



**Delivering
POWER.**

**FOURTH QUARTER AND FULL YEAR 2016
SUPPLEMENTAL INFORMATION**

Supplemental Data



American Axle & Manufacturing Holdings, Inc. (AAM) has included the following information within presentations, earnings releases, and conference calls because management believes that the information may be useful to investors in assessing AAM's business and operating performance on a comparable basis for the periods presented. AAM uses this information for that purpose. However, this information should not be viewed as a substitute for financial measures determined under accounting principles generally accepted in the United States of America (GAAP). The following supplemental data includes a reconciliation of the adjusted amounts presented or non-GAAP financial measures to the comparable GAAP financial measure.

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

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

(\$ in millions)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net income, as reported	\$ 46.9	\$ 62.9	\$ 240.7	\$ 235.6
Interest expense	23.2	24.5	93.4	99.2
Income tax expense	4.5	0.6	58.3	37.1
Depreciation and amortization	51.4	48.7	201.8	198.4
EBITDA, as defined	\$ 126.0	\$ 136.7	\$ 594.2	\$ 570.3
as % of net sales	13.3 %	14.3 %	15.1 %	14.6 %

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

Adjusted EBITDA^(a) Reconciliation Schedule

(\$ in millions)

Three Months Ended

Twelve Months Ended

December 31,

December 31,

	2016		2015	
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
EBITDA	\$ 126.0	\$ 136.7	\$ 594.2	\$ 570.3
Restructuring and acquisition-related costs	22.2	—	26.2	—
Debt refinancing and redemption costs	—	0.8	—	0.8
Other non-recurring items ^(b)	—	—	(1.0)	—
Adjusted EBITDA	\$ 148.2	\$ 137.5	\$ 619.4	\$ 571.1
as % of net sales	15.7 %	14.3 %	15.7 %	14.6 %

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

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

(\$ in millions)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net income, as reported	\$ 46.9	\$ 62.9	\$ 240.7	\$ 235.6
Interest expense	23.2	24.5	93.4	99.2
Income tax expense	4.5	0.6	58.3	37.1
EBIT, as defined	<u>\$ 74.6</u>	<u>\$ 88.0</u>	<u>\$ 392.4</u>	<u>\$ 371.9</u>

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

Adjusted EBIT^(a) Reconciliation Schedule

(\$ in millions)

Three Months Ended

Twelve Months Ended

December 31,

December 31,

2016

2015

2016

2015

EBIT	\$ 74.6	\$ 88.0	\$ 392.4	\$ 371.9
Restructuring and acquisition-related costs	22.2	—	26.2	—
Debt refinancing and redemption costs	—	0.8	—	0.8
Other non-recurring items ^(b)	—	—	(1.0)	—
Adjusted EBIT	\$ 96.8	\$ 88.8	\$ 417.6	\$ 372.7

Supplemental Data



American Axle & Manufacturing Holdings, Inc. Adjusted Earnings per Share^(c)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Diluted earnings per share, as reported	\$ 0.59	\$ 0.81	\$ 3.06	\$ 3.02
Restructuring and acquisition-related costs	0.28	—	0.34	—
Debt refinancing and redemption costs	—	0.01	—	0.01
Non-recurring items ^(b)	—	(0.15)	(0.01)	(0.15)
Tax effect of adjustments	(0.09)	—	(0.09)	—
Adjusted earnings per share	<u>\$ 0.78</u>	<u>\$ 0.67</u>	<u>\$ 3.30</u>	<u>\$ 2.88</u>

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

Net Debt^(d) to Capital Reconciliation Schedule

(\$ in millions)

	December 31, 2016	December 31, 2015
Current portion of long-term debt	\$ 3.3	\$ 3.3
Long-term debt, net	1,400.9	1,375.7
Total debt, net	1,404.2	1,379.0
Less: Cash and cash equivalents	481.2	282.5
Net debt at end of period ^(d)	923.0	1,096.5
Stockholders' equity at end of period	530.0	301.5
Total invested capital at end of period	\$ 1,453.0	\$ 1,398.0
Net debt to capital ^(e)	63.5 %	78.4 %
Market share price	\$ 19.30	\$ 18.94
Shares outstanding	76,473,166	76,092,979
Market capitalization	1,475.9	\$ 1,441.2
Net debt to capital - market value ^(e)	38.5 %	43.2 %

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

Free Cash Flow and Adjusted Free Cash Flow^(f) (\$ in millions)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net cash provided by operating activities	\$ 116.6	\$ 109.5	\$ 407.6	\$ 377.6
Less: Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment and from government grants	(63.3)	(56.2)	(218.5)	(188.1)
Free cash flow	<u>\$ 53.3</u>	<u>\$ 53.3</u>	<u>\$ 189.1</u>	<u>\$ 189.5</u>
Add: Cash payments for restructuring and acquisition-related costs	9.5	—	9.5	—
Adjusted free cash flow	<u>\$ 62.8</u>	<u>\$ 53.3</u>	<u>\$ 198.6</u>	<u>\$ 189.5</u>

Supplemental Data



American Axle & Manufacturing Holdings, Inc.

Calculation of Credit Statistics

(\$ in millions)

	For the Years Ended	
	2016	2015
Net debt ^(d)	\$ 923.0	\$ 1,096.5
Net interest expense	\$ 90.5	\$ 96.6
Adjusted EBIT ^(a) , as defined	\$ 417.6	\$ 371.9
Adjusted EBITDA ^(a) , as defined	\$ 619.4	\$ 571.1
Net leverage ratio ^(d)	1.5	1.9
Adj. interest coverage	4.6	3.8

Notes to Supplemental Data



(a) We define EBITDA to be earnings before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs and non-recurring items. We believe that EBITDA and Adjusted EBITDA are meaningful measures of performance as they are commonly utilized by management and investors to analyze operating performance and entity valuation. Our management, the investment community and the banking institutions routinely use EBITDA, together with other measures, to measure our operating performance relative to other Tier 1 automotive suppliers. EBITDA and Adjusted EBITDA should not be construed as income from operations, net income or cash flow from operating activities as determined under GAAP. Other companies may calculate EBITDA and Adjusted EBITDA differently.

(b) Non-recurring items for the twelve months ended December 31, 2016 reflect a \$1.0 million investment gain related to the final distribution of the Reserve Yield Plus Fund. Non-recurring items for the three and twelve months ended December 31, 2015 reflect a favorable adjustment to income tax expense of \$11.5 million related to the resolution of transfer pricing audits in Mexico.

(c) We define Adjusted earnings per share to be diluted earnings per share excluding the impact of restructuring and acquisition-related costs, debt refinancing and redemption costs and non-recurring items, including the tax effect thereon. We believe Adjusted earnings per share is a meaningful measure as it is commonly utilized by management and investors in assessing ongoing financial performance that provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of core operating performance and which may obscure underlying business results and trends. Other companies may calculate Adjusted earnings per share differently.

(d) Net debt is equal to total debt, net less cash and cash equivalents. Net debt to capital is equal to net debt divided by the sum of stockholders' equity and net debt. We define net leverage ratio to be net debt divided by Adjusted EBITDA. We believe that net debt to capital and net leverage ratio are meaningful measures of financial condition as they are commonly used by management, investors and creditors to assess capital structure risk. Other companies may calculate net debt to capital and net debt ratio differently.

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

(f) We define free cash flow to be net cash provided by operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment and government grants. Adjusted free cash flow excludes the impact of cash payments for restructuring and acquisition-related costs. We believe free cash flow and Adjusted free cash flow are meaningful measures as they are commonly utilized by management and investors to assess our ability to generate cash flow from business operations to repay debt and return capital to our stockholders. Free cash flow and Adjusted free cash flow are also key metrics used in our calculation of incentive compensation. Other companies may calculate free cash flow and Adjusted free cash flow differently.