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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported):** January 11, 2017

**AMERICAN AXLE & MANUFACTURING  
HOLDINGS, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

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1-14303

(Commission File Number)

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One Dauch Drive, Detroit, Michigan

(Address of Principal Executive Offices)

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38-3161171

(IRS Employer Identification No.)

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48211-1198

(Zip Code)

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(313) 758-2000

(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 7.01 Regulation FD Disclosure

On January 11, 2017, American Axle & Manufacturing Holdings, Inc. (the “Company” or “AAM”) will present at the 2017 Deutsche Bank Global Auto Industry Conference. The presentation to be used during the conference is attached as Exhibit 99.1 to this Current Report on Form 8-K and includes, among other things, updated information regarding AAM’s 2016 financial outlook, 2017 financial targets, new and incremental business backlog for the years 2017 – 2019 and the proposed acquisition of Metaldyne Performance Group Inc. (“MPG”).

The information contained in this Current Report on Form 8-K shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934 (the “Exchange Act”) or incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

## Item 8.01 Other Events.

On January 11, 2017, AAM will present at the 2017 Deutsche Bank Global Auto Industry Conference .

## Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Exhibit
99.1	Presentation dated January 11, 2017.

## Forward Looking Statements

This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements with respect to the proposed acquisition of MPG and the anticipated consequences and benefits of such proposed acquisition and other information relating to matters that are not historical facts. 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 the receipt and timing of necessary regulatory approvals, the ability to finance the acquisition, the ability to successfully operate and integrate MPG operations and realize estimated synergies, and the other factors detailed from time to time in the reports we file with the Securities and Exchange Commission (“SEC”), including those described under “Risk Factors” in our 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.

## Important Information and Where to Find It

This Current Report is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares of AAM or MPG. In connection with the proposed acquisition of MPG, AAM has filed with the SEC a Registration Statement on Form S-4 (the “Registration Statement”), which includes the preliminary joint proxy statement of AAM and MPG and which also constitutes a preliminary prospectus of AAM. The information in the preliminary joint proxy statement/prospectus is not complete and may be changed. The definitive joint proxy statement/prospectus will be mailed to stockholders of AAM and MPG after the Registration Statement is declared effective by the SEC. **Investors are urged to read the Registration Statement and joint proxy statement/prospectus (including any amendments or supplements thereto) and other documents filed by AAM with the SEC in connection with the proposed transaction as these documents contain (or will contain) important information .** Those documents, as well as AAM’s other public filings with the SEC, may be obtained without charge at the SEC’s website at <http://www.sec.gov> and at AAM’s website at <http://www.aam.com>. Investors may also obtain a free copy of the Registration Statement and joint proxy statement/prospectus and the filings with the SEC that are incorporated by reference in the Registration Statement and joint proxy statement/prospectus from AAM by directing a request to American Axle & Manufacturing, Inc., One Dauch Drive, Detroit, Michigan 48211, USA, Attention: Investor Relations, Telephone: +1 313-758-2404.

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**Participants in Solicitation**

AAM and its directors, executive officers and other members of its management and employees may be deemed to be participants in a solicitation of proxies from its stockholders in connection with the proposed transaction. Information regarding AAM's directors and executive officers is available in AAM's proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on March 24, 2016. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Registration Statement and the joint proxy statement/prospectus (or will be contained in any amendments or supplements thereto) and other relevant materials to be filed with the SEC when they become available. These documents can be obtained free of charge from the sources indicated above.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.**

Date: January 11, 2017

By: /s/ Christopher J. May  
Christopher J. May  
Vice President & Chief Financial Officer

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**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Exhibit</u>
99.1	Presentation dated January 11, 2017.

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# DEUTSCHE BANK GLOBAL AUTO INDUSTRY CONFERENCE

JANUARY 11, 2017

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# Forward Looking Statements



Some of the information presented in this document and discussions that follow, including, without limitation, statements with respect to the proposed acquisition of Metaldyne Performance Group, Inc. ("MPG") and the anticipated consequences and benefits of the acquisition, the targeted close date for the acquisition, product development, market trends, price, expected growth and earnings, cash flow generation, costs and cost synergies, portfolio diversification, economic trends, outlook and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results will not differ materially. Factors that could cause actual results to differ materially include, without limitation: the receipt and timing of necessary regulatory approvals; the ability to finance the acquisition; the ability to successfully operate and integrate MPG's operations and realize estimated synergies; reduced purchases of our products by General Motors Company (GM), FCAUS 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, tariff and trade restrictions and currency rate fluctuations, including those resulting from the United Kingdom's vote to exit the European Union and the change in the presidential administration in the United States); 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 maintain the security of, and integrate MPG's, information technology networks and 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 the other factors detailed from time to time in the reports we file with the Securities and Exchange Commission ("SEC"), including those described under "Risk Factors" in our 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.

Information with respect to MPG, including non-GAAP information is taken or derived from MPG's public filings and management estimates and we take no responsibility for the accuracy or completeness of such information. It should be noted that this presentation contains certain financial measures, including Adjusted EBITDA and Adjusted free cash flow, 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 starting on slide 33 under "Reconciliation of Non-GAAP Measures".

## Important Information for Stockholders and Investors

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## Participants in Solicitation

AAM, MPG and their respective directors, executive officers and other members of their management and employees may be deemed to be participants in a solicitation of proxies from their respective stockholders in connection with the proposed transaction. Information regarding AAM's directors and executive officers is available in AAM's proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on March 24, 2016. Information regarding MPG's directors and executive officers is available in MPG's proxy statement for its 2016 annual meeting of stockholders, which was filed with the SEC on April 11, 2016. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Registration Statement and joint proxy statement/prospectus (or will be contained in any amendments or supplements thereto) and other relevant materials filed with the SEC. These documents can be obtained free of charge from the sources indicated above.

- 2016 AAM Highlights
- 2017 AAM Targets
- AAM's 2017 – 2019 New Business Backlog
- Technology Leadership
- Acquisition of MPG

# 2016 AAM Highlights



## AAM Financial Records

**Net Sales**

**≈ \$3.95B**

**Adjusted  
EBITDA\***

**Over \$600M**

## Improved Net Leverage

**Strong  
Cash Flow  
Generation**

**Net Debt\* /  
Adj. EBITDA**

**≈ 1.5x**



**NEW  
BUSINESS  
AWARDS  
for 2016**

## SUCCESSFUL LAUNCHES IN 2016



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

## 2016 AAM Financial Estimates



	2016 Estimates
Net Sales	≈ \$3.95B
Adjusted EBITDA* margin	≈ 15.5% - 15.75%
Adjusted Free Cash Flow*	≈ \$190M - \$200M

- Record sales and profit in 2016
- Adjusted free cash flow includes the impact of ≈ \$30 million of payments related to Mexican transfer pricing matters and a \$20 million customer collection related to an upcoming capacity increase requirement.

\*For definitions of terms, please see the attached appendix. Adjusted EBITDA and Adjusted Free Cash Flow exclude the impact of special charges and expenses for restructuring and acquisition related activities.

# 2017 AAM Financial Targets



	2017 Targets
US SAAR	≈ 17.5M units
Net Sales	≈ \$4.1B - \$4.2B
Adjusted EBITDA* Margin	≈ 15.5% - 16.0%
Adjusted Free Cash Flow*	≈ \$175M - \$200M
Capital Expenditures	≈ 6.5% - 7% of sales

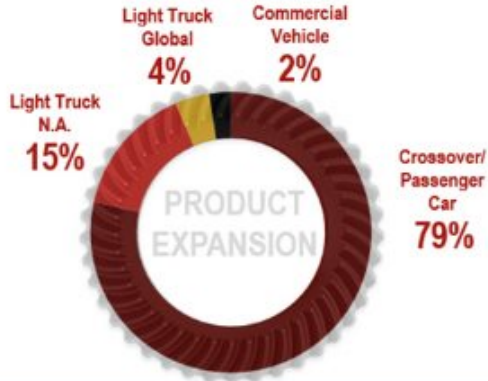
- Adjusted EBITDA margin and Adjusted free cash flow targets include the expected benefits from restructuring actions and exclude the impact of special charges and expenses for restructuring and acquisition related activities.
- Increased capital expenditures in 2017 will support our new and incremental business backlog, including a capacity increase program, as well as future replacement program launches.

\*For definitions of terms, please see the attached appendix. Adjusted EBITDA and Adjusted Free Cash Flow exclude the impact of special charges and expenses for restructuring and acquisition related activities.

## \$875 MILLION: 2017-2019

Presented on a gross basis as of January 11, 2017

### Backlog by Vehicle Segment

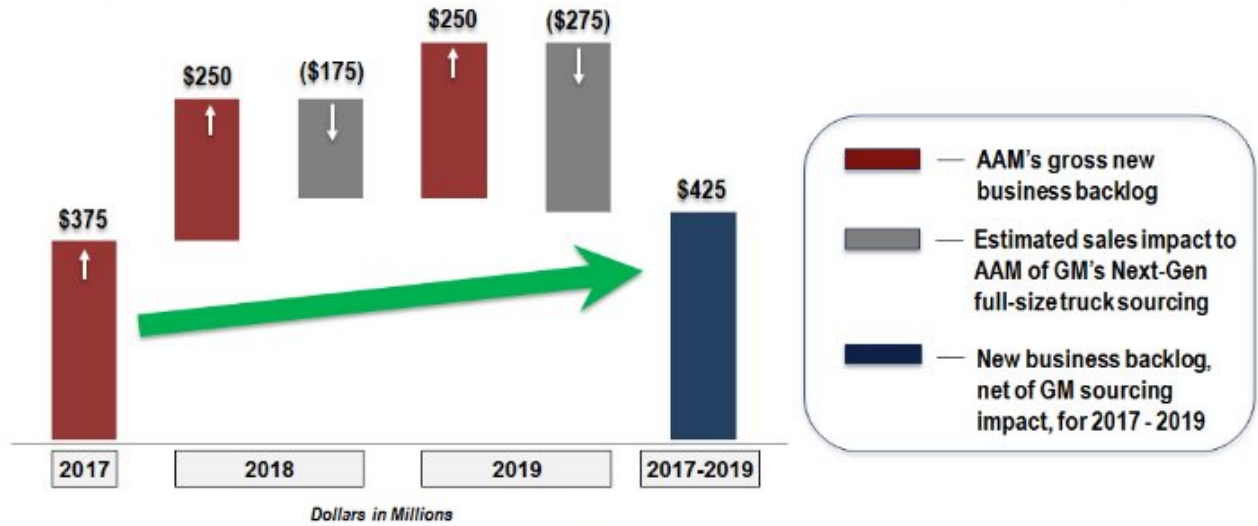


### Backlog by Global Market



Approximately 60% relates to Non-GM business

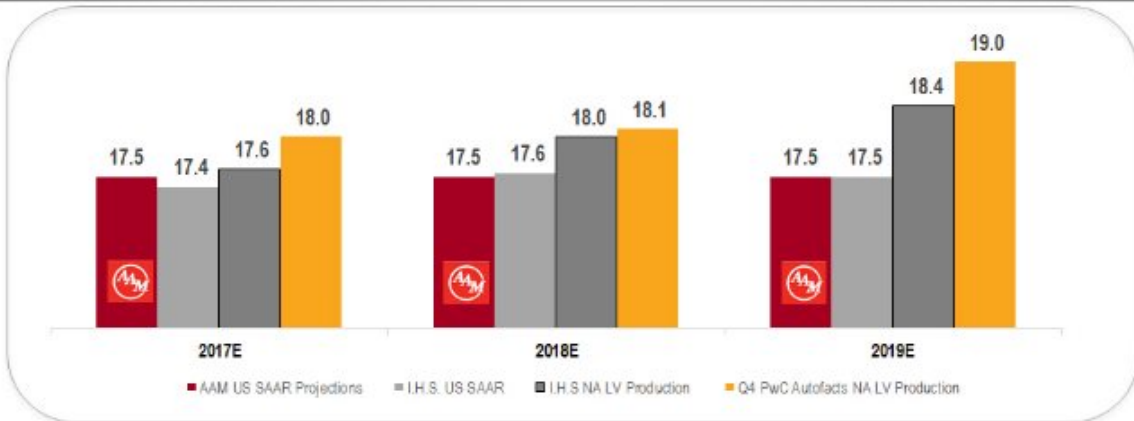
# Backlog and Impact of GM's Sourcing Decision



**New business awards exceed the impact of GM's sourcing decision through the backlog period**

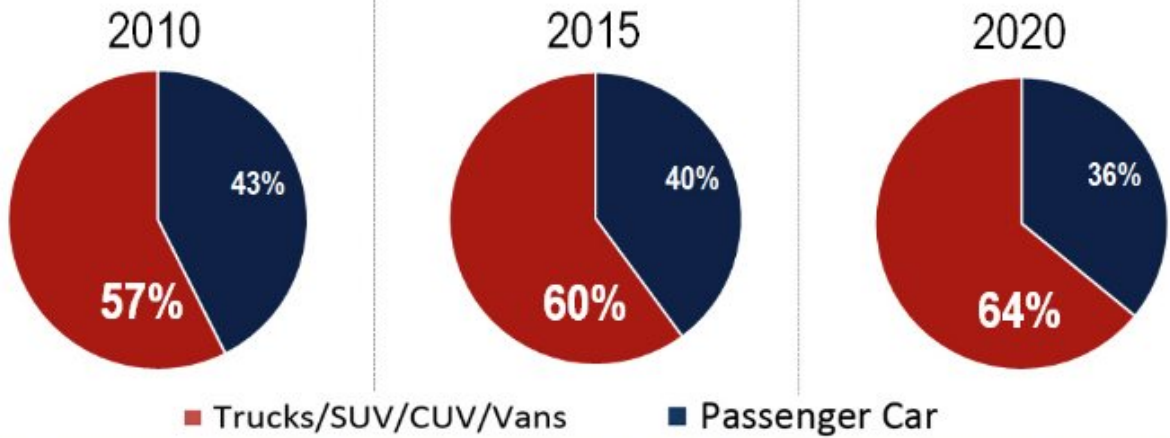
Note: The estimated timing impact of GM's sourcing decision does not contemplate any potential future capacity increases or program extensions, the chart above does not include an additional estimated sales impact in 2020.

# US SAAR and NA Production Assumptions



- AAM assumes US SAAR to be approximately 17.5 million units over the next three years
- I.H.S / PwC Autofacts estimate an increase in North American production due to growing exports
- AAM also assumes a moderate recovery in the commercial vehicle and industrial markets during this time period.

# North America Light Vehicle Production Mix



**Continued strength in pickup trucks/SUVs and increasing demand for crossover vehicles is favorable for AAM**



# TECHNOLOGY LEADERSHIP

## GREEN & EFFICIENT

### LIGHTWEIGHT AND EFFICIENT

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



## SAFETY & PERFORMANCE

### AWD TECHNOLOGIES

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

### DRIVESHAFTS

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



## CONNECTIVITY & ELECTRIFICATION

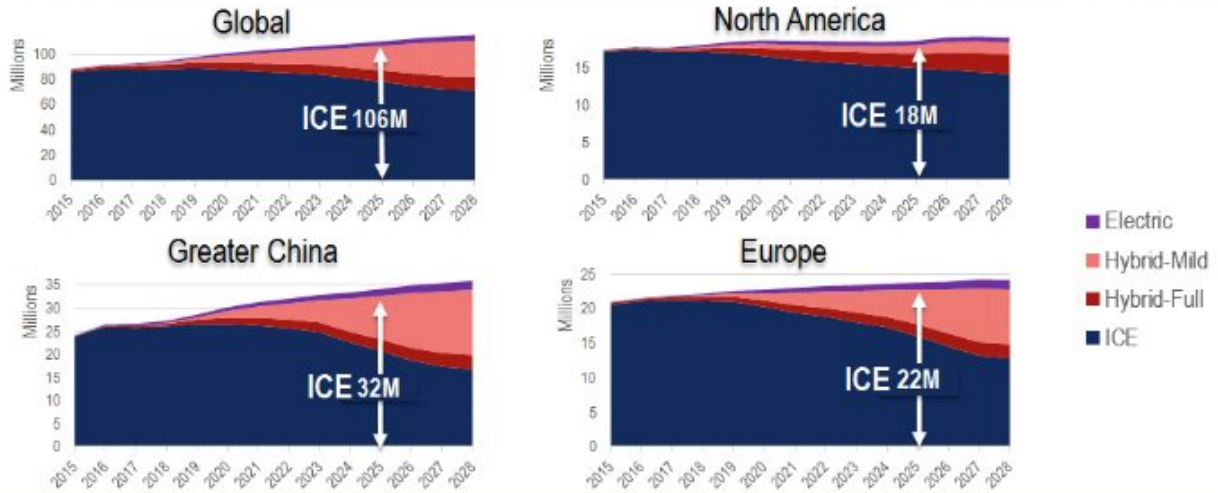
### MECHATRONICS & VEHICLE CONTROLS

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



Aligned with global automotive trends

# Powertrain Projections



**For at least the next decade, the internal combustion engine (ICE) is expected to be the main source of power for vehicles**

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

## KEY ATTRIBUTES

- Advanced mechatronics (motors, actuators and sensors) integrated within mechanical technology
  - Disconnects at the power transfer unit (PTU), causing the driveshaft to stop spinning
  - Automatically engages when it senses AWD traction requirement
- Benefits:
    - Improved vehicle fuel economy without sacrifice in AWD functionality
    - Improved vehicle handling and safety
    - Our Gen II design, which begins production in 2018, will reduce the parasitic loss associated with traditional AWD system by up to 90%

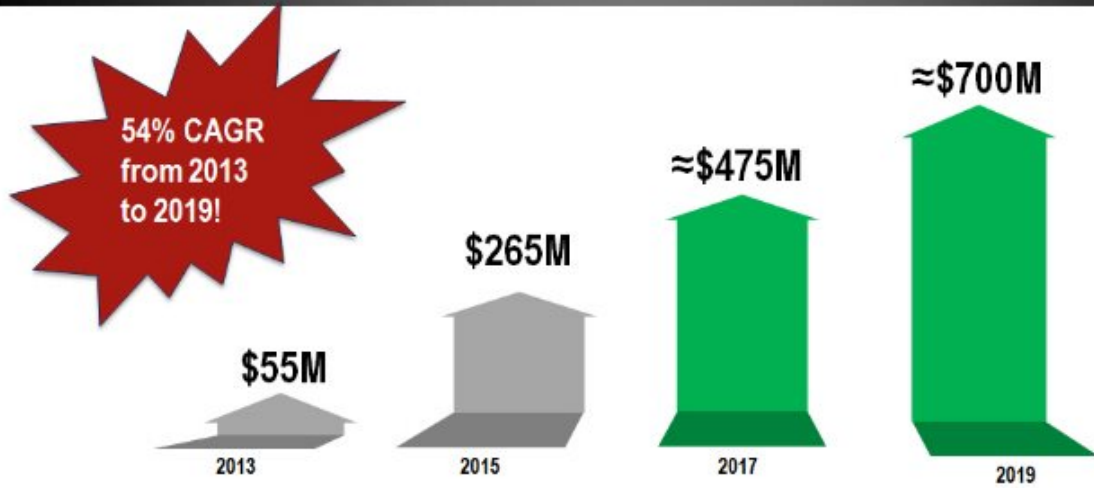
**ECO TRAC**  
DISCONNECTING AWD SYSTEM BY 



EcoTrac® Disconnecting PTU



# EcoTrac® Sales Growth



**Featured on three global programs by 2018**

**e-AAM™** - AAM is well positioned to benefit from the global trend of electrification

## KEY ATTRIBUTES

- Power dense design allows for easy integration for multiple vehicle platforms
- Modular solutions for passenger cars / CUVs
- Torque vectoring provides maximum traction and ride control
- Benefits:
  - Improves fuel efficiency up to 30% and reduces CO<sub>2</sub> emissions
  - Improved vehicle performance and drive quality
  - Improved handling and stability

**e  
AAM**  
HYBRID AND ELECTRIC  
DRIVELINE SYSTEMS BY 



Electric Rear Drive Unit



**An e-AAM program included in our new business backlog will launch in 2018**

**QUANTUM™** - All-new, completely redesigned family of lightweight axles and drive units

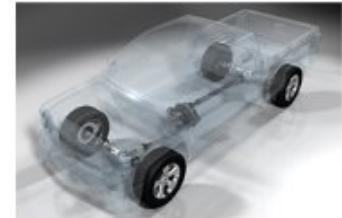
## KEY ATTRIBUTES

- Industry first technology along with a 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.

**QUANTUM™**  
LIGHTWEIGHT AXLE TECHNOLOGY BY 



QUANTUM™ Rear Axle





**Delivering  
POWER.**

## **AAM'S ACQUISITION OF MPG**

(METALDYNE PERFORMANCE GROUP)

Increased Global Scale | Expanded Product Portfolio | Accelerated Diversification | Enhanced Cash Flow Generation

# Compelling Strategic Acquisition

 **Delivering  
POWER**



**Driving growth and long-term value for all key stakeholders**

# Significantly Enhanced Scale and Profitability



- Significant increase in total served market
- Content on 90% of light vehicles produced in North America and on all of the top 10 North American platforms
- Including successful execution of our cost reduction synergy plan - potential to generate over \$400 million in annual free cash flow

## Greater capital resources creates long-term value for stakeholders

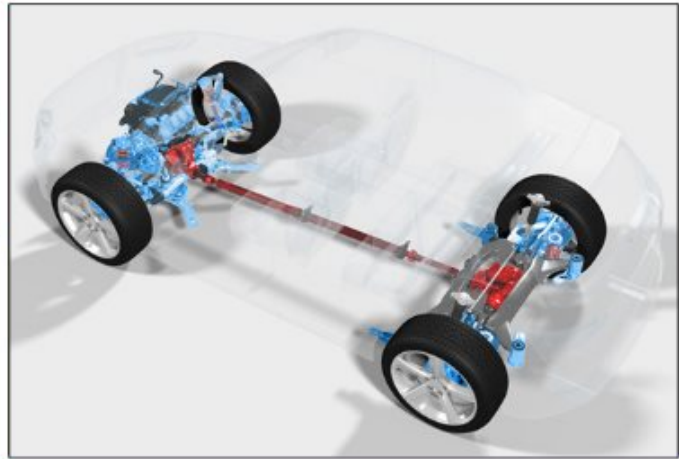
\*Based on 2015 Actuals - Pro forma sales are reduced by \$36 million for the elimination of 2015 MPG sales to AAM; for definitions of terms, please see the attached appendix.



- Rear and front axles
- Rear drive modules
- Power transfer units
- Driveshafts
- Transfer cases
- Electric drive units
- Ring / pinion gears
- Axle / transmission shafts
- Differential gears
- Transmission gears



- Axle carriers
- Differential cases
- Control arms
- Turbo charger housings
- Brackets
- Suspension components
- Transmission modules
- Differential assemblies
- Aluminum valve bodies
- Vibration control systems
- Connecting rods
- WT products



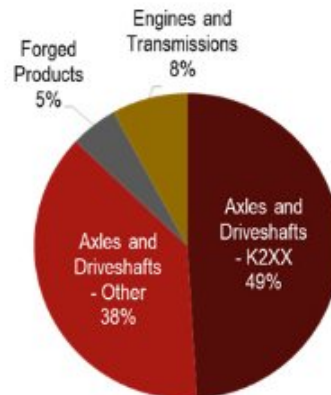
**The integration of our product portfolios and technologies provides exciting opportunities to increase content-per-vehicle**

# Expanded Product Portfolio

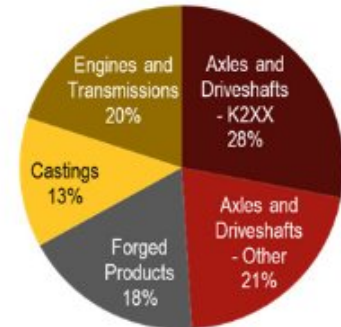


- Additional powertrain, forging and casting products build on AAM's legacy driveline strength
- Expands AAM's reach into commercial vehicle and industrial equipment markets
- AAM's reliance on GM's full-size truck and SUV segment is significantly reduced

AAM 2015 External Sales by Product



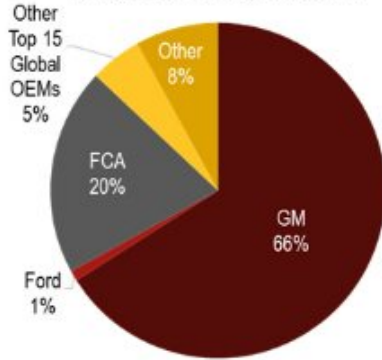
Pro forma 2015 External Sales by Product



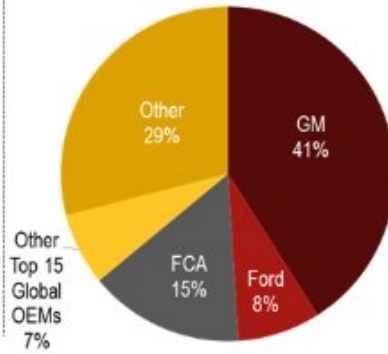
# Accelerated Customer Diversification



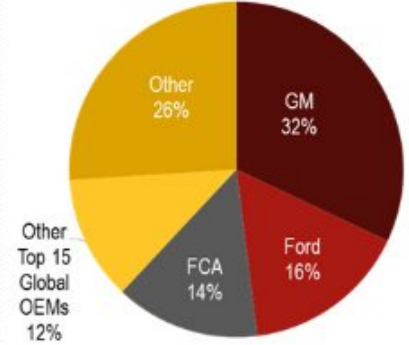
**AAM 2015 Sales by Customer**



**Pro forma 2015 Sales by Customer**



**Pro forma 2020E Sales by Customer**



\* Top 15 Global OEMs: determined based on total 2015 sales

# Integration Management Office (IMO)



# Anticipated Synergies



Sources of Cost Savings	Targeted Annual Profit Impact
<b>Overhead</b> <ul style="list-style-type: none"><li>Optimize operating structure</li><li>Elimination of redundant public company costs</li></ul>	≈ \$45 - \$50 million
<b>Purchasing</b> <ul style="list-style-type: none"><li>Combine global purchasing to leverage larger scale</li><li>Direct and indirect material opportunities</li><li>Insourcing initiatives</li></ul>	≈ \$45 - \$50 million
<b>Other Cost Savings</b> <ul style="list-style-type: none"><li>Manufacturing initiatives</li><li>Plant loading optimization / facility rationalization</li></ul>	≈ \$10 - \$20 million
<b>Total Targeted Annual Improvement</b>	<b>≈ \$100 - \$120 million</b>

## Timing and Cost to Achieve

Targeting 70% of expected annual run rate savings by the end of the first full year and 100% in the second full year

We estimate the costs required to achieve our synergy plan are approximately equal to one year of savings

# Combined Pro Forma Financial Targets



	<b>Pro Forma Targets 2017 – 2019</b>
<b>Sales CAGR*</b>	<b>Targeting a range of 3% to 5% during the period 2017 – 2019</b> <i>including the impact of launching over \$1 billion of gross new and incremental business backlog</i>
<b>Adj. EBITDA* margin</b>	<b>Targeting a range of 17% to 18% of sales by 2018</b> <i>including the achievement of \$100 to \$120 million in cost reduction synergies</i>
<b>Adj. Free Cash Flow*</b>	<b>Targeting a range of 5% to 7% of sales through 2019</b>
<b>Capital Expenditures (Cap Ex)</b>	<b>Targeting <math>\approx</math> 8% of sales in 2017, reducing to &lt; 6% of sales by 2019</b>

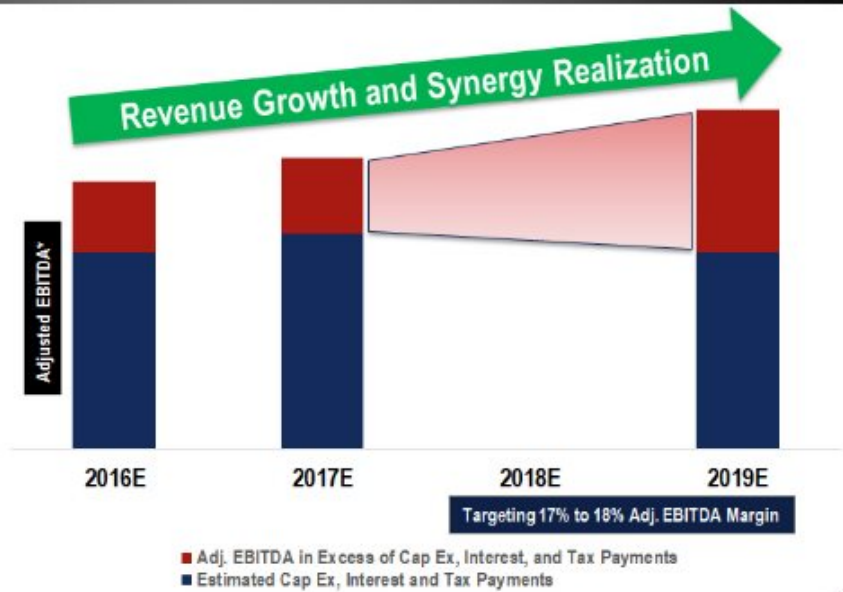
\*For definitions of terms, please see the attached appendix

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# Expected Pro Forma EBITDA vs. Cash Payments



- Targeting Adjusted EBITDA well above projected cash requirements
- Variable cost structure allows for flexibility during periods of lower volumes
- Positioned to be cash breakeven in a 25% - 30% downturn scenario



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

# Pro Forma Debt Paydown

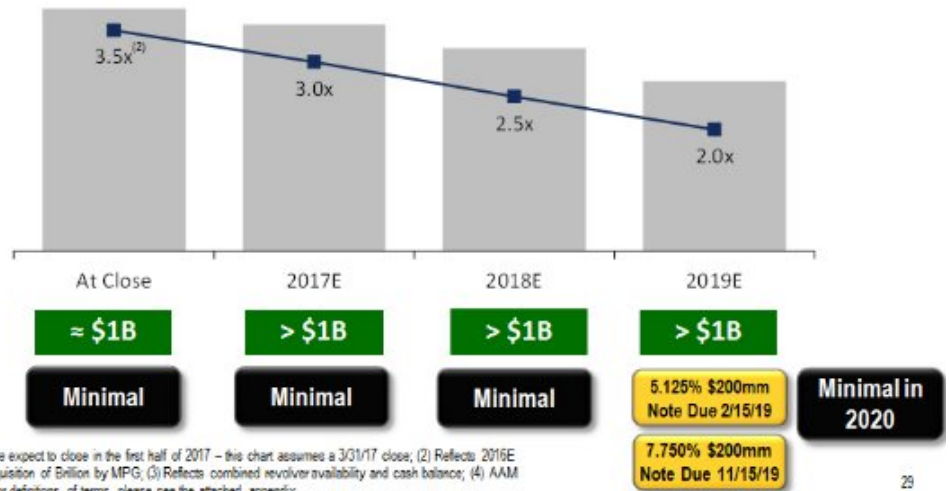


**Pro Forma Net Debt\* and Net Leverage Ratio\*(1)**

**Liquidity(3)**

**Debt Maturities(4)**

## Net Debt and Leverage Ratio



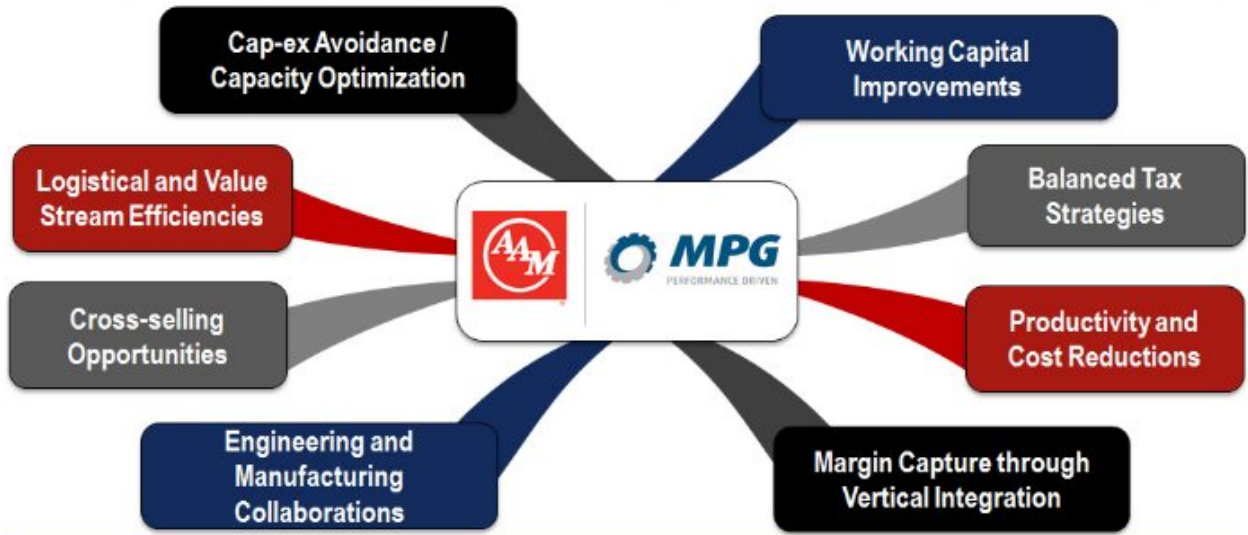
Note: Future performance reflects company estimates; (1) We expect to close in the first half of 2017 – this chart assumes a 3/31/17 close; (2) Reflects 2016E Adjusted EBITDA, excluding synergies, pro forma for the acquisition of Brillion by MPG; (3) Reflects combined revolver availability and cash balance; (4) AAM expects minimal amortization and foreign debt payments \*For definitions of terms, please see the attached appendix.



- Increased size and scale
- Customer and product diversification
- Enhanced geographic footprint
- Served market and content per vehicle expansion
- Strong profit and free cash flow margins
- Identifiable cost synergies of ≈\$100 – 120 million
- Extended debt maturity profile
- Strong liquidity position

**Stronger Financial Profile and Enhanced Cash Flow Generation**

# Powerful Industrial Logic



**Numerous value creation opportunities beyond synergies**



# APPENDIX

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# 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 2017 non-GAAP targets and pro forma 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 in any future period. The magnitude of these items, however, may be significant.

# Reconciliation of Non-GAAP Measures



## Full Year 2016 Estimates

	<u>Adjusted EBITDA Margin</u>	
	<u>Low End</u>	<u>High End</u>
	(\$ in millions, except percentages)	
Net income	\$ 232	\$ 240
Income tax expense	60	62
Interest expense	93	93
Depreciation and amortization	202	202
<b>Full year 2016 estimated EBITDA</b>	<b>\$ 587</b>	<b>\$ 597</b>
Special charges and expenses for restructuring and acquisition related activities	25	25
<b>Full year 2016 estimated Adjusted EBITDA</b>	<b>\$ 612</b>	<b>\$ 622</b>
Full year 2016 estimated sales	\$ 3,950	\$ 3,950
<b>Full year 2016 estimated Adjusted EBITDA margin</b>	<b>15.50 %</b>	<b>15.75 %</b>

	<u>Adjusted Free Cash Flow</u>	
	<u>Low End</u>	<u>High End</u>
	(\$ in millions)	
Net cash provided by operating activities	\$ 405	\$ 410
Less: Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment and government grants	(225)	(220)
<b>Full year 2016 estimated free cash flow</b>	<b>\$ 180</b>	<b>\$ 190</b>
Add back: Cash payments for restructuring and acquisition related activities	10	10
<b>Full year 2016 estimated Adjusted free cash flow</b>	<b>\$ 190</b>	<b>\$ 200</b>

The foregoing forward-looking information is based on estimates and reflects estimates for special charges, expenses and payments related to restructuring and acquisition related activities and other potential adjustments to EBITDA and free cash flow. There can be no assurance that actual results will not differ materially from those presented above.

# Reconciliation of Non-GAAP Measures



## 2015 Full Year Earnings before Interest, Income Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA Reconciliation Schedule

	(S in millions)		
	AAM	MPG	COMBINED
Net income attributable to shareholders, as reported	\$ 235.6	\$ 125.3	\$ 360.9
Interest expense	99.2	107.5	206.7
Income tax expense	37.1	48.1	85.2
Depreciation and amortization	198.4	229.8	428.2
EBITDA, as defined	<u>\$ 570.3</u>	<u>\$ 510.7</u>	<u>\$ 1,081.0</u>
Add: Special charges and non-recurring items	<u>0.8</u>	<u>16.7</u>	<u>17.5</u>
Adjusted EBITDA	<u>\$ 571.1</u>	<u>\$ 527.4</u>	<u>\$ 1,098.5</u>
as % of net sales	<u>14.6 %</u>	<u>17.3 %</u>	<u>16.0 %</u>

# Reconciliation of Non-GAAP Measures



## 2015 Full Year Free Cash Flow

(\$ in millions)

	<u>AAM</u>	<u>MPG</u>	<u>COMBINED</u>
Net cash provided by operating activities	\$ 377.6	\$ 330.0	707.6
Less: Purchases of property, plant & equipment, net of proceeds from sale of property, plant & equipment and from government grants	<u>(188.1)</u>	<u>(222.3)</u>	<u>(410.4)</u>
Free cash flow	<u>\$ 189.5</u>	<u>\$ 107.7</u>	<u>\$ 297.2</u>

# Reconciliation of Non-GAAP Measures



We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA excludes the impact of special charges and expenses for restructuring and acquisition related activities. We believe 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 banking institutions routinely use EBITDA and Adjusted EBITDA, together with other measures, to measure our operating performance relative to other Tier 1 automotive suppliers. 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.

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 government grants. Adjusted free cash flow excludes the impact of cash payments for restructuring and acquisition related activities. We believe free cash flow and Adjusted free cash flow are meaningful measures 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 and adjusted free cash flow differently.

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 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.

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

We define CAGR to be the compound annual growth rate of sales.