First Quarter 2018 Earnings Call

May 4, 2018

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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”.

1Q 2018 AAM Highlights

1Q FINANCIAL PERFORMANCE

$1.86B
Record Quarterly Sales

$317M
17.1% of sales
Quarterly Adj. EBITDA*

$0.98
Adjusted Earnings Per Share*

$400 Million Debt Refinancing Enhances Maturity Schedule

WULING MOTORS
五菱汽车

Entered into Joint Venture with Liuzhou Wuling

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

Segment Performance – 1Q 2018

DRIVELINE

- Sales of $1.07 billion
- Segment Adjusted EBITDA of $170.0 million
- Reduced full-size truck production volumes and higher project expense as our customers prepare for significant launches.

POWERTRAIN

- Sales of $291.9 million
- Segment Adjusted EBITDA of $50.1 million
- Sequential margin improvement due to higher sales and continued solid operational performance

METAL FORMING

- Sales of $397.0 million
- Segment Adjusted EBITDA of $75.3 million
- Strong operating performance and production volumes result in Adjusted EBITDA margin of 19%.

CASTING

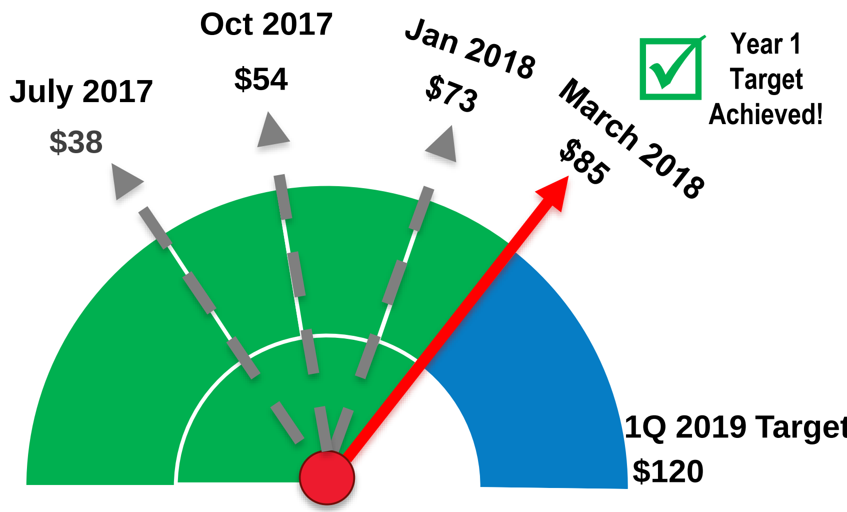
- Sales of $239.0 million
- Segment Adjusted EBITDA of $21.6 million
- Sequential margin improvement of 330bp as we target double digit EBITDA margins in the second quarter of 2018.

* For definitions of Segment Adjusted EBITDA and non-GAAP reconciliations, please see the attached appendix.

Synergy Achievement Progress from MPG Acquisition

Sources of Cost Savings	Initial Targeted Annual Profit Impact
Overhead ▪ Optimize operating structure ▪ Elimination of redundant public company costs	≈ $45 - $50 million
Purchasing ▪ Combine global purchasing to leverage larger scale ▪ Direct and indirect material opportunities ▪ Insourcing initiatives	≈ $45 - $50 million
Other Cost Savings ▪ Manufacturing initiatives ▪ Plant loading optimization / facility rationalization	≈ $10 - $20 million
Initial Targeted Annual Improvement	**≈ $100-$120 million**

Synergy Achievement Gauge
(Annual Run Rate in millions)



AAM is on track to achieve synergy targets

AAM's 2018 Financial Targets

	2018 Full Year Targets
Sales	≈ $7 billion
Adjusted EBITDA* Margin	≈ 17.5% - 18%
Adjusted Free Cash Flow*	≈ 5% of sales

- Based on the anticipated launch schedule of our new business backlog and our assumption that the US SAAR* is in the range of 16.8 to 17.0 million units.
- Adjusted Free Cash Flow target assumes capital expenditures of ≈ 8% of sales. Elevated capital spending in 2018 reflects significant new and replacement program launches.
- We estimate approximately $50 to $75 million of restructuring and acquisition-related costs and related payments during 2018. The impact of these have been excluded from our Adjusted EBITDA and Adjusted Free Cash Flow targets.
- Our 2018 financial targets for the full year contemplate significant customer downtime in preparation for critical program changeovers and related project expense.

We expect another record year in 2018!

* For definitions of terms, please see the attached appendix

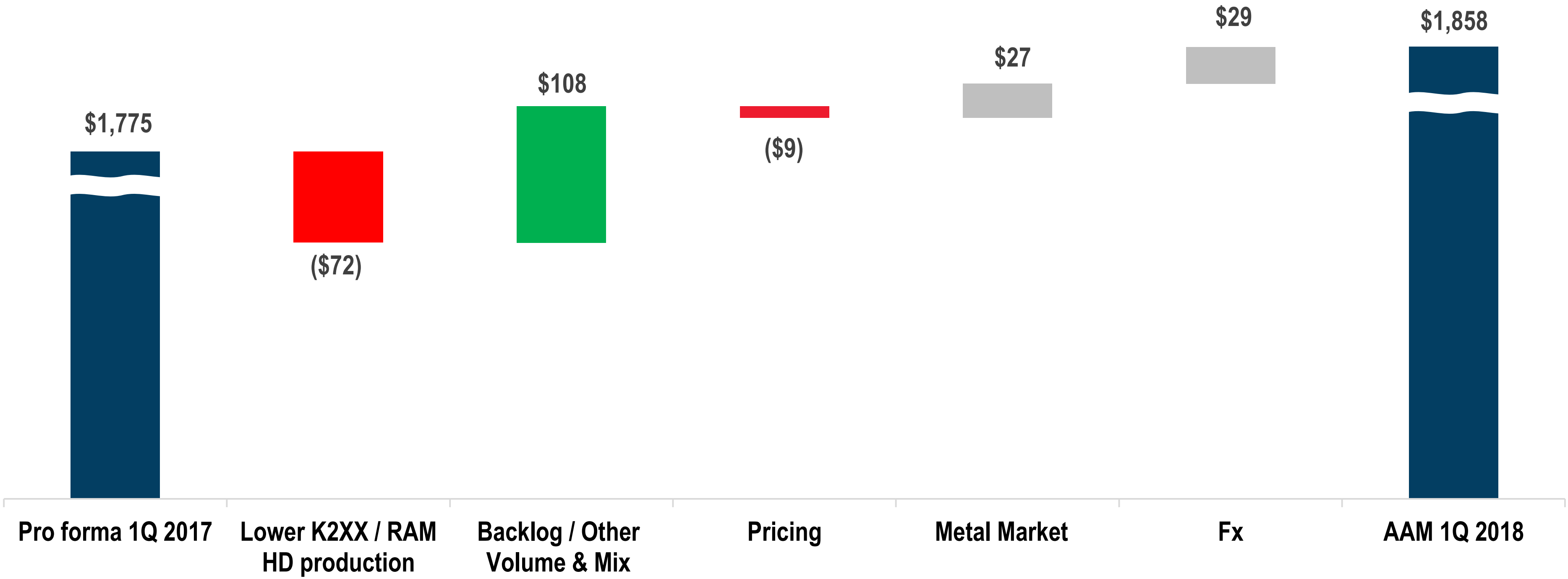
1Q Financial Results

	Three Months Ended March 31, 2018	2017	Difference
	(dollars in millions, except per share data)		
Net sales	$ 1,858.4	$ 1,049.9	$ 808.5
Gross profit	$ 316.3	$ 210.7	$ 105.6
Gross margin	17.0%	20.1%	-3.1%
SG&A	$ 97.3	$ 81.2	$ 16.1
SG&A as a % of sales	5.2%	7.7%	-2.5%
Amortization of intangible assets	$ 24.9	$ 1.6	$ 23.3
Restructuring and acquisition costs	$ 18.3	$ 16.0	$ 2.3
Other income (expense)	$ (15.7)	$ (1.1)	$ (14.6)
Adjusted EBITDA*	$ 317.0	$ 183.6	$ 133.4
Adjusted EBITDA* margin	17.1%	17.5%	-0.4%
Net interest expense	$ 52.7	$ 24.9	$ 27.8
Income tax expense	$ 17.9	$ 7.5	$ 10.4
Effective tax rate	16.7%	8.7%	8.0%
Net income attributable to AAM	$ 89.4	$ 78.4	$ 11.0
Diluted EPS	$ 0.78	$ 0.99	$ (0.21)
Adjusted EPS*	$ 0.98	$ 1.03	$ (0.05)

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

1Q 2018 Year-Over-Year Sales Walkdown

(in millions)

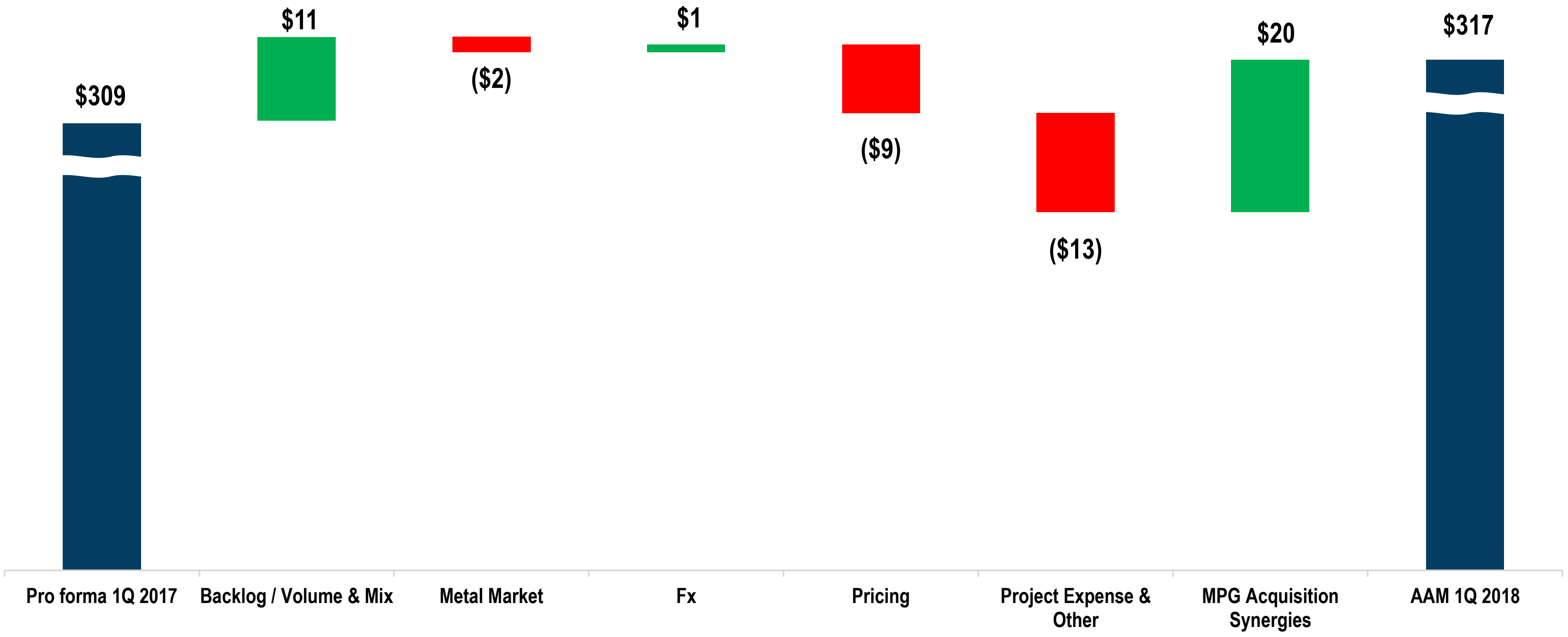


Experienced Y-O-Y organic growth in 1Q despite lower K2XX and RAM HD production

Pro forma sales for 1Q 2017 includes AAM sales of $1,050 million and MPG sales of $750 million, adjusted for the elimination of MPG sales to AAM of $25 million

1Q 2018 Year-Over-Year Adjusted EBITDA* Walk

(in millions)



Adjusted EBITDA margin of 17.1% in 1Q 2018

* Pro forma Adjusted EBITDA for 1Q 2017 includes AAM of $184 and estimated MPG of approximately $125 million. For definitions of terms and non-GAAP reconciliations, please see the appendix.

Adjusted Free Cash Flow and Debt Profile

Cash Flow and Debt Metrics	As of March 31, 2018
Adjusted Free Cash Flow*	($41.7) million
Net Debt*	$3.68 billion
Net Leverage Ratio*	2.97x
Liquidity*	>$1.3 billion

AAM will redeem $100 million of its 6.625% Senior Notes at the end of May

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

SUPPLEMENTAL DATA

Production and Sales Volume Assumptions

	2018	2019 - 2020
Global Light Vehicle Production	≈ 97M units	≈ 2% annual growth
North America Light Vehicle Production	≈ 17.5M units	Flat
US SAAR	16.8 – 17M units	16.5 – 17M units
Europe Light Vehicle Production	≈ 23M units	Flat
China Light Vehicle Production	≈ 28M units	≈ 4-5% annual growth
North America Class 5-8 Commercial Vehicle Production	≈ 550k units	Flat

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,	
	2018	2017
Net income	$ 89.5	$ 78.4
Interest expense	53.2	25.5
Income tax expense	17.9	7.5
Depreciation and amortization	127.8	56.2
EBITDA	$ 288.4	$ 167.6
Restructuring and acquisition-related costs	18.3	16.0
Debt refinancing and redemption costs	10.3	-
Adjusted EBITDA	$ 317.0	$ 183.6
As % of net sales	17.1%	17.5%

Supplemental Data

EBITDA and Adjusted EBITDA for the Trailing Twelve Months Ended March 31, 2018
($ in millions)

	Quarter Ended				Trailing Twelve Months Ended
	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	March 31, 2018
Net income	$ 66.3	$ 86.3	$ 106.5	$ 89.5	$ 348.6
Interest expense	56.9	57.5	55.7	53.2	223.3
Income tax expense (benefit)	2.4	5.7	(13.1)	17.9	12.9
Depreciation and amortization	124.6	122.6	125.2	127.8	500.2
EBITDA	$ 250.2	$ 272.1	$ 274.3	$ 288.4	$ 1,085.0
Restructuring and acquisition-related costs	51.7	22.8	20.2	18.3	113.0
Debt refinancing and redemption costs	2.7	-	0.8	10.3	13.8
Non-recurring items:					
Acquisition-related fair value inventory adjustment	24.9	-	-	-	24.9
Other	(3.8)	2.9	0.4	-	(0.5)
Adjusted EBITDA	$ 325.7	$ 297.8	$ 295.7	$ 317.0	$ 1,236.2

Supplemental Data

Adjusted Earnings Per Share Reconciliation

	Three Months Ended March 31,	
	2018	2017
Diluted earnings per share	$ 0.78	$ 0.99
Restructuring and acquisition-related costs	0.16	0.20
Debt refinancing and redemption costs	0.09	-
Non-recurring items	-	(0.09)
Tax effect of adjustments	(0.05)	(0.07)
Adjusted earnings per share	$ 0.98	$ 1.03

Supplemental Data

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net cash provided by operating activities	$ 66.9	$ 62.3
Less: Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment	(130.4)	(34.1)
Free cash flow	$ (63.5)	$ 28.2
Cash payments for restructuring and acquisition-related costs	21.8	9.5
Acquisition-related settlement of pre-existing accounts payable balances with acquired entities	-	22.8
Adjusted Free Cash Flow	$ (41.7)	$ 60.5

Supplemental Data

Net Debt and Net Leverage Ratio
($ in millions)

	Trailing Twelve Months Ended March 31, 2018	
Current portion of long term debt	$	31.8
Long-term debt, net		3,986.2
Total debt, net		4,018.0
Less: Cash and cash equivalents		340.7
Net debt at end of period	$	3,677.3
Adjusted LTM EBITDA	$	1,236.2
Net Leverage Ratio		2.97

Supplemental Data

Segment Financial Information
($ in millions)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Segment Sales		
Driveline	$ 1,070.6	$ 999.3
Metal Forming	397.0	150.0
Powertrain	291.9	-
Casting	239.0	-
Total Sales	1,998.5	1,149.3
Intersegment Sales	(140.1)	(99.4)
Net External Sales	$ 1,858.4	$ 1,049.9
Segment Adjusted EBITDA		
Driveline	$ 170.0	$ 153.2
Metal Forming	75.3	30.4
Powertrain	50.1	-
Casting	21.6	-
Total Segment Adjusted EBITDA	$ 317.0	$ 183.6

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 and debt refinancing and redemption costs. 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.

Other Non-recurring Items

For the twelve months ended on March 31, 2018, other non-recurring items reflect the impact of a non-cash pension settlement charge related to one of our foreign entities, the impact of a gain related to the change of our method of accounting for indirect inventory and the interest expense for the debt drawdown period prior to acquisition funding requirement. For the three months ended March 31, 2017, other non-recurring items reflect the impact of interest expense for the debt drawdown period prior to acquisition funding requirement and the impact of a discrete first quarter tax adjustment related to additional interest expense.

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, 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 and settlements of pre-existing accounts payable balances with acquired entities. 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. 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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