



February 2024 Investor Presentation

BRINGING THE FUTURE
FASTER

Forward-Looking Statements



BRINGING THE FUTURE
FASTER

In this presentation, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995 and relate to trends and events that may affect our future financial position and operating results. The terms such as “will,” “may,” “could,” “would,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “project,” “target,” and similar words or expressions, as well as statements in future tense, are intended to identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. 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, Net Leverage Ratio and Liquidity 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.”

An abstract pattern of blue lines resembling a circuit board or data paths, filling the top half of the slide. The lines are of varying thickness and form a complex, interconnected network.

AAM Overview



BRINGING THE FUTURE
FASTER

AAM - Quick Facts



BRINGING THE FUTURE
FASTER

Global leader in design, engineering and manufacturing of automotive propulsion systems and technologies to support electric, hybrid and ICE vehicles



\$6.1B 2023 Sales



~19,000 Employees



18 Countries



Over 80 Locations



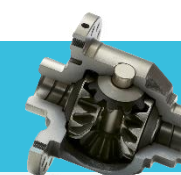
**13 Corp, Business
Offices, Engineering
and Tech Centers**

DRIVELINE



- One of the leaders in hybrid and electric driveline solutions
- A Global Leader in
 - Full-size Pickup Truck and SUV Driveline Systems
 - AWD Systems for Crossover Vehicles
 - Damped Gears, Viscous Dampers and Rubber Isolation Pulleys
- Pioneer of Disconnecting AWD Systems

METAL FORMING



- Strong position in electrified propulsion components
- Leading automotive forger in the world
- A Global Leader in
 - Forged Gears & Shafts
 - CVT Pulleys
 - Powdered Metal Connecting Rods
 - Aluminum Valve Bodies
 - Machined Helical Gears
 - Differential Assemblies

4Q 2023 and Full Year Financial Highlights



BRINGING THE FUTURE
FASTER

4Q
2023

\$1.46B

Quarterly
Sales

\$170M

Quarterly
Adj. EBITDA

11.6% of Sales

\$5M

Quarterly
Adj. Free
Cash Flow

FY
2023

\$6.08B

Full Year
Sales

\$693M

Full Year
Adj. EBITDA

11.4% of Sales









\$219M

Full Year
Adj. Free
Cash Flow

Performance Overview



BRINGING THE FUTURE
FASTER

		Quarter Status	
Issues	Status Update	4Q23	1Q24
• Customer Production Volatility	• Situation continues to improve.		
• UAW Work Stoppage	• Concluded in 4Q 2023 – issue closed.		
• Economic Recoveries	• Primary objectives concluded at the tail end of 2023. • Few open discussions to close in the first quarter of 2024.		
• Operational Challenges <ul style="list-style-type: none">➤ Labor Availability➤ Output (scrap)➤ Capacity Utilization➤ Supply Chain	• Improvement initiatives are on track. • Labor availability challenges (including impact to maintenance) being addressed through active recruiting, necessary changes to compensation, and increased automation where feasible. • Enhanced process improvements. • Focus on improved plant loading throughout the year.		

Business News Update



BRINGING THE FUTURE
FASTER



DongFeng

AAM to provide DongFeng's MengShi brand with final drive units for a 4WD PHEV SUV program.



Mahindra

AAM to deliver eLocking differentials for an SUV program launching in 2024.



VinFast

AAM supplying components to VinFast for its mid-size electric vehicle program.



AAM China

Recognized by SAIC-GM for quality excellence & supply chain stability, and named Excellent Supplier of the year by Chery Automobile Co., Ltd.

2023 AAM Highlights



BRINGING THE FUTURE
FASTER



AAM to supply e-Beam axles for a future EV program, featuring AAM's integrated 3-in-1 e-Drive technology



AAM launched a significant new axle program supporting the next generation Colorado and Canyon



Recognized as an Overdrive Award winner for sustainability at GM's 31st annual Supplier of the Year awards



AAM to supply e-Beam axles for a future 2.5T light electric truck program launching in 2025



AAM to supply independent front axles for multiple plug-in hybrid vehicle models beginning in 2025



Published 2022 Sustainability Report and achieved an A- on the CDP Climate Change survey



AAM has been named a 2023 PACEpilot Award finalist for its innovative electric beam axle



AAM to provide PTUs and RDMs for multiple AWD SUV programs beginning in 2024



Forbes has named AAM one of America's Best Employers for Diversity for 2023

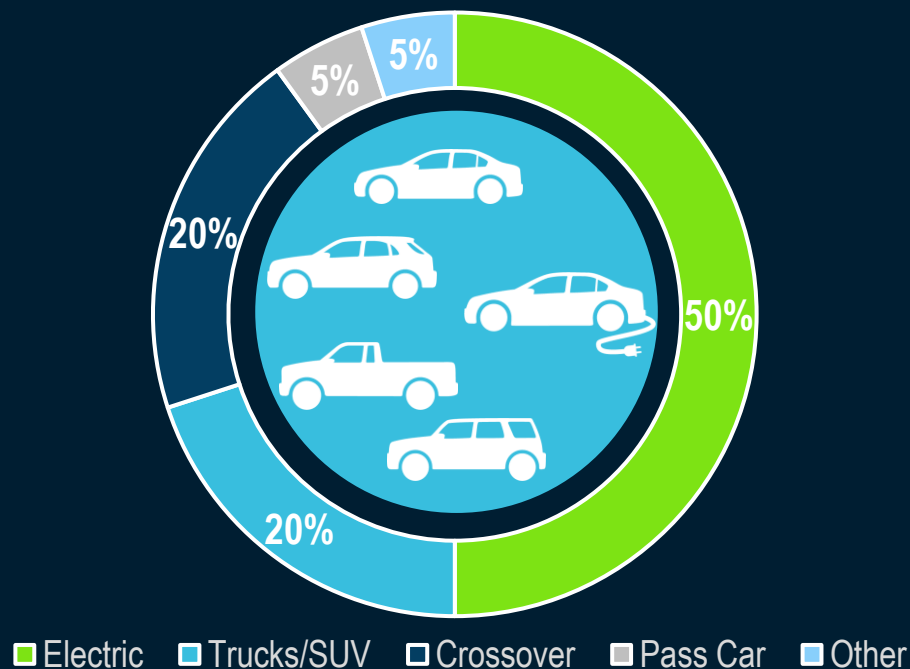
Gross New Business Backlog (disclosed on February 16, 2024)



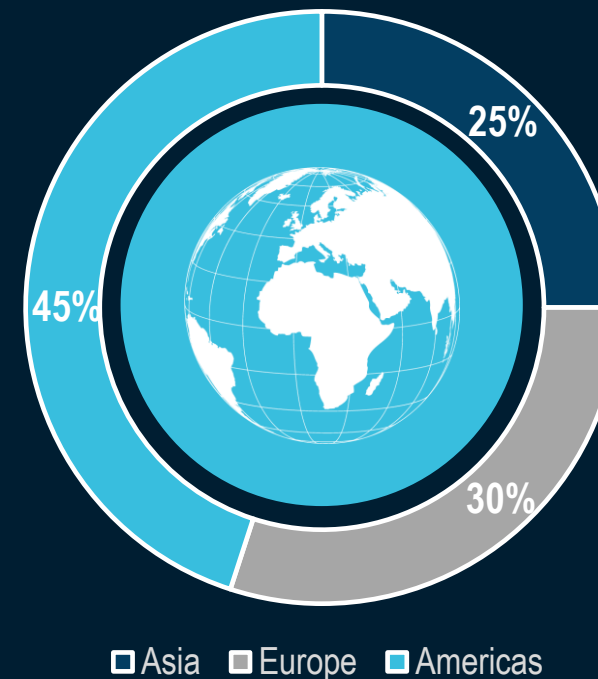
BRINGING THE FUTURE
FASTER

\$600 Million Backlog (2024-2026)

Backlog By Segment



Backlog By Geography



Electrification continues to be a growing portion of AAM's new business backlog

2024 Financial Outlook (as of February 16, 2024)



BRINGING THE FUTURE
FASTER

2024 Financial Targets

Full Year Sales **\$6.05 to \$6.35 billion**

Adjusted EBITDA **\$685 to \$750 million**

Adjusted Free Cash Flow **\$200 to \$240 million**

- These targets are based on North American light vehicle production of ~15.8 million units, current customer production and launch schedules, and business environment
- Adjusted Free Cash Flow target assumes capital spending in the range of 4.0% - 4.5% of sales
- AAM expects restructuring and acquisition-related cash payments to be between \$15 and \$25 million

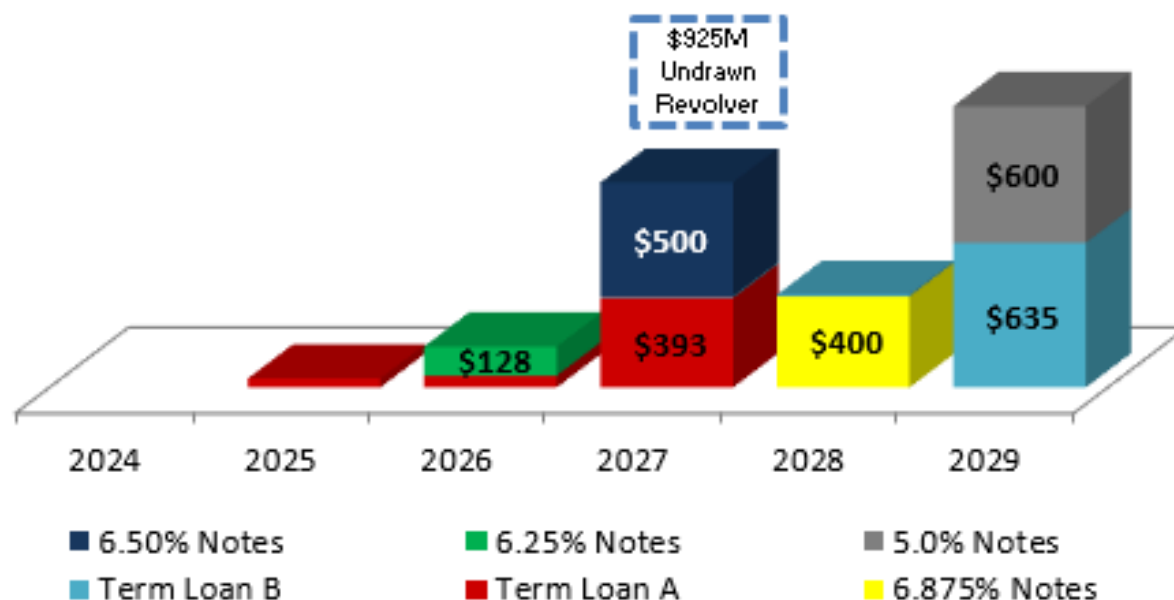
Debt Maturity Profile



BRINGING THE FUTURE
FASTER

Senior Debt Maturities

As of 12/31/2023
(in \$ millions)



Weighted Average Maturity of Senior debt 4.6 Years

AAM has a healthy debt maturity profile with minimal long-term maturities until 2026.

2022 Sustainability Report



BRINGING THE FUTURE
FASTER

Report Highlights

- New sustainability report was published in April 2023
- Achieved an A- on the CDP Climate Change survey
- Achieved Silver Status on the EcoVadis Sustainability Assessment
- Achieved SBTi validation of GHG Emissions goals
- Named one of America's Best Large Employers by Forbes
- Improved on all Safety Performance metrics
- Completed a sustainability materiality assessment
- Launched 17 major global product programs
- Hired our first Executive of Diversity, Equity and Inclusion



ENVIRONMENTAL

SOCIAL

PRODUCT

SUPPLY CHAIN

GOVERNANCE



Electrification Product Technology



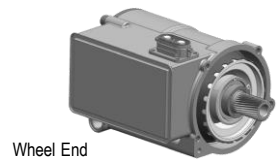
BRINGING THE FUTURE
FASTER

Scalable & Modular Platform

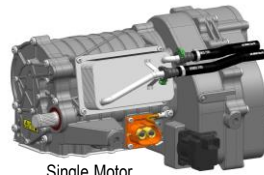


BRINGING THE FUTURE
FASTER

AAM's Next Generation Scalable & Modular Electric Drive Units support numerous vehicle applications while optimizing capital and development costs



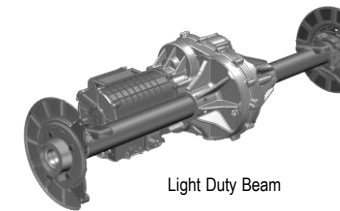
Wheel End



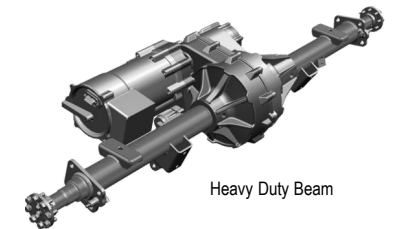
Single Motor



Dual Motor



Light Duty Beam



Heavy Duty Beam

Scalable Power Levels

Modular Motor Construction

Various EDU Architectures

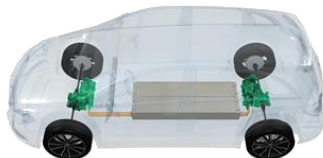
Multiple Gear Ratios

Optional Torque
Vectoring & Disconnect

AAM Traditional Segments



P4 4WD ARCHITECTURE

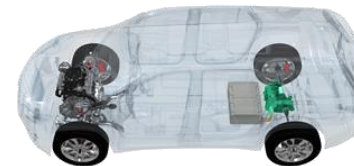


P4 AWD ARCHITECTURE

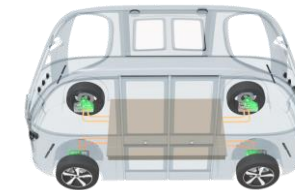


P4 FWD ARCHITECTURE

New Segment Opportunities



P4 SPLIT AXLE HYBRID ARCHITECTURE



P4 AWD MPV ARCHITECTURE



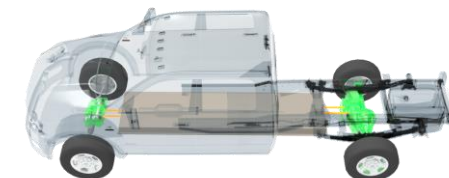
P4 WHEEL END ARCHITECTURE



P3 HYBRID ARCHITECTURE



P4 RWD ARCHITECTURE



P4 4WD HD ARCHITECTURE



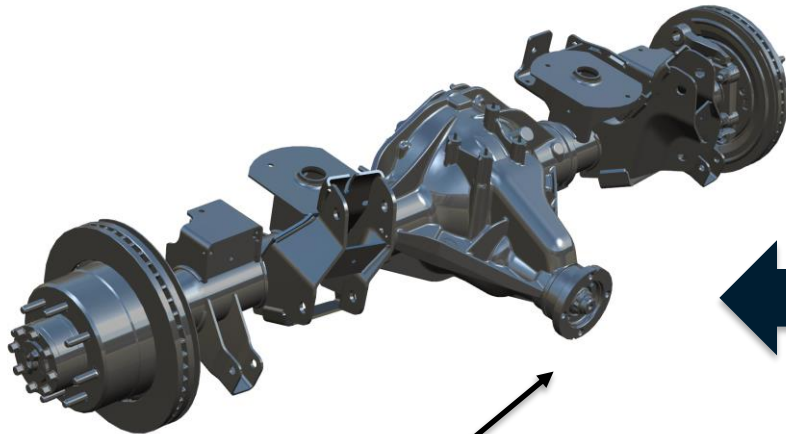
Denotes AAM EDU application.

Beam Axle vs. E-Beam Axle



BRINGING THE FUTURE
FASTER

ICE Beam Axle



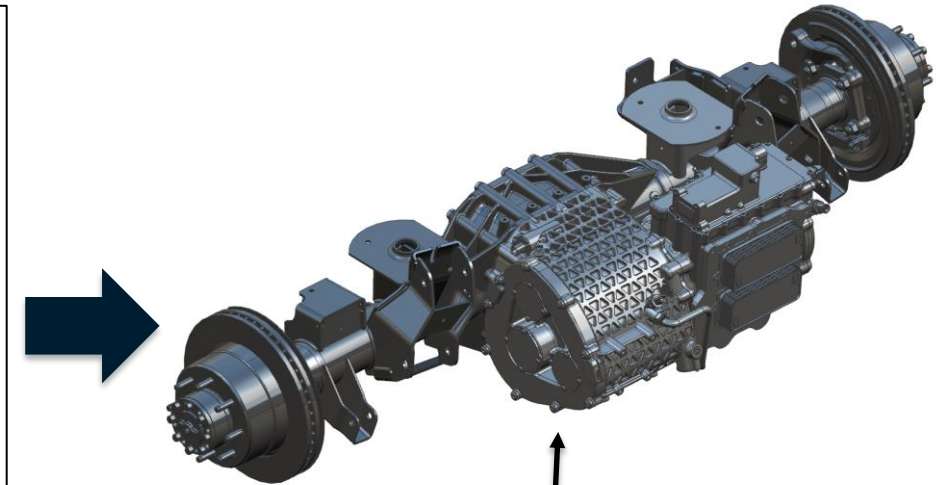
Power comes from internal combustion engine through the driveshaft

Similarities ICE vs. EV

- Component design and vehicle systems integration
- NVH excellence
- Tubes, structural members and suspension interface
- Differential assembly
- Axle shafts
- Wheel hubs and brakes
- Hypoid gears (ICE) replaced with helical gears (EV)

E-Beam Axle

Significant CPV Potential



eDU (motor, inverter, gearbox) is integrated into the beam axle; electric power comes from battery
Additional content includes park lock, software and controls, and multi-speed gearboxes with shift systems

Competitive Advantage and Deep Understanding in Beam Axles Well Position AAM for the e-Beam Segment

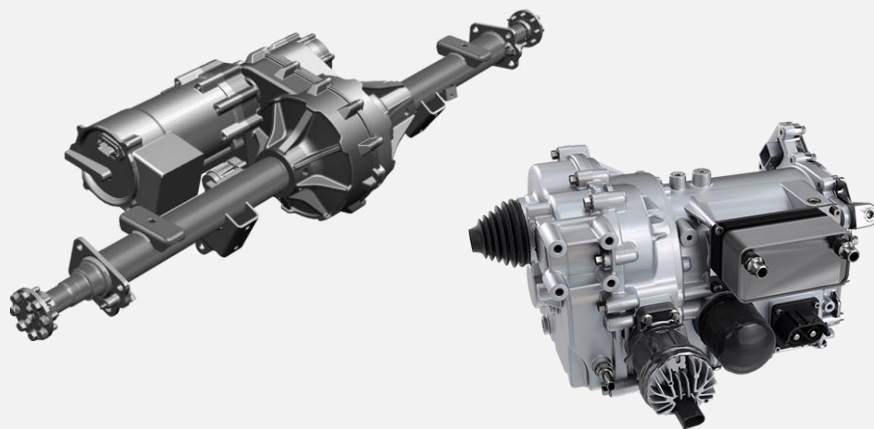
Growth and Significant CPV Opportunity in EV



BRINGING THE FUTURE
FASTER

Outsourced Support

E-Beam Axles and E-Drives



AAM CPV: Up to \$2,500+

In-House Support

Components



AAM CPV: Up to \$500

AAM is Positioned to Support All OEM Sourcing Strategies

AAM Key Electrification Awards & Technology



BRINGING THE FUTURE
FASTER

Electric Beam Axles

Stellantis Electric Vehicle Program

- Front and Rear e-Beam Axles
- 3-in-1 configuration

Jupiter Electric Mobility

- 2-in-1 configuration

Pinnacle Mobility EKA

- 3-in-1 configuration

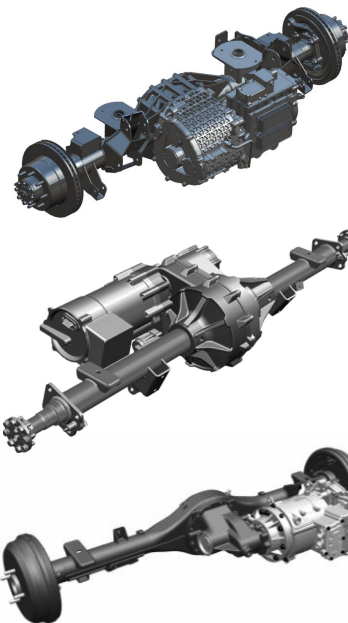
Skywell Electric Van

- 2-in-1 configuration

Mahindra 2.5T Truck

- Offset bolt-on design

Note: depicted e-Beam axles are for illustrative purposes only



Latter
Part of the
Decade
Launch

Mid-
Decade
Launch

2024
Launch

2025
Launch

2-in-1 Electric Drive Units

AMG High-Performance Luxury (Europe)

- P3 Hybrid Electric Drive Unit
- 160kW Peak Power
- 2-speed Concentric Gearbox Design
- Integrated TracRite® eLSD



Launched

3-in-1 Electric Drive Units (Platform)

AAM Next Generation 3-in-1 eDrive

- P4 Platform Wheel End Electric Drive Units
- 4x 100kW Units per Vehicle
- Compact Offset Gearbox Design
- Integrated SiC MOSFET Inverter



Mid-decade
Launch

AAM / Inovance 3-in-1 eDrive (China)

- P4 Platform Electric Drive Units
- Scalable Power Levels (100-145kW)
- Offset Gearbox Design
- Optional Park Lock



Multiple
Programs
Awarded &
Launched

Electric Drive Components

Electric Drive Unit Differentials

- Multiple Chinese BEV Car & SUV Awards
- Multiple NA and Europe Light Vehicle Awards
- North American BEV Semi-Truck Application



Multiple
Programs
Awarded
and
Launched

Planetary Geartrain

- Supply Volvo Cars with electric drive gears



Awarded 20+ Different Electrification Vehicle Programs

AAM Long-Term Value Creation



BRINGING THE FUTURE
FASTER



Diversification

- Balanced mix of customers and geography.
- Expand our product portfolio, driving opportunities with new OEMs and regions.
- Agnostic to propulsion market changes.



Sales

- Grow above market by leveraging scale and technology.
- Electrification will further drive expansion into new segments.
- Protect and extend the core business.
- Offer a compelling value proposition to customers.



Financials

- Leverage AAM's Operating Systems to drive top tier EBITDA margin and cash flow generation.
- Enhance balance sheet strength.



Long-Term Focus

- Leader in electric propulsion technology.
- Increase size and scale through organic and inorganic growth.
- Effective deployment of capital.

The top half of the image features a complex, abstract pattern of light blue lines on a white background. These lines resemble a circuit board or a network diagram, with various straight, angled, and intersecting paths. Some lines end in small dots, while others form loops or cross each other.

Supplemental Data



BRINGING THE FUTURE
FASTER

Reconciliation of Non-GAAP Measures



BRINGING THE FUTURE
FASTER

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 earnings release are provided on a non-GAAP basis. A reconciliation of non-GAAP forward-looking financial measures to the most directly comparable forward-looking financial measures calculated and presented in accordance with GAAP has been provided. The amounts in these reconciliations are based on our current estimates and actual results may differ materially from these forward-looking estimates for many reasons, including potential event driven transactional and other non-core operating items and their related effects in any future period, the magnitude of which may be significant.

Supplemental Data*



BRINGING THE FUTURE
FASTER

EBITDA and Adjusted EBITDA Reconciliation (\$ in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ (19.1)	\$ 13.9	\$ (33.6)	\$ 64.3
Interest expense	50.2	42.3	201.7	174.5
Income tax expense	5.8	4.1	9.1	2.0
Depreciation and amortization	121.4	125.0	487.2	492.1
EBITDA	158.3	185.3	664.4	732.9
Restructuring and acquisition-related costs	9.0	3.8	25.2	30.2
Debt refinancing and redemption costs	1.0	0.4	1.3	6.4
Unrealized loss (gain) on equity securities	(0.1)	1.5	1.1	25.5
Pension curtailment and settlement charges	1.3	-	1.3	-
Non-recurring items:				
Malvern fire insurance recoveries, net of charges	-	(32.7)	-	(39.1)
Acquisition-related fair value inventory adjustment	-	-	-	5.0
Gain on bargain purchase of business	-	(0.6)	-	(13.6)
Adjusted EBITDA	\$ 169.5	\$ 157.7	\$ 693.3	\$ 747.3
Sales	1,463.0	1,392.7	6,079.5	5,802.4
as a % of net sales	11.6%	11.3%	11.4%	12.9%

*Please refer to definition of Non-GAAP measures

Supplemental Data*



BRINGING THE FUTURE
FASTER

Adjusted Earnings (Loss) Per Share Reconciliation

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Diluted earnings (loss) per share	\$ (0.16)	\$ 0.11	\$ (0.29)	\$ 0.53
Restructuring and acquisition-related costs	0.07	0.03	0.22	0.25
Debt refinancing and redemption costs	0.01	-	0.01	0.05
Unrealized loss on equity securities	-	0.01	0.01	0.21
Pension curtailment and settlement charges	0.01	-	0.01	-
Non-recurring items:				
Malvern fire insurance recoveries, net of charges	-	(0.26)	-	(0.32)
Acquisition-related fair value inventory adjustment	-	-	-	0.04
Gain on bargain purchase of business	-	(0.01)	-	(0.11)
Tax effect of adjustments	(0.02)	0.05	(0.05)	(0.05)
Adjusted earnings (loss) per share	<u>\$ (0.09)</u>	<u>\$ (0.07)</u>	<u>\$ (0.09)</u>	<u>\$ 0.60</u>

*Please refer to definition of Non-GAAP measures



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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 52.9	\$ 148.5	\$ 396.1	\$ 448.9
Capital expenditures net of proceeds from the sale of property, plant and equipment	(55.9)	(53.1)	(193.7)	(166.7)
Free cash flow	(3.0)	95.4	202.4	282.2
Cash payments for restructuring and acquisition-related costs	7.5	6.6	23.6	27.8
Cash payments (insurance proceeds) related to Malvern fire, net	-	(3.0)	(7.0)	3.0
Adjusted free cash flow	<u>\$ 4.5</u>	<u>\$ 99.0</u>	<u>\$ 219.0</u>	<u>\$ 313.0</u>

*Please refer to definition of Non-GAAP measures



Net Debt and Net Leverage Ratio (\$ in millions)

	December 31, 2023
Current portion of long term debt	\$ 17.0
Long-term debt, net	2,751.9
Total debt, net	2,768.9
Less: Cash and cash equivalents	519.9
Net debt at end of period	2,249.0
Adjusted LTM EBITDA	\$ 693.3
Net Leverage Ratio	3.2x

*Please refer to definition of Non-GAAP measures

Supplemental Data*



BRINGING THE FUTURE
FASTER

Segment Financial Information (\$ in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Segment Sales				
Driveline	\$ 1,015.2	\$ 950.2	\$ 4,176.7	\$ 4,063.5
Metal Forming	576.2	563.8	2,454.3	2,280.7
Total Sales	1,591.4	1,514.0	6,631.0	6,344.2
Intersegment Sales	(128.4)	(121.3)	(551.5)	(541.8)
Net External Sales	<u>\$ 1,463.0</u>	<u>\$ 1,392.7</u>	<u>\$ 6,079.5</u>	<u>\$ 5,802.4</u>
Segment Adjusted EBIT DA				
Driveline	\$ 140.1	\$ 118.7	\$ 543.6	\$ 510.9
Metal Forming	29.4	39.0	149.7	236.4
Total Segment Adjusted EBIT DA	<u>\$ 169.5</u>	<u>\$ 157.7</u>	<u>\$ 693.3</u>	<u>\$ 747.3</u>

*Please refer to definition of Non-GAAP measures

Supplemental Data*



BRINGING THE FUTURE
FASTER

®

	Adjusted EBITDA	
	Low End	High End
	<i>(in millions)</i>	
Net Income (loss)	\$ (10)	\$ 40
Interest expense	195	195
Income tax expense	-	15
Depreciation and amortization	480	480
Full year 2024 targeted EBITDA	665	730
Restructuring and acquisition-related costs	20	20
Full year 2024 targeted Adjusted EBITDA	<u>\$ 685</u>	<u>\$ 750</u>

Net cash provided by operating activities
 Capital expenditures net of proceeds from the sale of property,
 plant and equipment
 Full year 2024 targeted Free Cash Flow
 Cash payments for restructuring and acquisition-related costs
 Full year 2024 targeted Adjusted Free Cash Flow

	Adjusted Free Cash Flow	
	Low End	High End
	<i>(in millions)</i>	
	\$ 445	\$ 485
	(265)	(265)
	180	220
	20	20
	<u>\$ 200</u>	<u>\$ 240</u>

*Please refer to definition of Non-GAAP measures

Definition of Non-GAAP Measures



BRINGING THE FUTURE
FASTER

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, loss on sale of a business, pension curtailment and settlement charges, unrealized gains or losses on equity securities 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 are also key metrics used in our calculation of incentive compensation. 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 (loss) per share to be diluted earnings (loss) per share excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, loss on sale of a business, pension curtailment and settlement charges, unrealized gains or losses on equity securities and non-recurring items, including the tax effect thereon. We believe Adjusted earnings (loss) 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 (loss) per share differently.

Free Cash Flow and Adjusted Free Cash Flow

We define free cash flow to be net cash provided by 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 and cash payments related to the Malvern fire, including payments for capital expenditures, net of recoveries. 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.

US SAAR

We define US SAAR as the seasonally adjusted annual rate of light vehicle sales in the United States.

