

Dana Incorporated
Consolidated Statement of Operations
(In millions, except per share amounts)

	2019	2018	2017
Net sales	\$ 8,620	\$ 8,143	\$ 7,209
Costs and expenses			
Cost of sales	7,489	6,986	6,143
Selling, general and administrative expenses	508	499	508
Amortization of intangibles	12	8	11
Restructuring charges, net	29	25	14
Impairment of goodwill and indefinite-lived intangible asset	(6)	(20)	
Gain (loss) on disposal group held for sale		3	(27)
Pension settlement charges	(259)		
Other expense, net	(25)	(29)	(16)
Earnings before interest and income taxes	292	579	490
Loss on extinguishment of debt	(9)		(19)
Interest income	10	11	11
Interest expense	122	96	102
Earnings before income taxes	171	494	380
Income tax expense (benefit)	(32)	78	283
Equity in earnings of affiliates	30	24	19
Net income	233	440	116
Less: Noncontrolling interests net income	13	13	10
Less: Redeemable noncontrolling interests net loss	(6)		(5)
Net income attributable to the parent company	<u>\$ 226</u>	<u>\$ 427</u>	<u>\$ 111</u>
Net income per share available to common stockholders			
Basic	\$ 1.57	\$ 2.94	\$ 0.72
Diluted	\$ 1.56	\$ 2.91	\$ 0.71
Weighted-average common shares outstanding			
Basic	144.0	145.0	145.1
Diluted	145.1	146.5	146.9

The accompanying notes are an integral part of the consolidated financial statements.

Dana Incorporated
Consolidated Balance Sheet
(In millions, except share and per share amounts)

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 508	\$ 510
Marketable securities	19	21
Accounts receivable		
Trade, less allowance for doubtful accounts of \$9 in 2019 and 2018	1,103	1,065
Other	202	178
Inventories	1,193	1,031
Other current assets	137	102
Total current assets	3,162	2,907
Goodwill	493	264
Intangibles	240	164
Deferred tax assets	580	445
Other noncurrent assets	120	80
Investments in affiliates	182	208
Operating lease assets	178	
Property, plant and equipment, net	2,265	1,850
Total assets	\$ 7,220	\$ 5,918
Liabilities and equity		
Current liabilities		
Short-term debt	\$ 14	\$ 8
Current portion of long-term debt	20	20
Accounts payable	1,255	1,217
Accrued payroll and employee benefits	206	186
Taxes on income	46	47
Current portion of operating lease liabilities	42	
Other accrued liabilities	262	269
Total current liabilities	1,845	1,747
Long-term debt, less debt issuance costs of \$28 in 2019 and \$18 in 2018	2,336	1,755
Noncurrent operating lease liabilities	140	
Pension and postretirement obligations	459	561
Other noncurrent liabilities	305	313
Total liabilities	5,085	4,376
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	167	100
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding	—	—
Common stock, 450,000,000 shares authorized, \$0.01 par value, 143,942,539 and 144,663,403 shares outstanding	2	2
Additional paid-in capital	2,386	2,368
Retained earnings	622	456
Treasury stock, at cost (10,111,191 and 8,342,185 shares)	(150)	(119)
Accumulated other comprehensive loss	(987)	(1,362)
Total parent company stockholders' equity	1,873	1,345
Noncontrolling interests	95	97
Total equity	1,968	1,442
Total liabilities and equity	\$ 7,220	\$ 5,918

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Dana Incorporated
Consolidated Statement of Cash Flows
(In millions)

	2019	2018	2017
Operating activities			
Net income	\$ 233	\$ 440	\$ 116
Depreciation	322	260	220
Amortization	17	10	13
Amortization of deferred financing charges	6	4	5
Call premium on debt	7		15
Write-off of deferred financing costs	2		4
Earnings of affiliates, net of dividends received	(9)	(4)	(3)
Stock compensation expense	19	16	23
Deferred income taxes	(137)	(64)	179
Pension expense, net	211	3	(6)
Impairment of goodwill and indefinite-lived intangible asset	6	20	
Gain on sale of subsidiaries			(3)
(Gain) loss on disposal group held for sale		(2)	27
Change in working capital	(17)	(113)	(8)
Change in other noncurrent assets and liabilities	(18)	(12)	(9)
Other, net	(5)	10	(19)
Net cash provided by operating activities	637	568	554
Investing activities			
Purchases of property, plant and equipment	(426)	(325)	(393)
Acquisition of businesses, net of cash acquired	(668)	(153)	(185)
Proceeds from previous acquisition		9	
Purchases of marketable securities	(33)	(37)	(35)
Proceeds from sales of marketable securities	6	15	1
Proceeds from maturities of marketable securities	29	37	27
Proceeds from sale of subsidiaries, net of cash disposed	1	(6)	3
Settlements of undesignated derivatives	(20)		
Other, net	(12)	(2)	(1)
Net cash used in investing activities	(1,123)	(462)	(583)
Financing activities			
Net change in short-term debt	(3)	(21)	(90)
Proceeds from long-term debt	975		676
Repayment of long-term debt	(423)	(13)	(640)
Call premium on debt	(7)		(15)
Deferred financing payments	(20)	(1)	(9)
Dividends paid to common stockholders	(58)	(58)	(35)
Distributions to noncontrolling interests	(19)	(42)	(12)
Sale of interest to noncontrolling shareholder	53		
Contributions from noncontrolling interests	4	25	
Payments to acquire redeemable noncontrolling interests		(43)	
Repurchases of common stock	(25)	(25)	
Other, net	2	(2)	5
Net cash provided by (used in) financing activities	479	(180)	(120)
Net decrease in cash, cash equivalents and restricted cash	(7)	(74)	(149)
Cash, cash equivalents and restricted cash - beginning of period	520	610	716
Effect of exchange rate changes on cash balances	5	(16)	43
Cash, cash equivalents and restricted cash - end of period	\$ 518	\$ 520	\$ 610

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