

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-14303

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

38-3161171

(I.R.S. Employer Identification No.)

One Dauch Drive, Detroit, Michigan

(Address of Principal Executive Offices)

48211-1198

(Zip Code)

(313) 758-2000

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	AXL	New York Stock Exchange

As of April 29, 2025, the latest practicable date, the number of shares of the registrant's Common Stock, par value \$0.01 per share, outstanding was 118,335,148 shares.

Internet Website Access to Reports

The website for American Axle & Manufacturing Holdings, Inc. is www.aam.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission (SEC). The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2025
TABLE OF CONTENTS

	<u>Page Number</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>1</u>
<u>Part I</u>	<u>FINANCIAL INFORMATION</u>
<u>Item 1</u>	<u>Financial Statements</u>
	<u>Condensed Consolidated Statements of Income</u>
	<u>Condensed Consolidated Statements of Comprehensive Income</u>
	<u>Condensed Consolidated Balance Sheets</u>
	<u>Condensed Consolidated Statements of Cash Flows</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>
<u>Item 2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4</u>	<u>Controls and Procedures</u>
<u>Part II</u>	<u>OTHER INFORMATION</u>
<u>Item 1A</u>	<u>Risk Factors</u>
<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 5</u>	<u>Other Information</u>
<u>Item 6</u>	<u>Exhibits</u>
	<u>Signatures</u>

FORWARD-LOOKING STATEMENTS

In this Quarterly Report on Form 10-Q (Quarterly Report), 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:

- global economic conditions, including the impact of inflation, recession or recessionary concerns, or slower growth in the markets in which we operate;
- reduced purchases of our products by General Motors Company (GM), Stellantis N.V. (Stellantis), Ford Motor Company (Ford) or other customers;
- our ability to respond to changes in technology, increased competition or pricing pressures;
- 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 attract new customers and programs for new products;
- reduced demand for our customers' products (particularly light trucks and sport utility vehicles (SUVs) produced by GM, Stellantis and Ford);
- our ability to consummate strategic initiatives and successfully integrate acquisitions and joint ventures;
- risks inherent in our global operations (including tariffs and the potential consequences thereof to us, our suppliers, and our customers and their suppliers, adverse changes in trade agreements, such as the United States-Mexico-Canada Agreement (USMCA), compliance with customs and trade regulations, immigration policies, political stability or geopolitical conflicts, taxes and other law changes, potential disruptions of production and supply, and currency rate fluctuations);
- supply shortages and the availability of natural gas or other fuel and utility sources in certain regions, labor shortages, including increased labor costs, or price increases in raw material and/or freight, utilities or other operating supplies for us or our customers as a result of pandemic or epidemic illness, geopolitical conflicts, natural disasters or otherwise;
- a significant disruption in operations at one or more of our key manufacturing facilities;
- risks inherent in transitioning our business from internal combustion engine vehicle products to hybrid and electric vehicle products;
- our ability to realize the expected revenues from our new and incremental business backlog;
- negative or unexpected tax consequences, including those resulting from tax litigation;
- risks related to a failure of our information technology systems and networks, including cloud-based applications, and risks associated with current and emerging technology threats, and damage from computer viruses, unauthorized access, cyber attacks, including increasingly sophisticated cyber attacks incorporating use of artificial intelligence, and other similar disruptions;
- our suppliers', our customers' and their suppliers' ability to maintain satisfactory labor relations and avoid or minimize work stoppages;
- cost or 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;
- an impairment of our goodwill, other intangible assets, or long-lived assets if our business or market conditions indicate that the carrying values of those assets exceed their fair values;
- 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;
- risks of environmental issues, including impacts of climate-related events, that could result in unforeseen issues or costs at our facilities, or risks of noncompliance with environmental laws and regulations, including reputational damage;
- our ability to maintain satisfactory labor relations and avoid work stoppages;
- our ability to achieve the level of cost reductions required to sustain global cost competitiveness or our ability to recover certain cost increases from our customers;
- price volatility in, or reduced availability of, fuel;
- our ability to protect our intellectual property and successfully defend against assertions made against us;
- adverse changes in laws, government regulations or market conditions affecting our products or our customers' products;
- our ability or our customers' and suppliers' ability to comply with regulatory requirements and the potential costs of such compliance;
- changes in liabilities arising from pension and other postretirement benefit obligations;
- our ability to attract and retain qualified personnel in key positions and functions; 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.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions, except per share data)</i>	
Net sales	\$ 1,411.3	\$ 1,606.9
Cost of goods sold	1,237.4	1,408.4
Gross profit	173.9	198.5
Selling, general and administrative expenses	90.9	98.3
Amortization of intangible assets	20.6	20.7
Restructuring and acquisition-related costs	19.7	2.5
Operating income	42.7	77.0
Interest expense	(42.9)	(49.0)
Interest income	5.6	8.3
Other income (expense)		
Debt refinancing and redemption costs	(3.3)	—
Gain on Business Combination Derivative (Note 6)	21.9	—
Gain on equity securities	—	0.1
Other expense, net	(2.9)	—
Income before income taxes	21.1	36.4
Income tax expense	14.0	15.9
Net income	\$ 7.1	\$ 20.5
Basic earnings per share	\$ 0.06	\$ 0.17
Diluted earnings per share	\$ 0.06	\$ 0.17

See accompanying notes to condensed consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Net income	\$ 7.1	\$ 20.5
Other comprehensive income (loss)		
Defined benefit plans, net of tax ^(a)	(0.3)	(0.6)
Foreign currency translation adjustments	23.3	(15.3)
Changes in hedges, net of tax ^(b)	2.2	10.8
Other comprehensive income (loss)	25.2	(5.1)
Comprehensive income	<u>\$ 32.3</u>	<u>\$ 15.4</u>

(a) Amounts are net of tax of \$0.1 million for the three months ended March 31, 2025 and \$0.3 million for the three months ended March 31, 2024.

(b) Amounts are net of tax of \$(0.9) million for the three months ended March 31, 2025 and \$(3.0) million for the three months ended March 31, 2024.

See accompanying notes to condensed consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
	<i>(Unaudited)</i>	
	<i>(in millions)</i>	
Assets		
Current assets		
Cash and cash equivalents	\$ 549.2	\$ 552.9
Accounts receivable, net	817.4	709.1
Inventories, net	434.3	442.5
Prepaid expenses and other	164.3	152.2
Current assets held-for-sale	67.8	58.1
Total current assets	<u>2,033.0</u>	<u>1,914.8</u>
Property, plant and equipment, net	1,614.6	1,622.8
Deferred income taxes	198.3	199.5
Goodwill	172.8	172.0
Other intangible assets, net	436.2	456.7
GM postretirement cost sharing asset	113.5	111.7
Operating lease right-of-use assets	109.2	110.3
Other assets and deferred charges	461.8	472.1
Total assets	<u>\$ 5,139.4</u>	<u>\$ 5,059.9</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 10.5	\$ 47.9
Accounts payable	745.3	700.5
Accrued compensation and benefits	167.2	193.0
Deferred revenue	25.0	14.2
Current portion of operating lease liabilities	24.1	22.8
Accrued expenses and other	177.9	172.4
Current liabilities held-for-sale	34.1	24.4
Total current liabilities	<u>1,184.1</u>	<u>1,175.2</u>
Long-term debt, net	2,609.0	2,576.9
Deferred revenue	43.1	37.0
Deferred income taxes	9.9	11.8
Long-term portion of operating lease liabilities	87.2	89.9
Postretirement benefits and other long-term liabilities	609.8	606.3
Total liabilities	<u>4,543.1</u>	<u>4,497.1</u>
Stockholders' equity		
Common stock, par value \$0.01 per share; 150.0 million shares authorized; 129.6 million shares issued as of March 31, 2025 and 128.3 million shares issued as of December 31, 2024	1.3	1.3
Paid-in capital	1,401.5	1,397.6
Accumulated deficit	(241.1)	(248.2)
Treasury stock at cost, 11.3 million shares as of March 31, 2025 and 10.7 million shares as of December 31, 2024	(238.4)	(235.7)
Accumulated other comprehensive income (loss)		
Defined benefit plans, net of tax	(157.5)	(157.2)
Foreign currency translation adjustments	(163.7)	(187.0)
Unrecognized loss on hedges, net of tax	(5.8)	(8.0)
Total stockholders' equity	<u>596.3</u>	<u>562.8</u>
Total liabilities and stockholders' equity	<u>\$ 5,139.4</u>	<u>\$ 5,059.9</u>

See accompanying notes to condensed consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Operating activities		
Net income	\$ 7.1	\$ 20.5
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	112.2	117.8
Deferred income taxes	(1.9)	2.4
Stock-based compensation	3.9	3.8
Pensions and other postretirement benefits, net of contributions	(0.6)	(1.0)
Loss on disposal of property, plant and equipment, net	0.4	2.7
Gain on equity securities	—	(0.1)
Gain on Business Combination Derivative (Note 6)	(21.9)	—
Debt refinancing and redemption costs	3.3	—
Changes in operating assets and liabilities		
Accounts receivable	(113.0)	(147.3)
Inventories	14.7	1.9
Accounts payable and accrued expenses	46.5	51.1
Deferred revenue	15.5	(0.8)
Other assets and liabilities	(10.3)	(33.2)
Net cash provided by operating activities	<u>55.9</u>	<u>17.8</u>
Investing activities		
Purchases of property, plant and equipment	(69.3)	(48.0)
Proceeds from sale of property, plant and equipment	0.6	3.1
Proceeds from disposition of affiliates (Note 2)	30.1	—
Acquisition of business, net of cash acquired	(0.6)	(0.6)
Other investing activities	(1.0)	(2.7)
Net cash used in investing activities	<u>(40.2)</u>	<u>(48.2)</u>
Financing activities		
Proceeds from issuance of long-term debt	1.3	—
Payments of long-term debt	(5.5)	(10.1)
Debt issuance costs	(11.6)	—
Purchase of treasury stock	(2.7)	(2.7)
Other financing activities	(5.5)	(3.2)
Net cash used in financing activities	<u>(24.0)</u>	<u>(16.0)</u>
Effect of exchange rate changes on cash	4.6	(3.7)
Net decrease in cash and cash equivalents	(3.7)	(50.1)
Cash and cash equivalents at beginning of period	552.9	519.9
Cash and cash equivalents at end of period	\$ 549.2	\$ 469.8
Supplemental cash flow information		
Interest paid	\$ 36.2	\$ 47.8
Income taxes paid, net	\$ 15.2	\$ 11.5

See accompanying notes to condensed consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock					Accumulated Other Comprehensive Income (Loss)
	Shares Outstanding	Par Value	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	
	<i>(in millions)</i>					
Balance at January 1, 2024	117.1	\$ 1.3	\$ 1,382.6	\$ (283.2)	\$ (232.9)	\$ (262.9)
Net income	—	—	—	20.5	—	—
Vesting of stock-based compensation	0.8	—	—	—	—	—
Stock-based compensation	—	—	3.8	—	—	—
Purchase of treasury stock	(0.4)	—	—	—	(2.7)	—
Changes in hedges	—	—	—	—	—	10.8
Foreign currency translation adjustments	—	—	—	—	—	(15.3)
Defined benefit plans, net	—	—	—	—	—	(0.6)
Balance at March 31, 2024	117.5	\$ 1.3	\$ 1,386.4	\$ (262.7)	\$ (235.6)	\$ (268.0)

	Common Stock					Accumulated Other Comprehensive Income (Loss)
	Shares Outstanding	Par Value	Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	
	<i>(in millions)</i>					
Balance at January 1, 2025	117.6	\$ 1.3	\$ 1,397.6	\$ (248.2)	\$ (235.7)	\$ (352.2)
Net income	—	—	—	7.1	—	—
Vesting of stock-based compensation	1.3	—	—	—	—	—
Stock-based compensation	—	—	3.9	—	—	—
Purchase of treasury stock	(0.6)	—	—	—	(2.7)	—
Changes in hedges	—	—	—	—	—	2.2
Foreign currency translation adjustments	—	—	—	—	—	23.3
Defined benefit plans, net	—	—	—	—	—	(0.3)
Balance at March 31, 2025	118.3	\$ 1.3	\$ 1,401.5	\$ (241.1)	\$ (238.4)	\$ (327.0)

See accompanying notes to condensed consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025
(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization As a leading global tier 1 automotive and mobility supplier, AAM designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid, and internal combustion vehicles. Headquartered in Detroit, Michigan, with over 75 facilities in 16 countries, AAM is bringing the future faster for a safer and more sustainable tomorrow.

Basis of Presentation We have prepared the accompanying interim condensed consolidated financial statements in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934. These condensed consolidated financial statements are unaudited but include all normal recurring adjustments, which we consider necessary for a fair presentation of the information set forth herein. Results of operations for the periods presented are not necessarily indicative of the results for the full fiscal year.

The balance sheet at December 31, 2024 presented herein has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete consolidated financial statements.

In order to prepare the accompanying interim condensed consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts and disclosures in our interim condensed consolidated financial statements. These estimates and assumptions are impacted by risks and uncertainties, including those associated with tariffs and the significant instability in U.S. trade relations with certain non-U.S. countries. While we have made estimates and assumptions based on the facts and circumstances as of the date of this report, the full impact of tariffs and potential changes in U.S. trade relations cannot be predicted, and actual results could differ materially from those estimates and assumptions.

For further information, refer to the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Effect of New Accounting Standards

Standards Recently Adopted

Accounting Standards Update 2023-07

On November 27, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-07 - *Improvements to Reportable Segment Disclosures (Topic 280)*. ASU 2023-07 enhances existing annual segment requirements to include disclosure of significant segment expenses and other segment items by reportable segment that are regularly used by the Chief Operating Decision Maker (CODM) to evaluate segment performance. This guidance also requires annual disclosure of the title and position of the CODM. ASU 2023-07 also expands interim segment disclosure requirements to include all existing annual segment disclosures in addition to the new disclosure requirements for significant segment expenses and other segment items. We adopted this guidance retrospectively on January 1, 2024 for the annual requirements and on January 1, 2025 for the interim requirements. See Note 15 - Segment Reporting for our updated interim segment disclosures.

Accounting Standards Update 2023-09

On December 14, 2023, the FASB issued ASU 2023-09 - *Improvements to Income Tax Disclosures (Topic 740)*. ASU 2023-09 expands the existing disclosure requirements for the annual rate reconciliation between the effective tax rate and the statutory federal tax rate by requiring reconciliation items to be disaggregated by defined categories and disclosed as both percentages and amounts. ASU 2023-09 also requires the disaggregation of income taxes paid by jurisdiction for each annual period presented. This guidance became effective at the beginning of our 2025 fiscal year and may be applied either retrospectively or prospectively. We adopted this guidance on January 1, 2025 and we are currently assessing the impact that this standard will have on our annual consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Standards Not Yet Adopted

Accounting Standards Update 2024-03

On November 4, 2024, the FASB issued ASU 2024-03 - *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 expands existing annual and interim requirements for costs and expenses to include a footnote disclosure disaggregating expense captions on the face of the income statement by specific expense categories using a tabular presentation. ASU 2024-03 also requires a qualitative disclosure of the amounts remaining in relevant expense captions that are not separately disclosed as part of the specific expense categories, as well as disclosures about the entity's total selling expenses and in annual periods, a definition of selling expenses. This guidance becomes effective at the beginning of our 2027 fiscal year for annual requirements, and at the beginning of our 2028 fiscal year for interim requirements, using either a prospective or retrospective transition method. We expect to adopt this guidance on January 1, 2027 for the annual requirements and will adopt the interim requirements on January 1, 2028. We are currently assessing the impact that this standard will have on our consolidated financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. ACQUISITIONS AND DISPOSITIONS

Pending Business Combination with Dowlais Group plc

On January 29, 2025, AAM announced that we reached agreement with the Board of Directors of Dowlais Group plc (Dowlais) on the terms of a recommended cash and share offer to be made by AAM to acquire the entire issued and to be issued ordinary share capital of Dowlais (the Business Combination). In connection with the Business Combination, on January 29, 2025, AAM and Dowlais entered into a Co-operation Agreement.

Pursuant to the Business Combination, Dowlais shareholders will be entitled to receive for each Dowlais ordinary share: 0.0863 shares of new AAM common stock and 42 pence per share in cash (approximately \$0.54 per share as of March 31, 2025). The transaction has been unanimously approved by the Boards of Directors of AAM and Dowlais. Following the close of the transaction, the combined company will be headquartered in Detroit, Michigan and will be led by AAM's Chairman and CEO. The transaction is expected to close by the end of 2025, subject to approval by both sets of shareholders, receipt of regulatory approvals, and satisfaction of customary closing conditions. See Note 5 - Long-Term Debt for additional detail regarding financing for the Business Combination.

Pending Disposition of AAM India Manufacturing Corporation Pvt., Ltd.

In October 2024, we entered into a definitive agreement to sell our commercial vehicle axle business and related assets in India (AAM India Manufacturing Corporation Pvt., Ltd.) to Bharat Forge Limited for a sales price of \$65 million, subject to certain customary adjustments at closing. The sale is expected to close in the first half of 2025, subject to customary closing conditions.

As such, the assets and liabilities associated with this business have met the criteria to be classified as held-for-sale, resulting in \$67.8 million of assets and \$34.1 million of liabilities classified as held-for-sale in our Condensed Consolidated Balance Sheet as of March 31, 2025. These amounts are classified entirely as current as we expect to complete the sale in the first half of 2025. The sale of AAM India Manufacturing Corporation Pvt., Ltd. did not qualify for classification as discontinued operations as the sale does not represent a strategic shift in our business that has had, or will have, a major effect on our operations and financial results.

Disposition of Affiliates

In the first quarter of 2025, we exited our 50% ownership of both Hefei AAM Automotive Driveline & Chassis System Co., Ltd. and Liuzhou AAM Automotive Driveline System Co., Ltd. As a result, we collected approximately \$30.1 million in cash, which approximated the carrying value of our investments in these joint ventures at the time of disposition. We accounted for these Chinese joint ventures as equity method investments and, as such, their results of operations, cash flows and account balances were not consolidated in our financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. INVENTORIES

We state our inventories at the lower of cost or net realizable value. The cost of our inventories is determined using the first-in-first-out method. When we determine that our gross inventories exceed usage requirements, or if inventories become obsolete or otherwise not saleable, we record a provision for such loss as a component of our inventory accounts.

Inventories consist of the following:

	March 31, 2025	December 31, 2024
	<i>(in millions)</i>	
Raw materials and work-in-progress	\$ 365.1	\$ 362.0
Finished goods	99.4	108.4
Gross inventories	464.5	470.4
Inventory valuation reserves	(30.2)	(27.9)
Inventories, net	\$ 434.3	\$ 442.5

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill The following table provides a reconciliation of changes in goodwill for the three months ended March 31, 2025:

	Consolidated
	<i>(in millions)</i>
Balance at December 31, 2024	\$ 172.0
Foreign currency translation	0.8
Balance at March 31, 2025	\$ 172.8

We conduct our annual goodwill impairment test in the fourth quarter of each year, as well as whenever adverse events or changes in circumstances indicate a possible impairment. In performing this test, we utilize a third-party valuation specialist to assist management in determining the fair value of our reporting units. Fair value of each reporting unit is estimated based on a combination of discounted cash flows and the use of pricing multiples derived from an analysis of comparable public companies multiplied against historical and/or anticipated financial metrics of each reporting unit. These calculations contain uncertainties as they require management to make assumptions including, but not limited to, market comparables, future cash flows of the reporting units, and appropriate discount and long-term growth rates. This fair value determination is categorized as Level 3 within the fair value hierarchy.

At March 31, 2025, accumulated goodwill impairment losses were \$1,435.5 million. All remaining goodwill is attributable to our Driveline reporting unit.

In October 2024, we entered into a definitive agreement to sell AAM India Manufacturing Corporation Pvt., Ltd. As a result, we have classified \$8.3 million of goodwill associated with this business as held-for-sale in our Condensed Consolidated Balance Sheet as of March 31, 2025. See Note 2 - Acquisitions and Dispositions for more detail.

Other Intangible Assets The following table provides a reconciliation of the gross carrying amount and associated accumulated amortization for AAM's other intangible assets, which are all subject to amortization:

	March 31,			December 31,		
	2025			2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	<i>(in millions)</i>					
Capitalized computer software	\$ 61.0	\$ (53.5)	\$ 7.5	\$ 60.9	\$ (52.6)	\$ 8.3
Customer platforms	856.2	(507.4)	348.8	856.2	(491.6)	364.6
Customer relationships	53.0	(27.4)	25.6	53.0	(26.5)	26.5
Technology and other	149.5	(95.2)	54.3	153.8	(96.5)	57.3
Total	\$ 1,119.7	\$ (683.5)	\$ 436.2	\$ 1,123.9	\$ (667.2)	\$ 456.7

Amortization expense for our intangible assets was \$20.6 million for the three months ended March 31, 2025 and \$20.7 million for the three months ended March 31, 2024. Estimated amortization expense for the years 2025 through 2029 is expected to be approximately \$80 million per year.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. LONG-TERM DEBT

Long-term debt consists of the following:

	March 31, 2025	December 31, 2024
	<i>(in millions)</i>	
Revolving Credit Facility	\$ —	\$ —
Term Loan A Facility	484.3	484.3
Term Loan B Facility	648.0	648.0
6.875% Notes due 2028	400.0	400.0
6.50% Notes due 2027	500.0	500.0
5.00% Notes due 2029	600.0	600.0
Non-U.S. credit facilities and other	23.8	27.6
Total debt	2,656.1	2,659.9
Less: Current portion of long-term debt	10.5	47.9
Long-term debt	2,645.6	2,612.0
Less: Debt issuance costs	36.6	35.1
Long-term debt, net	\$ 2,609.0	\$ 2,576.9

Senior Secured Credit Facilities American Axle & Manufacturing Holdings, Inc. (Holdings) and American Axle & Manufacturing, Inc. (AAM, Inc.) are parties to an amended and restated credit agreement that was entered into on March 11, 2022 and has been subsequently amended (as so amended, the Amended and Restated Credit Agreement) which provides for a term loan A facility (the Term Loan A Facility), term loan B facility (the Term Loan B Facility) and a multi-currency revolving credit facility (the Revolving Credit Facility and together with the Term Loan A Facility and the Term Loan B Facility, the Senior Secured Credit Facilities).

On February 24, 2025, Holdings and AAM, Inc. entered into the Second Amendment to the Amended and Restated Credit Facility and the Incremental Facility Agreement (the Second Amendment). The Second Amendment, among other things, a) increased the maximum under the Revolving Credit Facility from \$925.0 million to \$1,495.0 million, effective upon closing of the Business Combination, b) provided for an \$843.0 million incremental Term Loan B Facility in connection with the Business Combination, and c) extended the maturity of the Revolving Credit Facility and Term Loan A Facility for five years from the date of the Second Amendment, resetting for another five years upon the closing of the Business Combination. In connection with the Second Amendment, we paid \$11.6 million of debt issuance costs, and expensed \$3.3 million of fees and a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of these borrowings. The maturity date of the Term Loan B Facility in the fourth quarter of 2029 remains unchanged.

On January 29, 2025, in connection with the announcement of the Business Combination, Holdings and AAM, Inc. entered into a credit agreement (the Backstop Credit Agreement), the First Lien Bridge Credit Agreement (the First Lien Bridge Facility), and a Second Lien Bridge Credit Agreement (the Second Lien Bridge Facility and together with the First Lien Bridge Facility, the Bridge Facilities). Following Holdings and AAM, Inc.'s entry into the Second Amendment, the Backstop Credit Agreement was terminated. Additionally, in connection with entry into the Second Amendment on February 24, 2025, Holdings and AAM, Inc. entered into a) an Amended and Restated First Lien Bridge Credit Agreement which will provide AAM with a \$843.0 million interim loan facility in connection with the Business Combination (the Amended and Restated First Lien Bridge Credit Agreement), and b) an Amended and Restated Second Lien Bridge Credit Agreement which will provide AAM with a \$500.0 million interim loan facility in connection with the Business Combination (the Amended and Restated Second Lien Bridge Credit Agreement, and together with the Amended and Restated First Lien Bridge Credit Agreement, the Amended and Restated Bridge Credit Agreements).

At March 31, 2025, we had \$897.1 million available under the Revolving Credit Facility. This availability reflects a reduction of \$27.9 million primarily for standby letters of credit issued against the facility.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As of March 31, 2025, we have prepaid \$11.8 million of the outstanding principal on our Term Loan B Facility. These payments satisfy our obligation for principal payments under the Term Loan B Facility through the end of 2026.

The Senior Secured Credit Facilities provide back-up liquidity for our non-U.S. credit facilities. We intend to use the availability of long-term financing under the Senior Secured Credit Facilities to refinance any current maturities related to such debt agreements that are not otherwise refinanced on a long-term basis in their local markets, except where otherwise reclassified to Current portion of long-term debt on our Condensed Consolidated Balance Sheet.

Repurchase of 6.25% Notes Due 2026 In the three months ended March 31, 2024, we completed an open market repurchase of our 6.25% Notes due 2026 of \$1.7 million.

Repayment of Tekfor Group Indebtedness In the three months ended March 31, 2024, we repaid \$6.6 million of outstanding indebtedness that we assumed upon our acquisition of Tekfor in June 2022.

Non-U.S. credit facilities and Other We utilize local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. At March 31, 2025, \$23.8 million was outstanding under our non-U.S. credit facilities, as compared to \$27.6 million at December 31, 2024. At March 31, 2025, an additional \$75.6 million was available under our non-U.S. credit facilities.

Weighted-Average Interest Rate The weighted-average interest rate of our long-term debt outstanding was 6.4% at March 31, 2025 and 6.5% at December 31, 2024.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. DERIVATIVES

Our business and financial results are affected by fluctuations in global financial markets, including currency exchange rates and interest rates. Our hedging policy has been developed to manage these risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost. We do not hold financial instruments for trading or speculative purposes.

Currency derivative contracts From time to time, we use foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. As of March 31, 2025 and December 31, 2024, we had currency forward contracts outstanding with a total notional amount of \$219.9 million and \$228.1 million, respectively, that hedge our exposure to changes in foreign currency exchange rates for certain payroll expenses into the fourth quarter of 2027 and the purchase of certain working capital items into the fourth quarter of 2025.

In January 2025, in connection with the Business Combination, we entered into a foreign currency forward contract (the Business Combination Derivative) to reduce the variability in cash flows as a result of fluctuations in the foreign currency exchange rate between the U.S. dollar and Pound sterling. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Business Combination with changes in fair value recognized in Other income (expense) in our Condensed Consolidated Statement of Income. At March 31, 2025, we had a notional amount outstanding under the Business Combination Derivative of £571.0 million, which was equivalent to \$737.5 million.

Fixed-to-fixed cross-currency swap In the second quarter of 2024, we entered into a fixed-to-fixed cross-currency swap that is designated as a fair value hedge. The fixed-to-fixed cross currency swap reduces the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans. At March 31, 2025 and December 31, 2024, we had a notional amount outstanding under the fixed-to-fixed cross-currency swap of €175.0 million, which was equivalent to \$189.2 million and \$181.2 million, respectively. The fixed-to-fixed cross-currency swap hedges our exposure to changes in exchange rates on the intercompany loans through the second quarter of 2027.

Variable-to-fixed interest rate swap In 2023, we entered into a variable-to-fixed interest rate swap to reduce the variability of cash flows associated with interest payments on our variable rate debt. As of March 31, 2025, we have \$700.0 million notional amount hedged in relation to our variable-to-fixed interest rate swap into the third quarter of 2027, \$200.0 million of which continues into the fourth quarter of 2029.

The following table summarizes the reclassification of pre-tax derivative gains and losses into net income from accumulated other comprehensive income (loss) for those derivative instruments designated as cash flow and fair value hedges under Accounting Standards Codification (ASC) 815 - *Derivatives and Hedging*:

	Location of Gain (Loss) Reclassified into	Gain (Loss) Reclassified During		Total of Financial Statement Line Item	Gain (Loss) Expected
		Three Months Ended		2025	to be Reclassified During the
		March 31,			
		2025	2024	2025	Next 12 Months
<i>(in millions)</i>					
Currency forward contracts	Cost of Goods Sold	\$ (4.1)	\$ 4.7	\$ 1,237.4	\$ (7.4)
Fixed-to-fixed cross-currency swap	Other Expense, net	(8.0)	5.0	(2.9)	—
Variable-to-fixed interest rate swap	Interest Expense	1.0	0.3	(42.9)	1.7

See Note 8 - Reclassifications out of Accumulated Other Comprehensive Income (Loss) (AOCI) for amounts recognized in other comprehensive income (loss) during the three months ended March 31, 2025 and 2024.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the amount and location of gains recognized in the Condensed Consolidated Statements of Income for those derivative instruments not designated as hedging instruments under ASC 815:

	Location of Gain Recognized in Net Income	Gain Recognized During Three Months Ended March 31,		Total of Financial Statement Line Item
		2025	2024	2025
		<i>(in millions)</i>		
Currency forward contracts	Other Expense, net	\$ 0.9	\$ 1.1	\$ (2.9)
Currency forward contracts	Gain on Business Combination Derivative	21.9	—	21.9

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. FAIR VALUE

ASC 820 - *Fair Value Measurement* defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial instruments The estimated carrying value of our financial assets and liabilities that are recognized at fair value on a recurring basis, using available market information and other observable data, are as follows:

	Fair Value		Input
	March 31, 2025	December 31, 2024	
	<i>(in millions)</i>		
Balance Sheet Classification			
Cash equivalents	\$ 230.7	\$ 257.3	Level 1
Prepaid expenses and other			
Cash flow hedges - currency forward contracts	1.5	1.2	Level 2
Nondesignated - currency forward contracts	22.1	—	Level 2
Other assets and deferred charges			
Cash flow hedges - currency forward contracts	0.3	—	Level 2
Fair value hedges - fixed-to-fixed cross-currency swap	—	0.9	Level 2
Accrued expenses and other			
Cash flow hedges - currency forward contracts	8.8	14.9	Level 2
Cash flow hedges - variable-to-fixed interest rate swap	4.6	2.2	Level 2
Nondesignated - currency forward contracts	0.1	1.6	Level 2
Postretirement benefits and other long-term liabilities			
Cash flow hedges - currency forward contracts	3.9	7.3	Level 2
Fair value hedges - fixed-to-fixed cross-currency swap	5.7	—	Level 2
Cash flow hedges - variable-to-fixed interest rate swap	9.3	5.0	Level 2

The carrying values of our cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these instruments. The carrying values of our borrowings under the non-U.S. credit facilities approximate their fair value due to the frequent resetting of the interest rates.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We estimated the fair value of the amounts outstanding on our debt using available market information and other observable data, to be as follows:

	March 31, 2025		December 31, 2024		Input
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
	<i>(in millions)</i>				
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —	Level 2
Term Loan A Facility	484.3	486.7	484.3	486.1	Level 2
Term Loan B Facility	648.0	639.9	648.0	652.9	Level 2
6.875% Notes due 2028	400.0	379.5	400.0	395.0	Level 2
6.50% Notes due 2027	500.0	483.8	500.0	493.5	Level 2
5.00% Notes due 2029	600.0	513.0	600.0	544.5	Level 2

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

Reclassification adjustments and other activity impacting accumulated other comprehensive income (loss) during the three months ended March 31, 2025 and March 31, 2024 are as follows *(in millions)*:

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at December 31, 2024	\$ (157.2)	\$ (187.0)	\$ (8.0)	\$ (352.2)
Other comprehensive income (loss) before reclassifications	—	16.9	(8.0)	8.9
Income tax effect of other comprehensive income (loss) before reclassifications	—	—	1.7	1.7
Amounts reclassified from accumulated other comprehensive income (loss)	(0.4) (a)	6.4 (c)	11.1 (b)	17.1
Income taxes reclassified into net income	0.1	—	(2.6)	(2.5)
Net change in accumulated other comprehensive income (loss)	(0.3)	23.3	2.2	25.2
Balance at March 31, 2025	<u>\$ (157.5)</u>	<u>\$ (163.7)</u>	<u>\$ (5.8)</u>	<u>\$ (327.0)</u>

	Defined Benefit Plans	Foreign Currency Translation Adjustments	Unrecognized Gain (Loss) on Hedges	Total
Balance at December 31, 2023	\$ (145.3)	\$ (142.3)	\$ 24.7	\$ (262.9)
Other comprehensive income (loss) before reclassifications	—	(15.3)	23.8	8.5
Income tax effect of other comprehensive income (loss) before reclassifications	—	—	(5.0)	(5.0)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.9) (a)	—	(10.0) (b)	(10.9)
Income taxes reclassified into net income	0.3	—	2.0	2.3
Net change in accumulated other comprehensive income (loss)	(0.6)	(15.3)	10.8	(5.1)
Balance at March 31, 2024	<u>\$ (145.9)</u>	<u>\$ (157.6)</u>	<u>\$ 35.5</u>	<u>\$ (268.0)</u>

(a) These amounts were reclassified from AOCI to Other expense, net for the three months ended March 31, 2025 and March 31, 2024.

(b) The amounts reclassified from AOCI included \$4.1 million in cost of goods sold (COGS), \$(1.0) million in interest expense and \$8.0 million in Other expense, net for the three months ended March 31, 2025 and \$(4.7) million in COGS, \$(0.3) million in interest expense and \$(5.0) million in Other expense, net for the three months ended March 31, 2024.

(c) The amount reclassified from AOCI to net income for the three months ended March 31, 2025 reflects AAM's 50% share of the cumulative translation adjustment associated with the two Chinese joint ventures that we exited in the first quarter of 2025. This amount was reclassified to Other expense, net. See Note 2 - Acquisitions and Dispositions for further details.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost (credit) are as follows:

	Pension Benefits	
	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Service cost	\$ 0.1	\$ 0.3
Interest cost	6.0	5.8
Expected asset return	(6.4)	(7.2)
Amortized loss	2.1	1.7
Net periodic benefit cost	<u>\$ 1.8</u>	<u>\$ 0.6</u>

	Other Postretirement Benefits	
	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Service cost	\$ —	\$ —
Interest cost	2.3	2.1
Amortized gain	(2.3)	(2.5)
Amortized prior service credit	(0.2)	(0.1)
Net periodic benefit credit	<u>\$ (0.2)</u>	<u>\$ (0.5)</u>

The noncurrent liabilities associated with our pension and other postretirement benefit plans are classified as Postretirement benefits and other long-term liabilities on our Condensed Consolidated Balance Sheets. As of March 31, 2025 and December 31, 2024, we have a noncurrent pension liability of \$78.4 million and \$78.3 million, respectively. As of March 31, 2025 and December 31, 2024, we have a noncurrent other postretirement benefits liability of \$265.6 million and \$265.3 million, respectively.

Due to the availability of our pre-funded pension balances (previous contributions in excess of prior required pension contributions), we expect our regulatory pension funding requirements in 2025 to be approximately \$1.1 million. We expect our cash payments for other postretirement benefit obligations in 2025, net of GM cost sharing, to be approximately \$11.6 million.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. PRODUCT WARRANTIES

We record a liability for estimated warranty obligations at the dates our products are sold. These estimates are established using sales volumes and internal and external warranty data where there is no payment history and historical information about the average cost of warranty claims for customers with prior claims. We estimate our costs based on the contractual arrangements with our customers, existing customer warranty terms and internal and external warranty data, which includes a determination of our warranty claims and actions taken to improve product quality and minimize warranty claims. We continuously evaluate these estimates and our customers' administration of their warranty programs. We monitor actual warranty claim data and adjust the liability, as necessary, on a quarterly basis.

The following table provides a reconciliation of changes in the product warranty liability:

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Beginning balance	\$ 60.6	\$ 66.3
Accruals	4.1	3.9
Payments	(2.5)	(2.2)
Foreign currency translation	0.4	(0.4)
Ending balance	<u>\$ 62.6</u>	<u>\$ 67.6</u>

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Net sales recognized from contracts with customers, disaggregated by segment and geographical location, are presented in the following table for the three months ended March 31, 2025 and 2024. Net sales are attributed to regions based on the location of production. Intersegment sales have been excluded from the table.

	Three Months Ended March 31, 2025		
	<i>(in millions)</i>		
	Driveline	Metal Forming	Total
North America	\$ 714.5	\$ 318.5	\$ 1,033.0
Asia	137.7	3.4	141.1
Europe	83.9	111.2	195.1
South America	21.1	21.0	42.1
Total	\$ 957.2	\$ 454.1	\$ 1,411.3

	Three Months Ended March 31, 2024		
	<i>(in millions)</i>		
	Driveline	Metal Forming	Total
North America	\$ 828.0	\$ 345.9	\$ 1,173.9
Asia	142.7	8.0	150.7
Europe	121.5	124.3	245.8
South America	14.2	22.3	36.5
Total	\$ 1,106.4	\$ 500.5	\$ 1,606.9

Contract Assets and Liabilities

The following table summarizes our beginning and ending balances for accounts receivable and contract liabilities associated with our contracts with customers *(in millions)*:

	Accounts Receivable, Net	Contract Liabilities (Current)	Contract Liabilities (Long-term)
December 31, 2024	\$ 709.1	\$ 14.2	\$ 37.0
March 31, 2025	817.4	25.0	43.1
Increase/(decrease)	\$ 108.3	\$ 10.8	\$ 6.1

Contract liabilities relate to deferred revenue associated with various settlements and commercial agreements for which we have a future performance obligation to the customer. We recognize this deferred revenue into revenue over the life of the associated program as we satisfy our performance obligations to the customer. We do not have contract assets as defined in ASC 606. We amortized previously recorded contract liabilities into revenue as we satisfied performance obligations with our customers of approximately \$3.9 million and \$4.0 million for the three months ended March 31, 2025 and 2024, respectively.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. RESTRUCTURING AND ACQUISITION-RELATED COSTS

In 2022, we completed our acquisition of Tekfor Group (Tekfor) and in 2023 we initiated certain restructuring actions associated with the acquired entities. We expect to incur restructuring costs associated with the acquired entities throughout 2025. In the first quarter of 2024, we initiated a global restructuring program (the 2024 Program) focused on optimizing our cost structure. We expect to incur costs under the 2024 Program into 2028.

A summary of our restructuring activity for the first three months of 2025 and 2024 is shown below:

	Severance Charges	Implementation Costs	Total
	<i>(in millions)</i>		
Accrual at December 31, 2023	\$ 3.0	\$ 1.7	\$ 4.7
Charges	0.2	1.2	1.4
Cash utilization	(1.6)	(1.1)	(2.7)
Accrual at March 31, 2024	<u>\$ 1.6</u>	<u>\$ 1.8</u>	<u>\$ 3.4</u>
Accrual at December 31, 2024	\$ 0.8	\$ 2.0	\$ 2.8
Charges	1.0	2.4	3.4
Cash utilization	(1.4)	(1.2)	(2.6)
Accrual at March 31, 2025	<u>\$ 0.4</u>	<u>\$ 3.2</u>	<u>\$ 3.6</u>

As part of our restructuring actions, we incurred total severance charges of approximately \$1.0 million and \$0.2 million during the three months ended March 31, 2025 and 2024, respectively. We also incurred total implementation costs of approximately \$2.4 million and \$1.2 million during the three months ended March 31, 2025 and 2024, respectively. Implementation costs consist primarily of plant exit costs.

Approximately \$1.8 million of our total restructuring costs for the three months ended March 31, 2025 related to the 2024 Program and approximately \$1.6 million were associated with Tekfor. From inception of the 2024 Program, we have incurred \$11.3 million of total restructuring costs under this program. We have incurred \$4.2 million of total restructuring costs associated with Tekfor.

Approximately \$1.0 million and \$1.9 million of our total restructuring costs for the three months ended March 31, 2025 related to our Driveline and Metal Forming segments, respectively, while the remainder were corporate costs. Approximately \$1.1 million of our total restructuring costs for the three months ended March 31, 2024 related to our Metal Forming segment, while the remainder were corporate costs. We expect to incur approximately \$20 million to \$30 million of total restructuring charges in 2025.

The following table represents a summary of acquisition-related costs associated with the Business Combination and integration costs primarily related to our previous acquisition of Tekfor:

	Acquisition-Related Costs	Integration Expenses	Total
	<i>(in millions)</i>		
Charges for the three months ended March 31, 2025	\$ 16.2	\$ 0.1	\$ 16.3
Charges for the three months ended March 31, 2024	—	1.1	1.1

Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred. Integration expenses primarily reflect costs incurred for information technology infrastructure and enterprise resource planning systems, and consulting fees incurred in conjunction with integration activities. Total restructuring charges and acquisition-related charges are presented on a separate line item titled Restructuring and acquisition-related costs in our Condensed Consolidated Statements of Income and totaled \$19.7 million and \$2.5 million for the three months ended March 31, 2025 and March 31, 2024, respectively.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INCOME TAXES

We adjust our effective tax rate each quarter based on our estimated annual effective tax rate. We also record the tax impact of certain discrete, unusual or infrequently occurring items, including changes in judgment about valuation allowances and the effects of changes in tax laws or rates on deferred tax balances, in the interim period in which they occur. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no tax benefit can be recognized are excluded from the estimated annual effective tax rate. The impact of such an exclusion could result in a higher or lower effective tax rate during a particular quarter, based upon the mix and timing of actual earnings versus annual projections.

Our income tax expense and effective income tax rates for the three months ended March 31, 2025 and March 31, 2024 are as follows:

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions)</i>	
Income tax expense	\$ 14.0	\$ 15.9
Effective income tax rate	66.4 %	43.7 %

During the three months ended March 31, 2025 and March 31, 2024, in computing our estimated annual effective tax rate, we recorded a valuation allowance against the deferred tax asset on the current year estimated disallowed interest expense in the U.S. Our effective income tax rate for the three months ended March 31, 2025 varies from our effective income tax rate for the three months ended March 31, 2024 primarily as a result of the mix of earnings on a jurisdictional basis and the impact of the discrete item noted above.

For the three months ended March 31, 2025, our effective income tax rate varies from the U.S. federal statutory rate primarily due to the unfavorable impact of disallowed interest expense deductions in the U.S., as well as the mix of earnings on a jurisdictional basis, the impact of certain non-U.S. tax rates and non-U.S. withholding taxes, and the impact of global intangible low-taxed income (GILTI). In addition, the impact of tax expense from valuation allowances in certain non-U.S. jurisdictions also impacted our effective tax rate, as compared to the U.S. federal statutory rate, in the first quarter of 2025. These tax expenses were partially offset by the favorable impact of tax credits.

For the three months ended March 31, 2024, our effective income tax rate varied from the U.S. federal statutory rate primarily due to the unfavorable impact of disallowed interest expense deductions in the U.S. and tax expense related to GILTI, net of the favorable impact of certain non-U.S. tax rates and the impact of tax credits.

In accordance with the guidance in ASC 740 - *Income Taxes*, we review the likelihood that we will realize the benefit of deferred tax assets and estimate whether recoverability of our deferred tax assets is "more likely than not" based on the available evidence. Due to the uncertainty associated with the potential impact of geopolitical conflicts or events, as well as macroeconomic factors, including sustained or increased inflation, renegotiated trade agreements, and tariffs or import restrictions, we may experience lower than projected earnings in certain jurisdictions in future periods and, as a result, it is reasonably possible that changes in valuation allowances could be recognized in future periods and such changes could be material to our financial statements.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other Income Tax Matters

During their examination of our 2015 U.S. federal income tax return, the Internal Revenue Service (IRS) asserted that income earned by a Luxembourg subsidiary from its Mexican branch operations should be categorized as foreign base company sales income (FBCSI) under Section 954(d) of the Internal Revenue Code and recognized currently as taxable income on our 2015 U.S. federal income tax return. As a result of this assertion, the IRS issued a Notice of Proposed Adjustment (NOPA). AAM disagreed with the NOPA, believes that the proposed adjustment is without merit and contested the matter through the IRS's administrative appeals process. No resolution was reached in the appeals process and, in September 2022, the IRS issued a Notice of Deficiency. The IRS subsequently issued a Notice of Tax Due in December 2022 and AAM paid the assessed tax and interest of \$10.1 million in January 2023. We filed a claim for refund for the amount of tax and interest paid related to this matter for the 2015 tax year and, in December 2023, we filed suit in the U.S. Court of Federal Claims.

We believe, after consultation with tax and legal counsel, that it is more likely than not that our structure did not give rise to FBCSI, and it's likely that we will be successful in ultimately defending our position. As such, we have not recorded any impact of the IRS's proposed adjustment in our condensed consolidated financial statements as of, and for the three months ended, March 31, 2025 and March 31, 2024, with the exception of the income tax receivable of \$10.1 million that was paid by AAM to the IRS in 2023. As of March 31, 2025, in the event AAM is not successful in defending its position, the potential additional income tax expense, including estimated interest charges, related to tax years 2015 through 2024, is estimated to be in the range of approximately \$315 million to \$365 million.

In July 2024, the IRS issued to AAM additional NOPAs for this matter for each of the tax years 2016 through 2019. The issuance of these NOPAs does not impact the aforementioned estimated range of potential income tax expense and interest charges and does not alter AAM's belief that it is more likely than not that our structure did not give rise to FBCSI and that it's likely that we will be successful in ultimately defending our position.

Negative or unexpected outcomes of tax examinations and audits, and any related litigation, could have a material adverse impact on our results of operations, financial condition and cash flows. We will continue to monitor the progress and conclusions of all ongoing audits and other communications with tax authorities and will adjust our estimated liability as necessary. As of March 31, 2025 and December 31, 2024, we have recorded a liability for unrecognized income tax benefits and related interest and penalties of \$34.9 million and \$34.2 million, respectively.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. EARNINGS PER SHARE (EPS)

We present EPS using the two-class method. This method allocates undistributed earnings between common shares and non-vested share-based payment awards that entitle the holder to non-forfeitable dividend rights. Our participating securities are our non-vested restricted stock units.

The following table sets forth the computation of our basic and diluted EPS available to shareholders of common stock (excluding participating securities):

	Three Months Ended	
	March 31,	
	2025	2024
	<i>(in millions, except per share data)</i>	
Numerator		
Net income	\$ 7.1	\$ 20.5
Less: Net income attributable to participating securities	<u>(0.3)</u>	<u>(0.6)</u>
Net income attributable to common shareholders - Basic and Dilutive	<u>\$ 6.8</u>	<u>\$ 19.9</u>
Denominators		
Basic common shares outstanding -		
Weighted-average shares outstanding	122.5	120.9
Less: Weighted-average participating securities	<u>(4.6)</u>	<u>(3.7)</u>
Weighted-average common shares outstanding	117.9	117.2
Effect of dilutive securities -		
Dilutive stock-based compensation	<u>0.1</u>	<u>0.1</u>
Diluted shares outstanding -		
Adjusted weighted-average shares after assumed conversions	<u>118.0</u>	<u>117.3</u>
Basic EPS	<u>\$ 0.06</u>	<u>\$ 0.17</u>
Diluted EPS	<u>\$ 0.06</u>	<u>\$ 0.17</u>

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. SEGMENT REPORTING

Our business is organized into Driveline and Metal Forming segments, with each representing a reportable segment under ASC 280 - *Segment Reporting*. The results of each segment are regularly reviewed by the chief operating decision maker (CODM) to assess the performance of the segment and make decisions regarding the allocation of resources to the segments. Our CODM is our Chief Executive Officer.

Our product offerings by segment are as follows:

- Driveline products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, sport utility vehicles (SUVs), crossover vehicles, passenger cars and commercial vehicles; and
- Metal Forming products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

We 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. We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Segment Adjusted EBITDA is defined as EBITDA for our reportable segments excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gains or losses on the derivative associated with our Business Combination with Dowlais, gains or losses on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items.

The following tables represent information by reportable segment for the three months ended March 31, 2025 and 2024 (*in millions*):

	Three Months Ended March 31, 2025			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	\$ 957.8	\$ 575.8	\$ —	\$ 1,533.6
Less: Intersegment sales	0.6	121.7	—	122.3
Net external sales	\$ 957.2	\$ 454.1	\$ —	\$ 1,411.3
Cost of goods sold (a)	765.6	385.3	—	1,150.9
Selling, general and administrative expenses (b)	65.9	19.9	—	85.8
Other segment expense (income), net (c)	0.4	(3.1)	—	(2.7)
Segment Adjusted EBITDA	\$ 125.3	\$ 52.0	\$ —	\$ 177.3
Depreciation and amortization	\$ 59.4	\$ 52.8	\$ —	\$ 112.2
Capital expenditures	\$ 41.5	\$ 27.2	\$ 0.6	\$ 69.3
Total assets	\$ 2,460.4	\$ 1,671.7	\$ 1,007.3	\$ 5,139.4

(a) Cost of goods sold excludes depreciation and amortization, which was \$50.5 million for Driveline and \$36.0 million for Metal Forming for the three months ended March 31, 2025.

(b) Selling, general and administrative expenses excludes depreciation, which was \$4.2 million for Driveline and \$0.9 million for Metal Forming for the three months ended March 31, 2025.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Three Months Ended March 31, 2024			
	Driveline	Metal Forming	Corporate and Eliminations	Total
Sales	\$ 1,106.4	\$ 644.1	\$ —	\$ 1,750.5
Less: Intersegment sales	—	143.6	—	143.6
Net external sales	\$ 1,106.4	\$ 500.5	\$ —	\$ 1,606.9
Cost of goods sold (a)	881.4	434.8	—	1,316.2
Selling, general and administrative expenses (b)	71.8	21.6	—	93.4
Other segment expense (income), net (c)	(4.2)	(4.1)	—	(8.3)
Segment Adjusted EBITDA	\$ 157.4	\$ 48.2	\$ —	\$ 205.6
Depreciation and amortization	\$ 62.1	\$ 55.7	\$ —	\$ 117.8
Capital expenditures	\$ 24.6	\$ 22.4	\$ 1.0	\$ 48.0
Total assets	\$ 2,607.9	\$ 1,786.6	\$ 976.6	\$ 5,371.1

(a) Cost of goods sold excludes depreciation and amortization, which was \$53.1 million for Driveline and \$39.1 million for Metal Forming for the three months ended March 31, 2024.

(b) Selling, general and administrative expenses excludes depreciation, which was \$4.0 million for Driveline and \$0.9 million for Metal Forming for the three months ended March 31, 2024.

(c) Other segment expense (income), net primarily consists of the net impact of interest income and foreign exchange gains and losses.

The following table represents a reconciliation of Total Segment Adjusted EBITDA to consolidated income before income taxes for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
	<i>(in millions)</i>	
Total segment adjusted EBITDA	\$ 177.3	\$ 205.6
Interest expense	(42.9)	(49.0)
Depreciation and amortization	(112.2)	(117.8)
Restructuring and acquisition-related costs	(19.7)	(2.5)
Gain on Business Combination Derivative (Note 6)	21.9	—
Gain on equity securities	—	0.1
Debt refinancing and redemption costs	(3.3)	—
Income before income taxes	<u>\$ 21.1</u>	<u>\$ 36.4</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis (MD&A) should be read in conjunction with the unaudited condensed consolidated financial statements and notes appearing elsewhere in this Quarterly Report and our Annual Report on Form 10-K for the year ended December 31, 2024.

Unless the context otherwise requires, references to "we," "our," "us" or "AAM" shall mean collectively (i) American Axle & Manufacturing Holdings, Inc. (Holdings), a Delaware corporation, (ii) American Axle & Manufacturing, Inc. (AAM, Inc.), a Delaware corporation, and its direct and indirect subsidiaries, and, (iii) Metaldyne Performance Group, Inc. (MPG) and its direct and indirect subsidiaries. AAM Inc. and MPG are wholly owned subsidiaries of Holdings.

COMPANY OVERVIEW

As a leading global tier 1 automotive and mobility supplier, AAM designs, engineers and manufactures Driveline and Metal Forming technologies to support electric, hybrid, and internal combustion vehicles. Headquartered in Detroit, Michigan, with over 75 facilities in 16 countries, AAM is bringing the future faster for a safer and more sustainable tomorrow.

Major Customers

We are a primary supplier of driveline components to General Motors Company (GM) for its full-size rear-wheel drive (RWD) light trucks, sport utility vehicles (SUVs), and crossover vehicles manufactured in North America, supplying a significant portion of GM's rear axle and four-wheel drive and all-wheel drive (4WD/AWD) axle requirements for these vehicle platforms. We also supply GM with various products from our Metal Forming segment. Sales to GM were approximately 44% of our consolidated net sales for the first three months of 2025, 40% for the first three months of 2024 and 42% for the full year 2024.

We also supply driveline system products to Stellantis N.V. (Stellantis) for programs including the heavy-duty Ram full-size pickup trucks and its derivatives. In addition, we sell various products to Stellantis from our Metal Forming segment. Sales to Stellantis were approximately 11% of our consolidated net sales for the first three months of 2025, 14% for the first three months of 2024 and 13% for the full year 2024.

We are also a supplier to Ford Motor Company (Ford) for driveline system products on certain vehicle programs including the Bronco Sport, Maverick, Edge, Escape and Lincoln Nautilus, and we also sell various products to Ford from our Metal Forming segment. Sales to Ford were approximately 15% of our consolidated net sales for the first three months of 2025 and 13% for both the first three months of 2024 and the full year 2024.

No other customer represented 10% or more of consolidated net sales during these periods.

Pending Business Combination with Dowlais Group plc

On January 29, 2025, AAM announced that we reached agreement with the Board of Directors of Dowlais Group plc (Dowlais) on the terms of a recommended cash and share offer to be made by AAM to acquire the entire issued and to be issued ordinary share capital of Dowlais (the Business Combination). In connection with the Business Combination, on January 29, 2025, AAM and Dowlais entered into a Co-operation Agreement.

Pursuant to the Business Combination, Dowlais shareholders will be entitled to receive for each Dowlais ordinary share: 0.0863 shares of new AAM common stock and 42 pence per share in cash (approximately \$0.54 per share as of March 31, 2025). The transaction has been unanimously approved by the Boards of Directors of AAM and Dowlais. Following the close of the transaction, the combined company will be headquartered in Detroit, Michigan and will be led by AAM's Chairman and CEO. The transaction is expected to close by the end of 2025, subject to approval by both sets of shareholders, receipt of regulatory approvals, and satisfaction of customary closing conditions.

Pending Sale of AAM India Manufacturing Corporation Pvt., Ltd.

In October 2024, we entered into a definitive agreement to sell our commercial vehicle axle business and related assets in India (AAM India Manufacturing Corporation Pvt., Ltd.) to Bharat Forge Limited for a sales price of \$65 million, subject to certain customary adjustments at closing (the India Sale Agreement). The sale is expected to close in the first half of 2025, subject to customary closing conditions.

Uncertainty Associated with Tariffs and Trade Relations

The U.S. government has recently announced the implementation of new tariffs, as well as increases in certain existing tariffs, on various products including assembled vehicles and automotive parts and components imported into the U.S., and there is considerable uncertainty around the extent, timing and duration of these tariffs. This has resulted in retaliatory tariffs against the U.S. by the governments of various countries, resulting in significant instability and uncertainty in U.S. trade relations with certain countries. Due to the uncertainty associated with the potential further implementation or expansion of tariffs, as well as retaliatory actions and other changes to existing trade agreements or changes in international trade relations, the ultimate impact on our net sales, results of operations and cash flows is unknown.

Commercial Matters

In April 2024, one of our largest customers notified AAM that production purchase orders related to a previously announced contract to supply e-Beam axles for a future vehicle program were terminated. We believe that the termination of these purchase orders reflects, in part, the significant uncertainty currently underlying the electric vehicle environment, including volatility in estimated volumes and the timing of production. We have submitted a cancellation claim to recover certain costs incurred in connection with the terminated purchase orders. As of March 31, 2025, we have approximately \$70 million of assets in our Condensed Consolidated Balance Sheet associated with this program, consisting of capitalized engineering, design and development costs and other commercial amounts. As of the date of this filing, we believe we are entitled to claim and recover the full amount. However, due to the nature of the cancellation claim process, and the need to reach final resolution with the customer, the ultimate amount to be recovered is not determinable and could differ materially from the amount included in our Condensed Consolidated Balance Sheet.

RESULTS OF OPERATIONS — THREE MONTHS ENDED MARCH 31, 2025 AS COMPARED TO THREE MONTHS ENDED MARCH 31, 2024

Net Sales

<i>(in millions)</i>	Three Months Ended March 31,			
	2025	2024	Change	Percent Change
Net sales	\$ 1,411.3	\$ 1,606.9	\$ (195.6)	(12.2)%

The change in net sales in the first three months of 2025, as compared to the first three months of 2024, reflects a reduction of approximately \$28 million associated with the effect of metal market pass-throughs to our customers and the impact of foreign exchange related to translation adjustments, with the remainder attributable to lower production volumes on certain vehicle programs that we support.

Cost of Goods Sold

<i>(in millions)</i>	Three Months Ended March 31,			
	2025	2024	Change	Percent Change
Cost of goods sold	\$ 1,237.4	\$ 1,408.4	\$ (171.0)	(12.1)%

The decrease in cost of goods sold in the first three months of 2025, as compared to the first three months of 2024, reflects a reduction of approximately \$32 million associated with the effect of metal market pass-through costs and the impact of foreign exchange related to translation adjustments. The remainder of the decrease in cost of goods sold is primarily attributable to lower production volumes on certain vehicle programs that we support and the impact of improved operating performance. For the three months ended March 31, 2025, material costs were approximately 55% of total cost of goods sold as compared to approximately 58% for the three months ended March 31, 2024. The reduction in material costs as a percentage of total cost of goods sold is primarily attributable to the lower cost of steel and other metallic materials in the first quarter of 2025 as compared to the first quarter of 2024.

Gross Profit

<i>(in millions)</i>	Three Months Ended March 31,			
	2025	2024	Change	Percent Change
Gross profit	\$ 173.9	\$ 198.5	\$ (24.6)	(12.4)%

Gross margin was 12.3% in the first three months of 2025 as compared to 12.4% in the first three months of 2024. Gross profit and gross margin were impacted by the factors discussed in Net Sales and Cost of Goods Sold above.

Selling, General and Administrative Expenses (SG&A)

<i>(in millions)</i>	Three Months Ended March 31,			
	2025	2024	Change	Percent Change
Selling, general & administrative expenses	\$ 90.9	\$ 98.3	\$ (7.4)	(7.5)%

SG&A as a percentage of net sales was 6.4% in the first three months of 2025 as compared to 6.1% in the first three months of 2024. R&D expense, net of customer ED&D recoveries, was approximately \$36.3 million in the first three months of 2025, as compared to \$36.7 million in the first three months of 2024. The decrease in SG&A in the first three months of 2025, as compared to the first three months of 2024, primarily reflects lower compensation-related expense.

Amortization of Intangible Assets Amortization expense related to intangible assets was \$20.6 million for the three months ended March 31, 2025, as compared to \$20.7 million for the three months ended March 31, 2024.

Restructuring and Acquisition-Related Costs Restructuring and acquisition-related costs were \$19.7 million for the three months ended March 31, 2025, as compared to \$2.5 million for the three months ended March 31, 2024. The change in restructuring and acquisition-related costs was primarily related to acquisition-related costs incurred in connection with the Business Combination. Acquisition-related costs primarily consist of advisory, legal, accounting, valuation and certain other professional or consulting fees incurred.

In 2025, we expect to incur approximately \$20 million to \$30 million of total restructuring charges. In addition, we expect to incur \$60 million to \$70 million of acquisition-related costs in 2025 associated with the Business Combination. See Note 12 - Restructuring and Acquisition-Related Costs for additional detail regarding our restructuring, acquisition and integration activity.

Operating Income Operating income was \$42.7 million in the first three months of 2025 as compared to \$77.0 million in the first three months of 2024. Operating margin was 3.0% in the first three months of 2025, as compared to 4.8% in the first three months of 2024. The changes in operating income and operating margin were due primarily to the factors discussed in Net Sales, Cost of Goods Sold, SG&A and Restructuring and Acquisition-Related Costs above.

Interest Expense and Interest Income Interest expense was \$42.9 million in the first three months of 2025 as compared to \$49.0 million in the first three months of 2024. The weighted-average interest rate of our long-term debt outstanding was 6.9% for the three months ended March 31, 2025 and 7.1% for the three months ended March 31, 2024. We expect our interest expense for the full year 2025 to be approximately \$170 million to \$180 million.

Interest income was \$5.6 million in the first three months of 2025 as compared to \$8.3 million in the first three months of 2024.

Debt Refinancing and Redemption Costs In the first three months of 2025, we expensed \$3.3 million of fees and unamortized debt issuance costs in connection with the Second Amendment to the Amended and Restated Credit Facility. See Note 5 - Long-Term Debt for further detail on the Second Amendment to the Amended and Restated Credit Facility.

Unrealized Gain on Business Combination Derivative In the first three months of 2025, we recognized an unrealized gain on the Business Combination Derivative of \$21.9 million. See Note 6 - Derivatives for additional detail on the Business Combination Derivative.

Gain on Equity Securities We had previously invested in the equity securities of REE Automotive, which were measured at fair value each reporting period with changes in fair value reported as a gain or loss within Other income (expense) in our Condensed Consolidated Statement of Income. We recognized an unrealized gain on our investment in REE shares of \$0.1 million for the three months ended March 31, 2024.

Other Expense, Net Other expense, net includes the net effect of foreign exchange gains and losses, our proportionate share of earnings from equity in unconsolidated subsidiaries, and all components of net periodic pension and postretirement benefit costs other than service cost. Other expense, net was \$2.9 million in the first three months of 2025, and was de minimis in the first three months of 2024.

Income Tax Expense Income tax expense was \$14.0 million for the three months ended March 31, 2025, as compared to \$15.9 million for the three months ended March 31, 2024. Our effective income tax rate was 66.4% in the first three months of 2025 as compared to 43.7% in the first three months of 2024.

During the three months ended March 31, 2025 and March 31, 2024, in computing our estimated annual effective tax rate, we recorded a valuation allowance against the deferred tax asset on the current year estimated disallowed interest expense in the U.S. Our effective income tax rate for the three months ended March 31, 2025 varies from our effective income tax rate for the three months ended March 31, 2024 primarily as a result of the mix of earnings on a jurisdictional basis and the impact of the discrete item noted above.

For the three months ended March 31, 2025, our effective income tax rate varies from the U.S. federal statutory rate primarily due to the unfavorable impact of disallowed interest expense deductions in the U.S., as well as the mix of earnings on a jurisdictional basis, the impact of certain non-U.S. tax rates and non-U.S. withholding taxes, and the impact of global intangible low-taxed income (GILTI). In addition, the impact of tax expense from valuation allowances in certain non-U.S. jurisdictions also impacted our effective tax rate, as compared to the U.S. federal statutory rate, in the first quarter of 2025. These tax expenses were partially offset by the favorable impact of tax credits.

For the three months ended March 31, 2024, our effective income tax rate varied from the U.S. federal statutory rate primarily due to the unfavorable impact of disallowed interest expense deductions in the U.S. and tax expense related to GILTI, net of the favorable impact of certain non-U.S. tax rates and the impact of tax credits.

In accordance with the guidance in ASC 740 - *Income Taxes*, we review the likelihood that we will realize the benefit of deferred tax assets and estimate whether recoverability of our deferred tax assets is "more likely than not" based on the available evidence. Due to the uncertainty associated with the potential impact of geopolitical conflicts or events, as well as macroeconomic factors, including sustained or increased inflation, renegotiated trade agreements, and tariffs or import restrictions, we may experience lower than projected earnings in certain jurisdictions in future periods and, as a result, it is reasonably possible that changes in valuation allowances could be recognized in future periods and such changes could be material to our financial statements.

Net Income and Earnings Per Share (EPS) Our net income was \$7.1 million in the first three months of 2025, as compared to \$20.5 million in the first three months of 2024. Diluted earnings per share was \$0.06 in the first three months of 2025, as compared to \$0.17 per share in the first three months of 2024. Net income and EPS for the first three months of 2025 and 2024 were primarily impacted by the factors discussed above.

SEGMENT REPORTING

Our business is organized into Driveline and Metal Forming segments, with each representing a reportable segment under ASC 280 - *Segment Reporting*. The results of each segment are regularly reviewed by the chief operating decision maker to assess the performance of the segment and make decisions regarding the allocation of resources to the segments.

Our product offerings by segment are as follows:

- Driveline products consist primarily of front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems, disconnecting driveline technology, and electric and hybrid driveline products and systems for light trucks, SUVs, crossover vehicles, passenger cars and commercial vehicles; and
- Metal Forming products consist primarily of engine, transmission, driveline and safety-critical components for traditional internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as products for industrial markets.

The following table represents sales by reportable segment for the three months ended March 31, 2025 and 2024 (*in millions*):

	Three Months Ended March 31,	
	2025	2024
Driveline	\$ 957.8	\$ 1,106.4
Metal Forming	575.8	644.1
Eliminations	(122.3)	(143.6)
Net sales	<u>\$ 1,411.3</u>	<u>\$ 1,606.9</u>

The change in Driveline sales for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, reflects a reduction of approximately \$15 million associated with the effect of metal market pass-throughs to our customers and the impact of foreign exchange related to translation adjustments, with the remainder attributable to lower production volumes on certain vehicle programs that we support.

The change in Metal Forming sales for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, reflects a reduction of approximately \$13 million associated with the effect of metal market pass-throughs to our customers and the impact of foreign exchange related to translation adjustments, with the remainder attributable to lower production volumes on certain vehicle programs that we support.

We 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. The amounts for Segment Adjusted EBITDA for the three months ended March 31, 2025 and 2024 are as follows (*in millions*):

	Three Months Ended March 31,	
	2025	2024
Driveline	\$ 125.3	\$ 157.4
Metal Forming	52.0	48.2
Total segment adjusted EBITDA	<u>\$ 177.3</u>	<u>\$ 205.6</u>

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, Segment Adjusted EBITDA for the Driveline segment reflects the impact of lower production volumes on certain vehicle programs that we support.

For the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, the increase in Segment Adjusted EBITDA for the Metal Forming segment reflects improved operating performance partially offset by the impact of lower production volumes on certain vehicle programs that we support.

Reconciliation of Non-GAAP and GAAP Information

In addition to results reported in accordance with accounting principles generally accepted in the United States of America (GAAP) in this MD&A, we have provided certain non-GAAP financial measures such as EBITDA and Total Segment Adjusted EBITDA. Such information is reconciled to its closest GAAP measure in accordance with Securities and Exchange Commission rules below.

We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Total Segment Adjusted EBITDA is defined as EBITDA for our reportable segments excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs, gains or losses on the derivative associated with our Business Combination with Dowlais, gains or losses on equity securities, pension curtailment and settlement charges, impairment charges and non-recurring items. We believe that EBITDA and Total Segment 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 Total Segment Adjusted EBITDA, together with other measures, to measure our operating performance relative to other Tier 1 automotive suppliers and to assess the relative mix of Adjusted EBITDA by segment. We also believe that Total Segment Adjusted EBITDA is a meaningful measure as it is used for operational planning and decision-making purposes. EBITDA and Total Segment Adjusted EBITDA are also key metrics used in our calculation of incentive compensation. These 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.

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 7.1	\$ 20.5
Interest expense	42.9	49.0
Income tax expense	14.0	15.9
Depreciation and amortization	112.2	117.8
EBITDA	\$ 176.2	\$ 203.2
Restructuring and acquisition-related costs	19.7	2.5
Debt refinancing and redemption costs	3.3	—
Gain on Business Combination Derivative (Note 6)	(21.9)	—
Gain on equity securities	—	(0.1)
Total segment adjusted EBITDA	\$ 177.3	\$ 205.6

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund debt service obligations, capital expenditures, R&D spending, and working capital requirements, in addition to advancing our strategic initiatives. We believe that operating cash flow, available cash and cash equivalent balances and available borrowing capacity under our Senior Secured Credit Facilities and non-U.S. credit facilities, as well as committed financing associated with the Business Combination, will be sufficient to meet these needs.

At March 31, 2025, we had over \$1.5 billion of liquidity consisting of approximately \$549 million of cash and cash equivalents, approximately \$897 million of available borrowings under our Revolving Credit Facility and approximately \$76 million of available borrowings under non-U.S. credit facilities. We have no significant debt maturities before 2027.

Operating Activities In the first three months of 2025, net cash provided by operating activities was \$55.9 million as compared to \$17.8 million in the first three months of 2024. The following factors impacted cash from operating activities in the first three months of 2025, as compared to the first three months of 2024:

Accounts receivable For the three months ended March 31, 2025, we experienced an increase in cash flow from operating activities of approximately \$34 million related to the change in our accounts receivable balance from December 31, 2024 to March 31, 2025, as compared to the change in our accounts receivable balance from December 31, 2023 to March 31, 2024. This change was primarily the result of timing of collections on customer receivables.

Interest paid Interest paid was \$36.2 million for the three months ended March 31, 2025, as compared to \$47.8 million for the three months ended March 31, 2024. The decrease in interest paid was the result of lower interest rates on certain of our variable-rate debt, as well as lower outstanding indebtedness in the first quarter of 2025 as compared to the first quarter of 2024.

Restructuring and acquisition-related costs For the full year 2025, we expect restructuring payments in cash flows from operating activities to be approximately \$20 million to \$30 million and we expect the timing of cash payments to approximate the timing of charges incurred. In addition, we expect acquisition-related payments in cash flows from operating activities to be approximately \$60 million to \$70 million in connection with the Business Combination, and we expect a significant portion of these cash payments to occur at closing of the transaction, which is currently expected in the fourth quarter of 2025.

Pension and other postretirement benefits Due to the availability of our pre-funded pension balances (previous contributions in excess of prior required pension contributions), we expect our regulatory pension funding requirements in 2025 to be approximately \$1.1 million. We expect our cash payments for other postretirement benefit obligations in 2025, net of GM cost sharing, to be approximately \$11.6 million.

Investing Activities In the first three months of 2025, net cash used in investing activities was \$40.2 million as compared to \$48.2 million for the three months ended March 31, 2024. Capital expenditures were \$69.3 million in the first three months of 2025 as compared to \$48.0 million in the first three months of 2024. We expect our capital spending in 2025 to be approximately 5% of sales.

In the first quarter of 2025, we exited our 50% ownership of both Hefei AAM Automotive Driveline & Chassis System Co., Ltd. and Liuzhou AAM Automotive Driveline System Co., Ltd. As a result, we collected approximately \$30.1 million in cash, which approximated the carrying value of our investments in these joint ventures at the time of disposition. We accounted for these Chinese joint ventures as equity method investments and, as such, their results of operations, cash flows and account balances were not consolidated in our financial statements.

In connection with the Business Combination, Dowlais shareholders will be entitled to receive 42 pence per share for each Dowlais ordinary share, which translated to \$0.54 per share at the March 31, 2025 exchange rate. At this exchange rate, the cash consideration associated with the Business Combination would be approximately \$735 million.

In January 2025, in connection with the Business Combination, we entered into a foreign currency forward contract (the Business Combination Derivative) that is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Business Combination with changes in fair value recognized in Other income (expense) in our Condensed Consolidated Statement of Income. The Business Combination Derivative was in an asset position of approximately \$22 million at March 31, 2025. This derivative will not impact the cash consideration payable to Dowlais shareholders associated with the Business Combination, however, it does reduce the cash flow variability resulting from fluctuations in the foreign currency exchange rate between the U.S. dollar and Pound sterling for AAM on a net basis.

In October 2024, we entered into the India Sale Agreement and the transaction is expected to close in the first half of 2025, subject to customary closing conditions. Upon closing, we expect to collect the sales price of \$65 million in cash, subject to certain customary adjustments at closing.

Financing Activities In the first three months of 2025, net cash used in financing activities was \$24.0 million, as compared to \$16.0 million in the first three months of 2024. The following factors impacted cash from financing activities in the first three months of 2025, as compared to the first three months of 2024:

Senior Secured Credit Facilities American Axle & Manufacturing Holdings, Inc. (Holdings) and American Axle & Manufacturing, Inc. (AAM, Inc.) are parties to an amended and restated credit agreement that was entered into on March 11, 2022 and has been subsequently amended (as so amended, the Amended and Restated Credit Agreement) which provides for a term loan A facility (the Term Loan A Facility), term loan B facility (the Term Loan B Facility) and a multi-currency revolving credit facility (the Revolving Credit Facility and together with the Term Loan A Facility and the Term Loan B Facility, the Senior Secured Credit Facilities).

On February 24, 2025, Holdings and AAM, Inc. entered into the Second Amendment to the Amended and Restated Credit Facility and the Incremental Facility Agreement (the Second Amendment). The Second Amendment, among other things, a) increased the maximum under the Revolving Credit Facility from \$925.0 million to \$1,495.0 million, effective upon closing of the Business Combination, b) provided for an \$843.0 million incremental Term Loan B Facility in connection with the Business Combination, and c) extended the maturity of the Revolving Credit Facility and Term Loan A Facility for five years from the date of the Second Amendment, resetting for another five years upon the closing of the Business Combination. In connection with the Second Amendment, we paid \$11.6 million of debt issuance costs, and expensed \$3.3 million of fees and a portion of the unamortized debt issuance costs that we had been amortizing over the expected life of these borrowings. The maturity date of the Term Loan B Facility in the fourth quarter of 2029 remains unchanged.

On January 29, 2025, in connection with the announcement of the Business Combination, Holdings and AAM, Inc. entered into a credit agreement (the Backstop Credit Agreement), the First Lien Bridge Credit Agreement (the First Lien Bridge Facility), and a Second Lien Bridge Credit Agreement (the Second Lien Bridge Facility and together with the First Lien Bridge Facility, the Bridge Facilities). Following Holdings and AAM, Inc.'s entry into the Second Amendment, the Backstop Credit Agreement was terminated. Additionally, in connection with entry into the Second Amendment on February 24, 2025, Holdings and AAM, Inc. entered into a) an Amended and Restated First Lien Bridge Credit Agreement which will provide AAM with a \$843.0 million interim loan facility in connection with the Business Combination (the Amended and Restated First Lien Bridge Credit Agreement), and b) an Amended and Restated Second Lien Bridge Credit Agreement which will provide AAM with a \$500.0 million interim loan facility in connection with the Business Combination (the Amended and Restated Second Lien Bridge Credit Agreement, and together with the Amended and Restated First Lien Bridge Credit Agreement, the Amended and Restated Bridge Credit Agreements).

At March 31, 2025, we had \$897.1 million available under the Revolving Credit Facility. This availability reflects a reduction of \$27.9 million primarily for standby letters of credit issued against the facility.

As of March 31, 2025, we have prepaid \$11.8 million of the outstanding principal on our Term Loan B Facility. These payments satisfy our obligation for principal payments under the Term Loan B Facility through the end of 2026.

Repurchase of 6.25% Notes Due 2026 In the three months ended March 31, 2024, we completed an open market repurchase of our 6.25% Notes due 2026 of \$1.7 million.

Repayment of Tekfor Group Indebtedness In the three months ended March 31, 2024, we repaid \$6.6 million of outstanding indebtedness that we assumed upon our acquisition of Tekfor in June 2022.

Non-U.S. Credit Facilities and Other We utilize local currency credit facilities to finance the operations of certain non-U.S. subsidiaries. At March 31, 2025, \$23.8 million was outstanding under our non-U.S. credit facilities, as compared to \$27.6 million at December 31, 2024. At March 31, 2025, an additional \$75.6 million was available under our non-U.S. credit facilities.

Subsidiary Guarantees of Registered Debt Securities Our 6.875% Notes, 6.50% Notes and 5.00% Notes (collectively, the Notes) are senior unsecured obligations of AAM, Inc. (Issuer); all of which are fully and unconditionally guaranteed, on a joint and several basis, by Holdings and substantially all domestic subsidiaries of AAM, Inc. and MPG Inc (Subsidiary Guarantors). Holdings has no significant assets other than its 100% ownership in AAM, Inc. and MPG Inc., and no direct subsidiaries other than AAM, Inc. and MPG Inc.

Each guarantee by Holdings and/or any of the Subsidiary Guarantors is:

- a senior obligation of the relevant Subsidiary Guarantors;
- the unsecured and unsubordinated obligation of the relevant Subsidiary Guarantors; and
- of equal rank with all other existing and future unsubordinated and unsecured indebtedness of the relevant Subsidiary Guarantors.

Each guarantee by a Subsidiary Guarantor provides by its terms that it will be automatically, fully and unconditionally released and discharged upon:

- any sale, exchange or transfer (by merger or otherwise) of the capital stock of such Subsidiary Guarantor, or the sale or disposition of all the assets of such Subsidiary Guarantor, which sale, exchange, transfer or disposition is made in compliance with the applicable provisions of the indentures;
- the exercise by the issuer of its legal defeasance option or covenant defeasance option or the discharge of the issuer's obligations under the indentures in accordance with the terms of the indentures; or
- the election of the issuer to affect such a release following the date that such guaranteed Notes have an investment grade rating from both Standard & Poor's Ratings Group, Inc. and Moody's Investors Service, Inc.

The following represents summarized financial information of AAM Holdings, AAM Inc. and the Subsidiary Guarantors (collectively, the Combined Entities). The information has been prepared on a combined basis and excludes any investments of AAM Holdings, AAM Inc., or the Subsidiary Guarantors in non-guarantor subsidiaries. Intercompany transactions and amounts between Combined Entities have been eliminated.

Statement of Operations Information	<i>(in millions)</i>	
	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Net sales	\$ 990.1	\$ 4,268.4
Gross profit	125.4	537.9
Income from operations	3.9	73.9
Net loss	(9.2)	(27.2)

Balance Sheet Information	<i>(in millions)</i>	
	March 31, 2025	December 31, 2024
Current assets	\$ 1,143.8	\$ 1,038.5
Noncurrent assets	2,465.4	2,480.8
Current liabilities	530.2	497.7
Noncurrent liabilities	3,133.5	3,098.0
Redeemable preferred stock	—	—
Noncontrolling interest	—	—

At March 31, 2025 and December 31, 2024, amounts owed by the Combined Entities to non-guarantor entities totaled approximately \$20 million and \$15 million, respectively, and amounts owed to the Combined Entities from non-guarantor entities totaled approximately \$410 million and \$380 million, respectively.

CYCLICALITY AND SEASONALITY

Our operations are cyclical because they are directly related to worldwide automotive production, which is itself cyclical and dependent on general economic conditions and other factors. Typically, our business is also moderately seasonal as our major OEM customers historically have an extended shutdown of operations (normally 1-2 weeks) in conjunction with their model year changeover and an approximate one-week shutdown in the month of December. Our major OEM customers also occasionally have longer shutdowns of operations for program changeovers. Accordingly, our quarterly results may reflect these trends.

LITIGATION AND ENVIRONMENTAL MATTERS

We are involved in, or potentially subject to, various legal proceedings or claims incidental to our business. These include, but are not limited to, matters arising out of product warranties, contractual matters, and environmental obligations. Although the outcome of these matters cannot be predicted with certainty, at this time we do not believe that any of these matters, individually or in the aggregate, will have a material adverse effect on our results of operations, financial condition or cash flows.

We file U.S. federal, state and local income tax returns, as well as non-U.S. income tax returns in jurisdictions throughout the world. We are also subject to examinations of these tax returns by the relevant tax authorities. Negative or unexpected outcomes of these examinations and audits, and any related litigation, could have a material adverse impact on our results of operations, financial condition and cash flows. See Note 13 - Income Taxes for additional discussion regarding examinations and audits of our tax returns and pending litigation.

We are subject to various federal, state, local and non-U.S. environmental and occupational safety and health laws, regulations and ordinances, including those regulating air emissions, water discharge, waste management and environmental cleanup. We will continue to closely monitor our environmental conditions to ensure that we are in compliance with all laws, regulations and ordinances. We have made, and anticipate continuing to make, capital and other expenditures (including recurring administrative costs) to comply with environmental requirements at our current and former facilities. Such expenditures were not significant in the first quarter of 2025.

We are subject to risks of environmental issues, including impacts of climate-related events, that could result in unforeseen disruptions or costs to our operations. We did not experience any climate-related events in the first quarter of 2025 that we believe could have a material adverse impact on our results of operations, financial condition and cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

MARKET RISK

Our business and financial results are affected by fluctuations in global financial markets, including currency exchange rates and interest rates. Our hedging policy has been developed to manage these risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost. We do not hold financial instruments for trading or speculative purposes.

Currency Exchange Risk From time to time, we use foreign currency forward contracts to reduce the effects of fluctuations in exchange rates relating to certain foreign currencies. As of March 31, 2025 and December 31, 2024, we had currency forward contracts outstanding with a total notional amount of \$219.9 million and \$228.1 million, respectively, that hedge our exposure to changes in foreign currency exchange rates for certain payroll expenses into the fourth quarter of 2027 and the purchase of certain working capital items into the fourth quarter of 2025. The potential decrease in fair value of foreign exchange contracts, assuming a 10% adverse change in the foreign currency exchange rates, would be approximately \$20.0 million at March 31, 2025 and was \$20.7 million at December 31, 2024.

In January 2025, in connection with the Business Combination, we entered into a foreign currency forward contract (the Business Combination Derivative) to reduce the variability in cash flows as a result of fluctuations in the foreign currency exchange rate between the U.S. dollar and Pound sterling. This foreign currency forward contract is non-designated and will be recognized at fair value each reporting period up to, and including, the closing of the Business Combination with changes in fair value recognized in Other income (expense) in our Condensed Consolidated Statement of Income. At March 31, 2025, we had a notional amount outstanding under the Business Combination Derivative of £571.0 million, which was equivalent to \$737.5 million. The potential decrease in fair value on the foreign currency forward contract associated with the Business Combination, assuming a 10% adverse change in the foreign currency exchange rates, would be approximately \$73.8 million at March 31, 2025.

In the second quarter of 2024, we entered into a fixed-to-fixed cross-currency swap that is designated as a fair value hedge. The fixed-to-fixed cross-currency swap reduces the variability of functional currency equivalent cash flows associated with changes in exchange rates on certain Euro-based intercompany loans. At March 31, 2025 and December 31, 2024, we had a notional amount outstanding under the fixed-to-fixed cross-currency swap of €175.0 million which was equivalent to \$189.2 million and \$181.2 million, respectively. The fixed-to-fixed cross-currency swap hedges our exposure to changes in exchange rates on the intercompany loans through the second quarter of 2027. The potential decrease in fair value of our fixed-to-fixed cross-currency swap, assuming a 10% adverse change in the foreign currency exchange rates, would be approximately \$18.9 million at March 31, 2025 and was \$18.1 million at December 31, 2024.

Future business operations and opportunities, including the expansion of our business outside North America, may further increase the risk that cash flows resulting from these global operations may be adversely affected by changes in currency exchange rates. If and when appropriate, we intend to manage these risks by creating natural hedges in the structure of our global operations, utilizing local currency funding of these expansions and various types of foreign exchange contracts.

Interest Rate Risk We are exposed to variable interest rates on certain credit facilities. From time to time, we have used interest rate hedging to reduce the effects of fluctuations in market interest rates. In 2023, we entered into a variable-to-fixed interest rate swap to reduce the variability of cash flows associated with interest payments on our variable rate debt. As of March 31, 2025, we have \$700.0 million notional amount hedged in relation to our variable-to-fixed interest rate swap into the third quarter of 2027, \$200.0 million of which continues into the fourth quarter of 2029.

The pre-tax earnings and cash flow impact of a one-percentage-point increase in interest rates (approximately 16% of our weighted-average interest rate at March 31, 2025) on our long-term debt outstanding, would be approximately \$4.3 million at March 31, 2025 and was also approximately \$4.3 million at December 31, 2024, on an annualized basis.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated our disclosure controls and procedures and internal control over financial reporting and concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)) were effective as of March 31, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting for the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

The following risk factors are included in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 and have been modified on this Form 10-Q for the three months ended March 31, 2025:

Risks Related to Our International Operations

Our company's global operations are subject to risks and uncertainties, including tariffs and trade relations.

We have business and technical offices and manufacturing facilities in multiple countries outside the U.S. Our international operations are subject to certain risks inherent in conducting business outside the U.S., and increased complexity exists for global companies due to potential changes in: currency exchange rates; corporate tax codes or international tax law treaties; price and currency exchange controls; tariffs or import restrictions; compliance with customs regulations; nationalization; immigration policies; expropriation; and other governmental action. Our global operations also may be adversely affected by political events, violations of anti-bribery or corruption laws, government sanctions, domestic or international terrorist events and hostilities, geopolitical conflicts, natural disasters and significant weather events, disruptions in the global financial markets, or public health crises, such as pandemic or epidemic illness.

In addition, the U.S. government has recently announced the implementation of new tariffs, as well as increases in certain existing tariffs, on various products including assembled vehicles and automotive parts and components imported into the U.S., and there is considerable uncertainty around the extent, timing and duration of these tariffs. This has resulted in retaliatory tariffs against the U.S. by the governments of various countries, resulting in significant instability and uncertainty in U.S. trade relations with certain countries. The further implementation or expansion of tariffs, as well as retaliatory actions and other changes to existing trade agreements or changes in international trade relations, could have a material adverse impact on our results of operations, cash flows and financial condition, or the results of operations, cash flows and financial condition of our suppliers, our customers and their suppliers.

If we are unable to pass such costs on to our customers, or are otherwise unable to mitigate cost increases through continued technology improvements, cost reductions or other productivity initiatives, this could have a material adverse effect on our results of operations and financial condition. Our future success will depend, in part, on our ability to anticipate and effectively manage these and other risks associated with operating internationally.

Risks Related to the Pending Business Combination with Dowlais (Business Combination)

We may fail to realize the anticipated benefits and operating synergies expected from the Business Combination.

We believe that the Business Combination will create a leading global driveline and metal forming supplier with a comprehensive product portfolio and a diversified customer base. However, the success of the Business Combination will depend, in significant part, on our ability to successfully integrate Dowlais, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the Business Combination. This growth and the anticipated benefits of the Business Combination may not be realized fully, or at all, or may take longer to realize than we expect. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Business Combination within a reasonable time, our business, results of operations and financial condition could be adversely affected.

The Business Combination will result in significant integration costs and we may not be able to integrate Dowlais into the combined company successfully.

The Business Combination involves the integration of two businesses that previously operated independently. If the parties complete the Business Combination, our Chairman and CEO will lead the combined company, two directors of Dowlais are expected to join the board of directors and certain senior Dowlais executives will be invited to join the senior executive management team of the combined company, in roles to be confirmed. The complexity and magnitude of the integration effort associated with the Business Combination are substantial and require that we fund significant capital and operating expenses to support the integration of the combined operations. Such expenses have included significant transaction, consulting and third-party service fees. The anticipated costs of the integration effort are subject to change. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. We have incurred and expect to continue to incur additional operating expenses as we build up internal resources or engage third-party providers while we integrate the combined company following the Business Combination.

Additionally, the process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or both of us and Dowlais. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of the operations, or the failure to successfully integrate the two businesses and leadership team, could have a material adverse effect on our business, financial condition and results of operations.

We will incur a substantial amount of debt to complete the acquisition of Dowlais.

We will incur significant debt to complete the Business Combination, including incurring approximately \$2.2 billion in additional indebtedness under the Second Amendment and the Amended and Restated Bridge Credit Agreements (each as defined below), or pursuant to other permanent financing that replaces such facilities, which may include the issuance of debt securities and/or one or more senior term loan facilities. In connection with the Business Combination, on February 24, 2025, Holdings and certain of its subsidiaries entered into a second amendment to credit agreement (the Second Amendment) to amend that certain amended and restated credit agreement, dated as of March 11, 2022 (as amended, the Amended and Restated Credit Agreement) pursuant to which, subject to the terms and conditions set forth therein, the lenders party thereto agreed to provide certain of Holdings' subsidiaries with: (x) incremental term loan commitments under the Amended and Restated Credit Agreement in an aggregate amount of \$843 million and (y) incremental revolving commitments in an aggregate amount of \$570 million. Additionally, and in connection with the Business Combination, on January 29, 2025, Holdings and certain of its subsidiaries entered into bridge credit agreements, which bridge facilities were amended and restated on February 24, 2025 by operation of Holdings and certain of its subsidiaries entering into: (i) an Amended and Restated First Lien Bridge Credit Agreement with the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent pursuant to which the lenders party thereto have agreed to provide a \$843 million interim loan facility (the Amended and Restated First Lien Bridge Credit Agreement); and (ii) an Amended and Restated Second Lien Bridge Credit Agreement with the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent pursuant to which the lenders party thereto have agreed to provide a \$500 million interim loan facility (the Amended and Restated Second Lien Bridge Credit Agreement, and together with the Amended and Restated First Lien Bridge Credit Agreement, the Amended and Restated Bridge Credit Agreements). The proceeds of the commitments provided under the Second Amendment and Amended and Restated Bridge Credit Agreements, or of other permanent financing that replaces such facilities, which may include the issuance of debt securities and/or one or more senior term loan facilities, will be used, among other things, to finance the cash consideration payable to Dowlais shareholders pursuant to the Business Combination and expenses payable in connection with the Business Combination (including debt refinancing costs) and to refinance certain indebtedness of Dowlais in connection with the Business Combination.

While we expect to replace the Amended and Restated Bridge Credit Agreements with permanent financing before or after the completion of the Business Combination, our ability to pursue permanent financing will depend in part on global capital and credit market conditions, and we cannot assure that any such replacement financing will be available on terms satisfactory to us or at all. Additionally, if the Amended and Restated Bridge Credit Agreements have not been previously repaid in full on or prior to the one-year anniversary of the first date on which loans are made thereunder, any loans thereunder will automatically be converted into a term loan on terms likely to be significantly less favorable to the Company. While amounts are outstanding under the Amended and Restated Bridge Credit Agreements, the lenders party thereto may require that the Company issue notes in a Rule 144A or other private offering subject to certain terms and conditions, and to use the proceeds to repay all or a portion of the Amended and Restated Bridge Credit Agreements.

On a combined company basis, we expect that, together with Dowlais, we would have approximately \$4.8 billion of indebtedness. In addition, we expect to have committed and undrawn availability under a revolving credit facility of approximately \$1.5 billion. This substantial additional level of indebtedness that we expect to incur in connection with the Business Combination could have important consequences to our business, including making it more difficult to satisfy our debt obligations, increasing our vulnerability to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and restricting us from pursuing certain business opportunities. Additionally, any agreements that we may enter into in connection with the pending Business Combination with Dowlais may contain a number of covenants that impose operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests. Any failure to comply with covenants in the instruments governing our indebtedness could result in a default under our debt agreements and may adversely affect our ability to operate our business, our subsidiaries' and guarantors' ability to operate their respective businesses and our results of operations and financial condition.

The Business Combination may expose us to significant unanticipated liabilities.

The Business Combination may expose us to significant unanticipated liabilities relating to the operation of the combined company. These liabilities could include employment or severance-related obligations under applicable law or other benefits arrangements, legal claims, warranty or similar liabilities to customers, and claims by or amounts owed to vendors. Particularly in international jurisdictions, our acquisition of Dowlais, or any future decision to independently enter new international markets where Dowlais previously conducted business, could also expose us to tax liabilities and other amounts owed by Dowlais. The occurrence of such unforeseen or unanticipated liabilities, should they be significant, could have a material adverse effect on our business, financial condition and results of operations.

While the Co-operation Agreement is in effect, we are subject to restrictions on our business activities.

From the date of the Co-operation Agreement until to the closing date of the Business Combination, we are restricted from taking certain actions set forth in the Co-operation Agreement unless consented to by Dowlais or required by applicable law or contract as described in the Co-operation Agreement. These limitations include, among other things, certain restrictions on our ability to amend our organizational documents, to acquire other businesses and assets that would be reasonably likely to prevent or materially delay or prejudice the consummation of the Business Combination, to reclassify or issue the Company's capital stock or other certain equity securities, and to pay dividends (or make any other distribution or return of capital). These restrictions could prevent us from pursuing strategic business opportunities and taking actions with respect to our business that we may consider advantageous and may, as a result, have a material adverse effect on our financial condition and results of operations.

Stockholders in the combined company will be exposed to additional currency exchange rate fluctuations as, following completion of the Business Combination, there will be an increased proportion of assets, liabilities and earnings denominated in foreign currencies.

As a result of the Business Combination, the financial results of the combined company will be more exposed to currency exchange rate fluctuations and an increased proportion of assets, liabilities and earnings will be denominated in foreign currencies. The combined company will present its financial statements in U.S. dollars and is expected to have a significant proportion of net assets and income in foreign currencies. The combined company's financial condition and results of operations will therefore be more sensitive to movements in foreign exchange rates. A depreciation of foreign currencies relative to the U.S. dollar could have an adverse impact on the combined company's financial results.

Certain Dowlais agreements may contain change of control provisions which, if not waived, could have material adverse effects on the combined company.

Dowlais is a party to various agreements with third parties, customer and supplier contracts and other material contracts, that may contain change of control provisions that will be triggered upon the completion of the Business Combination. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties which can be waived by the relevant counterparties. To the extent waivers are required, the inability to obtain waivers from one or more relevant counterparties could have a material adverse effect on the combined company. Further, it is possible that a contractual counterparty or government agency may take a different view on the interpretation of a change in control provision to that taken by us, thereby resulting in a dispute.

The complexity of the integration and transition associated with the Business Combination may result in us incurring significant costs to implement changes to our internal control over financial reporting for the combined company.

The additional scale of Dowlais' operations, together with the complexity of the integration effort, including changes to or implementation of critical information technology systems, may result in us incurring significant costs, including management time, to integrate and implement changes to our internal control over financial reporting. In addition, we will have to train new associates and third-party providers and assume operations in jurisdictions where we have not previously had operations. We expect that the Business Combination may necessitate significant modifications to our internal control systems, processes and information systems, both on a transition basis and over the longer-term as we fully integrate the combined company. Due to the complexity of the Business Combination, we cannot be certain that changes to our internal control over financial reporting will be effective for any period, or implemented in an efficient manner which does not incur significant costs and management time. If we are unable to implement such changes to our internal control over financial reporting in an efficient manner, our business, financial condition and results of operations and the market perception thereof may be materially adversely affected.

Issuance of Company shares in connection with the Business Combination will significantly reduce our existing stockholders' aggregate ownership and voting interest in the Company, will result in existing stockholders exercising less influence over management, and may adversely affect the market price of our shares.

In connection with the issuance of the Company Common Stock in connection with the Business Combination (the Share Issuance), we expect to issue additional Company shares. Company stockholders and Dowlais shareholders are expected to own approximately 51% and 49%, respectively, of the Company following completion of the Business Combination. The issuance of these new shares will significantly reduce our existing stockholders' ownership and voting interest in the Company and, as a result, our existing stockholders, individually and in the aggregate, will be able to exert less influence over the Company, including with regard to its management and policies. The issuance of these new shares may also result in fluctuations in the market price of Company shares, including a price decrease.

Even if a material adverse change to Dowlais's business or prospects were to occur prior to closing, we may not be able to invoke the offer conditions and terminate the Business Combination.

Under Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers (the Takeover Code), and except for a limited number of conditions, such as the approval of the Share Issuance and the Charter Amendment and the Dowlais shareholder approval (or the minimum acceptance condition if the Business Combination is implemented by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act 2006)), we may invoke a condition to the Business Combination to cause the Business Combination not to proceed only if the UK Panel on Takeovers and Mergers (the Panel) is satisfied that the circumstances giving rise to that condition not being satisfied are of material significance to the Company in the context of the Business Combination. Because of this Panel consent requirement, the conditions, including as to a material adverse change affecting Dowlais, may provide us less protection than the customary conditions in an offer for a U.S. domestic company.

The Takeover Code restricts the Company's ability to cause Dowlais to consummate the Business Combination and limits the relief the Company may obtain in the event Dowlais's Board of Directors withdraws its support of the Business Combination.

The Takeover Code limits the contractual commitments that may be obtained from Dowlais to take actions in furtherance of the Business Combination, and Dowlais's board of directors may, if its fiduciary duties so require, withdraw its recommendation in support for the Business Combination and withdraw the Court-sanctioned scheme of arrangement (the Scheme), at any time prior to the Scheme becoming effective. The Takeover Code does not permit Dowlais to pay any break fee to the Company if the Dowlais board of directors does so, nor can Dowlais be subject to any restrictions on soliciting or negotiating other offers or transactions involving Dowlais other than the restrictions that arise under the Takeover Code against undertaking actions or entering into agreements which may impact the Company's takeover offer for Dowlais.

The pending Business Combination with Dowlais may be delayed or not occur at all for a variety of reasons, including that the Business Combination is subject to various closing conditions, including governmental, regulatory and shareholder approvals, as well as other uncertainties, and there can be no assurances as to whether or when it may be completed.

It is currently anticipated that the Business Combination will be completed in the fourth calendar quarter of 2025. The consummation of the Business Combination is subject to the satisfaction or waiver of certain conditions. A number of the conditions are not within our control, and it is possible that such conditions may prevent, delay or otherwise materially adversely affect the completion of the Business Combination. These conditions include, among others: (i) the approval of the Scheme between Dowlais and its shareholders under Part 26 of the Companies Act 2006 (the Sanction Hearing) by a majority in number of Dowlais shareholders who are present and voting (either in person or by proxy) at the meeting (the Court Meeting) of the High Court of Justice in England and Wales (the Court) and who represent not less than 75% in value of the Dowlais shares voted by those Dowlais shareholders; (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the scheme document to be sent to Dowlais shareholders describing the terms and conditions of the Scheme and notices of Dowlais meetings and the forms of proxy applicable to Dowlais (the Scheme Document) (or such later date (a) as the Company and Dowlais may agree or (b) (in a competitive situation) as may be specified by the Company with the consent of the Panel, and in each case that, if so required, the Court may allow); (iii) approval of the requisite majority of the votes cast, either in person or by proxy, of the resolutions required to approve and implement the Scheme at the general meeting of Dowlais shareholders (the Dowlais General Meeting); (iv) the Dowlais General Meeting or any adjournment of that meeting being held on or before the 22nd day after the scheduled date of the Dowlais General Meeting to be set out in the Scheme Document (or such later date (a) as the Company and Dowlais may agree or (b) (in a competitive situation) as may be specified by the Company with the consent of the Panel, and in each case that, if so required, the Court may allow); (v) the sanction of the Scheme by the Court; (vi) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document (or such later date (a) as the Company and Dowlais may agree or

(b) (in a competitive situation) as may be specified by the Company with the consent of the Panel, and in each case that, if so required, the Court may allow); (vii) the Scheme becoming unconditional and becoming effective, subject to the Takeover Code, by no later than 11:59 p.m. on June 29, 2026 (the Long Stop Date) (or such later date (if any) as the Company and Dowlais may agree, with the consent of the Panel, and the Court may allow); (viii) the amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock of the Company, par value \$0.01 per share (the Company Common Stock) (the Charter Amendment), being duly approved by the affirmative vote of the holders of a majority in voting power of the Company Common Stock entitled to vote thereon at the Company stockholders meeting (the Company Special Meeting); (ix) the Share Issuance being duly approved by the affirmative vote of the holders of a majority in voting power of the Company Common Stock present in person or represented by proxy at the Company Special Meeting and entitled to vote on the Share Issuance; (x) confirmation having been received by the Company that the Company Common Stock has been approved for listing, subject to official notice of issuance, on the New York Stock Exchange and (xi) the receipt of certain required antitrust and other regulatory approvals.

Many of the conditions to complete the Business Combination are not within our control, and we cannot predict with certainty whether and when any of the remaining required conditions will be satisfied or if another uncertainty may arise. Failure to complete the Business Combination within the expected timeframe or at all could adversely affect our business, results of operations, financial condition, and the market price of the Company Common Stock in a number of ways, including that:

- the market price of our shares may decline to the extent that the current market price reflects an assumption that the Business Combination will be consummated;
- we have incurred, and will continue to incur, significant expenses for professional services in connection with the Business Combination for which we will have received little or no benefit if the Business Combination is not consummated;
- we may experience negative publicity and/or reactions from our investors, associates, customers, and other business partners; and
- we may be subject to litigation related to any failure by us to complete the Business Combination or related to any enforcement proceeding commenced against us to perform our obligations under the Co-operation Agreement.

If certain conditions or approvals are not met or obtained, we may be required to pay a break fee under the terms of the Co-operation Agreement.

In certain circumstances, such as if our board of directors no longer recommends the Business Combination or if we fail to hold the stockholder meeting to obtain the approvals required in connection with the Business Combination prior to the Long Stop Date, we will be required to pay a break fee of \$50 million to Dowlais. Furthermore, if we invoke (with the approval of the Panel) any regulatory condition or any regulatory conditions have not been satisfied or waived by us by the Long Stop Date, we will be required to pay a break fee of \$50 million to Dowlais. In addition, if our stockholders do not approve the Charter Amendment and the Share Issuance and there has been no change in the recommendation of our board of directors, we will be required to pay a break fee of \$14 million to Dowlais. If a break fee is ultimately required to be paid by us, the payment of such fee may have an adverse impact on our financial results.

Efforts to complete the Business Combination could disrupt our relationships with third parties and associates, divert management's attention, or result in negative publicity or legal proceedings.

We have expended, and continue to expend, significant management time and resources in an effort to complete the Business Combination, which may have a negative impact on our ongoing business, strategies and operations. Uncertainty regarding the outcome of the Business Combination and our future could disrupt our business relationships with our existing and potential customers, channel partners, service providers and other business partners, who may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than us or Dowlais. Uncertainty regarding the outcome of the Business Combination could also adversely affect our ability to recruit and retain key personnel and other associates. The pending Business Combination may also result in negative publicity and a negative impression of us in the financial markets and may lead to litigation against us and our directors and officers. Such litigation would be distracting to management and, may, in the future, require us to incur significant costs. Such litigation could result in the Business Combination being delayed and/or enjoined by a court of competent jurisdiction, which could prevent the Business Combination from being completed. The occurrence of any of these events individually or in combination could have a material and adverse effect on our business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about our equity security purchases during the quarter ended March 31, 2025:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2025	—	\$ —	—	—
February 1 - February 28, 2025	—	—	—	—
March 1 - March 31, 2025	549,741	4.96	—	—
Total	549,741	\$ 4.96	—	—

(in millions)

Item 5. Other Information

During the quarterly period ended March 31, 2025, our directors and officers (as defined in Rule 16a-1(f) of the Exchange Act) did not adopt, terminate or modify Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Number	Description of Exhibit
<u>2.1</u>	<u>Rule 2.7 Announcement, dated January 29, 2025</u> (Incorporated by reference to Exhibit 99.1 of Current Report on Form 8-K dated January 29, 2025)
<u>2.2</u>	<u>Co-operation Agreement, dated January 29, 2025, between American Axle & Manufacturing Holdings, Inc. and Dowlais</u> (Incorporated by reference to Exhibit 2.1 of Current Report on Form 8-K dated January 29, 2025)
<u>‡*10.1</u>	<u>Form of Performance Share Award (Free Cash Flow) for Executive Officers</u>
<u>‡*10.2</u>	<u>Form of Performance Unit Award (Free Cash Flow) for Executive Officers</u>
<u>10.3</u>	<u>Backstop Credit Agreement, dated January 29, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.1 of Current Report on Form 8-K dated January 29, 2025)
<u>10.4</u>	<u>First Lien Bridge Facility, dated January 29, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.2 of Current Report on Form 8-K dated January 29, 2025)
<u>10.5</u>	<u>Second Lien Bridge Facility, dated January 29, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.3 of Current Report on Form 8-K dated January 29, 2025)
<u>10.6</u>	<u>Second Amendment and Incremental Facility Agreement, dated February 24, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., certain subsidiaries of American Axle & Manufacturing Holdings, Inc. identified therein, each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.1 of Current Report on Form 8-K dated February 24, 2025)
<u>10.7</u>	<u>Backstop Termination Letter Agreement, dated February 24, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc. and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.2 of Current Report on Form 8-K dated February 24, 2025)
<u>10.8</u>	<u>Amended and Restated First Lien Bridge Credit Agreement, dated February 24, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.3 of Current Report on Form 8-K dated February 24, 2025)
<u>10.9</u>	<u>Amended and Restated Second Lien Bridge Credit Agreement, dated February 24, 2025, among American Axle & Manufacturing Holdings, Inc., American Axle & Manufacturing, Inc., each financial institution party thereto as a lender and JPMorgan Chase Bank, N.A., as administrative agent</u> (Incorporated by reference to Exhibit 10.4 of Current Report on Form 8-K dated February 24, 2025)
<u>*22</u>	<u>Subsidiary Guarantors and Issuers of Guaranteed Securities</u>

Number	Description of Exhibit
<u>*31.1</u>	<u>Certification of David C. Dauch, Chairman of the Board & Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act</u>
<u>*31.2</u>	<u>Certification of Christopher J. May, Executive Vice President & Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act</u>
<u>*32</u>	<u>Certifications of David C. Dauch, Chairman of the Board & Chief Executive Officer and Christopher J. May, Executive Vice President & Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
**101.SCH	XBRL Taxonomy Extension Schema Document
**101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
**101.LAB	XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
**101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
** 104	Cover Page Interactive Data File (formatted in Inline XBRL contained in Exhibit 101)
*	Filed herewith
**	Submitted electronically with this Report.
†	Reflects Management or Compensatory Contract

SIGNATURES

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 thereunto duly authorized.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
(Registrant)

/s/ James G. Zaliwski
James G. Zaliwski
Chief Accounting Officer
May 2, 2025

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
Amended and Restated 2018 Omnibus Incentive Plan

Form of Performance Share Award Agreement: Free Cash Flow

You have been selected to receive a grant of Performance Shares under the American Axle & Manufacturing Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan as stated below:

Participant:

Grant Date:

Number of Performance Shares (Target Award Opportunity):

Performance Period: January 1, 2025 – December 31, 2027

Final Acceptance Date:

THIS AWARD AGREEMENT (the "Agreement"), is made effective as of the Grant Date (shown above) between American Axle & Manufacturing Holdings, Inc., a Delaware corporation (the "Company"), and the Participant.

RECITALS:

- A. The Company has adopted the American Axle & Manufacturing Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan (the "Plan"). The Plan is incorporated in and made a part of this Agreement. Capitalized terms not defined in this Agreement have the same meanings as in the Plan;
- B. The Compensation Committee of the Board of Directors (the "Committee") determined that it is in the best interests of the Company and its shareholders to grant an Award to the Participant under the terms of this Agreement and the Plan; and
- C. The Participant shall have no rights related to this Award unless he or she accepts this Award before the close of business on the Final Acceptance Date (shown above). A Participant who receives this Agreement in paper format shall indicate acceptance by signing and delivering a copy of this Agreement to the Company. A Participant who receives this Agreement electronically through the Merrill website shall indicate acceptance as instructed at www.benefits.ml.com. The Final Acceptance Date may be modified, in the sole discretion of the Company, upon written request of the Participant. The parties agree as follows:

1. **Grant of the Award and Performance Period.** The Company grants to the Participant, on the terms and conditions of this Agreement, a Performance Share award (the "Award") with a target opportunity as specified above (the "Target Award Opportunity"), with each Performance Share corresponding to one Share (subject to adjustment pursuant to the Plan) for the Performance Period specified above.

2. **Performance Measure and Performance Goals.** The performance measure for this Award shall be the Company's Free Cash Flow ("FCF"). FCF is defined as net cash provided by operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment, subject to adjustment by the Committee. FCF performance shall be based on the 2025, 2026 and 2027 calendar years and the three-year cumulative FCF over the Performance Period.

3. Payout Matrix.

The Participant shall earn the percentage of the Target Award Opportunity that corresponds to the achieved performance goal for the Performance Period as set forth below:

(a) 15% of the Participant's Target Award Opportunity shall be determined based on annual FCF performance for each of the 2025, 2026 and 2027 calendar years (for a total of 45% of the Participant's Target Award Opportunity), as set forth in the chart below:

Calendar Year	Threshold	Annual Free Cash Flow	
		Target	Maximum
2025	[\$]	[\$]	[\$]
2026	[\$]	[\$]	[\$]
2027	[\$]	[\$]	[\$]
% Earned	50%	100%	200% (capped)

(b) 55% of the Participant's Target Award Opportunity shall be determined based on the three-year cumulative FCF performance as set forth in the chart below:

	Threshold	3-Year Cumulative Free Cash Flow	
		Target	Maximum
	[\$]	[\$]	[\$]
% Earned	50%	100%	200% (capped)

Linear interpolation shall be used to determine the percent of the Target Award Opportunity earned above the Threshold or below the Maximum, in the event that the Company's FCF for any annual period or the three-year cumulative period falls between the percentages listed in the charts above.

4. Determination of the Award.

(a) Subject to the Plan and this Agreement, the number of Performance Shares earned by the Participant for the Performance Period shall equal the "FCF Earned Amount" as modified by Section 4(b) below. FCF Earned Amount is defined as the sum of the following: (i) the product of 15% of the Participant's Target Award Opportunity and the percent earned for the 2025 calendar year; *plus* (ii) the product of 15% of the Participant's Target Award Opportunity and the percent earned for the 2026 calendar year; *plus* (iii) the product of 15% of the Participant's Target Award Opportunity and the percent earned for the 2027 calendar year; *plus* (iv) the product of 55% of the Participant's Target Award Opportunity and the percent earned for the three-year cumulative period, in each case as determined in Section 3 above. Performance below Threshold for an annual period or the three-year cumulative period shall result in no payout to the Participant for such period. Performance above Maximum for an annual period or the three-year cumulative period shall result in a payout for such period capped at the Maximum. This cap shall apply solely to the FCF Earned Amount. The Committee shall have the sole authority to calculate the Participant's earned Award.

(b) The FCF Earned Amount shall be modified, as set forth below, based on the three-year total shareholder return (“TSR”) of the Company and each company (“Competitor Company”) that is identified as a member of the Company’s TSR competitor peer group in the Company’s annual report to shareholders for the fiscal year of the Grant Date shown above, or as elsewhere disclosed by the Company pursuant to Regulation S-K of the Securities Exchange Act of 1934 (the “Competitor Peer Group”). The modification of the FCF Earned Amount shall be based on the percentile rank of the Company’s three-year TSR relative to the distribution of the Competitor Companies’ three-year TSRs (the “Percentile Rank”) without linear interpolation as set forth below:

3-Year Relative TSR Percentile Rank	Modification of FCF Earned Amount
Below 25 th percentile	FCF Earned Amount multiplied by 85%
Between and including 25 th percentile and 74 th percentile	No modification to FCF Earned Amount
75 th percentile and above	FCF Earned Amount multiplied by 115%

5. Determination of TSR.

(a) TSR for each Competitor Company and the Company shall be determined in accordance with the following formula. TSR shall be equal to the quotient of (i) divided by (ii), where:

(i) is equal to the sum of (x) and (y) where (x) is the difference between the “Beginning Stock Price” and the “Ending Stock Price” and (y) is the sum of all dividends paid on one (1) Share during the Performance Period, provided that dividends shall be treated as reinvested at the end of each calendar quarter; and

(ii) is equal to the “Beginning Stock Price.”

(b) Definitions for purposes of determining TSR under paragraph 3(a) above include:

(i) “Beginning Stock Price” shall mean the average closing price on the applicable stock exchange of one (1) Share for the thirty (30) trading days immediately prior to the first day of the Performance Period; and

(ii) “Ending Stock Price” shall mean the average closing price on the applicable stock exchange of one (1) Share for the thirty (30) trading days immediately prior to the last day of the Performance Period.

6. Determination of Percentile Rank. The Company’s Percentile Rank shall be determined in accordance with the following rules:

(a) The Competitor Companies and the Company shall be ranked in descending order based on their respective TSRs.

(b) For purposes of developing the ordering provided in paragraph (a) above, (i) any Competitor Company that filed for bankruptcy protection under the United States Bankruptcy Code during the Performance Period shall be assigned the lowest order, (ii) any Competitor Company that is

acquired during the Performance Period shall be removed from the Competitor Peer Group and shall not be included in the ordering of Competitor Companies, and (iii) any Competitor Company that, during the Performance Period, has entered into and publicly disclosed the entrance into a definitive agreement for the acquisition of such Competitor Company shall not be included in the ordering of Competitor Companies even if the acquisition has not yet closed as of the time the ordering is compiled for performance assessment.

(c) The Company's Percentile Rank shall be calculated as follows:

$$\text{Percentile Rank} = \frac{\text{Company Rank}}{\text{Total Number of Competitor Companies including the Company}}$$

7. Form and Timing of Award. Subject to the approval of the Committee, payment of the Participant's earned Award, if any, shall be made in the following manner:

(a) **Timing:** The Performance Shares earned by the Participant pursuant to Section 4 shall be settled in Shares (with each Performance Share entitling the Participant to one Share); provided, however, that the Committee may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares in respect of any Performance Shares that are earned in excess of the Target Award Opportunity if it determines that it is advisable or there is not sufficient Share capacity under the Plan at the time of settlement. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of the Shares as of the Payment Date, less an amount equal to any required tax withholdings. The Participant shall receive payment of his or her earned Performance Shares no later than the fifteenth (15th) day of the third month following the end of the Performance Period (the "Payment Date"), provided that the Participant has been continuously employed by the Company through the Payment Date.

(b) **Impact of Employment Termination:** If the Participant's employment is terminated during the Performance Period due to death, Retirement, or by the Company for Disability or another reason other than for Cause, then the Participant shall be entitled to be paid a pro rata Award, as determined under this subparagraph (b). The pro rata Award shall equal the product of (x) and (y) where (x) is the Target Award Opportunity and (y) is a fraction, the numerator of which is the number of calendar months that the Participant was employed by the Company during the Performance Period (with any partial month counting as a full month for this purpose) and the denominator of which is the number of months in the Performance Period. Any modification of the FCF Earned Amount made pursuant to Section 4(b) shall not apply to the pro rata Award amount as determined in this paragraph. Any payments shall be made as soon as is practical following such payment determination but no later than the fifteenth (15th) day of the third month following the end of the quarterly reporting period that includes the date of termination of the Participant's employment. If the Participant's employment is terminated on the last day of the Performance Period due to death, Retirement, or by the Company for Disability or another reason other than for Cause, or for such reasons after the Performance Period but before the Payment Date, the pro-rata formulation above shall not apply and the Award shall be calculated and paid (in accordance with Section 7(a)) based on actual performance during the Performance Period.

(c) **Impact of a Change in Control:** Subject to Section 23.1 of the Plan, if a Participant (x) has in effect an employment, retention, Change in Control, severance or similar agreement with the Company or any Subsidiary or (y) is subject to a policy or plan of the Company or any Subsidiary that, in the case of either (x) or (y), discusses the effect of a Change in Control on a Participant's Awards, then such agreement, plan or policy shall control. In all other cases, unless

provided otherwise by the Committee prior to the date of the Change in Control, in the event of a Change in Control:

(i) If the Change in Control occurs prior to the end of the Performance Period, the Performance Shares shall be deemed earned as if the Target performance goal was achieved. If the Change in Control occurs after the end of the Performance Period but prior to payment of the Award, the Performance Shares will be earned based on actual performance during the Performance Period.

(ii) If a Successor so agrees, some or all outstanding Awards shall be assumed, or replaced with the same type of award with similar terms and conditions, by a Successor in the Change in Control transaction. If applicable, each Award that is assumed by a Successor shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities that would have been issuable to a Participant upon the consummation of such Change in Control had the Award been earned immediately prior to such Change in Control, and other appropriate adjustments in the terms and conditions of the Award shall be made. Upon the termination of a Participant's employment with a Successor in connection with or within twenty-four (24) months following the Change in Control for any reason other than an involuntary termination by a Successor for cause or a voluntary termination by the Participant without good reason (as cause and good reason (or analogous terms) are defined by an applicable employment agreement or a change in control plan or policy (including, without limitation, the AAM Change in Control Plan) or, if not applicable, the policies generally applicable to employees of a Successor), all of the Participant's Awards that are in effect as of the date of such termination shall vest in full as provided in Section 7(c)(i) effective on the date of termination.

(iii) To the extent a Successor in the Change in Control transaction does not assume the Awards or issue replacement awards as provided in Section 7(c)(ii), then, unless provided otherwise by the Committee, immediately prior to the date of the Change in Control all Awards that are then held by Participants shall be cancelled in exchange for the right to receive a cash payment equal to:

(A) the product of (x) and (y) where (x) is the number of Performance Shares earned as provided in Section 7(c)(i) and (y) is a fraction, the numerator of which is the number of calendar months that the Participant was employed by the Company during the Performance Period (with any partial month counting as a full month for this purpose) and the denominator of which is the number of months in the Performance Period *multiplied by* the per share Change in Control price.

Any modification of the FCF Earned Amount made pursuant to Section 4(b) shall not apply to the determination of the Award in the event of a Change in Control. The Committee shall determine the per share Change in Control price paid or deemed paid in the Change in Control transaction. Any payments shall be made as soon as is practical following such payment determination but no later than the fifteenth (15th) day of the third month following the end of the quarterly reporting period that includes the date of the occurrence of a Change in Control.

(d) **Forfeiture.** Except as otherwise expressly stated in Sections 7(b) and 7(c), if the Participant's employment with the Company terminates for any reason prior to the Payment Date, then the Participant shall not be entitled to the payment of any Award hereunder.

(e) **Definitions**

(i) **“Change in Control:”** For purposes of this Agreement, “Change in Control” means any one of the following:

(A) Any person or entity, including a “group” as defined in Section 13(d)(3) of the Exchange Act other than the Company or a wholly owned Subsidiary thereof or any employee benefit plan of the Company or any of its Subsidiaries, becomes the beneficial owner of the Company’s securities having 30% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of Directors of the Company (other than as a result of an issuance of securities initiated by the Company in the ordinary course of business); or

(B) As the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, less than a majority of the combined voting power of the then outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the Directors of the Company or such other corporation or entity after such transaction are held in the aggregate by the holders of the Company’s securities entitled to vote generally in the election of Directors of the Company immediately prior to such transaction; or

(C) During any period of two consecutive years, individuals who at the beginning of any such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company’s stockholders, of each Director of the Company first elected during such period was approved by a vote of at least two-thirds of the Directors of the Company then still in office who were Directors of the Company at the beginning of any such period; or

(D) The stockholders of the Company approve a plan of complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company’s assets, other than a liquidation of the Company into a wholly owned subsidiary.

Notwithstanding the foregoing, to the extent that any Award constitutes a deferral of compensation subject to Section 409A (as defined in Section 20 below), and if that Award provides for a change in the time or form of payment upon a Change in Control, then no Change in Control shall be deemed to have occurred upon an event described in subsections (A), (B), (C) and (D) above, unless such event shall constitute a “change in ownership” or “change in effective control” of, or a change in the ownership of a substantial portion of the assets of the Company under Section 409A.

(ii) **“Disability:”** For purposes of this Agreement, “Disability” means either of the following: (a) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering Employees.

(iii) **“Cause:”** For purposes of this Agreement, “Cause” means (a) neglect of or willful and continuing refusal of the Participant to perform his or her duties with the Company

(other than due to Disability), (b) a breach of any non-competition or "no raid" covenants to which the Participant is subject, (c) engaging in conduct which is demonstrably injurious to the Company, the Company's subsidiaries or affiliates (including, without limitation, a breach of any confidentiality covenant to which the Participant is subject), or (d) a conviction or plea of guilty or *nolo contendere* to a felony or a misdemeanor involving moral turpitude, dishonesty or theft, in each case as determined in the sole discretion of the Company. If an employment agreement between the Company and the Participant is in effect or a change in control plan or policy is in effect in which the Participant participates or to which such Participant is subject (including, without limitation, the AAM Change in Control Plan), "Cause" has the meaning, if any, defined therein.

(iv) **"Retirement:"** For purposes of this Agreement, "Retirement" means the Participant's voluntary resignation at any time (i) after attaining age 65, (ii) after attaining age 55 but prior to age 65 with ten or more years of continuous service with the Company or a Subsidiary or (iii) after attaining age 60 but prior to age 65 with five or more years of continuous service with the Company or a Subsidiary.

8. Share Delivery. Delivery of any Shares in settlement of the Award shall be by book-entry credit to an account in the Participant's name established by the Company with its transfer agent.

9. Recapitalization. In the event of any change in the capitalization of the Company such as a stock split or a corporate transaction such as any merger, consolidation, separation, or otherwise, the number of Performance Shares subject to this Agreement shall be equitably adjusted by the Committee, in its sole discretion, to prevent dilution or enlargement of rights.

10. Beneficiary Designation. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when delivered by the Participant in writing to the Corporate Human Resources Department of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

11. Shareholder Rights. Prior to the Payment Date, the Participant shall not have any rights as a shareholder of the Company in connection with this Award, unless and until the Shares are distributed to Participant. For the avoidance of doubt, if cash is delivered in lieu of Shares, the Participant shall have no rights as a shareholder with respect to the portion of the Award that was settled in cash. Following delivery of the Shares upon the Payment Date, the Participant shall have all rights as a shareholder with respect to such Shares.

12. Dividend Equivalents. The Participant shall not be entitled to any Dividend Equivalents with respect to the Performance Shares to reflect any dividends payable on Common Stock.

13. No Right to Continued Employment or Further Awards.

(a) Neither the Plan nor this Agreement shall be construed as (i) giving the Participant any right to continue in the employ of the Company and its Subsidiaries or (ii) giving the Participant any right to be reemployed by the Company and its Subsidiaries following any termination of employment. The termination of employment provisions in this Agreement only apply to the treatment of the Award as specified herein and shall not otherwise affect the Participant's employment relationship. Nothing contained in this Agreement shall be deemed to constitute or create a contract of employment.

(b) The Company has granted the Award to the Participant in its sole discretion. The Award does not form part of the Participant's employment contract, if any. Neither this Agreement nor the Plan confers on the Participant any right or entitlement to receive another Award, or any other similar award at any time in the future or in respect of any future period. The Award does not confer on the Participant any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company's discretion to determine the amount, if any, of the Participant's compensation.

14. Transferability.

(a) The Award shall not be transferable other than by will, the laws of descent and distribution, pursuant to a domestic relations order entered by a court of competent jurisdiction or to a Permitted Transferee for no consideration pursuant to the Plan. Any Award transferred to a Permitted Transferee shall be further transferable only by will, the laws of descent and distribution, pursuant to a domestic relations order entered by a court of competent jurisdiction, or, for no consideration, to another Permitted Transferee of the Participant. The Shares delivered to the Participant on the Payment Date shall not be subject to transfer restrictions and shall be fully paid, non-assessable and registered in the Participant's name.

(b) Except as set forth in the Plan, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant, or in the event of the Participant's legal incapacity, the Participant's legal guardian or representative.

15. Withholding.

(a) Except as provided in the following sentence, the Company or subsidiary (as applicable) shall have the power and right to deduct, withhold or collect such amounts from the Participant to satisfy any tax, social security contribution, payroll tax or other amount required by law or regulation to be withheld with respect to any taxable event arising in relation to the Performance Shares including by deducting from amounts due to the Participant at any time or by deducting a portion of the Shares having a Fair Market Value (measured as of the Payment Date) sufficient to cover the amount of any applicable federal, state, local and foreign tax withholding obligation from the total Shares earned from the Award. The Participant may elect to satisfy such withholding obligation with respect to the Performance Shares by remitting in advance of the Payment Date an amount sufficient to satisfy such tax withholding obligations. The amount to be withheld may relate to amounts due in more than one jurisdiction and in all cases shall be as determined by the Company or subsidiary in its discretion.

(b) Regardless of any action by the Company with respect to any or all tax withholding (including social insurance contribution obligations, if any), the Participant acknowledges responsibility for payment of all such taxes and for filing any relevant documentation (including, without limitation, tax returns or reporting statements) that may be required in relation to the Award (including, without limitation, any such documentation related to the holding of shares or any bank or brokerage account, the subsequent sale of shares or the receipt of any dividends). The Company makes no representations regarding the treatment of any tax withholding in connection with the Award. The Company makes no commitment to structure the terms of the Award to reduce or eliminate the Participant's liability for such tax.

16. Securities Laws. This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable. The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal and state

securities law in exercising Participant's rights under this Agreement. The Committee may impose such restrictions on any Shares acquired by a Participant pursuant to the Award as it may deem necessary or advisable, under applicable federal securities laws, the requirements of any stock exchange or market upon which such Shares are then listed or traded or any blue sky or state securities laws applicable to such Shares. In addition, the Shares shall be subject to any trading restrictions, stock holding requirements or other policies in effect from time to time as determined by the Committee. Notwithstanding anything to the contrary in this Agreement, the Company shall not be obligated to issue or transfer any Shares pursuant to this Award if to do so violates or is not in compliance with any laws, rules or regulations of the United States or any other state or country having applicable jurisdiction.

17. Notices. Notice under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive offices of the Company and to the Participant at the address appearing in the records of the Company for the Participant, or to either party at another address that the party designates in writing to the other. Notice shall be effective upon receipt.

18. Governing Law. The interpretation, performance and enforcement of the Award and this Agreement shall be governed by the laws of the State of Delaware without regard to principles of conflicts of law. To the extent any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

19. Award Subject to Plan.

(a) The Award is granted subject to the Plan and to such rules and regulations the Committee may adopt for administration of the Plan. The Committee is authorized to administer, construe, and make all determinations necessary or appropriate to administer the Plan and this Agreement, all of which shall be binding upon the Participant.

(b) To the extent of any inconsistencies between the Plan and this Agreement, the Plan shall govern. This Agreement and the Plan constitute the entire agreement between the parties regarding the subject matter hereof. They supersede all other agreements, representations or understandings (whether oral or written, express or implied) that relate to the subject matter hereof.

(c) The Committee may terminate, amend, or modify or suspend the Plan and amend or modify this Agreement; provided, however, that no termination, amendment, modification or suspension shall materially and adversely affect the Participant's rights under this Agreement, without the Participant's written consent.

20. Section 409A.

(a) The Award is not intended to provide for a "deferral of compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code and the final rules promulgated thereunder ("Section 409A") and shall be interpreted and construed in a manner consistent with that intent. If any provision of this Agreement or the Plan causes the Award to be subject to the requirements of Section 409A, or could otherwise cause the Participant to recognize income or be subject to the interest and penalties under Section 409A, then the provision shall have no effect or, to the extent practicable, the Committee may, in its sole discretion and without the Participant's consent, modify the provision to (i) comply with, or avoid being subject to Section 409A, or to avoid the incurrence of any taxes, interest and penalties under Section 409A, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A. This Section 20 does not

create an obligation of the Company to modify the Plan or this Agreement and does not guarantee that the Award will not be subject to taxes, interest and penalties under Section 409A.

(b) If a Participant is a “specified employee” as defined under Section 409A and the Participant’s Award is to be settled on account of the Participant’s separation from service (for reasons other than death) and such Award constitutes “deferred compensation” as defined under Section 409A, then any portion of the Participant’s Award that would otherwise be settled during the six-month period commencing on the Participant’s separation from service shall be settled as soon as practicable following the conclusion of the six-month period (or following the Participant’s death if it occurs during such six-month period).

21. Recoupment. The Participant’s earned Award shall be subject to any clawback, recoupment or similar policy as permitted or mandated by applicable law, rules, regulations or any Company policy as enacted, adopted or modified from time to time.

22. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. By accepting this Award, the Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including Merrill.

23. Personal Data Privacy. The Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant’s personal data by and among, as applicable, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing the Participant’s participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant’s name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title and number of Performance Shares for the purpose of implementing, administering and managing the Participant’s Award (the “Data”). The Participant understands that the Data may be transferred to the Company or to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant’s country or elsewhere, and that any recipient’s country may have different data privacy laws and protections than the Participant’s country. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant’s participation in the Plan. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company or to any third parties is necessary for the Participant’s participation in the Plan. The Participant may view the Data, request information about the storage and processing of Data, request any corrections to Data, or withdraw the consents herein (in any case, without cost to the Participant) by contacting Corporate Human Resources in writing. The withdrawal of any consent by the Participant may affect the Participant’s participation in the Plan. The Participant may contact Corporate Human Resources for further information about the consequences of any withdrawal of consents herein.

24. Headings. The headings of sections and subsections are included solely for convenience of reference and shall not affect the meaning of the provisions of this Agreement.

25. Successor. All obligations of the Company under the Plan and this Agreement, with respect to the Award, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

26. **Signature in Counterparts.** If delivered in paper format, this Agreement may be signed in counterparts. Each counterpart shall be an original, with the same effect as if the signatures were on the same instrument.

27. **Enforceability.** To the extent any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

28. **Language.** If the Participant has been provided with a copy of this Agreement, the Plan or any other document relating to this Award in a language other than English, the English language shall govern in the event of any inconsistency.

29. **Waiver.** No failure or delay by the Company to enforce any provision of this Agreement or exercise any right or remedy provided by law shall constitute a waiver of that or any other provision, right or remedy, nor shall it prevent or restrict the further exercise of that or any other provision, right or remedy. No single or partial exercise of such provision, right or remedy shall prevent or restrict the further exercise of that or any other provision, right or remedy.

30. **Foreign Exchange Restrictions.** The Participant understands and agrees that neither the Company or its subsidiaries are responsible or liable for (i) any foreign exchange fluctuations between the Participant's local currency (if applicable) and the United States Dollar (or the selection by the Company or a subsidiary of any applicable foreign exchange rate it may determine in its discretion to be appropriate) that may affect the value of this Award or the calculated income, taxes or other amounts thereunder or any related taxes or other amounts or (ii) any decrease in the value of Shares.

AMERICAN AXLE & MANUFACTURING
HOLDINGS, INC.

By: _____
[Authorized Signatory]

Agreed and acknowledged as of the date of grant:

[Participant]

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.
Amended and Restated 2018 Omnibus Incentive Plan

Form of Performance Unit Award Agreement: Free Cash Flow

You have been selected to receive a grant of Performance Units under the American Axle & Manufacturing Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan as stated below:

Participant:

Grant Date:

Number of Performance Units (Target Award Opportunity):

Performance Period: January 1, 2025 – December 31, 2027

Final Acceptance Date:

THIS AWARD AGREEMENT (the "Agreement"), is made effective as of the Grant Date (shown above) between American Axle & Manufacturing Holdings, Inc., a Delaware corporation (the "Company"), and the Participant.

RECITALS:

- A. The Company has adopted the American Axle & Manufacturing Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan (the "Plan"). The Plan is incorporated in and made a part of this Agreement. Capitalized terms not defined in this Agreement have the same meanings as in the Plan;
- B. The Compensation Committee of the Board of Directors (the "Committee") determined that it is in the best interests of the Company and its shareholders to grant an Award to the Participant, under the terms of this Agreement and the Plan; and
- C. The Participant shall have no rights related to this Award unless he or she accepts this Award before the close of business on the Final Acceptance Date (shown above). A Participant who receives this Agreement in paper format shall indicate acceptance by signing and delivering a copy of this Agreement to the Company. A Participant who receives this Agreement electronically through the Merrill website shall indicate acceptance as instructed at www.benefits.ml.com. The Final Acceptance Date may be modified, in the sole discretion of the Company, upon written request of the Participant.

The parties agree as follows:

1. Grant of the Award and Performance Period. The Company grants to the Participant, on the terms and conditions of this Agreement, a Performance Unit award (the "Award") with a target opportunity as specified above (the "Target Award Opportunity"), with each Performance Unit being equivalent to a fixed amount of \$1.00, for the Performance Period specified above.

2. Performance Measure and Performance Goals. The performance measure for this Award shall be the Company's Free Cash Flow ("FCF"). FCF is defined as net cash provided by operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment, subject to adjustment by the Committee. FCF performance shall be based on the 2025, 2026 and 2027 calendar years and the three-year cumulative FCF over the Performance Period.

3. Payout Matrix.

The Participant shall earn the percentage of the Target Award Opportunity that corresponds to the achieved performance goal for the Performance Period as set forth below.

(a) 15% of the Participant’s Target Award Opportunity shall be determined based on annual FCF performance for each of the 2025, 2026 and 2027 calendar years (for a total of 45% of the Participant’s Target Award Opportunity), as set forth in the chart below:

Calendar Year	Threshold	Annual Free Cash Flow	
		Target	Maximum
2025	[\$]	[\$]	[\$]
2026	[\$]	[\$]	[\$]
2027	[\$]	[\$]	[\$]
% Earned	50%	100%	200% (capped)

(b) 55% of the Participant’s Target Award Opportunity shall be determined based on the three-year cumulative FCF performance as set forth in the chart below:

	Threshold	3-Year Cumulative Free Cash Flow	
		Target	Maximum
	[\$]	[\$]	[\$]
% Earned	50%	100%	200% (capped)

Linear interpolation shall be used to determine the percent of the Target Award Opportunity earned above the Threshold or below the Maximum, in the event that the Company’s FCF for any annual period or the three-year cumulative period falls between the percentages listed in the charts above.

4. Determination of the Award.

(a) Subject to the Plan and this Agreement, the number of Performance Units earned by the Participant for the Performance Period shall equal the “FCF Earned Amount” as modified by Section 4(b) below. FCF Earned Amount is defined as the sum of the following: (i) the product of 15% of the Participant’s Target Award Opportunity and the percent earned for the 2025 calendar year; *plus* (ii) the product of 15% of the Participant’s Target Award Opportunity and the percent earned for the 2026 calendar year; *plus* (iii) the product of 15% of the Participant’s Target Award Opportunity and the percent earned for the 2027 calendar year; *plus* (iv) the product of 55% of the Participant’s Target Award Opportunity and the percent earned for the three-year cumulative period, in each case as determined in Section 3 above. Performance below Threshold for an annual period or the three-year cumulative period shall result in no payout to the Participant for such period. Performance above Maximum for an annual period or the three-year cumulative period shall result in a payout for such period capped at the Maximum. This cap shall apply solely to the FCF Earned Amount. The Committee shall have the sole authority to calculate the Participant’s earned Award.

(b) The FCF Earned Amount shall be modified, as set forth below, based on the three-year total shareholder return (“TSR”) of the Company and each company (“Competitor Company”) that is identified as a member of the Company’s TSR competitor peer group in the Company’s annual report to shareholders for the fiscal year of the Grant Date shown above, or as elsewhere disclosed by the Company pursuant to Regulation S-K of the Securities Exchange Act of 1934 (the “Competitor Peer Group”). The modification of the FCF Earned Amount shall be based on the percentile rank of the Company’s three-year TSR relative to the distribution of the Competitor Companies’ three-year TSRs (the “Percentile Rank”) without linear interpolation as set forth below:

3-Year Relative TSR Percentile Rank	Modification of FCF Earned Amount
Below 25 th percentile	FCF Earned Amount multiplied by 85%
Between and including 25 th percentile and 74 th percentile	No modification to FCF Earned Amount
75 th percentile and above	FCF Earned Amount multiplied by 115%

5. Determination of TSR.

(a) TSR for each Competitor Company and the Company shall be determined in accordance with the following formula. TSR shall be equal to the quotient of (i) divided by (ii), where:

(i) is equal to the sum of (x) and (y) where (x) is the difference between the “Beginning Stock Price” and the “Ending Stock Price” and (y) is the sum of all dividends paid on one (1) Share during the Performance Period, provided that dividends shall be treated as reinvested at the end of each calendar quarter; and

(ii) is equal to the “Beginning Stock Price”.

(b) Definitions for purposes of determining TSR under paragraph 3(a) above include:

(i) “Beginning Stock Price” shall mean the average closing price on the applicable stock exchange of one (1) Share for the thirty (30) trading days immediately prior to the first day of the Performance Period; and

(ii) “Ending Stock Price” shall mean the average closing price on the applicable stock exchange of one (1) Share for the thirty (30) trading days immediately prior to the last day of the Performance Period.

6. Determination of Percentile Rank. The Company’s Percentile Rank shall be determined in accordance with the following rules:

(a) The Competitor Companies and the Company shall be ranked in descending order based on their respective TSRs.

(b) For purposes of developing the ordering provided in paragraph (a) above, (i) any Competitor Company that filed for bankruptcy protection under the United States Bankruptcy Code

during the Performance Period shall be assigned the lowest order, (ii) any Competitor Company that is acquired during the Performance Period shall be removed from the Competitor Peer Group and shall not be included in the ordering of Competitor Companies, and (iii) any Competitor Company that, during the Performance Period, has entered into and publicly disclosed the entrance into a definitive agreement for the acquisition of such Competitor Company shall not be included in the ordering of Competitor Companies even if the acquisition has not yet closed as of the time the ordering is compiled for performance assessment.

(c) The Company's Percentile Rank shall be calculated as follows:

$$\text{Percentile Rank} = \frac{\text{Company Rank}}{\text{Total Number of Competitor Companies including the Company}}$$

7. Form and Timing of Award. Subject to the approval of the Committee, payment of the Participant's earned Award, if any, shall be made in cash, in a single lump sum, in the following manner:

(a) **Timing:** Each Performance Unit earned by the Participant pursuant to Section 4 shall be settled by payment of \$1.00. The Participant shall receive payment of his or her earned Performance Units no later than the fifteenth (15th) day of the third month following the end of the Performance Period (the "Payment Date"), provided that the Participant has been continuously employed by the Company through the Payment Date.

(b) **Impact of Employment Termination:** If the Participant's employment is terminated during the Performance Period due to death, Retirement, or by the Company for Disability or another reason other than for Cause, then the Participant shall be entitled to be paid a pro rata Award, as determined under this subparagraph (b). The pro rata Award shall equal the product of (x) and (y) where (x) is the Target Award Opportunity and (y) is a fraction, the numerator of which is the number of calendar months that the Participant was employed by the Company during the Performance Period (with any partial month counting as a full month for this purpose) and the denominator of which is the number of months in the Performance Period. Any modification of the FCF Earned Amount made pursuant to Section 4(b) shall not apply to the pro rata Award amount as determined in this paragraph. Any payments shall be made as soon as is practical following such payment determination but no later than the fifteenth (15th) day of the third month following the end of the quarterly reporting period that includes the date of termination of the Participant's employment. If the Participant's employment is terminated on the last day of the Performance Period due to death, Retirement, or by the Company for Disability or another reason other than for Cause, or for such reasons after the Performance Period but before the Payment Date, the pro-rata formulation above shall not apply and the Award shall be calculated and paid (in accordance with Section 7(a)) based on actual performance during the Performance Period.

(c) **Impact of a Change in Control:** Subject to Section 23.1 of the Plan, if a Participant (x) has in effect an employment, retention, Change in Control, severance or similar agreement with the Company or any Subsidiary or (y) is subject to a policy or plan of the Company or any Subsidiary that, in the case of either (x) or (y), discusses the effect of a Change in Control on a Participant's Awards, then such agreement, plan or policy shall control. In all other cases, unless provided otherwise by the Committee prior to the date of the Change in Control, in the event of a Change in Control:

(i) If the Change in Control occurs prior to the end of the Performance Period, the Performance Units shall be deemed earned as if the Target performance goal was achieved. If the Change in Control occurs after the end of the Performance Period but prior to

payment of the Award, the Performance Units will be earned based on actual performance during the Performance Period.

(ii) If a Successor so agrees, some or all outstanding Awards shall be assumed, or replaced with the same type of award with similar terms and conditions, by a Successor in the Change in Control transaction. If applicable, each Award that is assumed by a Successor shall be appropriately adjusted, immediately after such Change in Control, to apply to the Award that would have been issuable to a Participant upon the consummation of such Change in Control had the Award been earned immediately prior to such Change in Control, and other appropriate adjustments in the terms and conditions of the Award shall be made. Upon the termination of a Participant's employment with a Successor in connection with or within twenty-four (24) months following the Change in Control for any reason other than an involuntary termination by a Successor for cause or a voluntary termination by the Participant without good reason (as cause and good reason (or analogous terms) are defined by an applicable employment agreement or a change in control plan or policy (including, without limitation, the AAM Change in Control Plan) or, if not applicable, the policies generally applicable to employees of a Successor), all of the Participant's Awards that are in effect as of the date of such termination shall vest in full as provided in Section 7(c)(i) effective on the date of termination.

(iii) To the extent a Successor in the Change in Control transaction does not assume the Awards or issue replacement awards as provided in Section 7(c)(ii), then, unless provided otherwise by the Committee, immediately prior to the date of the Change in Control all Awards that are then held by Participants shall be cancelled in exchange for the right to receive a cash payment equal to the product of (x) and (y) where (x) is the number of Performance Units earned as provided in Section 7(c)(i) and (y) is a fraction, the numerator of which is the number of calendar months that the Participant was employed by the Company during the Performance Period (with any partial month counting as a full month for this purpose) and the denominator of which is the number of months in the Performance Period *multiplied by* \$1.00.

Any modification of the FCF Earned Amount made pursuant to Section 4(b) shall not apply to the determination of the Award in the event of a Change in Control. Any payments shall be made as soon as is practical following such payment determination but no later than the fifteenth (15th) day of the third month following the end of the quarterly reporting period that includes the date of the occurrence of a Change in Control.

(d) **Forfeiture.** Except as otherwise expressly stated in Sections 7(b) and 7(c), if the Participant's employment with the Company terminates for any reason prior to the Payment Date, then the Participant shall not be entitled to the payment of any Award hereunder.

(e) **Definitions**

(i) **"Change in Control:"** For purposes of this Agreement, "Change in Control" means any one of the following:

(A) Any person or entity, including a "group" as defined in Section 13(d)(3) of the Exchange Act other than the Company or a wholly owned Subsidiary thereof or any employee benefit plan of the Company or any of its Subsidiaries, becomes the beneficial owner of the Company's securities having 30% or more of the combined voting power of the then outstanding securities of the Company that may be

cast for the election of Directors of the Company (other than as a result of an issuance of securities initiated by the Company in the ordinary course of business); or

(B) As the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, less than a majority of the combined voting power of the then outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the Directors of the Company or such other corporation or entity after such transaction are held in the aggregate by the holders of the Company's securities entitled to vote generally in the election of Directors of the Company immediately prior to such transaction; or

(C) During any period of two consecutive years, individuals who at the beginning of any such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company's stockholders, of each Director of the Company first elected during such period was approved by a vote of at least two-thirds of the Directors of the Company then still in office who were Directors of the Company at the beginning of any such period; or

(D) The stockholders of the Company approve a plan of complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, other than a liquidation of the Company into a wholly owned subsidiary.

Notwithstanding the foregoing, to the extent that any Award constitutes a deferral of compensation subject to Section 409A (as defined in Section 15 below), and if that Award provides for a change in the time or form of payment upon a Change in Control, then no Change in Control shall be deemed to have occurred upon an event described in subsections (A), (B), (C) and (D) above, unless such event shall constitute a "change in ownership" or "change in effective control" of, or a change in the ownership of a substantial portion of the assets of the Company under Section 409A.

(ii) **"Disability:"** For purposes of this Agreement, "Disability" means either of the following: (a) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering Employees.

(iii) **"Cause:"** For purposes of this Agreement, "Cause" means (i) neglect of or willful and continuing refusal of the Participant to perform his or her duties with the Company (other than due to Disability), (ii) a breach of any non-competition or "no raid" covenants to which the Participant is subject, (iii) engaging in conduct which is demonstrably injurious to the Company, the Company's subsidiaries or affiliates (including, without limitation, a breach of any confidentiality covenant to which the Participant is subject), or (iv) a conviction or plea of guilty or nolo contendere to a felony or a misdemeanor involving moral turpitude, dishonesty or theft, in each case as determined in the sole discretion of the Company. If an employment agreement between the Company and the Participant is in effect or a change in control plan or policy is in effect in which the Participant participates or to which such Participant is subject (including,

without limitation, the AAM Change in Control Plan), "Cause" has the meaning, if any, defined therein.

(iv) **"Retirement."** For purposes of this Agreement, "Retirement" means the Participant's voluntary resignation at any time (i) after attaining age 65, (ii) after attaining age 55 but prior to age 65 with ten or more years of continuous service with the Company or a Subsidiary or (iii) after attaining age 60 but prior to age 65 with five or more years of continuous service with the Company or a Subsidiary.

8. Beneficiary Designation. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when delivered by the Participant in writing to the Corporate Human Resources Department of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

9. No Right to Continued Employment or Further Awards.

(a) Neither the Plan nor this Agreement shall be construed as (i) giving the Participant any right to continue in the employ of the Company and its Subsidiaries or (iii) giving the Participant any right to be reemployed by the Company and its Subsidiaries following any termination of employment. The termination of employment provisions in this Agreement only apply to the treatment of the Award as specified herein and shall not otherwise affect the Participant's employment relationship. Nothing contained in this Agreement shall be deemed to constitute or create a contract of employment.

(b) The Company has granted the Award to the Participant in its sole discretion. The Award does not form part of the Participant's employment contract, if any. Neither this Agreement nor the Plan confers on the Participant any right or entitlement to receive another Award, or any other similar award at any time in the future or in respect of any future period. The Award does not confer on the Participant any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company's discretion to determine the amount, if any, of the Participant's compensation.

10. Transferability.

(a) The Award shall not be transferable other than by will, the laws of descent and distribution, pursuant to a domestic relations order entered by a court of competent jurisdiction or to a Permitted Transferee for no consideration pursuant to the Plan. Any Award transferred to a Permitted Transferee shall be further transferable only by will, the laws of descent and distribution, pursuant to a domestic relations order entered by a court of competent jurisdiction, or, for no consideration, to another Permitted Transferee of the Participant.

(b) Except as set forth in the Plan, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant, or in the event of the Participant's legal incapacity, the Participant's legal guardian or representative.

11. Withholding. Subject to the Plan, the Company may require any individual entitled to receive a payment of an Award to remit to the Company prior to payment, an amount sufficient to

satisfy any applicable federal, state, local and foreign tax withholding requirements. The Company shall also have the right to deduct from all cash payments made to a Participant (whether or not such payment is made in connection with an Award) any applicable taxes required to be withheld with respect to such Award.

12. Notices. Notice under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive offices of the Company and to the Participant at the address appearing in the records of the Company for the Participant, or to either party at another address that the party designates in writing to the other. Notice shall be effective upon receipt.

13. Governing Law. The interpretation, performance and enforcement of the Award and this Agreement shall be governed by the laws of the State of Delaware without regard to principles of conflicts of law. To the extent any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

14. Award Subject to Plan.

(a) The Award is granted subject to the Plan and to such rules and regulations the Committee may adopt for administration of the Plan. The Committee is authorized to administer, construe, and make all determinations necessary or appropriate to administer the Plan and this Agreement, all of which shall be binding upon the Participant.

(b) To the extent of any inconsistencies between the Plan and this Agreement, the Plan shall govern. This Agreement and the Plan constitute the entire agreement between the parties regarding the subject matter hereof. They supersede all other agreements, representations or understandings (whether oral or written, express or implied) that relate to the subject matter hereof.

(c) The Committee may terminate, amend, or modify or suspend the Plan and amend or modify this Agreement; *provided, however,* that no termination, amendment, modification or suspension shall materially and adversely affect the Participant's rights under this Agreement, without the Participant's written consent.

15. Section 409A.

(a) The Award is not intended to provide for a "deferral of compensation" within the meaning of Section 409A of the U.S. Internal Revenue Code and the final rules promulgated thereunder ("Section 409A") and shall be interpreted and construed in a manner consistent with that intent. If any provision of this Agreement or the Plan causes the Award to be subject to the requirements of Section 409A, or could otherwise cause the Participant to recognize income or be subject to the interest and penalties under Section 409A, then the provision shall have no effect or, to the extent practicable, the Committee may, in its sole discretion and without the Participant's consent, modify the provision to (i) comply with, or avoid being subject to Section 409A, or to avoid the incurrence of any taxes, interest and penalties under Section 409A, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A. This Section 15 does not create an obligation of the Company to modify the Plan or this Agreement and does not guarantee that the Award will not be subject to taxes, interest and penalties under Section 409A.

(b) If a Participant is a "specified employee" as defined under Section 409A and the Participant's Award is to be settled on account of the Participant's separation from service (for reasons other than death) and such Award constitutes "deferred compensation" as defined under Section 409A,

then any portion of the Participant's Award that would otherwise be settled during the six-month period commencing on the Participant's separation from service shall be settled as soon as practicable following the conclusion of the six-month period (or following the Participant's death if it occurs during such six-month period).

16. Recoupment. The Participant's earned Award shall be subject to any clawback, recoupment or similar policy as permitted or mandated by applicable law, rules, regulations or any Company policy as enacted, adopted or modified from time to time.

17. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. By accepting this Award, the Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including Merrill.

18. Personal Data Privacy. The Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data by and among, as applicable, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title and number of Performance Units for the purpose of implementing, administering and managing the Participant's Award (the "Data"). The Participant understands that the Data may be transferred to the Company or to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that any recipient's country may have different data privacy laws and protections than the Participant's country. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company or to any third parties is necessary for the Participant's participation in the Plan. The Participant may view the Data, request information about the storage and processing of Data, request any corrections to Data, or withdraw the consents herein (in any case, without cost to the Participant) by contacting Corporate Human Resources in writing. The withdrawal of any consent by the Participant may affect the Participant's participation in the Plan. The Participant may contact Corporate Human Resources for further information about the consequences of any withdrawal of consents herein.

19. Headings. The headings of sections and subsections are included solely for convenience of reference and shall not affect the meaning of the provisions of this Agreement.

20. Successor. All obligations of the Company under the Plan and this Agreement, with respect to the Award, shall be binding on any successor to the Company, whether the existence of such

successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

21. Signature in Counterparts. If delivered in paper format, this Agreement may be signed in counterparts. Each counterpart shall be an original, with the same effect as if the signatures were on the same instrument.

22. Enforceability. To the extent any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

23. Language. If the Participant has been provided with a copy of this Agreement, the Plan or any other document relating to this Award in a language other than English, the English language shall govern in the event of any inconsistency.

24. Waiver. No failure or delay by the Company to enforce any provision of this Agreement or exercise any right or remedy provided by law shall constitute a waiver of that or any other provision, right or remedy, nor shall it prevent or restrict the further exercise of that or any other provision, right or remedy. No single or partial exercise of such provision, right or remedy shall prevent or restrict the further exercise of that or any other provision, right or remedy.

25. Foreign Exchange Restrictions. The Participant understands and agrees that neither the Company or its subsidiaries are responsible or liable for any foreign exchange fluctuations between the Participant's local currency (if applicable) and the United States Dollar (or the selection by the Company or a subsidiary of any applicable foreign exchange rate it may determine in its discretion to be appropriate) that may affect the value of this Award or the calculated income, taxes or other amounts thereunder or any related taxes or other amounts.

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.

By: _____
[Authorized Signatory]

Agreed and acknowledged as of the date of grant:

[Participant]

**EXHIBIT 22 - SUBSIDIARY GUARANTORS AND ISSUERS OF GUARANTEED SECURITIES
AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.**

Our 6.875% Notes, 6.50% Notes and 5.00% Notes are senior unsecured obligations of American Axle & Manufacturing, Inc., all of which are fully and unconditionally guaranteed, on a joint and several basis, by American Axle & Manufacturing Holdings, Inc. and substantially all domestic subsidiaries of American Axle & Manufacturing, Inc. and Metaldyne Performance Group, Inc. The table below defines these entities.

Entity	Organized Under Laws of
Parent Entity	
American Axle & Manufacturing Holdings, Inc.	Delaware
Issuing Entity	
American Axle & Manufacturing, Inc.	Delaware
Guarantor Entities	
AAM International Holdings, Inc.	Delaware
Auburn Hills Manufacturing, Inc.	Delaware
Oxford Forge, Inc.	Delaware
MSP Industries Corporation	Michigan
Colfor Manufacturing, Inc.	Delaware
AccuGear, Inc.	Delaware
Metaldyne Performance Group, Inc.	Delaware
Metaldyne M&A Bluffton, LLC	Delaware
Metaldyne Powertrain Components, Inc.	Delaware
Metaldyne Sintered Ridgway, LLC	Delaware
Metaldyne SinterForged Products, LLC	Delaware
Punchcraft Machining and Tooling, LLC	Delaware
HHI FormTech, LLC	Delaware
Jernberg Industries, LLC	Delaware
Impact Forge Group, LLC	Delaware
ASP HHI Holdings, Inc.	Delaware
MD Investors Corporation	Delaware
AAM Powder Metal Components, Inc.	Ohio
ASP Grede Intermediate Holdings LLC	Delaware
AAM Casting Corp.	Delaware
Tekfor, Inc.	Delaware
AAM North America, Inc.	Delaware
AAM Mexico Holdings, LLC	Delaware

**EXHIBIT 31.1 - CERTIFICATION PURSUANT TO RULE 13a-14(a)
OF THE SECURITIES EXCHANGE ACT**

I, David C. Dauch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Axle & Manufacturing Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ David C. Dauch

David C. Dauch

Chairman of the Board & Chief Executive Officer

(Principal Executive Officer)

**EXHIBIT 31.2 - CERTIFICATION PURSUANT TO RULE 13a-14(a)
OF THE SECURITIES EXCHANGE ACT**

I, Christopher J. May, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Axle & Manufacturing Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Christopher J. May

Christopher J. May

Executive Vice President & Chief Financial Officer

(Principal Financial Officer)

**EXHIBIT 32 - CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of American Axle & Manufacturing Holdings, Inc. (Issuer) on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (Report), I, David C. Dauch, Chairman of the Board & Chief Executive Officer of the Issuer, and I, Christopher J. May, Executive Vice President & Chief Financial Officer of the Issuer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

/s/ David C. Dauch

David C. Dauch
Chairman of the Board &
Chief Executive Officer
May 2, 2025

/s/ Christopher J. May

Christopher J. May
Executive Vice President &
Chief Financial Officer
May 2, 2025