TECHNOLOGY THAT DRIVES THE INDUSTRY

First Quarter 2019 Earnings Call

Forward-Looking Statements

This supplemental information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include factors detailed in the reports we file with the SEC, including those described under “Risk Factors” in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this communication. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

It should also be noted that this information contains certain financial measures, including Adjusted EBITDA, Adjusted Earnings per Share, Adjusted Free Cash Flow, and Net Leverage Ratio that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. A description of non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in the appendix under “Reconciliation of Non-GAAP Measures”.

Business Unit Performance

DRIVELINE

	1Q 2019	1Q 2018	Difference
Sales	$ 1,134.7	$ 1,216.1	$ (81.4)
Adjusted EBITDA	$ 137.2	$ 189.7	$ (52.5)
Adj. EBITDA Margin	12.1%	15.6%	-3.5%

- Sales decline due to lower GM full-size truck and RAM HD sales and lower global light vehicle production volumes
- Continues to make progress on launch and performance issues

METAL FORMING

	1Q 2019	1Q 2018	Difference
Sales	$ 483.3	$ 542.3	$ (59.0)
Adjusted EBITDA	$ 85.3	$ 105.7	$ (20.4)
Adj. EBITDA Margin	17.7%	19.5%	-1.8%

- Sales decline due to lower global light vehicle production volumes, including lower intersegment sales
- Operating at strong > 17% Adjusted EBITDA margins

CASTING

	1Q 2019	1Q 2018	Difference
Sales	$ 225.3	$ 239.0	$ (13.7)
Adjusted EBITDA	$ 22.5	$ 21.6	$ 0.9
Adj. EBITDA Margin	10.0%	9.0%	1.0%

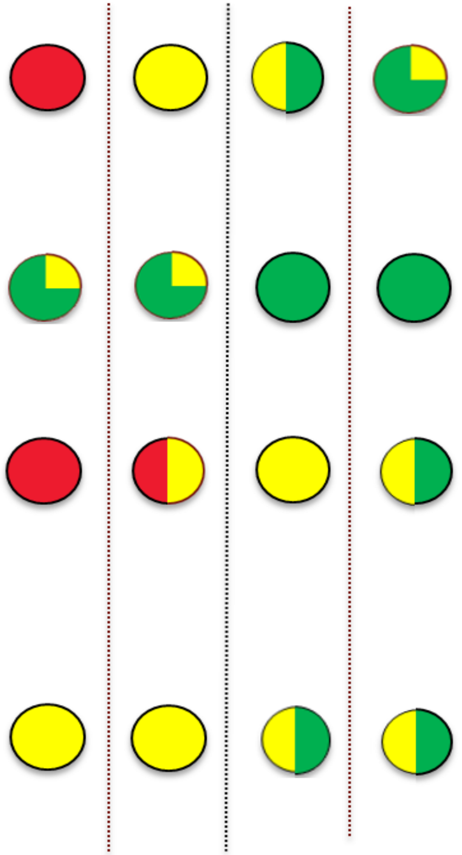
- Double digit Adjusted EBITDA margin for first time since 2Q 2018
- Increased pricing with commercial and industrial customers combined with improved workforce stability and operational efficiency

Performance Improvement Plans – 1Q 2019 Update

	3Q 2018 Issues	Status Update
Driveline	- Changes affecting build-out and launch - Scrap performance - Supplier delivery performance	- New Ram HD program launched, initial customer volume ramp curve slower than expected - 1 e-Drive supplier issue remains open - New GM truck launches performing as expected
Metal Forming	- European capacity constraints	- Eliminated delivery past-due conditions
Powertrain	- Ineffective program management - Launch performance - Capacity constraints	- Accelerating implementation of IPM systems - Reducing premium costs through improved launch performance and operating efficiency - Minor changes to initial customer launch timing on certain programs
Casting	- Availability of labor - Operational inefficiencies - Inflationary pressures	- Actions to resolve labor shortage have improved performance and reduced premium costs - Implemented customer pricing actions

Anticipated Exit Rate Status

3Q18 4Q18 1Q19 2Q19



AAM is generally on track to resolving the operating challenges that developed in 3Q 2018

* To ensure consistency with previous disclosures, this update reflects our segments prior to the business unit reorganization that took place in January of 2019

2019 Financial Outlook

2019 Financial Targets	
Full Year Sales	$7.3 - $7.4 billion
Adjusted EBITDA*	$1.2 - $1.25 billion
Capital Expenditures	≈ 7% of sales
Adjusted Free Cash Flow*	$350 - $400 million

- AAM's previously stated 2019 full year targets remain unchanged. As a result of slower than expected customer launch curves and lower anticipated production volumes for certain programs, we currently project that we are trending towards the low end of our ranges.
- We expect restructuring and acquisition-related payments to be between $50 - $60 million for the full year 2019.

* For definitions of Adjusted EBITDA and Adjusted Free Cash Flow and Non-GAAP reconciliations, please see the attached appendix

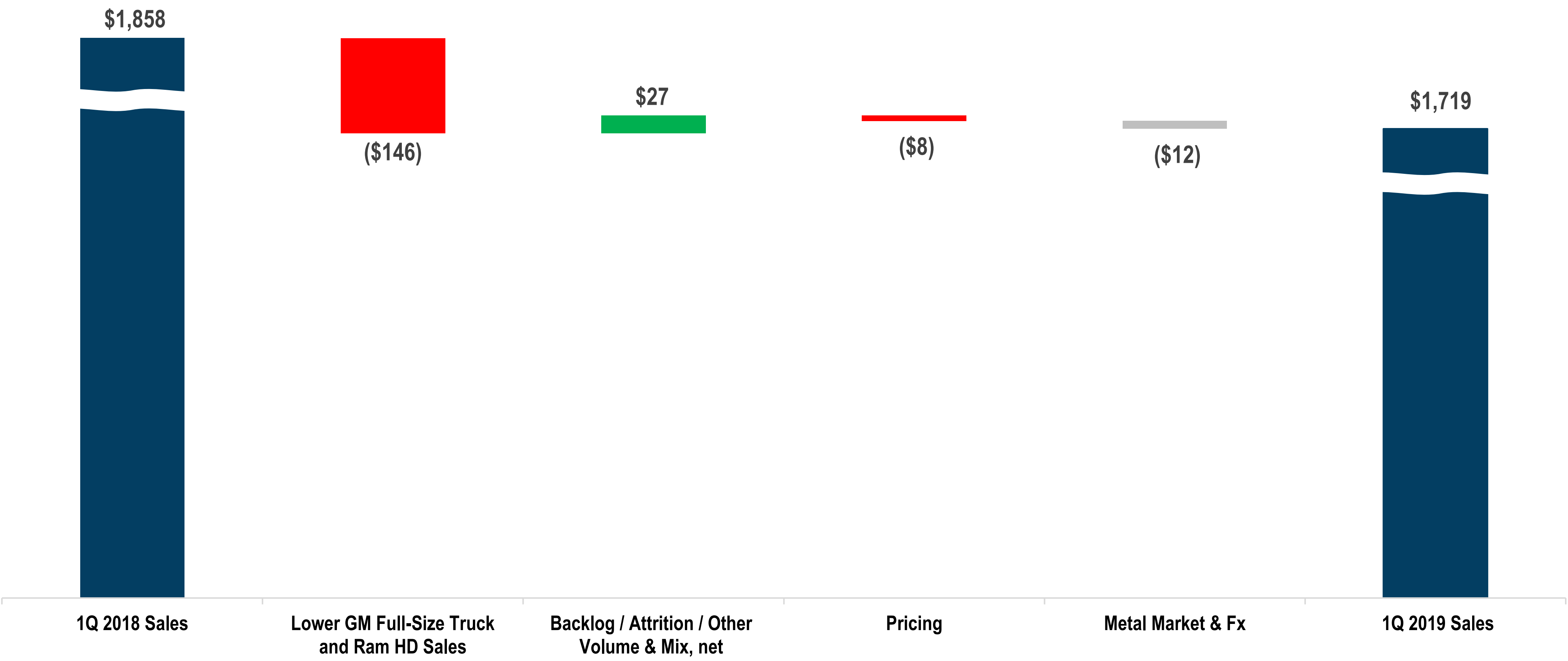
1Q Financial Results

	Three Months Ended March 31,					
	2019		2018			
	(dollars in millions, except per share data)				Difference	
Net sales	$	1,719.2	$	1,858.4	$	(139.2)
Gross profit	$	222.2	$	316.3	$	(94.1)
Gross margin		12.9%		17.0%		-4.1%
SG&A	$	90.7	$	97.3	$	(6.6)
SG&A as a % of sales		5.3%		5.2%		0.1%
Amortization of intangible assets	$	25.0	$	24.9	$	0.1
Restructuring and acquisition costs	$	12.1	$	18.3	$	(6.2)
Other income (expense)	$	(3.0)	$	(15.7)	$	12.7
Adjusted EBITDA	$	245.0	$	317.0	$	(72.0)
Adjusted EBITDA margin		14.3%		17.1%		-2.8%
Net interest expense	$	52.7	$	52.7	$	-
Income tax expense (benefit)	$	(3.0)	$	17.9	$	(20.9)
Effective tax rate		-7.8%		16.7%		-24.5%
Net income attributable to AAM	$	41.6	$	89.4	$	(47.8)
Diluted EPS	$	0.36	$	0.78	$	(0.42)
Adjusted EPS	$	0.36	$	0.98	$	(0.62)

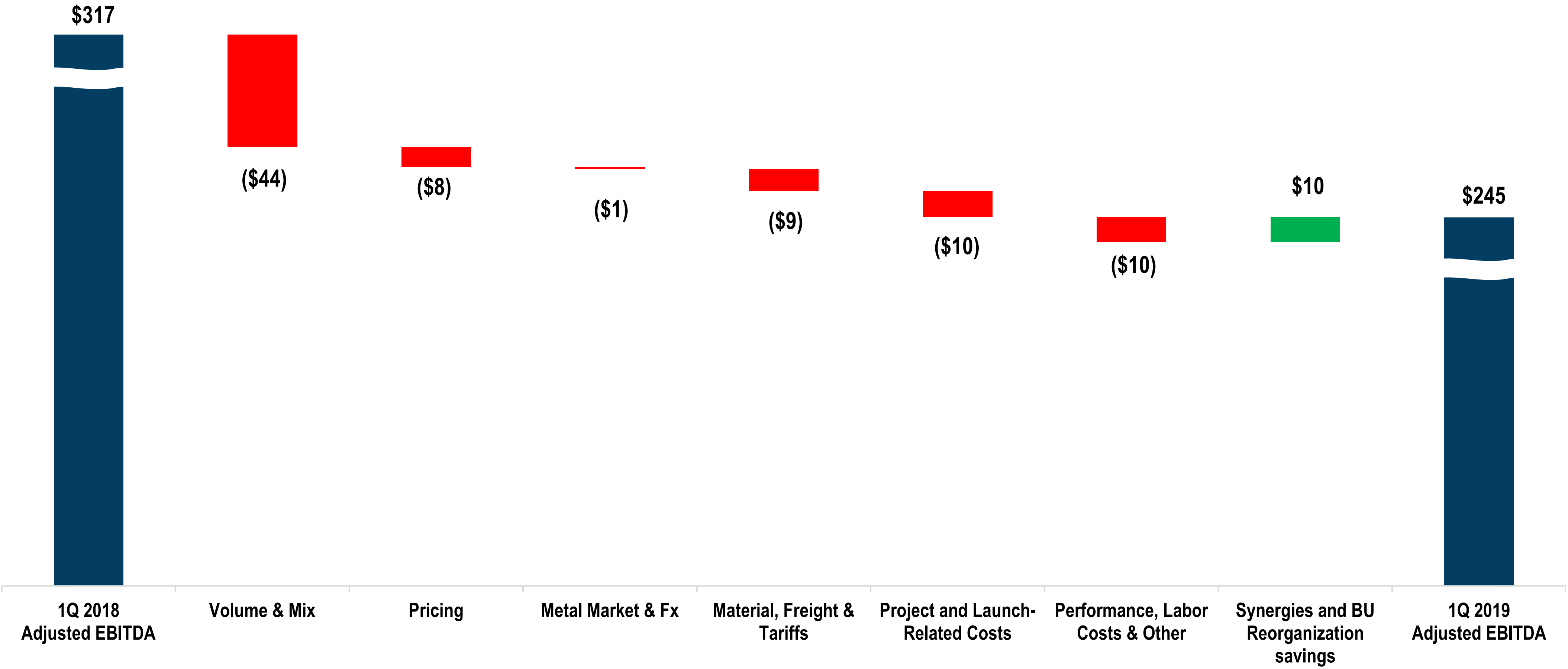
Adjusted earnings per share are based on weighted average diluted shares outstanding of 115.8 million and 114.7 million for the three months ended on March 30, 2019 and 2018, respectively.

* For definitions of Adjusted EBITDA and Adjusted Earnings Per Share (EPS) and non-GAAP reconciliations, please see the attached appendix.

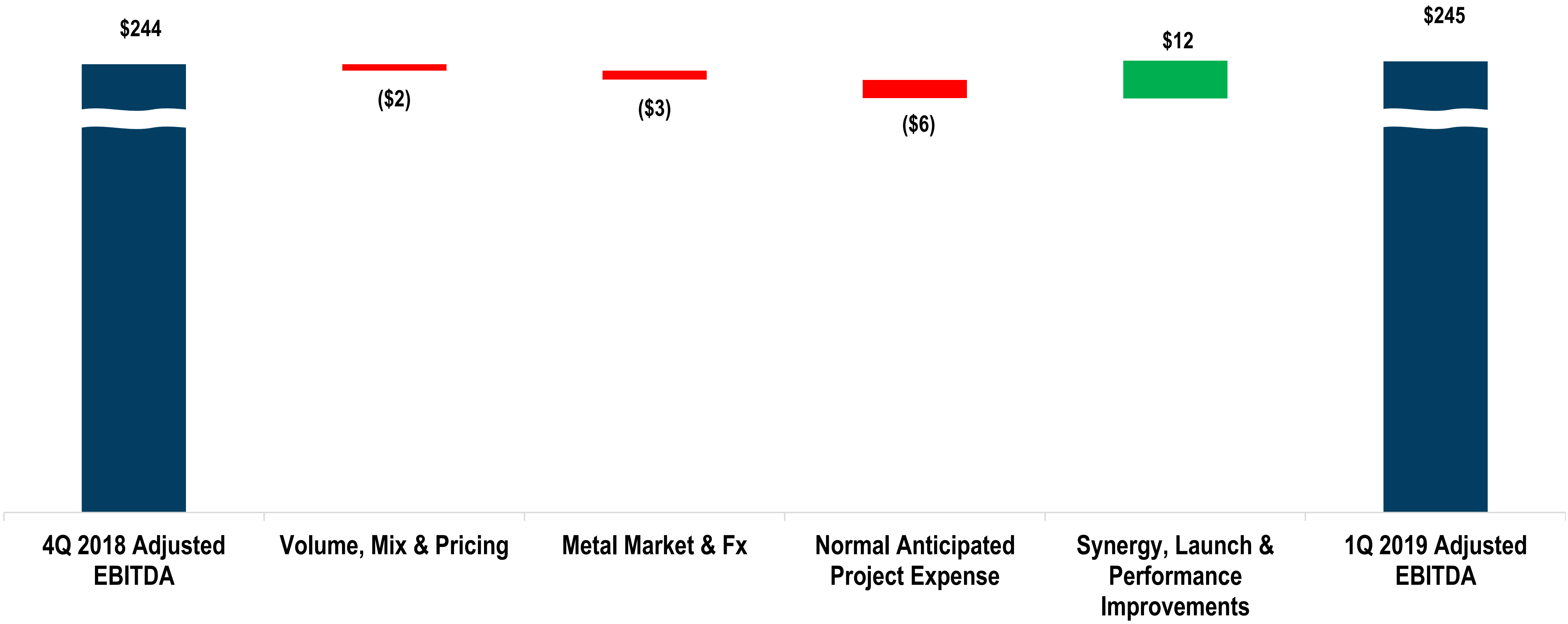
1Q 2019 Year-Over-Year Sales Walk



1Q 2019 Year-over-Year Adjusted EBITDA Walk



1Q 2019 Sequential Adjusted EBITDA Walk



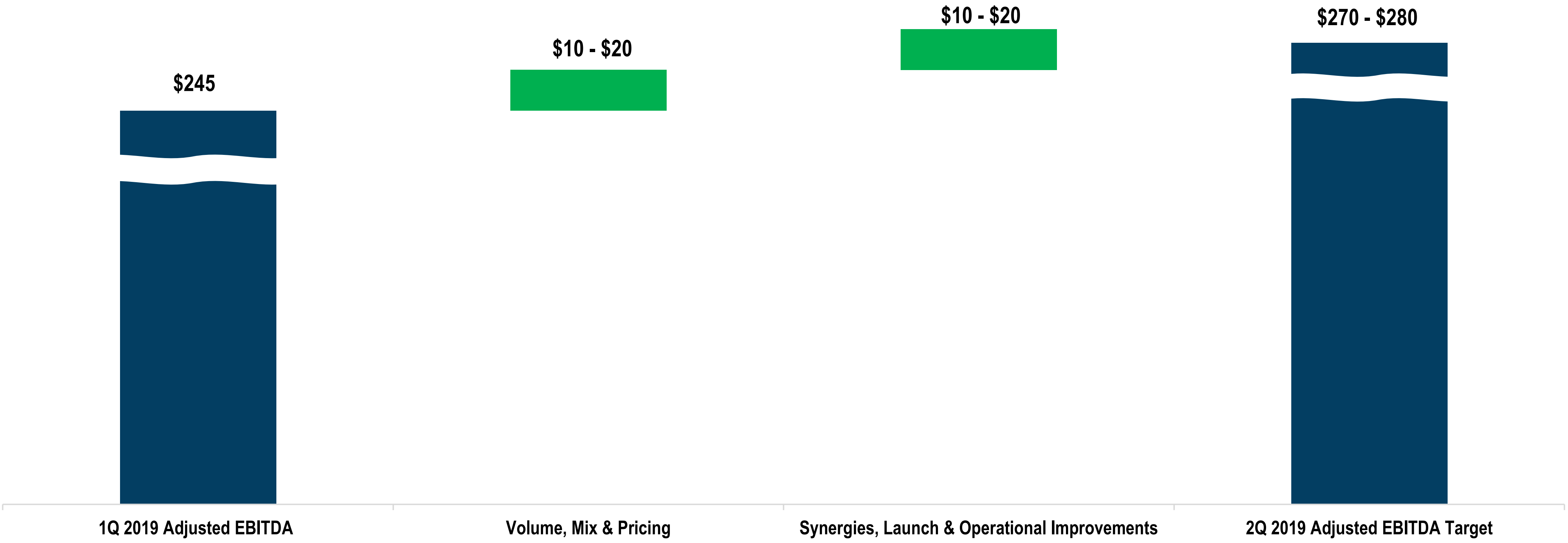
Adjusted Free Cash Flow and Debt Profile

Cash Flow and Debt Metrics	1Q 2019
Adjusted Free Cash Flow	($188.5) million
Net Debt	$3.55 billion
Net Leverage Ratio	3.2x
Liquidity	> $1.2 billion

1Q 2019 free cash flow and net leverage ratio reflect our seasonal cash flow use

* For definitions of Adjusted Free Cash Flow, Net Debt, Net Leverage Ratio and Liquidity and non-GAAP reconciliations, please see the attached appendix.

1Q 2019 to 2Q 2019 Adjusted EBITDA Walk



- AAM expects sales in the range of $1.75 - $1.8 billion in the second quarter of 2019
- 2Q 2019 will be impacted by customer launch timing and planned downtime, including the GM full-size HD pickup truck launch

Supplemental Data

Reconciliation of Non-GAAP Measures

In addition to the results reported in accordance with accounting principles generally accepted in the United States of America (GAAP) included within this presentation, we have provided certain information, which includes non-GAAP financial measures. Such information is reconciled to its closest GAAP measure in accordance with Securities and Exchange Commission rules and is included in the following slides.

Certain of the forward-looking financial measures included in this presentation are provided on a non-GAAP basis. A reconciliation of non-GAAP forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not practical given the difficulty of projecting event driven transactional and other non-core operating items and their related effects in any future period. The magnitude of these items, however, may be significant.

Supplemental Data

EBITDA and Adjusted EBITDA Reconciliation
($ in millions)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net income	$ 41.7	$ 89.5
Interest expense	53.4	53.2
Income tax expense (benefit)	(3.0)	17.9
Depreciation and amortization	140.8	127.8
EBITDA	232.9	288.4
Restructuring and acquisition-related costs	12.1	18.3
Debt refinancing and redemption costs	-	10.3
Adjusted EBITDA	$ 245.0	$ 317.0
as % of net sales	14.3%	17.1%

Supplemental Data

EBITDA and Adjusted EBITDA for the Trailing Twelve Months Ended March 31, 2019
($ in millions)

	Quarter Ended				Trailing Twelve Months Ended
	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	March 31, 2019
Net income	$ 151.3	$ 64.0	$ (361.6)	$ 41.7	$ (104.6)
Interest expense	54.4	54.9	53.8	53.4	216.5
Income tax expense (benefit)	2.0	11.5	(88.5)	(3.0)	(78.0)
Depreciation and amortization	130.2	132.9	137.9	140.8	541.8
EBITDA	337.9	263.3	(258.4)	232.9	575.7
Restructuring and acquisition-related costs	36.8	11.7	12.1	12.1	72.7
Debt refinancing and redemption costs	4.3	-	4.8	-	9.1
Gain on sale of business	(15.5)	-	-	-	(15.5)
Goodwill impairment	-	-	485.5	-	485.5
Non-recurring items:					
Gain on settlement of capital lease	(15.6)	-	-	-	(15.6)
Adjusted EBITDA	$ 347.9	$ 275.0	$ 244.0	$ 245.0	$ 1,111.9
as % of net sales	18.3%	15.1%	14.4%	14.3%	15.6%

Supplemental Data

Adjusted Earnings Per Share Reconciliation

	Three Months Ended March 31,	
	2019	2018
Diluted earnings per share	$ 0.36	$ 0.78
Restructuring and acquisition-related costs	0.10	0.16
Debt refinancing and redemption costs	-	0.09
Non-recurring items:		
Tax Cuts and Jobs Act transition tax adjustment	(0.08)	-
Tax effect of adjustments	(0.02)	(0.05)
Adjusted earnings per share	$ 0.36	$ 0.98

Adjusted earnings per share are based on weighted average diluted shares outstanding of 115.8 million and 114.7 million for the three months ended on March 31, 2019 and 2018, respectively.

Supplemental Data

Free Cash Flow and Adjusted Free Cash Flow Reconciliation
($ in millions)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net cash provided by (used in) operating activities	$ (80.2)	$ 66.9
Less: Capital expenditures net of proceeds from sale of property, plant and equipment	(123.9)	(130.4)
Free cash flow	(204.1)	(63.5)
Cash payments for restructuring and acquisition-related costs	15.6	21.8
Adjusted Free Cash Flow	$ (188.5)	$ (41.7)

Supplemental Data

Net Debt and Net Leverage Ratio
($ in millions)

	March 31, 2019
Current portion of long-term debt	$ 118.6
Long-term debt, net	3,678.9
Total debt, net	3,797.5
Less: Cash and cash equivalents	252.1
Net debt at end of period	3,545.4
Adjusted LTM EBITDA	$ 1,111.9
Net Leverage Ratio	3.2

Supplemental Data

Segment Financial Information
($ in millions)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Segment Sales		
Driveline	$ 1,134.7	$ 1,216.1
Metal Forming	483.3	542.3
Casting	225.3	239.0
Total Sales	1,843.3	1,997.4
Intersegment Sales	(124.1)	(139.0)
Net External Sales	$ 1,719.2	$ 1,858.4
Segment Adjusted EBITDA		
Driveline	$ 137.2	$ 189.7
Metal Forming	85.3	105.7
Casting	22.5	21.6
Total Segment Adjusted EBITDA	$ 245.0	$ 317.0

Supplemental Data

Full Year 2019 Outlook
($ in millions)

	Adjusted EBITDA	
	Low End	**High End**
Net income	$ 285	$ 325
Interest expense	225	225
Income tax expense	70	80
Depreciation and amortization	570	570
Full year 2019 targeted EBITDA	1,150	1,200
Restructuring and acquisition-related costs	50	50
Full year 2019 targeted Adjusted EBITDA	$ 1,200	$ 1,250

	Adjusted Free Cash Flow	
	Low End	**High End**
Net cash provided by operating activities	$ 810	$ 860
Capital expenditures net of proceeds from the sale of property, plant and equipment	(515)	(515)
Full year 2019 targeted Free Cash Flow	295	345
Cash payments for restructuring and acquisition-related costs	55	55
Full year 2019 targeted Adjusted Free Cash Flow	$ 350	$ 400

Definition of Non-GAAP Measures

EBITDA and Adjusted EBITDA

We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gain on sale of a business, goodwill impairments and non-recurring items. We believe that EBITDA and Adjusted EBITDA are meaningful measures of performance as they are commonly utilized by management and investors to analyze operating performance and entity valuation. Our management, the investment community and the banking institutions routinely use EBITDA and Adjusted EBITDA, together with other measures, to measure our operating performance relative to other Tier 1 automotive suppliers. We also use Segment Adjusted EBITDA as the measure of earnings to assess the performance of each segment and determine the resources to be allocated to the segments. EBITDA and Adjusted EBITDA should not be construed as income from operations, net income or cash flow from operating activities as determined under GAAP. Other companies may calculate EBITDA and Adjusted EBITDA differently.

Adjusted Earnings per Share

We define Adjusted earnings per share to be diluted earnings per share excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gain on sale of a business, goodwill impairments and non-recurring items, including the tax effect thereon. We believe Adjusted earnings per share is a meaningful measure as it is commonly utilized by management and investors in assessing ongoing financial performance that provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of core operating performance and which may obscure underlying business results and trends. Other companies may calculate Adjusted earnings per share differently.

Free Cash Flow and Adjusted Free Cash Flow

We define free cash flow to be net cash provided by (used in) operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment. Adjusted free cash flow is defined as free cash flow excluding the impact of cash payments for restructuring and acquisition-related costs. We believe free cash flow and Adjusted free cash flow are meaningful measures as they are commonly utilized by management and investors to assess our ability to generate cash flow from business operations to repay debt and return capital to our stockholders. Free cash flow and Adjusted free cash flow are also key metrics used in our calculation of incentive compensation. Other companies may calculate free cash flow and Adjusted free cash flow differently.

Net Debt and Net Leverage Ratio

We define net debt to be total debt, net less cash and cash equivalents. We define Net Leverage Ratio to be net debt divided by the trailing 12 months of Adjusted EBITDA. We believe that Net Leverage Ratio is a meaningful measure of financial condition as it is commonly used by management, investors and creditors to assess capital structure risk. Other companies may calculate Net Leverage Ratio differently.

Liquidity

We define Liquidity as cash on hand plus amounts available on our revolving credit facility and foreign credit facilities.

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