30	18
Equity in earnings of affiliates	1	1
Net income	<u>\$ 31</u>	<u>\$ 20</u>

DANA INCORPORATED
Reconciliation of Net Cash Provided By (Used In) Operating Activities to
Free Cash Flow (Unaudited)

(In millions)

	Three Months Ended	
	March 31,	
	2023	2022
Net cash used in operating activities	\$ (170)	\$ (121)
Purchase of property, plant and equipment	(120)	(116)
Free cash flow	<u>\$ (290)</u>	<u>\$ (237)</u>



People Finding A Better Way[®]



Non-GAAP Financial Information

Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefit costs and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for earnings (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Adjusted net income (loss) attributable to the parent company is a non-GAAP financial measure which we have defined as net income (loss) attributable to the parent company, excluding any discrete income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to net income attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income (loss) attributable to the parent company divided by adjusted diluted shares. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income (loss) attributable to the parent company. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported in accordance with GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. We believe free cash flow is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is not intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported in accordance with GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA, diluted adjusted EPS and free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income (loss) and diluted EPS. Providing net income (loss) and diluted EPS guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income (loss) and diluted EPS, including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.