Investor Presentation

June 2020

Forward Looking Statements

This presentation 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 uncertainty around the duration and effects of the COVID-19 pandemic, and 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 presentation 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”.

About AAM

2019 SALES
$6.5B

FORTUNE 500
2018

Over
20,000
ASSOCIATES

As a leading, global tier 1 automotive supplier, AAM designs, engineers and manufactures driveline and metal forming technologies that are making the next generation of vehicles smarter, lighter, safer and more efficient

AAM **delivers POWER** that moves the world through world-class quality, technology leadership and operational excellence

17
COUNTRIES

Nearly
80
LOCATIONS

Over
60
MANUFACTURING FACILITIES

16
ENGINEERING CENTERS

Business Units and Market Leadership

DRIVELINE

- **2019 Sales - $4.6B**
- **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
- One of the **leaders** in hybrid and electric driveline solutions

METAL FORMING

- **2019 Sales - $1.8B**
- **Largest automotive forger in the world**
- **A Global Leader in**
  - Powdered metal connecting rods
  - Differential gears
  - Axle shafts
  - Hypoid pinions
  - Ring gears
  - Transmission gears
  - CVT pulleys
  - Aluminum valve bodies

*Note: Market leadership based on company estimates as compared to other independent supplier., business unit sales before eliminations of intercompany sales of approximately $0.5 billion.

Growth Opportunities in Electrification

Building a Diverse and Scalable eDrive Business

Several new business wins for eDrive components

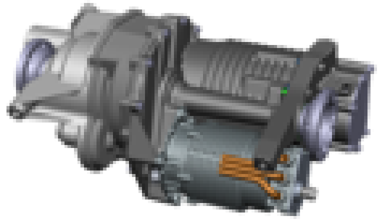
- Winning business across multiple regions and vehicle segments
- New program awards include electric commercial vehicle with a new customer and an electric pickup truck
- Launching several programs during 2020 - 2022

High performance eDrive systems for Premium European OEMs

- AWD Jaguar I-Pace Crossover launched in 2018
- Multiple variants of high-performance hybrid to launch in 2021-2022 with second premium European OEM
- Both programs generating larger content-per-vehicle (CPV) than traditional ICE drive units

Cost-competitive value-oriented eDrives for China market

- Launches in our Liuzhou AAM JV and Changshu Manufacturing facilities in 2020 / 2021
- Serving FWD passenger cars – previously an under-represented market in AAM's portfolio
- Gaining momentum in the growing new energy vehicle market in China



Expect lifetime revenues for booked eDrive related business to be over $1 billion

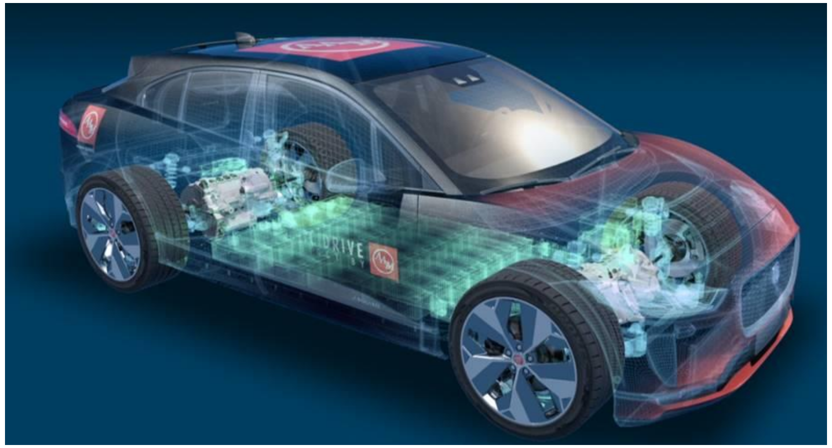
Electrification Growth Drivers for AAM

Successful products in market

Partnerships providing new business prospects

Expanding served market and increasing CPV

Scalable design and product portfolio



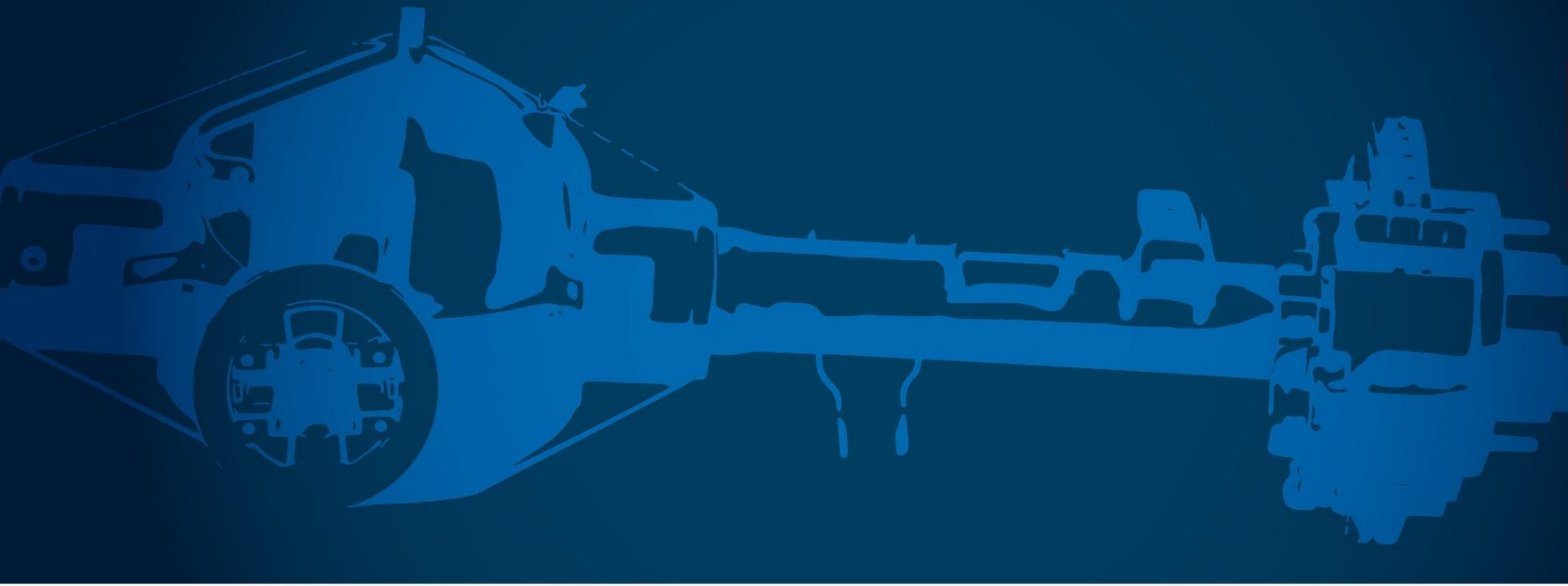
Developing advanced next-generation product

Active new and emerging business opportunities

Significant electric powertrain component offerings

Participating in electric truck market

CPV – content per vehicle



1Q 2020 Highlights and COVID-19 Update

1Q 2020 AAM Highlights

$213M

Quarterly Adj. EBITDA

15.9% of Sales

$0.20

Quarterly Adj. EPS

$83M

Quarterly Adj. Free Cash Flow

Secured Additional China eDrive Business Win with New Customer

Amended Credit Agreement to Provide AAM with Financial Flexibility

Won both PACE Partnership and Innovation Awards for Electric Drive Technology

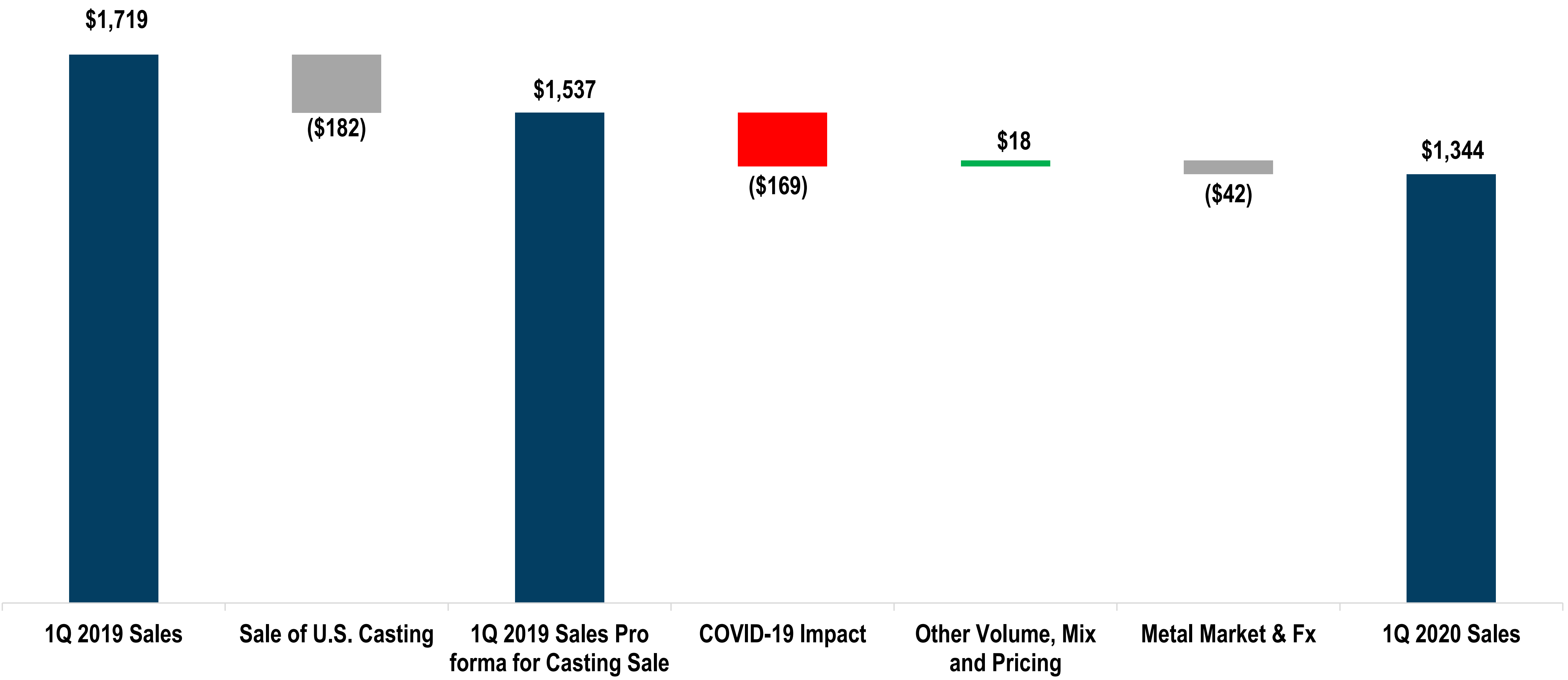
* For definitions and reconciliations of non-GAAP financial measures, please see the attached appendix.

COVID-19 Update

Impact	AAM Actions
Customer production shutdowns and severely reduced schedules	Flex variable costs including direct material, direct labor and variable elements of overhead
Stay-at-home mandates and social distancing guidelines disrupting manufacturing and corporate activities	Created AAM's comprehensive POWERing Up guide on COVID-19 workplace safety and facility readiness
Global economy expected to experience significant impact on future consumer demand	Implemented overhead cost reduction actions and lowered projected capital spending
Significant uncertainty exists around return to normal production and extent and speed at which economy recovers	Amendment of Credit Agreement provides additional flexibility to navigate uncertainty caused by COVID-19

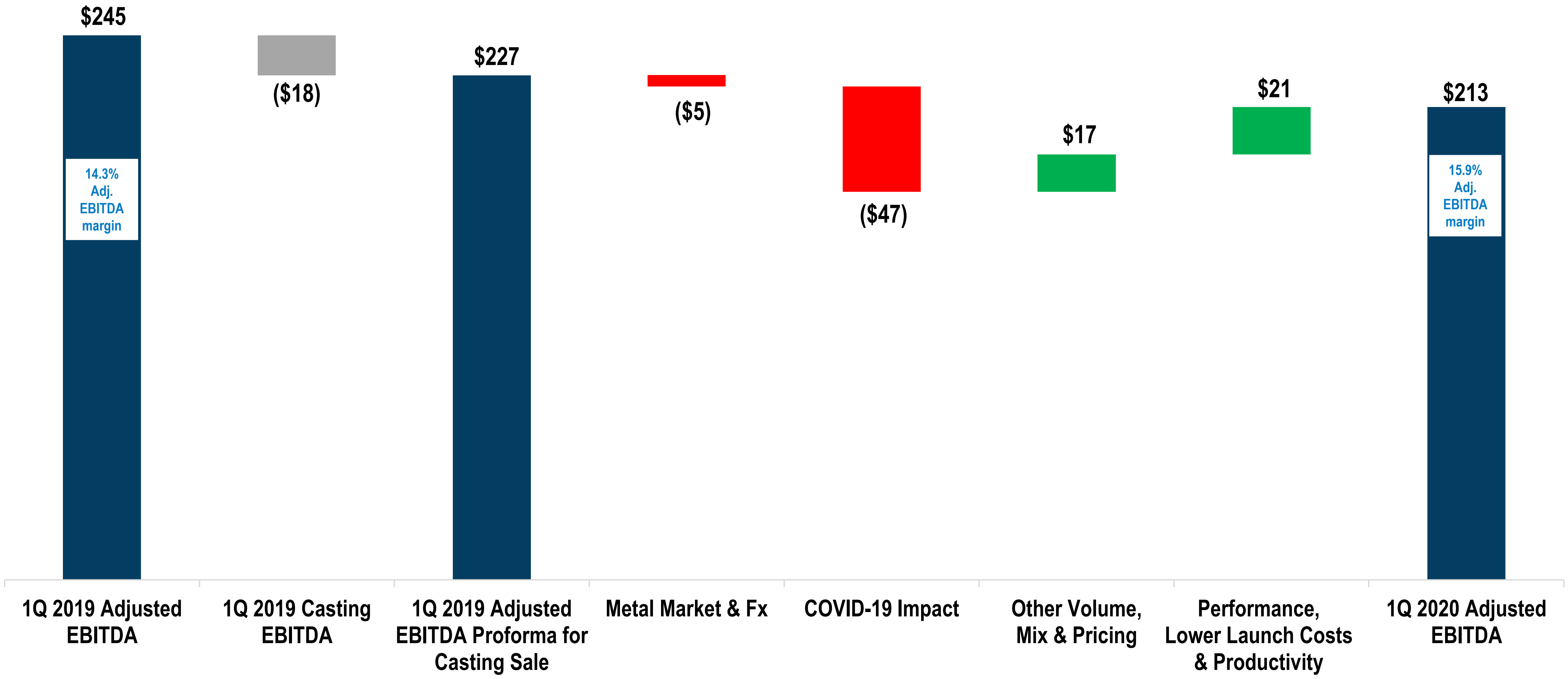
1Q 2020 Year-Over-Year Sales Walk

(in millions)



1Q 2020 Year-over-Year Adjusted EBITDA Walk

(in millions)



* For definitions and reconciliations of non-GAAP financial measures, please see the attached appendix.

Adjusted Free Cash Flow and Credit Profile

Cash Flow and Debt Metrics	1Q 2020
Adjusted Free Cash Flow	$83.3 million
Net Debt	$3.05 billion
Net Leverage Ratio	3.3x
Liquidity	$1.46 billion

AAM generated strong free cash flow and ended the quarter with a strong liquidity position

* For definitions and reconciliations of non-GAAP financial measures, please see the attached appendix.

2Q 2020 Considerations

AAM currently expects production in NA and Europe to resume in a phased approach starting in mid-May and increasing into June

China sales resuming towards pre-COVID levels

Additional structural cost reduction actions continue

AAM anticipates a free cash flow usage in 2Q 2020 and expects to have at least $1.2 billion in liquidity on June 30, 2020

2020 Breakeven Scenario & Capital Structure

2020 Financial Update

- As a result of the unexpected disruption in light vehicle production and economic uncertainty due to the impact of the COVID-19 pandemic, AAM withdrew its 2020 financial outlook in March - Based on continued uncertainty, we are not issuing revised 2020 financial targets at this time

- AAM estimates it can breakeven on an Adjusted Free Cash Flow basis in 2020 if sales are 25% to 30% lower than our initial financial outlook ($5.8 to $6.0 billion).

- AAM has identified ≈$60 million of additional cost reduction actions in 2020 to offset the impact of severe production declines resulting from the COVID-19 pandemic

- AAM has reduced its expected capital expenditures for the full-year 2020 from ≈$325 million to ≈$250 million

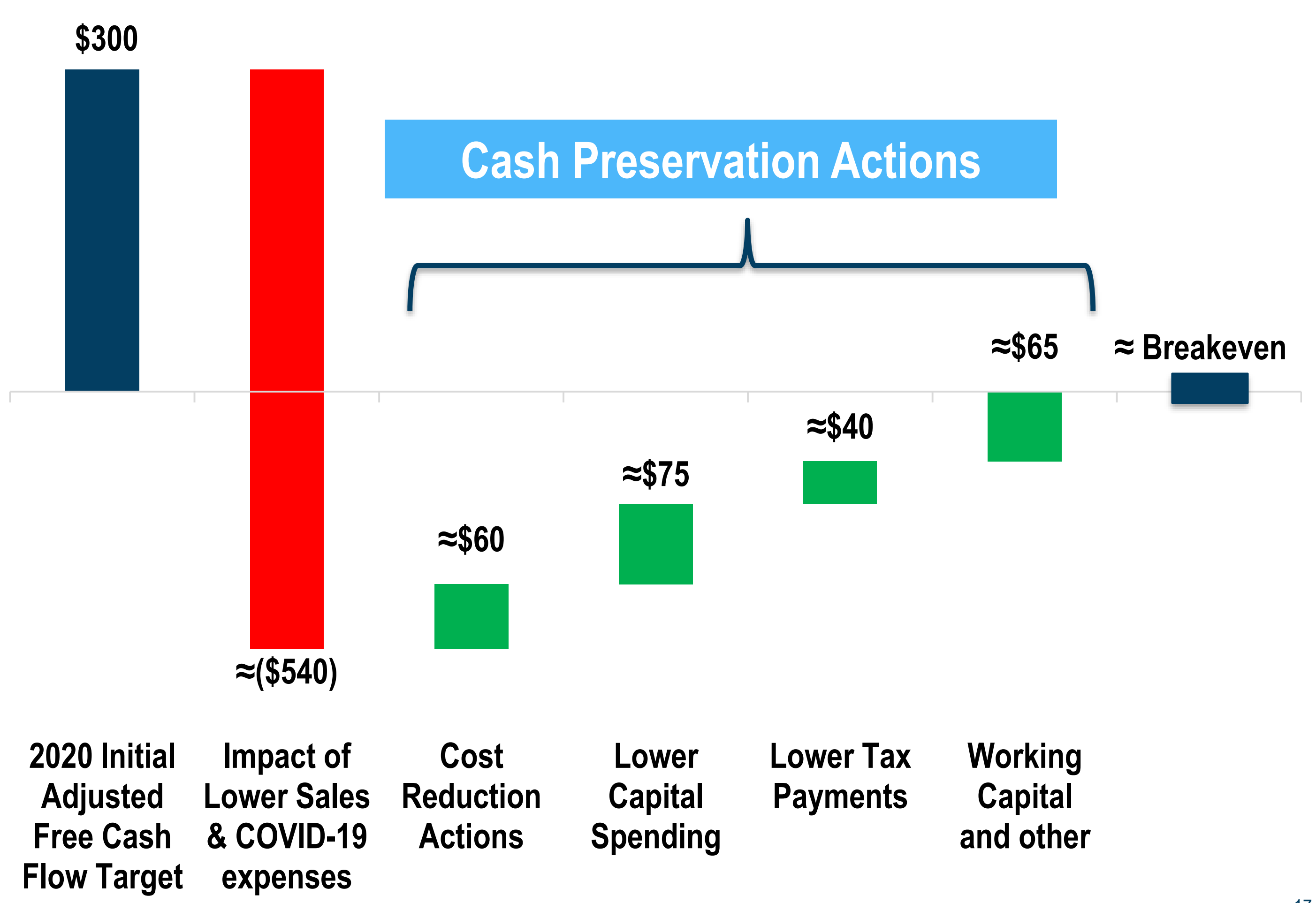
Adjusted Free Cash Flow Breakeven Scenario

(in millions)

Adj. EBITDA to Adj. FCF Breakeven

Initial 2020 Adj. EBITDA Target (midpoint)	**$ 945**
Impact of 25% to 30% lower sales (midpoint)	≈ (500)
COVID-19 start-up & supplier inefficiency costs	≈ (40)
Cost reduction actions	≈ 60
	$ 465
Capital Expenditures	≈ (250)
Interest Payments	≈ (205)
Tax Payments	≈ (50)
Inventory and other working capital	≈ 40
Adjusted Free Cash Flow	**≈ BREAKEVEN**

Initial Adj. FCF Target to Adj. FCF Breakeven



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Downside Protection Playbook

Sales Decline 0% → 25%+

AND / OR

Duration Expected Short → Longer

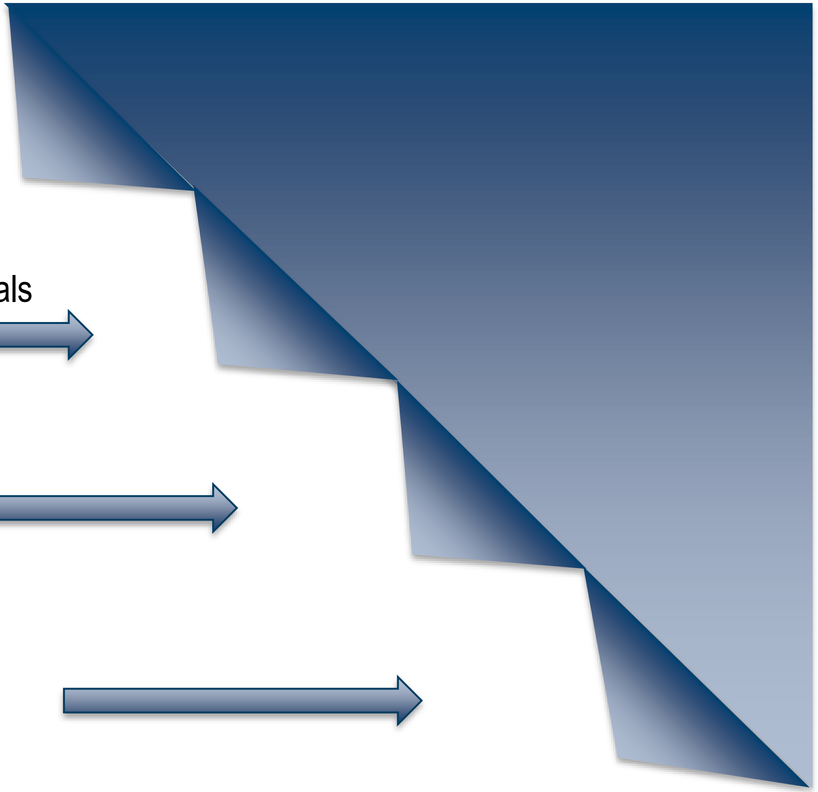
Potential Actions

Reduce Variable Costs
- Direct Material (≈60% of COGS)
- Hourly Headcount
- Variable Overhead

Reduce Semi-fixed Costs
- Salaried headcount, merit and incentive compensation adjustments/deferrals
- Formal spending reduction programs (ex. travel)
- Align future R&D, project and capital expenses to lower sales levels

Select Recapacitating of Facilities
- Align capacity with customers
- Plant loading adjustments to optimize capacity

Structural Capacity and Overhead Reduction
- Global footprint consolidations
- Significant Salaried Reduction in Force programs



Restructuring Costs Required?
No
Limited
Moderate
Higher

Note: This list includes examples for illustrative purposes and does not include all potential actions

AAM is analyzing its full playbook and in process with many actions across its global operations

DELIVERING POWER

THAT MOVES THE WORLD.

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, AAM has provided certain information, which includes non-GAAP financial measures such as Adjusted EBITDA, Adjusted earnings per share and Adjusted free cash flow. Such information is reconciled to its closest GAAP measure in accordance with Securities and Exchange Commission rules and is included in the attached supplemental data.

Management believes that these non-GAAP financial measures are useful to management, investors, and banking institutions 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

EBITDA and Adjusted EBITDA Reconciliation
($ in millions)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net income (loss)	$ (501.2)	$ 41.7
Interest expense	51.5	53.4
Income tax expense (benefit)	3.3	(3.0)
Depreciation and amortization	129.6	140.8
EBITDA	(316.8)	232.9
Restructuring and acquisition-related costs	17.6	12.1
Debt refinancing and redemption costs	1.5	-
Impairment charge	510.0	-
Loss on sale of business	1.0	-
Adjusted EBITDA	$ 213.3	$ 245.0
as % of net sales	15.9%	14.3%

Supplemental Data

EBITDA and Adjusted EBITDA for the Trailing Twelve Months Ended March 31, 2020
($ in millions)

	Quarter Ended				Trailing Twelve Months Ended
	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	March 31, 2020
Net income (loss)	$ 52.7	$ (124.1)	$ (454.4)	$ (501.2)	$ (1,027.0)
Interest expense	56.2	54.3	53.4	51.5	215.4
Income tax expense (benefit)	6.0	(40.4)	(11.5)	3.3	(42.6)
Depreciation and amortization	136.5	134.2	125.4	129.6	525.7
EBITDA	251.4	24.0	(287.1)	(316.8)	(328.5)
Restructuring and acquisition-related costs	12.2	11.7	21.8	17.6	63.3
Debt refinancing and redemption costs	2.4	5.1	0.9	1.5	9.9
Impairment charges	-	225.0	440.0	510.0	1,175.0
Pension settlement	-	-	9.8	-	9.8
Loss on sale of business	-	-	21.3	1.0	22.3
Non-recurring items:					
Gain on bargain purchase of business	-	-	(10.8)	-	(10.8)
Other	-	-	(2.4)	-	(2.4)
Adjusted EBITDA	$ 266.0	$ 265.8	$ 193.5	$ 213.3	$ 938.6
as % of net sales	15.6%	15.8%	13.5%	15.9%	15.2%

Supplemental Data

Adjusted Earnings Per Share Reconciliation

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Diluted earnings (loss) per share	$ (4.45)	$ 0.36
Restructuring and acquisition-related costs	0.16	0.10
Debt refinancing and redemption costs	0.01	-
Impairment charge	4.53	-
Loss on sale of business	0.01	-
Non-recurring items:		
Tax adjustments related to the CARES Act and Tax Cuts and Jobs Act	(0.07)	(0.08)
Other	0.06	-
Tax effect of adjustments	(0.04)	(0.02)
Adjustment for anti-dilutive effect	(0.01)	-
Adjusted earnings per share	$ 0.20	$ 0.36

Adjusted earnings per share are based on weighted average diluted shares outstanding of 116.4 million and 115.8 million for the three months ended on March 31, 2020 and 2019, respectively.

Supplemental Data

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

	Three Months Ended March 31,	
	2020	2019
Net cash provided by (used in) operating activities	$ 139.4	$ (80.2)
Less: Capital expenditures net of proceeds from sale of property, plant and equipment	(69.2)	(123.9)
Free cash flow	70.2	(204.1)
Cash payments for restructuring and acquisition-related costs	13.1	15.6
Adjusted Free Cash Flow	$ 83.3	$ (188.5)

Supplemental Data

Net Debt and Net Leverage Ratio
($ in millions)

	March 31, 2020
Current portion of long-term debt	$ 21.7
Borrowings under Revolving Credit Facility	200.0
Long-term debt, net	3,511.7
Total debt, net	3,733.4
Less: Cash and cash equivalents	682.7
Net debt at end of period	3,050.7
Adjusted LTM EBITDA	$ 938.6
Net Leverage Ratio	3.3

Supplemental Data

Segment Financial Information
($ in millions)

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
Segment Sales				
Driveline	$	1,031.7	$	1,166.3
Metal Forming		422.3		483.3
Casting		-		193.7
Total Sales		1,454.0		1,843.3
Intersegment Sales		(110.5)		(124.1)
Net External Sales	$	1,343.5	$	1,719.2
Segment Adjusted EBITDA				
Driveline	$	139.3	$	142.8
Metal Forming		74.0		84.4
Casting		-		17.8
Total Segment Adjusted EBITDA	$	213.3	$	245.0

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 (loss) on sale of a business, impairment charges, pension settlements 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 (loss) on sale of a business, impairment charges, pension settlements 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 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.

US SAAR

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

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