



Dana Holding Corporation

2016 Second-Quarter Earnings Conference Call

July 21, 2016

Honesty & Integrity

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Continuous Improvement



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.



▶ Introduction

Craig Barber
*Director,
Investor Relations*

▶ Business Update

James Kamsickas
*President and
Chief Executive Officer*

▶ Financial Review

Jonathan Collins
*Senior Vice President
and Chief Financial Officer*

2016 Second-Quarter Highlights



Sales of \$1.55 billion

Net Income of \$53 million

Diluted Adjusted EPS: \$0.53

Adjusted EBITDA of \$178 million

▶ **11.5% Margin**

Growth outlook very solid

- ▶ **Key replacement business secured**
- ▶ **Backlog continues to grow**

Completed debt refinancing

- ▶ **Extended maturity date**
- ▶ **Lowered interest expense**
- ▶ **Increased liquidity**

Continued shareholder return

- ▶ **Q2 repurchases: \$53 million**
- ▶ **74 million shares to date***



*Program inception through 6/30/16



North America



Overall economy stable; fuel prices remain low

- ▶ **Light-truck market remains strong**
 - ▶ *2016 light-truck production up 2% from last forecast*
- ▶ **Medium-duty truck market stable**
- ▶ **Production of Class 8 trucks expected to be 230-240K units**
- ▶ **Flat demand for off-highway vehicles**



Europe



Markets remain mostly stable post U.K. exit announcement and fluctuating currencies

- ▶ **U.K. impact minimal; only 3% of global sales**
- ▶ **Light-vehicle demand remains stable**
 - ▶ *Light-truck production expected to be up 4% YOY*
- ▶ **Some weakening in construction-vehicle market**
- ▶ **Commercial-vehicle market stable**



South America



Economic malaise continues along with political uncertainty

- ▶ **Brazil: Commercial-vehicle market remains weak**
 - ▶ *South American truck production expected to be down 10% - 20% vs. last year*
- ▶ **Argentina: End markets remain challenged; currency headwinds continue**
 - ▶ *Key light-truck volumes higher due to new programs*



Asia Pacific



Conditions improving in India, mostly stable in Thailand and China

- ▶ **Dana organic growth about 2% in Q2**
 - ▶ *Higher demand in Thailand for Light Vehicle Driveline*
 - ▶ *Currency remains a headwind*
- ▶ **China demand expected to remain flat**

Business Segment Update



Light Vehicle Driveline

Key Replacement Wins Secured Through 2020

- ▶ Ford Super Duty
- ▶ FCA Jeep Wrangler
- ▶ Ford Global T6 Ranger
- ▶ Toyota Tacoma/HiLux
- ▶ FCA Ram 1500 Trucks



Backlog Growth Remains Strong



Off-Highway Driveline



- ▶ Manitu is featuring Dana's Spicer® PowerBoost® Hydraulic-Hybrid Powertrain technology
- ▶ Recognition award for innovation in business



Commercial Vehicle Driveline

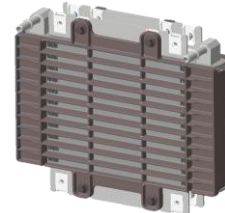
**North American class 8 Market Share Stable;
Medium-Duty Penetration Strengthened**



Power Technologies

Diesel Fuel Cooler Solution

- ▶ Technology to solve a customer need
- ▶ From design to production in less than 6 months
- ▶ Start of production later this year



LONG®
Thermal Products

Technology and Customer Satisfaction Driving Growth: Backlog of \$750 million

New Name. Same Great Company.



Dana Incorporated

NYSE: DAN

Name change effective August 1, 2016



Financial Review

2016 Second Quarter

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(\$ in millions, except EPS)

Second Quarter

	2016	2015	Change
Sales	\$ 1,546	\$ 1,609	\$ (63)
Adjusted EBITDA	178	180	(2)
<i>Margin</i>	11.5%	11.2%	+30 bps
Income before Interest Expense / Income Taxes	110	124	(14)
Net Income <i>(attributable to Dana)</i>	53	59	(6)
Diluted Adjusted EPS	\$ 0.53	\$ 0.48	\$ 0.05
Capital Spend	77	60	17
Free Cash Flow	108	88	20

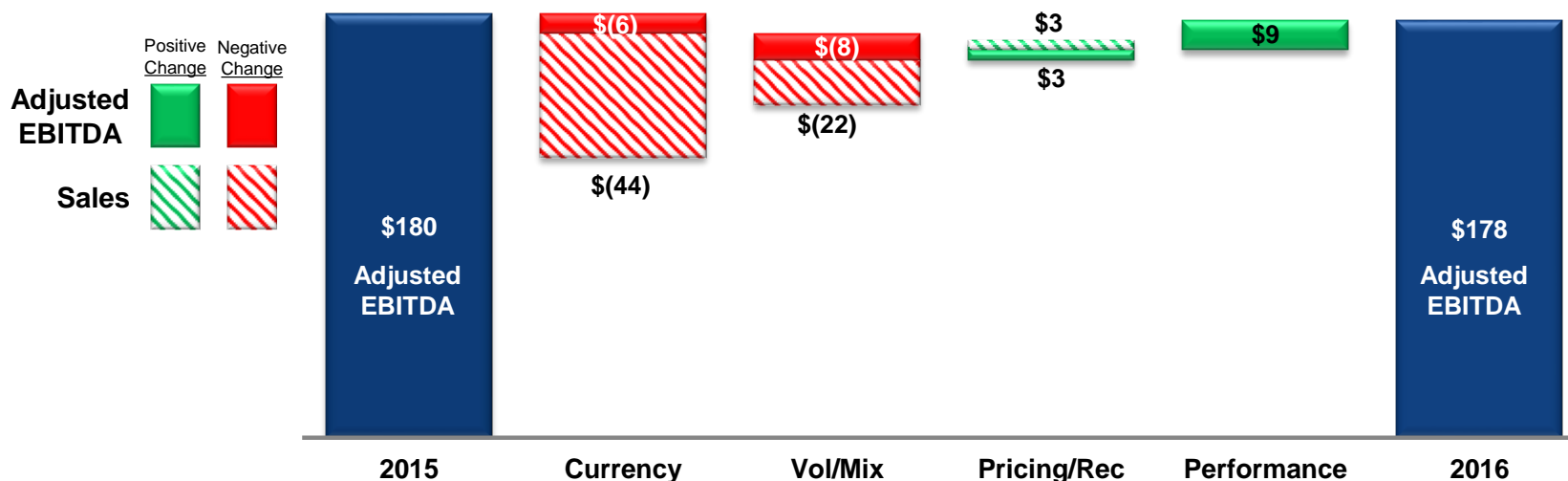
Consolidated Sales and Adjusted EBITDA Change



(\$ in millions)

Margins continue to improve as strong cost performance overcomes currency and market headwinds

	2015	Second Quarter	2016	Change
Sales	\$1,609	Sequential improvement from Q1	\$1,546	\$(63)
Adj. EBITDA	\$180	Strong cost performance	\$178	\$(2)
Margin	11.2%	All segments improved or maintained margins	11.5%	+30 bps

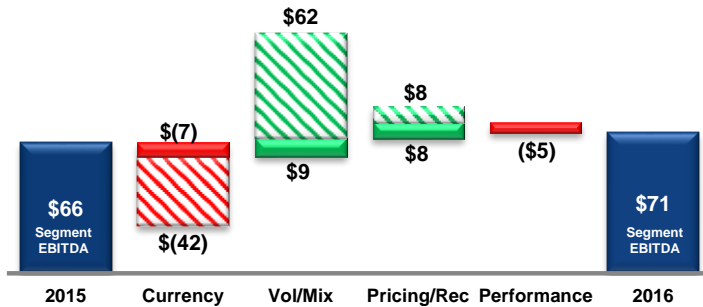


Segment Sales and EBITDA Change



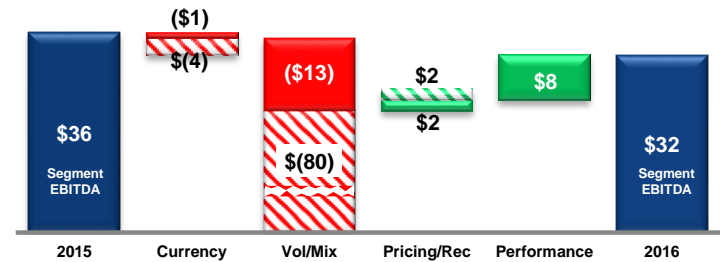
Light Vehicle Driveline

	2015		2016	Change
Sales	\$641	11% organic growth	\$669	\$28
Segment EBITDA	\$66		\$71	\$5
Margin	10.3%	Strong conversion on volume	10.6%	+30 bps



Commercial Vehicle Driveline

	2015		2016	Change
Sales	\$431	Lower class 8 mkt.; 2015 share shift	\$349	\$(82)
Segment EBITDA	\$36		\$32	\$(4)
Margin	8.4%	Cost savings offset lower volume	9.2%	+80 bps



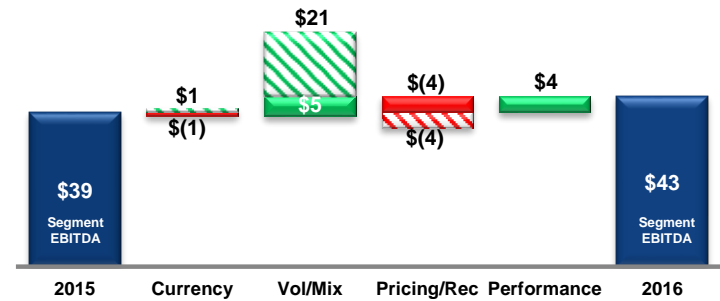
Off-Highway Driveline

	2015		2016	Change
Sales	\$279	Lower global market demand	\$252	\$(27)
Segment EBITDA	\$41		\$37	\$(4)
Margin	14.7%	Material cost savings	14.7%	Flat



Power Technologies

	2015		2016	Change
Sales	\$258	6% organic growth	\$276	\$18
Segment EBITDA	\$39		\$43	\$4
Margin	15.1%	Strong conversion on volume	15.6%	+50 bps



Segment EBITDA

Sales

Positive Change (Green)

Negative Change (Red)

(\$ in millions)



(\$ in millions)	Second Quarter		
	2016	2015	Change
Adjusted EBITDA	\$ 178	\$ 180	\$ (2)
Working Capital¹	45	(9)	54
Restructuring	(4)	(3)	(1)
Pension, Net	(2)	(4)	2
Interest, Net	(23)	(12)	(11)
Cash Taxes	(14)	(12)	(2)
Other	5	8	(3)
Cash Flow from Operations	\$ 185	\$ 148	\$ 37
Capital Spending	(77)	(60)	(17)
Free Cash Flow	\$ 108	\$ 88	\$ 20

¹ Changes in working capital relating to interest, taxes, and restructuring are included in those respective categories

Capital Structure and Liquidity Profile



(\$ in millions)

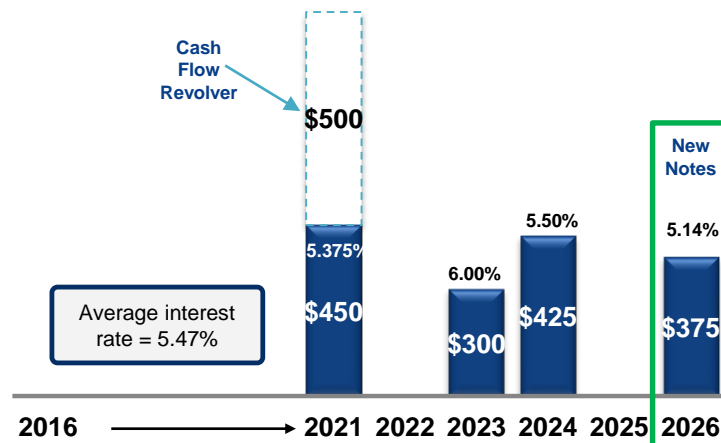
Key 2nd Quarter Actions:

1. Refinanced senior notes, extending maturity to 2026 – earliest maturity is 2021
2. Swapped new notes into Euro denominated debt; reduced economic cost; structure allows for European cash to be utilized
3. Issued cash flow revolver – improving availability by \$159 million in comparison to prior ABL facility

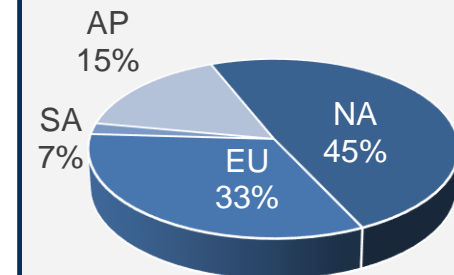
Liquidity	2016		
	Q2	Q1	Change
Cash¹	\$ 900	\$ 824	\$ 76
U.S. Revolver	475	304	171
Total Liquidity	\$ 1,375	\$ 1,128	\$ 247
Less Cash¹ in Subsidiary	142	141	1
Operating Liquidity	\$ 1,233	\$ 987	\$ 246

¹Includes marketable securities and excludes deposits to support obligations

Current Debt Maturities



Cash* by Region



*Includes marketable securities of \$164M and deposits to support obligations of \$9M

* Effective rate; 6.50% coupon on U.S. debt swapped to Euros

2016 Financial Targets



Key Financial Metrics	1 st Half Actuals	2 nd Half Targets	2016 Targets
Sales	\$3.0 B	~\$2.9 B	\$5.8 – \$6.0 B
Adjusted EBITDA	\$326 M	~\$330 M	\$640 – \$670 M
<i>Margin</i>	<i>10.9%</i>	<i>~11.4%</i>	<i>11.0% – 11.2%</i>
Cash Restructuring	\$7 M	~\$20 M	~\$25 M
Pension Funding, Net	\$9 M	~\$5 M	~\$15 M
Net Interest**	\$56 M	~\$40 M	~\$95 M
Cash Taxes	\$33 M	~\$60 M	~\$90 M
Capital Spend	\$148 M	~\$180 M	\$320 – \$340 M
Free Cash Flow	\$10 M	~\$120 M	\$120 – \$140 M
Diluted Adjusted EPS*	\$0.87	~\$0.85	\$1.65 – \$1.75

Light Vehicle Driveline

	Sales	Margin
H1 Actual	\$1.3B	10%
H2 Target	~1.3B	~12%
2016 Target	~2.6B	~11%

Commercial Vehicle Driveline

	Sales	Margin
H1 Actual	\$0.7B	9%
H2 Target	~0.6B	~7%
2016 Target	~1.3B	~7%

Off-Highway Driveline

	Sales	Margin
H1 Actual	\$0.5B	14%
H2 Target	~0.5B	~14%
2016 Target	~0.9B	~14%

Power Technologies

	Sales	Margin
H1 Actual	\$0.5B	15%
H2 Target	~0.5B	~15%
2016 Target	~1.1B	~15%

Currency Assumptions Euro/USD 1.05 - 1.10; GBP/USD 1.25 - 1.30; USD/CAD 0.75 - 0.80; USD/BRL 3.50 - 4.00; USD/ARS 15.00 - 16.50; USD/THB 36.00 - 38.00

*Targets calculated based on fully diluted outstanding shares of 147 million - excludes future impact of the share repurchase program

** 1st half actuals include \$8 million of accelerated interest payments due to bond refinancing



▶ **Enhance competitive position and grow our core business**

- ▶ Relentless focus on customer satisfaction
- ▶ Sustain investment in innovative technologies and differentiated products
- ▶ Continue to grow organically
- ▶ Consider complementary inorganic opportunities

- Secured key replacement business
- Share stable and improving
- Technology driving new business

▶ **Continue driving profit margin improvement**

- ▶ Accelerate lean manufacturing initiatives to eliminate waste and reduce cost
- ▶ Ensure successful launch of new business
- ▶ Improve CVD while continuing strong LVD, OHD, and PTG performance

- Organic growth in LVD and PTG
- Continued margin improvement
- Ongoing cost savings

▶ **Maintain a strong balance sheet**

- ▶ Continue capex discipline to drive returns
- ▶ Retain flexibility for new opportunities
- ▶ Return excess capital to shareholders

- Refinanced debt
- Enhanced liquidity
- Solid cash generation



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Appendix

Global Vehicle Production Dana Forecasts (Units in 000s)



	2015 Actuals	2016 Outlook
North America		
Lights Truck (Full Frame)	4,136	4,400 – 4,500
Light Vehicle Engines	15,474	16,000 – 16,500
Medium Truck (Class 5-7)	237	230 – 240
Heavy Truck (Class 8)	323	230 – 240
Agricultural Equipment	58	50 – 55
Construction/Mining Equipment	158	145 – 155
Europe (Incl. Eastern Europe)		
Light Trucks	8,546	8,800 – 8,900
Light Vehicle Engines	22,570	22,500 – 23,000
Medium/Heavy Truck	434	440 – 445
Agricultural Equipment	202	190 – 195
Construction/Mining Equipment	299	290 – 295
South America		
Light Trucks	940	900 – 950
Light Vehicle Engines	2,439	2,100 – 2,150
Medium/Heavy Truck	88	70 – 80
Agricultural Equipment	32	25 – 30
Construction/Mining Equipment	13	10 – 15
Asia Pacific		
Light Trucks	24,160	24,000 – 25,000
Light Vehicle Engines	47,209	48,500 – 49,500
Medium/Heavy Truck	1,383	1,400 – 1,450
Agricultural Equipment	676	655 – 675
Construction/Mining Equipment	405	390 – 410

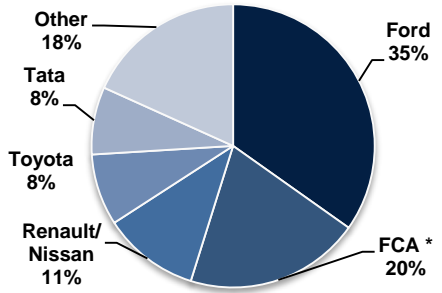
Segment Profiles



Customer Sales

Light Vehicle Driveline

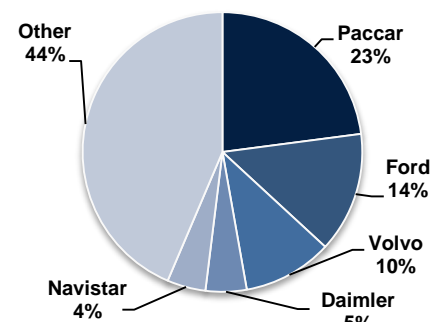
Year to Date 6/30/2016



* Includes sales to Hyundai Mobis for driveline products that support FCA vehicles

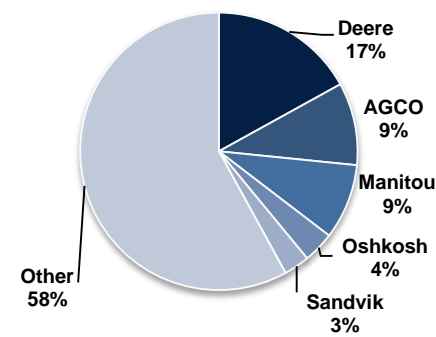
Commercial Vehicle Driveline

Year to Date 6/30/2016



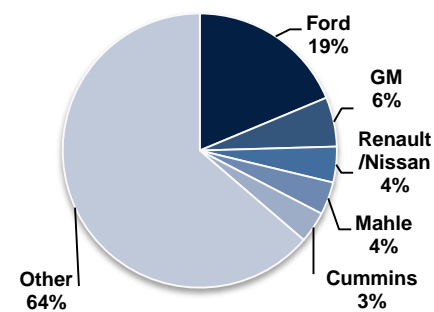
Off-Highway Driveline

Year to Date 6/30/2016

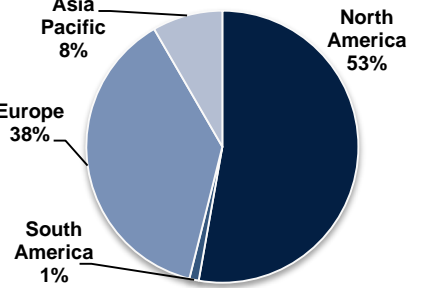
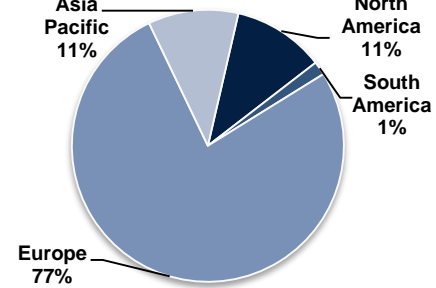
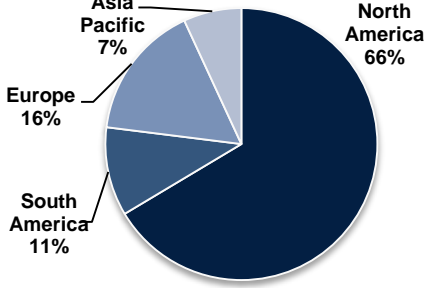
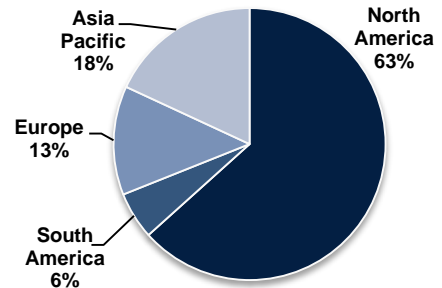


Power Technologies

Year to Date 6/30/2016



Regional Sales



Performance

\$ Millions

	Q2		Year to Date	
	2016	2015	2016	2015
Sales	\$669	\$641	\$1,282	\$1,278
Segment EBITDA	\$71	\$66	\$129	\$130
EBITDA Margin	10.6%	10.3%	10.1%	10.2%

\$ Millions

	Q2		Year to Date	
	2016	2015	2016	2015
Sales	\$349	\$431	\$682	\$864
Segment EBITDA	\$32	\$36	\$58	\$71
EBITDA Margin	9.2%	8.4%	8.5%	8.2%

\$ Millions

	Q2		Year to Date	
	2016	2015	2016	2015
Sales	\$252	\$279	\$493	\$563
Segment EBITDA	\$37	\$41	\$69	\$80
EBITDA Margin	14.7%	14.7%	14.0%	14.2%

\$ Millions

	Q2		Year to Date	
	2016	2015	2016	2015
Sales	\$276	\$258	\$538	\$512
Segment EBITDA	\$43	\$39	\$78	\$77
EBITDA Margin	15.6%	15.1%	14.5%	15.0%

Diluted Adjusted EPS



DANA HOLDING CORPORATION Diluted Adjusted EPS (Unaudited) For the Three Months Ended June 30, 2016 and 2015

(In millions except per share amounts)

	Three Months Ended	
	June 30,	
	2016	2015
Net income attributable to parent company	\$ 53	\$ 59
Items impacting income before income taxes:		
Restructuring charges	5	11
Amortization of intangibles	2	4
Loss on extinguishment of debt	17	
Other items	(1)	
Items impacting income taxes:		
Net Income tax benefit on items above	(1)	(5)
Nonrecurring income tax expense	3	10
Adjusted net income	<u>\$ 78</u>	<u>\$ 79</u>
Diluted shares - as reported	147	163
Adjusted diluted shares	<u>147</u>	<u>163</u>
Diluted adjusted EPS	\$ 0.53	\$ 0.48

DANA HOLDING CORPORATION Diluted Adjusted EPS (Unaudited) For the Six Months Ended June 30, 2016 and 2015

(In millions except per share amounts)

	Six Months Ended	
	June 30,	
	2016	2015
Net income attributable to parent company	\$ 98	\$ 122
Items impacting income before income taxes:		
Restructuring charges	6	12
Amortization of intangibles	4	10
Loss on extinguishment of debt	17	2
Other items		1
Items impacting income taxes:		
Net Income tax benefit on items above	(2)	(7)
Nonrecurring income tax expense	6	18
Items impacting noncontrolling interests net income:		
Gain on derecognition of noncontrolling interest		(5)
Correction of prior period understatement of noncontrolling interest		9
Adjusted net income	<u>\$ 129</u>	<u>\$ 162</u>
Diluted shares - as reported	148	165
Adjusted diluted shares	<u>148</u>	<u>165</u>
Diluted adjusted EPS	\$ 0.87	\$ 0.98

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

Segment Data



DANA HOLDING CORPORATION Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended June 30, 2016 and 2015

(In millions)	Three Months Ended	
	June 30,	
	2016	2015
Sales		
Light Vehicle	\$ 669	\$ 641
Commercial Vehicle	349	431
Off-Highway	252	279
Power Technologies	276	258
Total Sales	\$ 1,546	\$ 1,609
Segment EBITDA		
Light Vehicle	\$ 71	\$ 66
Commercial Vehicle	32	36
Off-Highway	37	41
Power Technologies	43	39
Total Segment EBITDA	183	182
Corporate expense and other items, net	(5)	(2)
Adjusted EBITDA	\$ 178	\$ 180

DANA HOLDING CORPORATION Segment Sales and Segment EBITDA (Unaudited) For the Six Months Ended June 30, 2016 and 2015

(In millions)	Six Months Ended	
	June 30,	
	2016	2015
Sales		
Light Vehicle	\$ 1,282	\$ 1,278
Commercial Vehicle	682	864
Off-Highway	493	563
Power Technologies	538	512
Total Sales	\$ 2,995	\$ 3,217
Segment EBITDA		
Light Vehicle	\$ 129	\$ 130
Commercial Vehicle	58	71
Off-Highway	69	80
Power Technologies	78	77
Total Segment EBITDA	334	358
Corporate expense and other items, net	(8)	(2)
Adjusted EBITDA	\$ 326	\$ 356

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

Segment Data Continued



DANA HOLDING CORPORATION

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)

For the Three Months Ended June 30, 2016 and 2015

(In millions)	Three Months Ended	
	June 30,	
	2016	2015
Segment EBITDA	\$ 183	\$ 182
Corporate expense and other items, net	(5)	(2)
Adjusted EBITDA	178	180
Depreciation	(43)	(39)
Amortization of intangibles	(2)	(4)
Restructuring	(5)	(11)
Stock compensation expense	(5)	(5)
Strategic transaction expenses	(1)	(1)
Other items	1	
Amounts attributable to previously divested/closed operations	2	
Loss on extinguishment of debt	(17)	
Interest expense, net	(28)	(23)
Income before income taxes	80	97
Income tax expense	29	36
Equity in earnings of affiliates	4	2
Net income	<u>\$ 55</u>	<u>\$ 63</u>

DANA HOLDING CORPORATION

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)

For the Six Months Ended June 30, 2016 and 2015

(In millions)	Six Months Ended	
	June 30,	
	2016	2015
Segment EBITDA	\$ 334	\$ 358
Corporate expense and other items, net	(8)	(2)
Adjusted EBITDA	326	356
Depreciation	(84)	(78)
Amortization of intangibles	(4)	(10)
Restructuring	(6)	(12)
Stock compensation expense	(7)	(8)
Strategic transaction expenses	(3)	(2)
Other items	(3)	
Distressed supplier costs	(1)	
Amounts attributable to previously divested/closed operations	3	
Gain on derecognition of noncontrolling interest		5
Loss on extinguishment of debt	(17)	(2)
Interest expense, net	(52)	(48)
Income before income taxes	152	201
Income tax expense	53	67
Equity in earnings of affiliates	4	3
Net income	<u>\$ 103</u>	<u>\$ 137</u>

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

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA, which we've defined net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and other adjustments not related to core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a primary driver of cash flows from operations and a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. Adjusted EBITDA should not be considered a substitute for income before income taxes, net income or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income divided by adjusted diluted shares. We define adjusted net income as net income attributable to the parent company excluding any nonrecurring income tax items, restructuring charges, amortization expense and other adjustments not related to core operations (as used in adjusted EBITDA), net of any associated income tax effects. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income. 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 under GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as cash provided by (used in) operating activities, less purchases of property, plant and equipment. We believe this measure 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 neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under 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 and diluted EPS. Providing net income 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 and diluted EPS, including restructuring actions, asset impairments and income tax valuation 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.

Please reference the "Non-GAAP financial information" accompanying our quarterly earnings conference call presentations on our website at www.dana.com/investors for our GAAP results and the reconciliations of these measures, where used, to the comparable GAAP measures.