J.P. Morgan Automotive Conference

August 2016

Forward Looking Statements

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. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and may differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: reduced purchases of our products by General Motors Company (GM), FCA US LLC (FCA), or other customers; reduced demand for our customers' products (particularly light trucks and sport utility vehicles (SUVs) produced by GM and FCA); our ability to develop and produce new products that reflect market demand; lower-than-anticipated market acceptance of new or existing products; our ability to respond to changes in technology, increased competition or pricing pressures; our ability to attract new customers and programs for new products; our ability to achieve the level of cost reductions required to sustain global cost competitiveness; supply shortages or price increases in raw materials, utilities or other operating supplies for us or our customers as a result of natural disasters or otherwise; liabilities arising from warranty claims, product recall or field actions, product liability and legal proceedings to which we are or may become a party, or the impact of product recall or field actions on our customers; our ability or our customers' and suppliers' ability to successfully launch new product programs on a timely basis; our ability to realize the expected revenues from our new and incremental business backlog; risks inherent in our international operations (including adverse changes in political stability, taxes and other law changes, potential disruptions of production and supply, and currency rate fluctuations, including those resulting from the United Kingdom's vote to exit the European Union); negative or unexpected tax consequences; our ability to consummate and integrate acquisitions and joint ventures; global economic conditions; our ability to maintain satisfactory labor relations and avoid work stoppages; our suppliers', our customers' and their suppliers' ability to maintain satisfactory labor relations and avoid work stoppages; price volatility in, or reduced availability of, fuel; our ability to protect our intellectual property and successfully defend against assertions made against us; our ability to successfully implement upgrades to our enterprise resource planning systems; our ability to attract and retain key associates; availability of financing for working capital, capital expenditures, research and development (R&D) or other general corporate purposes including acquisitions, as well as our ability to comply with financial covenants; our customers' and suppliers' availability of financing for working capital, capital expenditures, R&D or other general corporate purposes; changes in liabilities arising from pension and other postretirement benefit obligations; risks of noncompliance with environmental laws and regulations or risks of environmental issues that could result in unforeseen costs at our facilities; adverse changes in laws, government regulations or market conditions affecting our products or our customers' products (such as the Corporate Average Fuel Economy (CAFE) regulations); our ability or our customers' and suppliers' ability to comply with the Dodd-Frank Act and other regulatory requirements and the potential costs of such compliance; and other unanticipated events and conditions that may hinder our ability to compete. It is not possible to foresee or identify all such factors and we make no commitment to update any forward-looking statement or to disclose any facts, events or circumstances after the date hereof that may affect the accuracy of any forward-looking statement.

Agenda

- ✓ 2Q-2016 Highlights
- ✓ Technology Leadership
- ✓ Backlog and Diversification
- ✓ 2016 Full Year Outlook
- ✓ Q&A

2Q-2016 Financial Results

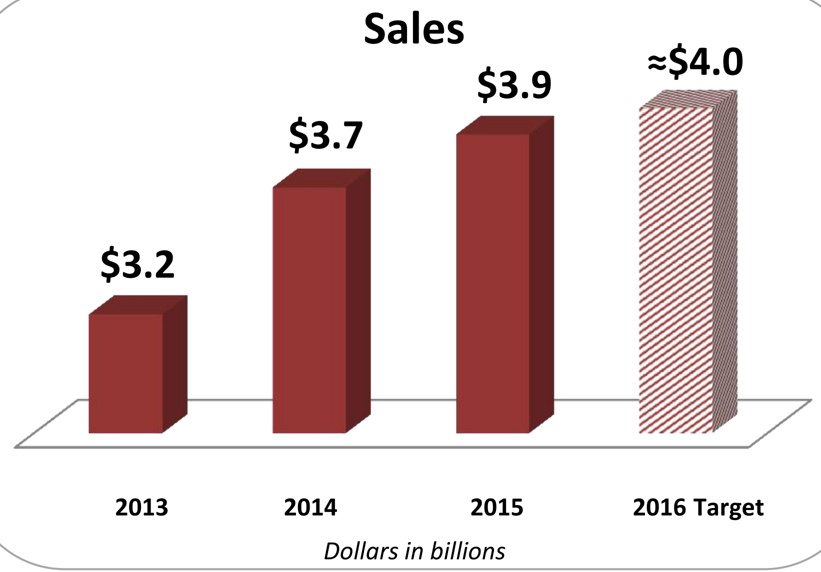
	2Q – 2016
Net Sales	$1.025B
Adjusted EBITDA*	$164.8M
Adjusted EBITDA Margin	16.1%
EPS	$0.90

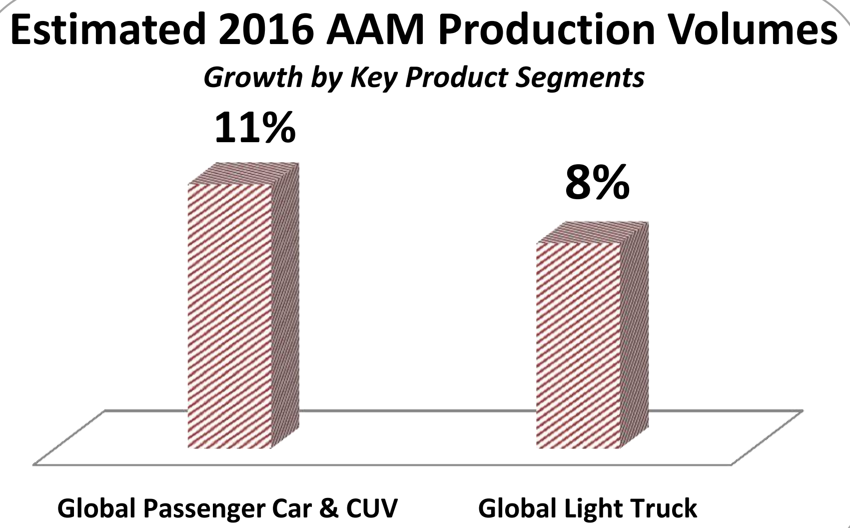
- Achieved record quarterly sales, gross profit and EBITDA. Compared to 2Q 2015, gross margin and EBITDA margin increased 230 basis points and 150 basis points, respectively.
- Net income increased over 21% from 2Q 2015 to $71.0 million, or $0.90 per share.
- Generated over $205M of positive Free Cash Flow* LTM as of 6/30/2016 and reduced Net Debt* to EBITDA to 1.7x

* For definitions of terms, please see the attached appendix.

Revenue Growth

Delivering POWER

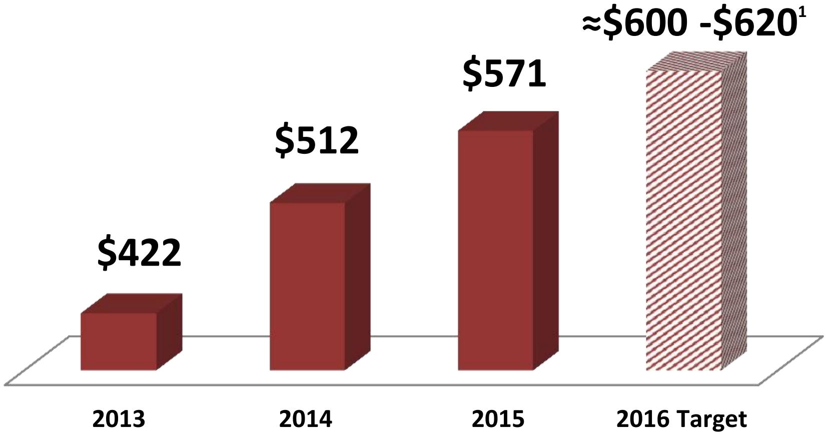




Increase in production volumes (including the impact of our new business backlog) driving continued sales growth

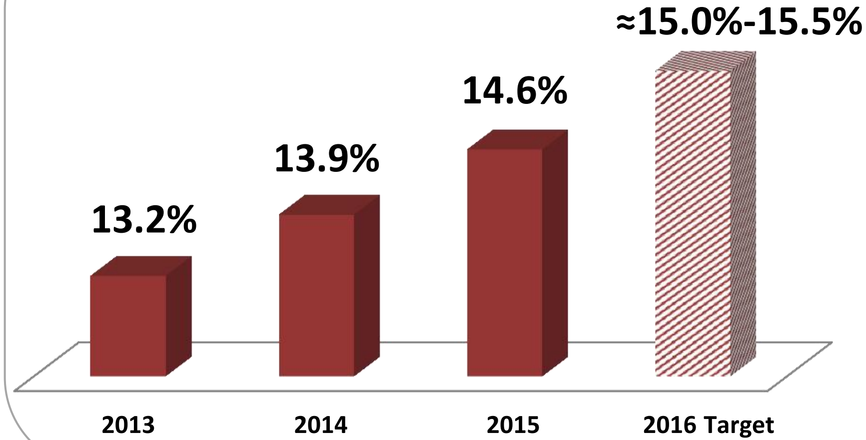
Operating Performance

Adjusted EBITDA*



Dollars in millions

Adjusted EBITDA Margin



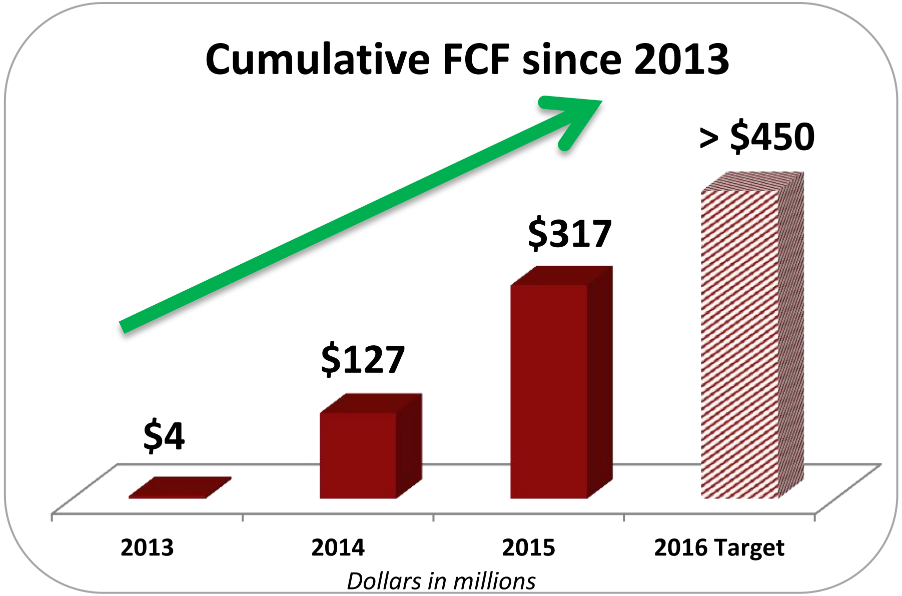
Strong production levels and solid operational execution contribute to expanding profitability

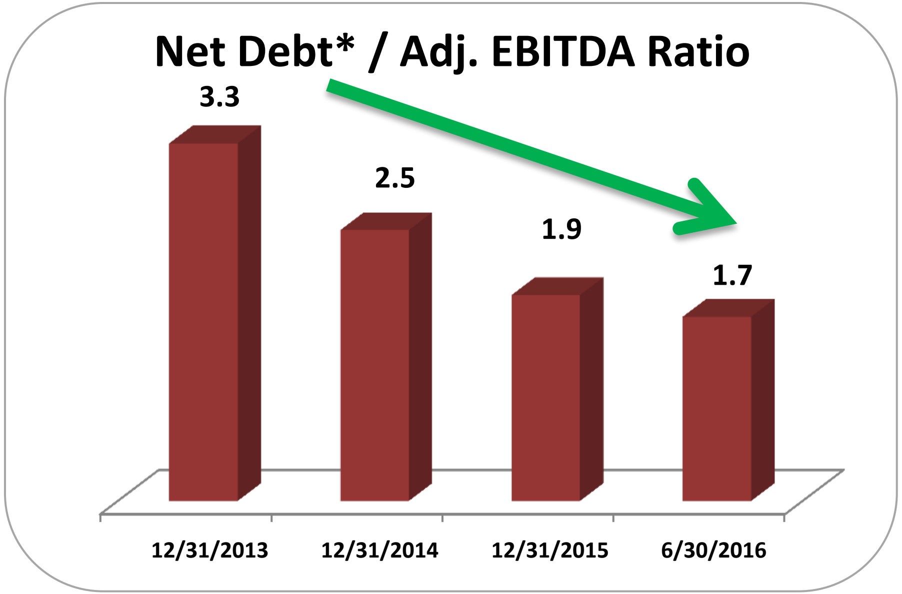
* For definitions of terms, please see the attached appendix.

[1] Targeted 2016 sales of ≈$4 billion multiplied by the 2016 targeted EBITDA Margin of ≈15.0%-15.5%

Free Cash Flow & Leverage

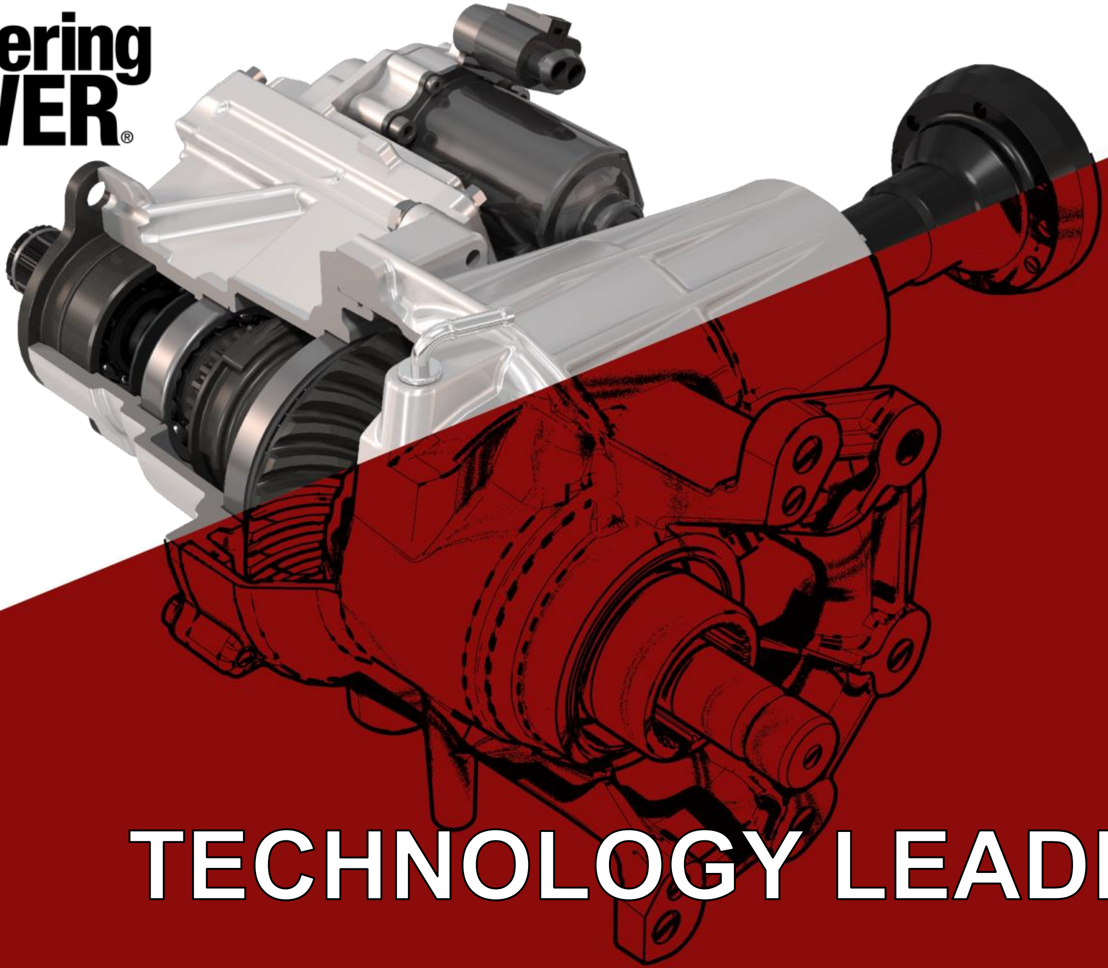
Delivering POWER





- ➢ **AAM is generating robust free cash flow**
- ➢ **Rapid deleveraging of the balance sheet**

* For definitions of terms, please see the attached appendix.



TECHNOLOGY LEADERSHIP

AAM Technology Leadership

Delivering POWER

GREEN

Lightweight and Efficient

- QUANTUM™ lightweight axles and drive units
- New component manufacturing processes
- Advanced materials
- Lube flow improvements
- Power density

SAFETY and PERFORMANCE

AWD Technologies

- EcoTrac® disconnecting AWD system
- e-AAM™ electric driveline solutions

Driveshafts

- Sylent™ driveshaft technologies and NVH system integration
- Tunable crash features

CONNECTIVITY and ELECTRIFICATION

Mechatronics and Vehicle Controls

- Hybrid and full electric driveline solutions
- Actuators and sensors
- Electronic LSD front- drive axles
- Integrated wheel torque distribution controls
- Fully integrated vehicle controls

Aligned with Global Automotive Trends

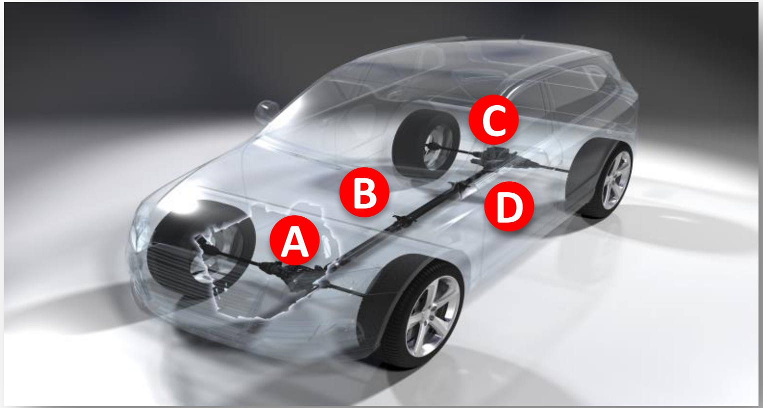
Disconnecting AWD Systems

Delivering POWER

- Our EcoTrac® AWD system is disconnected when AWD traction is not needed
- System automatically engages when it senses AWD traction requirement
- EcoTrac® increases AWD fuel economy through the reduction of spin loss

A Disconnecting power transfer unit

B Multi-piece driveshaft

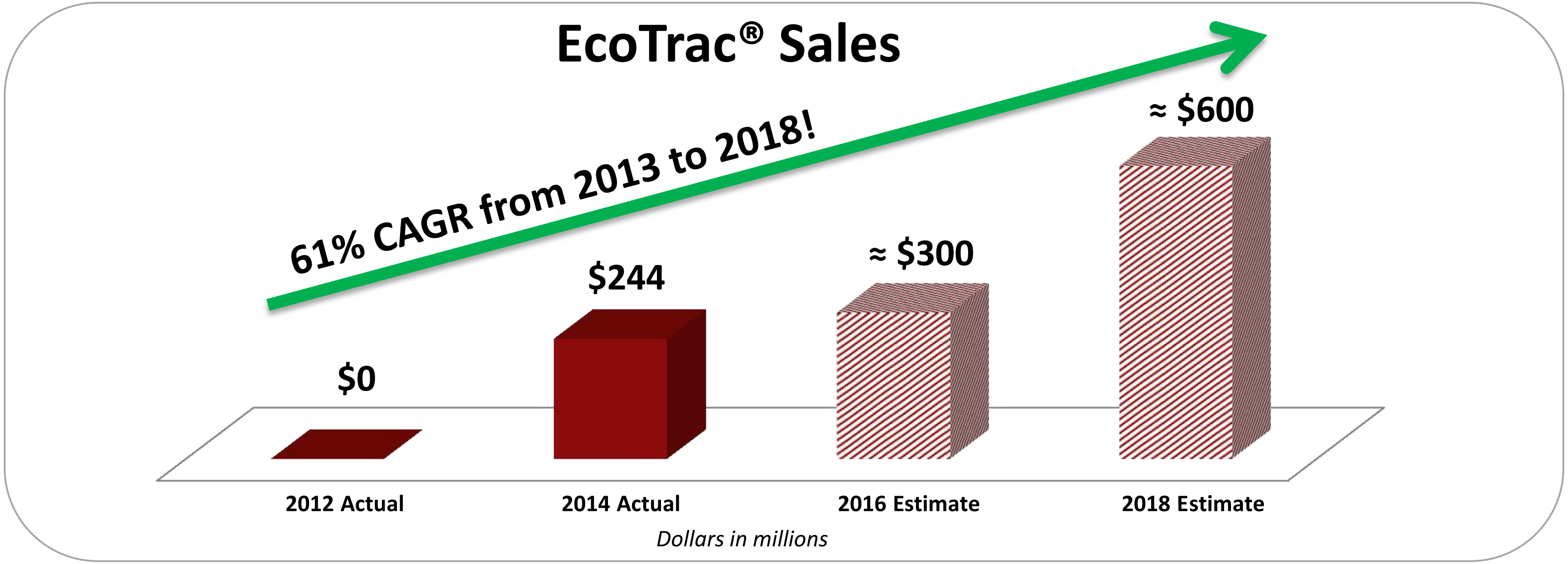


C Rear drive unit module with electronic control

D Torque transfer device

EcoTrac® utilizes electronics and connectivity to improve Fuel Economy, Safety, and Vehicle Performance

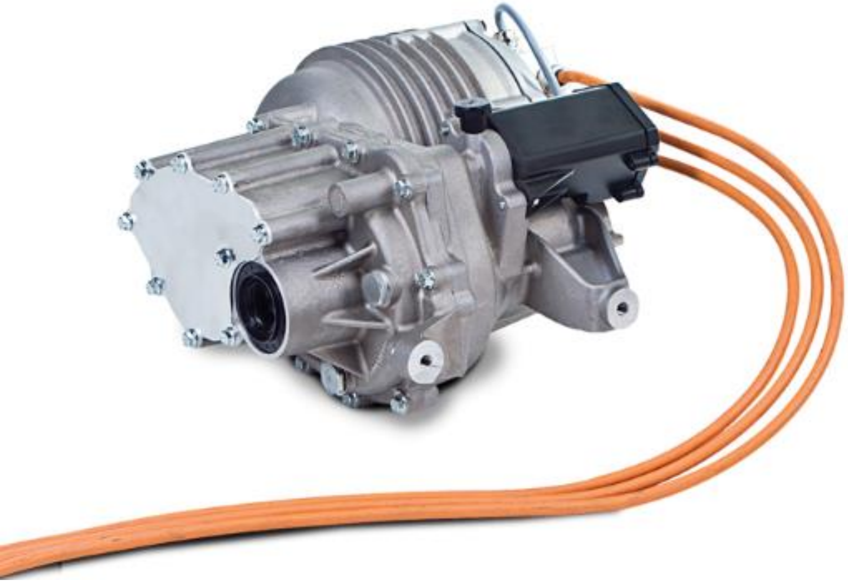
EcoTrac® Sales Growth



AAM's Technology Leadership is driving global sales growth and diversification

e-AAM Electric Driveline Systems

Delivering POWER®



- Improves fuel efficiency up to 30% and reduces CO_2 emissions
- Torque vectoring for maximum traction and ride control
- Scalable and customizable to customer specifications – from mild hybrids to fully electric vehicles

➢ **One e-AAM award in our new business backlog**

➢ **Future opportunities to increase served market and vehicle content**

QUANTUM™ TECHNOLOGY

Delivering POWER®

QUANTUM™

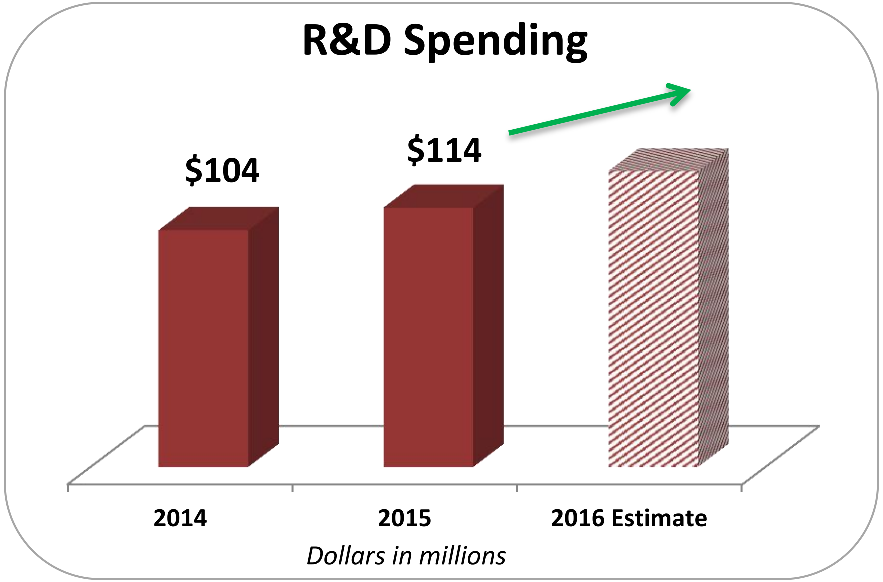
LIGHTWEIGHT AXLE TECHNOLOGY BY AAM®

All-new, completely redesigned family of lightweight axles and drive units.

Key Attributes

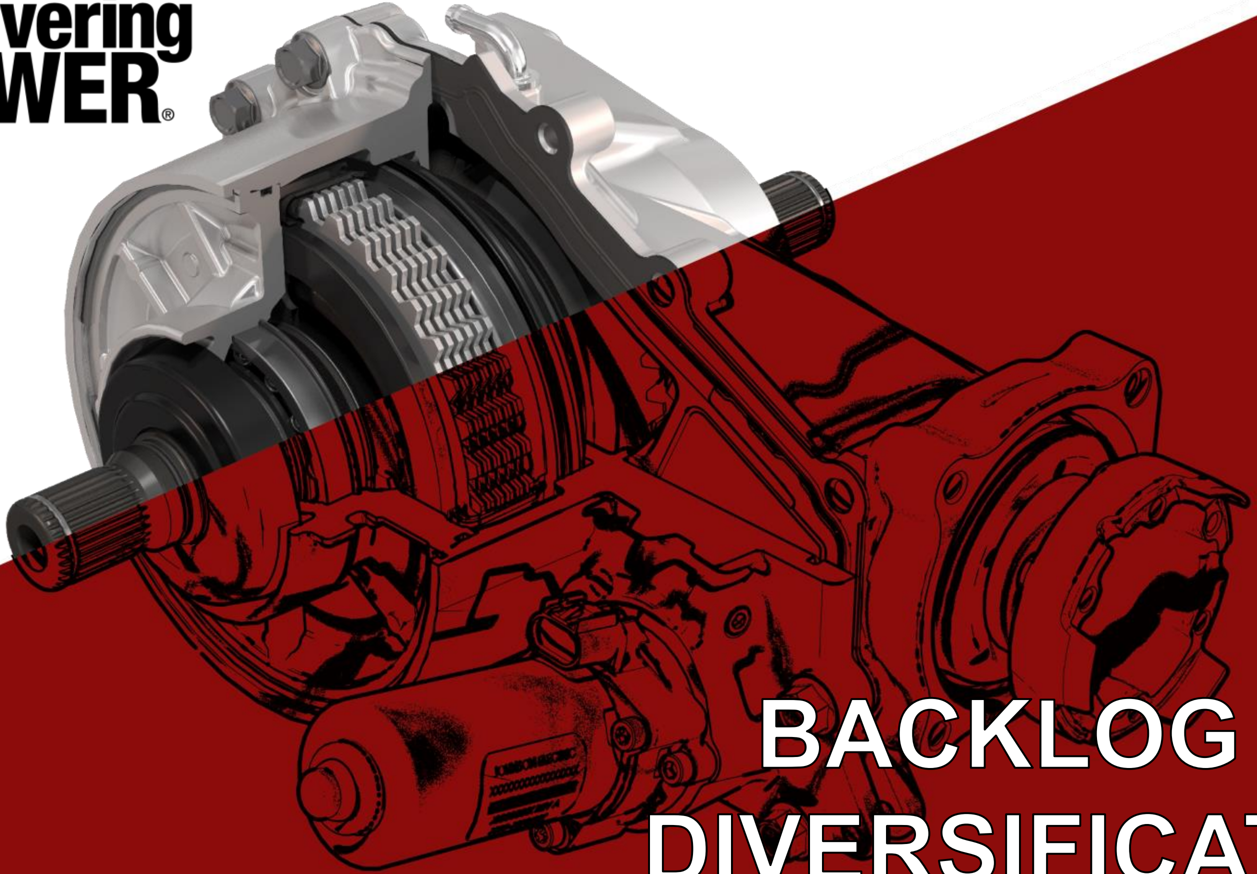
- Revolutionary design
- Significant mass reduction (up to 35%)
- In combination, additional efficiency and weight reduction can deliver 1% to 1.5% improved vehicle fuel economy
- Scalable across multiple applications—without loss of performance or power
- Streamlined manufacturing process for key driveline components.

Commitment to Technology



- Launched our Advanced Technology Development Center
- AAM has 15 global engineering development centers in 9 countries
- Significant investments in advanced global engineering and prototyping software tools

Investments focused on innovative solutions addressing global automotive trends



BACKLOG AND DIVERSIFICATION

New Business Backlog

2016–2018

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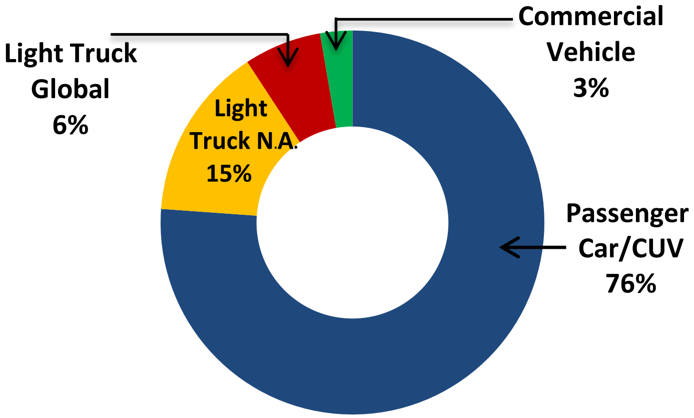
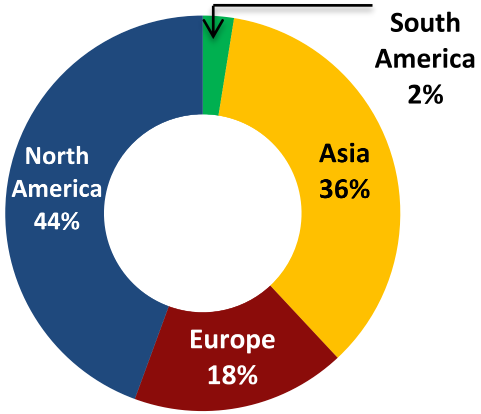
$725 Million

Presented on a gross basis as of January 13, 2016

Backlog by Vehicle Segment



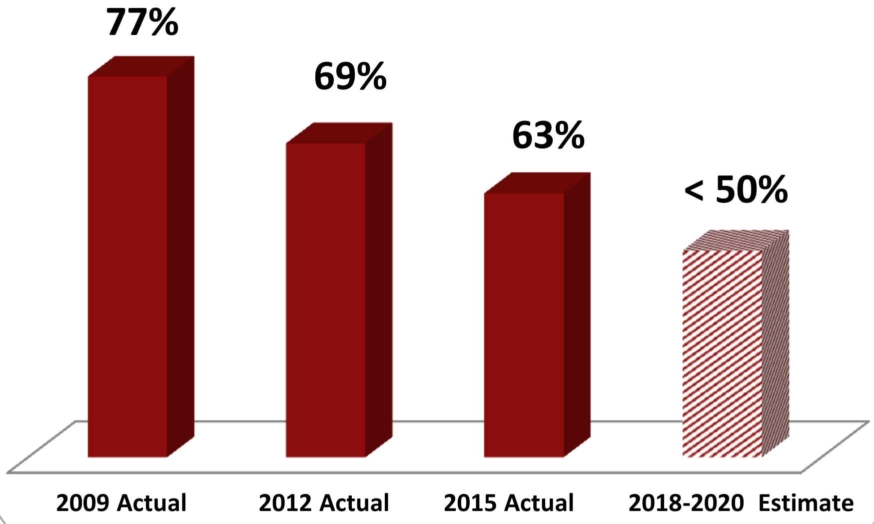
Backlog by Global Market



Approximately 60% of our New Business Backlog for 2016-2018 is for customers other than GM

Customer Diversification

Projected GM Sales Concentration



Note: Amounts above include the impact of our Hefei China JV. Estimates reflect only AAM's organic sales growth initiatives (base business plus launch of the new business backlog). No strategic growth initiatives are contemplated in this estimate.

New Business Opportunities

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Most relate to non-GM opportunities

Global Footprint

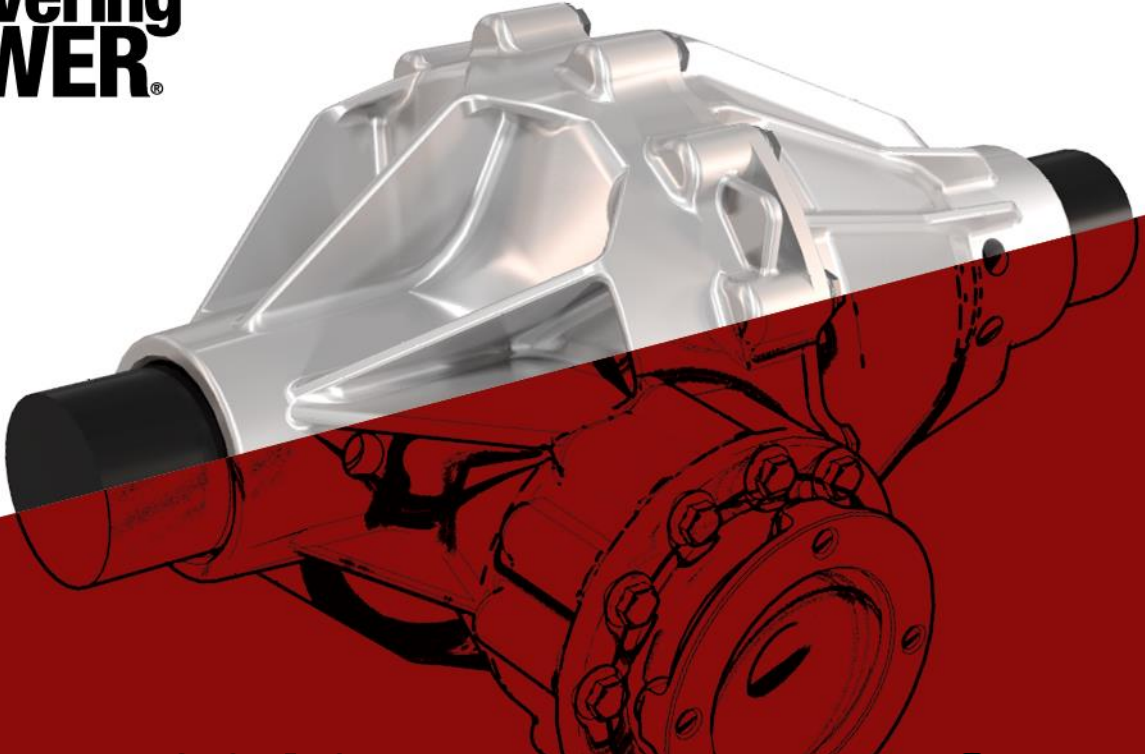
Technology Leadership

Quoted and Emerging New Business Opportunities of over $1 Billion

Operational Excellence

Quality Performance

Concentrated on advanced product technologies



2016 FULL YEAR OUTLOOK

Financial Outlook

As updated on July 29, 2016

Delivering POWER

	2016 Targets
Net Sales	≈ $4.0B[1]
Adjusted EBITDA* Margin	≈ 15.0% - 15.5%
Free Cash Flow*	≈ $140M - $160M[2]
Capital Spending	≈ 6% of sales

Increased EBITDA and Free Cash Flow Targets

[1] Based on a US SAAR of approximately 17.5 million light vehicle units in 2016

[2] Includes an estimated range of $30 million to $40 million of payments related to transfer pricing payments to Mexican tax authorities.

* For definitions of terms, please see the attached appendix.

Capital Allocation

Cash Flow Priorities

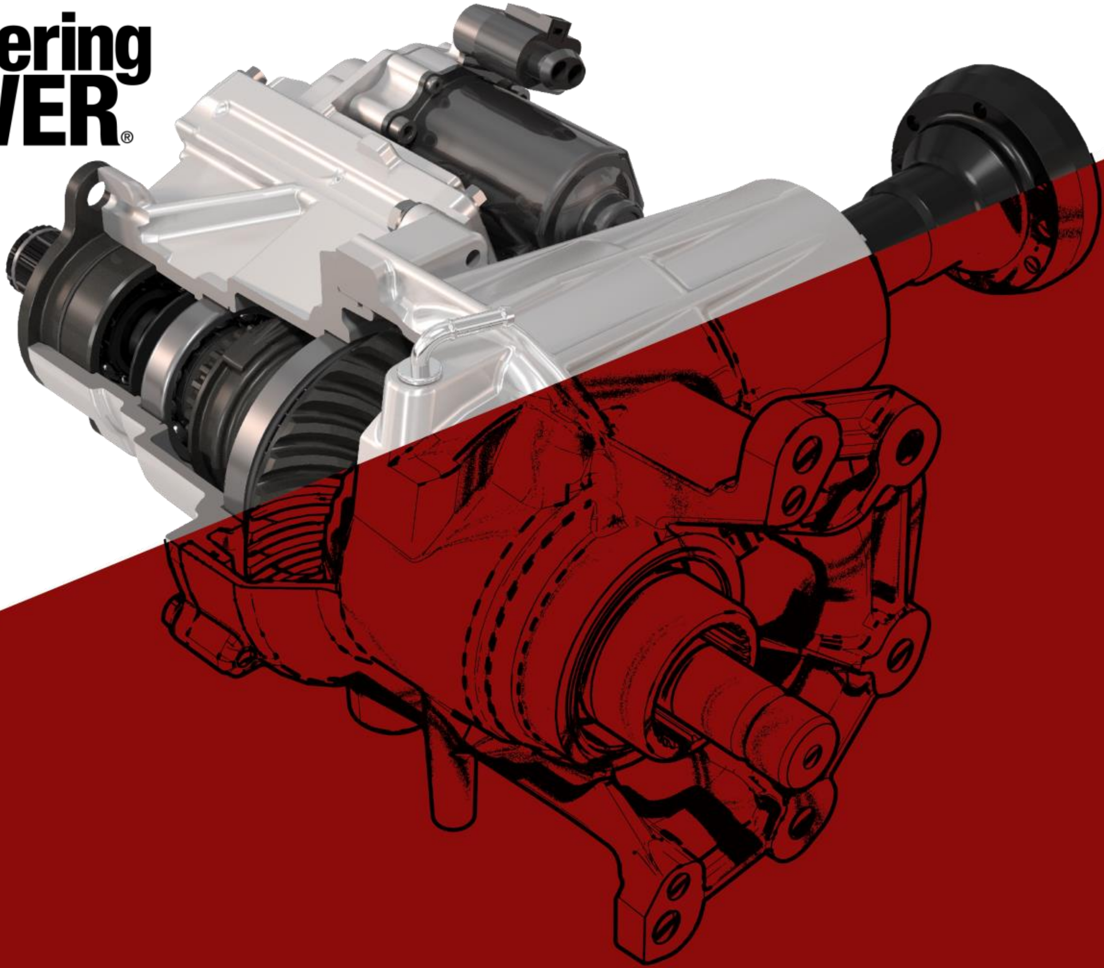
- Organic Growth
- Debt Reduction
- Strategic Growth
- Buybacks and Dividends

A <u>balanced</u> capital allocation approach focused on building <u>long-term</u> value for all of our key stakeholders

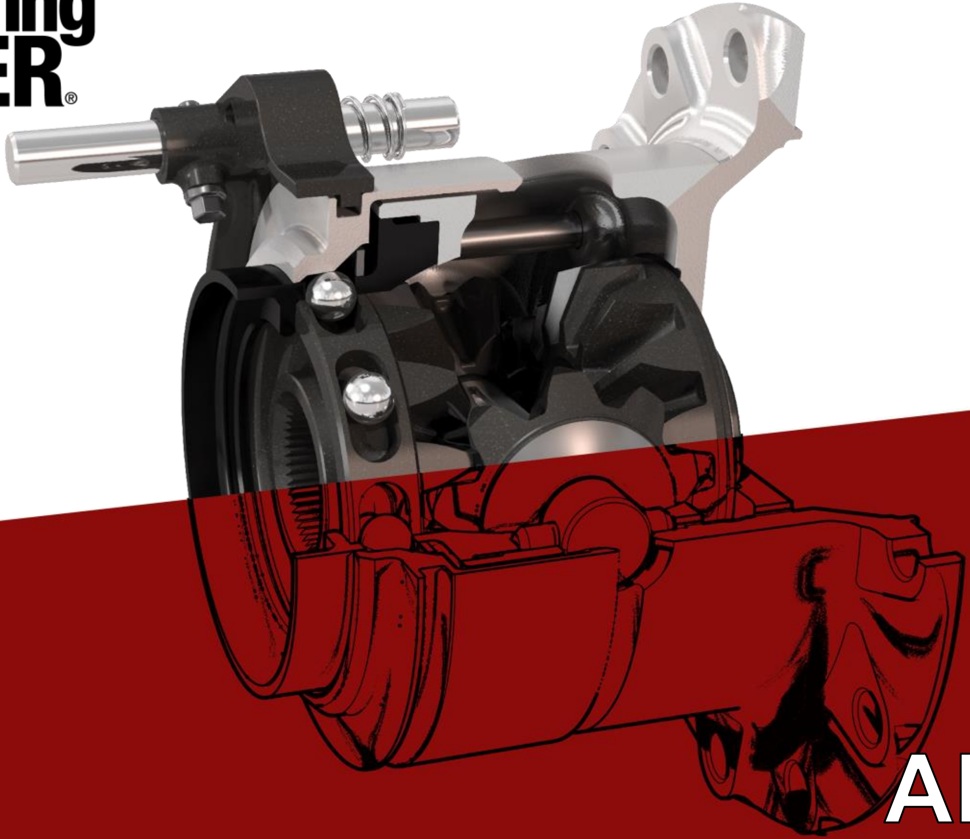
WHY AAM?

Delivering POWER

- **EXPERIENCED & CREDIBLE** – A management team that consistently delivers results, utilizes a disciplined approach to capital allocation and has demonstrated the ability to manage through the cyclicality of the industry
- **STRONG EXECUTION** – World-class global manufacturing capabilities and operational excellence leading to superior profit margins
- **FINANCIAL STRENGTH** – Consistently generating strong operating profits and free cash flow while deleveraging the balance sheet
- **PROFITABLE GROWTH** - Solid foundational business complemented by new technologies (EcoTrac, e-AAM, QUANTUM, etc.) driving future profitable growth and diversification
- **DRIVING VALUE –** Generating a highly attractive free cash flow yield while expanding our product portfolio on the strength of our technology leadership



Q&A



APPENDIX

Supplemental Data

In addition to the results reported in accordance with accounting principles generally accepted in the United States of America (GAAP), AAM has provided certain information, which includes non-GAAP financial measures. Information regarding these non-GAAP measures, as well as a reconciliation of these non-GAAP measures to GAAP financial information, is available on our website.

Management believes that these non-GAAP financial measures are useful to both management and its stockholders in their analysis of the Company's business and operating performance. Management also uses this information for operational planning and decision-making purposes.

Non-GAAP financial measures are not and should not be considered a substitute for any GAAP measure. Additionally, non-GAAP financial measures as presented by AAM may not be comparable to similarly titled measures reported by other companies.

Supplemental Data

Earnings before Interest, Income Taxes, Depreciation and Amortization (EBITDA)[a] Reconciliation Schedule

($ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net income, as reported	$ 71.0	$ 58.6	$ 132.1	$ 111.8
Interest expense	23.4	24.8	47.0	49.9
Income tax expense	20.7	12.9	36.0	22.1
Depreciation and amortization	50.7	50.6	100.5	100.6
EBITDA, as defined	$ 165.8	$ 146.9	$ 315.6	$ 284.4
as % of net sales	16.2 %	14.6 %	15.8 %	14.4 %

For the Years Ended

($ in millions)

	2015	**2014**	**2013**
Net income, as reported	$ 235.6	$ 143.0	$ 94.5
Interest expense	99.2	99.9	115.9
Income tax expense	37.1	33.7	(8.2)
Depreciation and amortization	198.4	199.9	177.0
EBITDA, as defined	$ 570.3	$ 476.5	$ 379.2
as % of net sales	14.6 %	12.9 %	11.8 %

Supplemental Data

Adjusted EBITDA[a] Reconciliation Schedule

($ in millions)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
EBITDA, as defined	$ 165.8	$ 146.9	$ 315.6	$ 284.4
Less: Investment gain related to the final distribution of the Reserve Yield Plus Fund	(1.0)	—	(1.0)	—
Adjusted EBITDA, as defined	$ 164.8	$ 146.9	$ 314.6	$ 284.4
as % of net sales	16.1 %	14.6 %	15.8 %	14.4 %

Adjusted EBITDA[a] Reconciliation Schedule

For the Years Ended

($ in millions)

	2015	2014	2013
EBITDA	$ 570.3	$ 476.5	$ 379.2
Add: Debt refinancing and redemption costs	0.8	—	36.8
Add: Other special charges[b]	—	35.5	5.8
Adjusted EBITDA	$ 571.1	$ 512.0	$ 421.8
as % of net sales	14.6 %	13.9 %	13.2 %

Supplemental Data

Earnings before Interest and Income Taxes (EBIT)[a] Reconciliation Schedule

($ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net income, as reported	$ 71.0	$ 58.6	$ 132.1	$ 111.8
Interest expense	23.4	24.8	47.0	49.9
Income tax expense	20.7	12.9	36.0	22.1
EBIT, as defined	$ 115.1	$ 96.3	$ 215.1	$ 183.8

For the Years Ended

($ in millions)

	2015	**2014**	**2013**
Net income, as reported	$ 235.6	$ 143.0	$ 94.5
Interest expense	99.2	99.9	115.9
Income tax expense	37.1	33.7	(8.2)
EBIT, as defined	$ 371.9	$ 276.6	$ 202.2

Supplemental Data

Adjusted EBIT[a] Reconciliation Schedule

($ in millions)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
EBIT, as defined	$ 115.1	$ 96.3	$ 215.1	$ 183.8
Less: Investment gain related to the final distribution of the Reserve Yield Plus Fund	(1.0)	—	(1.0)	—
Adjusted EBIT, as defined	$ 114.1	$ 96.3	$ 214.1	$ 183.8

Adjusted EBIT[a] Reconciliation Schedule

For the Years Ended
($ in millions)

	2015	2014	2013
EBIT	$ 371.9	$ 276.6	$ 202.2
Add: Debt refinancing and redemption costs	0.8	—	36.8
Add: Other special charges[b]	—	35.5	5.8
Adjusted EBIT	$ 372.7	$ 312.1	$ 244.8

Supplemental Data

Net Debt[c] to Capital Reconciliation Schedule

($ in millions)

	June 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Current portion of long-term debt	$ 3.4	$ 3.3	$ 13.0	$ —
Long-term debt, net	1,403.3	1,375.7	1,504.6	1,537.0
Total debt, net	1,406.7	1,379.0	1,517.6	1,537.0
Less: Cash and cash equivalents	388.4	282.5	249.2	154.0
Net debt at end of period[c]	1,018.3	1,096.5	1,268.4	1,383.0
Stockholders' equity at end of period	457.4	301.5	113.4	40.5
Total invested capital at end of period	$ 1,475.7	$ 1,398.0	$ 1,381.8	$ 1,423.5
Net debt to capital[d]	69.0 %	78.4 %	91.8 %	97.2 %
Market share price	$ 14.48	$ 18.94	$ 22.59	$ 20.45
Shares outstanding	76,430,787	76,092,979	75,761,739	75,598,824
Market capitalization	$ 1,106.7	$ 1,441.2	$ 1,711.5	$ 1,546.0
Net debt to capital - market value[d]	47.9 %	43.2 %	42.6 %	47.2 %

Supplemental Data

Free Cash Flow[d]

($ in millions)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Net cash provided by operating activities	$ 157.3	$ 147.9	$ 183.5	$ 154.3
Less: Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment and government grants	(52.3)	(47.8)	(102.3)	(91.3)
Free cash flow	$ 105.0	$ 100.1	$ 81.2	$ 63.0

	For the Years Ended 2015	2014	2013
Net cash provided by operating activities	$ 377.6	$ 318.4	$ 223.0
Less: Capital expenditures net of proceeds from sale of property, plant & equipment and from government grants	(188.1)	(195.3)	(218.7)
Free cash flow[e]	$ 189.5	$ 123.1	$ 4.3

Supplemental Data

Delivering POWER

Calculation of Credit Statistics

($ in millions)

	Trailing Twelve Months Ended	For the Years Ended		
	6/31/2016	**2015**	**2014**	**2013**
Net debt [c]	$ 1,018.3	$ 1,096.5	$ 1,268.4	$ 1,383.0
Net Interest expense	$ 93.0	$ 96.6	$ 97.8	$ 115.3
Adjusted EBIT [a], as defined	$ 403.0	$ 372.7	$ 312.1	$ 244.8
Adjusted EBITDA [a], as defined	$ 601.3	$ 571.1	$ 512.0	$ 421.8
Adj. EBITDA Leverage	1.7	1.9	2.5	3.3
Adj. Interest Coverage	4.3	3.9	3.2	2.1

Supplemental Data

Full Year 2016 Outlook

	Adjusted EBITDA Margin	
	Low End	High End
	(in millions, except percentages)	
Net income	$ 237	$ 253
Income tax expense	59	63
Interest expense	95	95
Depreciation & amortization	210	210
Full year 2016 targeted EBITDA	601	621
Less: Investment gain related to the final distribution of the Reserve Yield Plus Fund	(1)	(1)
Full year 2016 targeted Adjusted EBITDA	$ 600	$ 620
Full year 2016 targeted sales	$ 4,000	$ 4,000
Full year 2016 targeted Adjusted EBITDA margin	15.0%	15.5%

	Free Cash Flow	
	Low End	High End
	(in millions)	
Net cash provided by operating activities	$ 380	$ 400
Less: Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment and government grants	(240)	(240)
Full year 2016 targeted free cash flow	$ 140	$ 160

Notes to Supplemental Data

(a) We define EBIT to be earnings before interest expense and income taxes. We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBIT and Adjusted EBITDA are defined as EBIT and EBITDA, respectively, excluding the impact of an investment gain related to the final distribution of the Reserve Yield Plus Fund, debt refinancing and redemption costs and other special charges and restructuring costs. We believe that EBIT and EBITDA and Adjusted EBIT 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 EBIT and EBITDA, together with other measures, to measure our operating performance relative to other Tier 1 automotive suppliers. EBIT and EBITDA and Adjusted EBIT 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 EBIT and EBITDA and Adjusted EBIT and Adjusted EBITDA differently.

(b) Special charges of $35.5 million for the twelve months ended December 31, 2014 relate to the non-cash charge associated with a voluntary one-time lump sum cash payment to certain eligible terminated vested participants in our U.S. pension plans in the fourth quarter of 2014. Special charges of $5.8 million for the twelve months ended December 31, 2013 primarily relate to a net charge of $5.3 million related to the acceleration of expense for stock-based compensation and other benefits earned and vested due to the passing of our Co-Founder and Executive Chairman of the Board of Directors and $0.5 million for the settlement of a National Labor Relations Board proceeding related to the closure of our Detroit Manufacturing Complex and Cheektowaga Manufacturing Facility.

(c) Net debt is equal to total debt, net less cash and cash equivalents. Net debt in 2014 and 2013 has been adjusted to reflect the impact of retrospective adoption of Accounting Standards Update 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*.

(d) Net debt to capital is equal to net debt divided by the sum of stockholders' equity and net debt. Net debt to capital - market value is equal to net debt divided by the sum of market capitalization and net debt. We believe that net debt to capital and net debt to capital - market value are meaningful measures of financial condition as they are commonly utilized by management, investors and creditors to assess relative capital structure risk. Other companies may calculate net debt to capital and net debt to capital - market value differently.

(e) 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 and from government grants. We believe free cash flow is a meaningful measure as it is 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 is also a key metric used in our calculation of incentive compensation. Other companies may calculate free cash flow differently. 2016 Cumulative free cash flow target of over $450 million is computed by adding the free cash flow, as defined, for years ended 2013, 2014, 2015 plus the 2016 free cash flow target in the range of $140 million to $160 million.