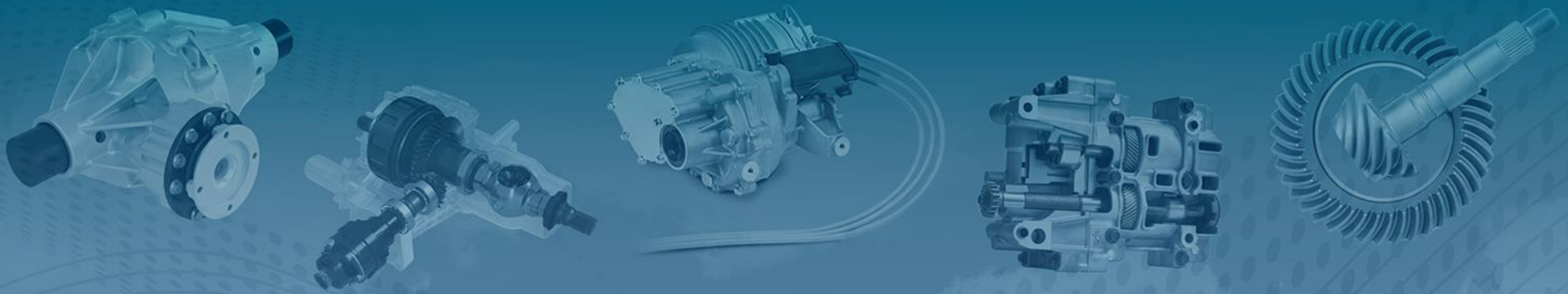


Second Quarter 2017 Earnings Call

July 28, 2017

POWER STARTS HERE.

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements about the anticipated consequences and benefits of our recent acquisition of MPG, our financial and business outlook, and other information relating to matters that are not historical facts. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include the ability to successfully operate and integrate MPG operations and realize estimated synergies, and the other factors detailed in the reports we file with the SEC, including those described under "Risk Factors" in our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this communication. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

It should also be noted that this presentation contains certain financial measures, including Adjusted EBITDA, Adjusted Earnings per share, Adjusted free cash flow, and Net Leverage Ratio that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. A description of non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found starting on slide 19 under "Reconciliation of Non-GAAP Measures".

Second Quarter Earnings Call

- Second Quarter 2017 Highlights and Synergy Attainment Update
- 2017 Full Year Outlook and New Business Backlog
- Second Quarter 2017 Financial Results

SECOND QUARTER 2017 HIGHLIGHTS

2Q 2017 AAM Highlights

2Q FINANCIAL PERFORMANCE

$1.76B
Record Quarterly Sales

$326M
18.5% of sales
Record Quarterly Adj EBITDA*

$142M
Strong Adj. Free Cash Flow*

Completion of MPG Acquisition on April 6, 2017

Non-GM Sales exceed 50% of Revenue – the First Time in AAM History

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

Segment Performance – 2Q 2017

DRIVELINE

- Sales of $1.02 billion
- Segment Adjusted EBITDA of $178.9 million
- Strong global full-size truck production
- New product launches supporting crossover vehicle platforms

POWERTRAIN

- Sales of $283.6 million
- Segment Adjusted EBITDA of $51.9 million
- Continued growth in Europe and Asia
- Operating and performing well globally

METAL FORMING

- Sales of $369.3 million
- Segment Adjusted EBITDA of $69.4 million
- Powerful vertical integration
- Higher external sales resulting from MPG acquisition

CASTING

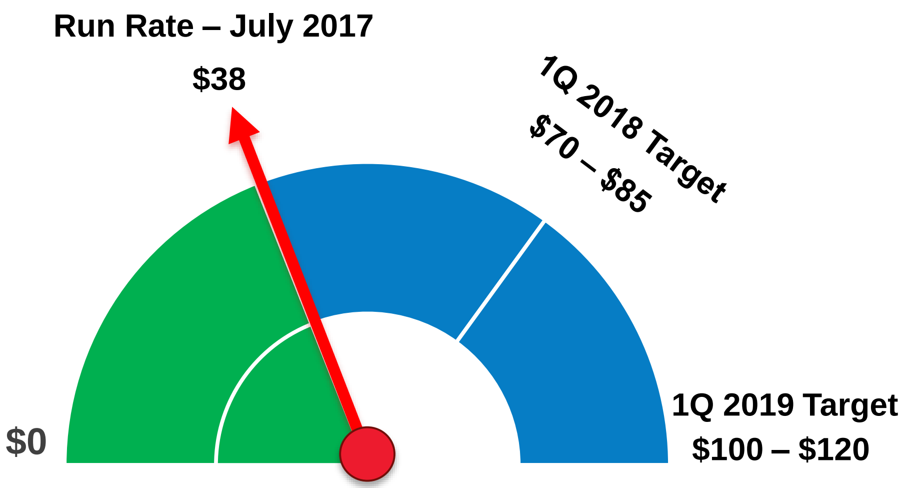
- Sales of $225.6 million
- Segment Adjusted EBITDA of $25.5 million
- Increased volumes in commercial vehicle and industrial markets
- Contributing to AAM's business diversification

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

Synergy Achievement Progress from MPG Acquisition

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

Synergy Achievement Gauge
(Annual Run Rate in millions)



AAM is on track to achieve synergy targets

2017 FULL YEAR OUTLOOK AND NEW BUSINESS BACKLOG

AAM's 2017 Financial Outlook

As confirmed on July 28, 2017

	2017 Full Year Targets
AAM's Consolidated Sales	**≈ $6.1 Billion**
Adjusted EBITDA* Margin	**In the range of 17% to 18%**
Adjusted Free Cash Flow*	**≈ 5% of AAM's consolidated sales**

- Reduced U.S. SAAR assumption from 17.5 million to 17 million light vehicle units – Full Year Sales target remains unchanged
- Adjusted Free Cash Flow target includes estimated capital expenditures of approximately 8% of sales
- MPG's pre-acquisition financial results from January 1, 2017 to April 5, 2017 will be excluded from AAM's 2017 financial results and are excluded from our 2017 full year outlook.
- We have incurred and expect to further incur significant costs and payments related to restructuring, integration and acquisition-related activities as well as significant purchase accounting adjustments and related effects on the income statement during 2017. The impact of these has been excluded from our Adjusted EBITDA margin and Adjusted free cash flow targets.

AAM expects continued strong margin performance and cash flow generation

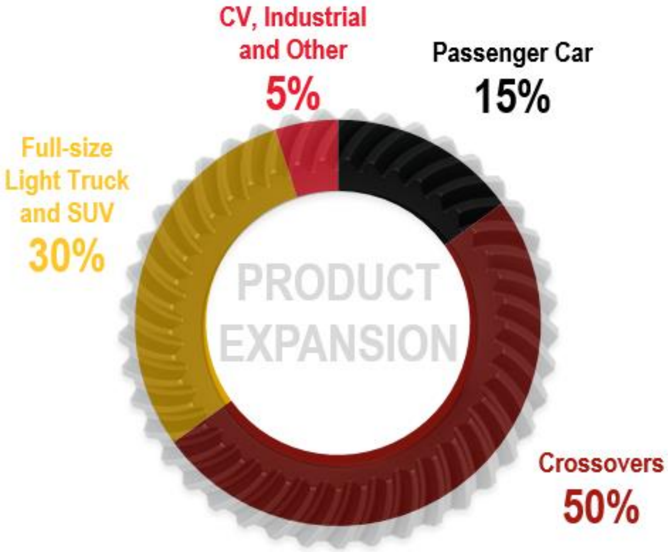
* For definitions of terms, please see the attached appendix

AAM's Gross New and Incremental Business Backlog

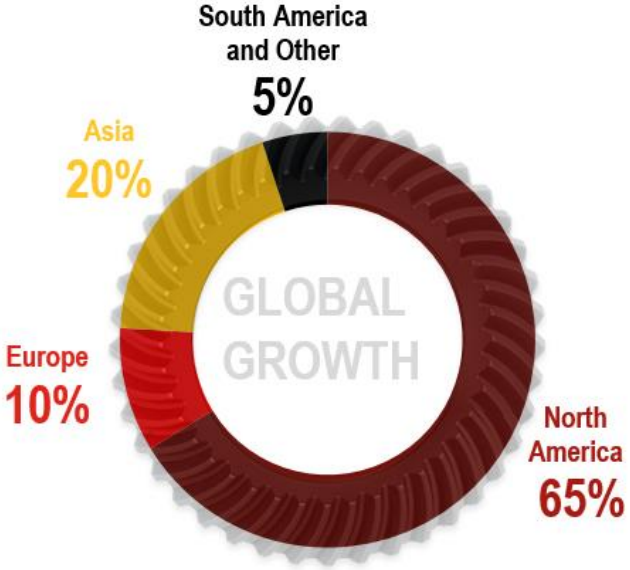
$1.5 BILLION: 2017-2019

As disclosed on May 5, 2017

Backlog by Vehicle Segment



Backlog by Global Market



Over 70% relates to Non-GM business

SECOND QUARTER 2017 FINANCIAL RESULTS

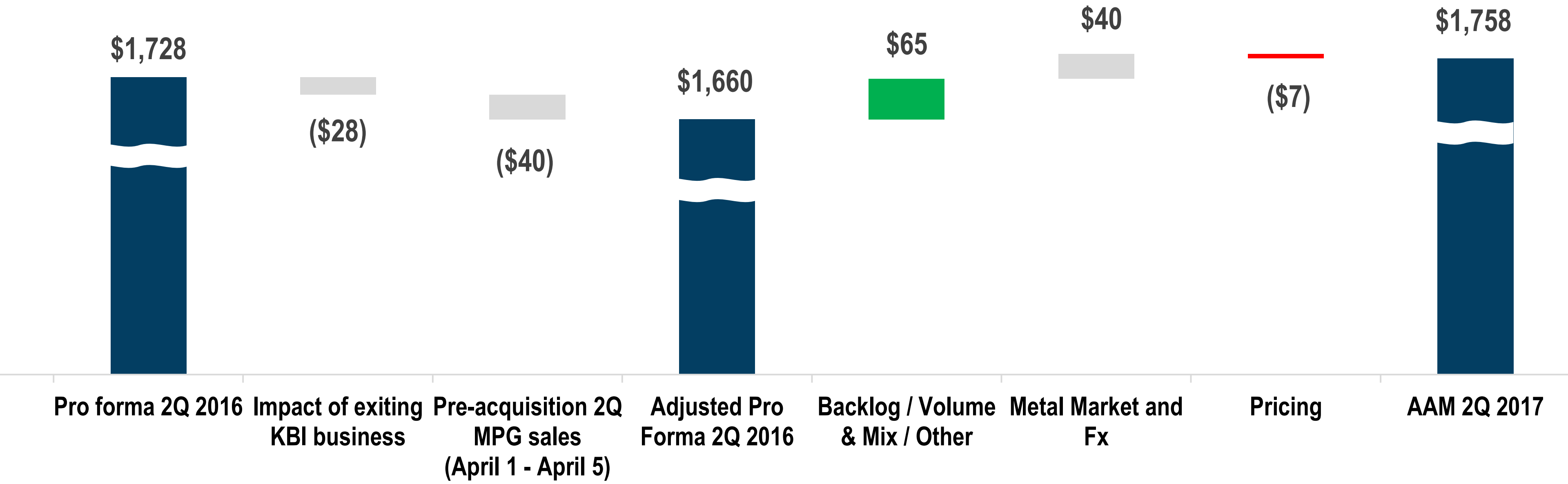
2Q Financial Results

	Three Months Ended June 30,		
	2017	2016	
	(dollars in millions, except per share data)		Difference
Net Sales	$ 1,757.8	$ 1,025.4	$ 732.4
Gross Profit	316.4	191.4	125.0
Gross Margin	18.0%	18.7%	-0.7%
SG&A	105.6	78.7	26.9
SG&A as a % of Sales	6.0%	7.7%	-1.7%
Amortization of intangible assets	24.8	1.2	23.6
Restructuring and acquisition costs	51.7	-	51.7
Other income (expense)	(9.5)	2.1	(11.6)
Adjusted EBITDA*	$ 325.7	$ 164.8	$ 160.9
Adjusted EBITDA* Margin	18.5%	16.1%	2.4%
Net Interest Expense	(56.1)	(21.9)	(34.2)
Income Tax Expense	2.4	20.7	(18.3)
Effective Tax Rate	3.6%	22.6%	-19.0%
Net Income attributable to AAM	$ 66.2	$ 71.0	$ (4.8)
Diluted EPS	0.59	0.90	(0.31)
Adjusted EPS*	$ 0.99	$ 0.89	$ 0.10

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

2Q 2017 Sales Walkdown

(in millions)

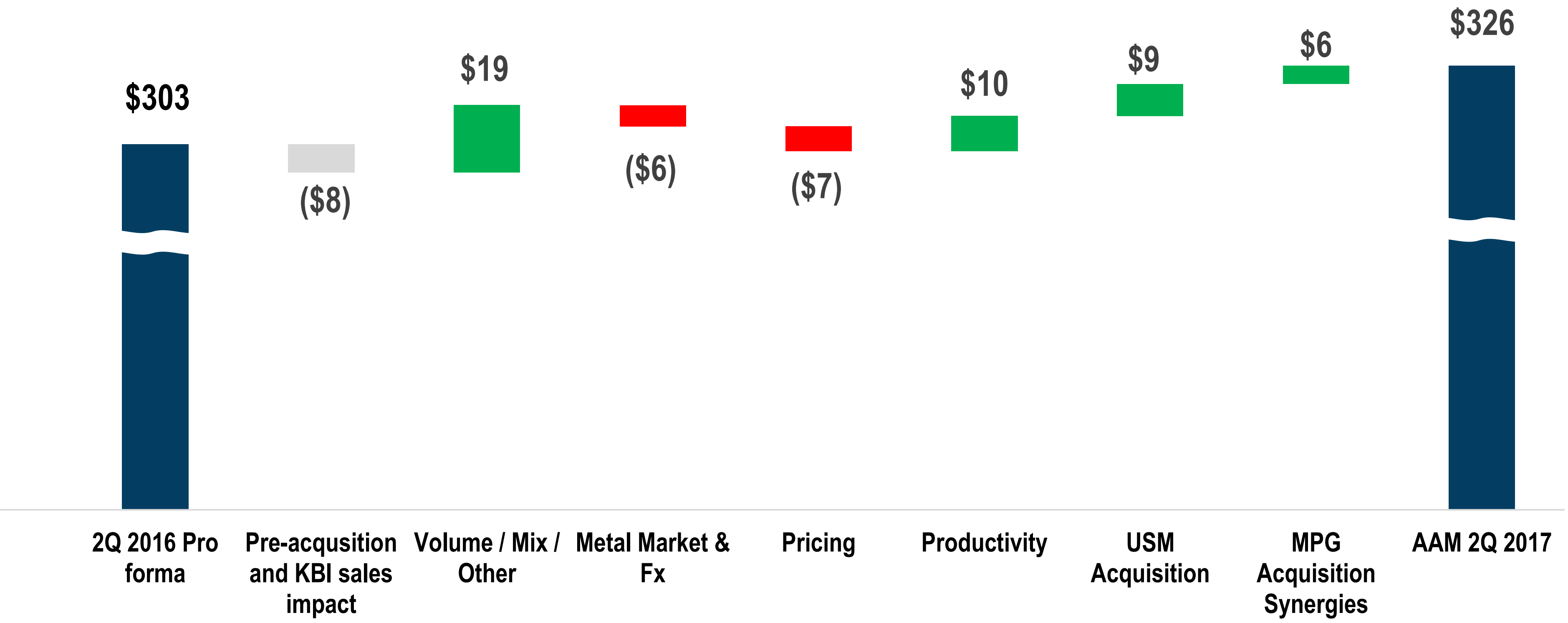


3.5% organic growth in 2Q 2017 compared to Adjusted Pro forma 2Q 2016

Pro forma sales for 2Q 2016 includes AAM sales of $1,025 million and MPG sales of $728 million, adjusted for the elimination of the MPG sales to AAM of $25 million

2Q Year-Over-Year Adjusted EBITDA* Walk

(in millions)



Adjusted EBITDA margin increased from 17.5% 2Q 2016 pro forma to 18.5% in 2Q 2017

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

Restructuring and Acquisition-Related Costs

	Expense		Cash Payments	
	(in millions)			
	2Q 2017	*1H 2017*	*2Q 2017*	*1H 2017*
Restructuring	$ 1.7	$ 8.5	$ 10.9	$ 13.8
Related to closing of acquisition	40.6	43.9	39.3	42.2
Integration	9.4	15.3	6.5	10.2
Interest payment upon the settlement of acquired company debt	-	-	24.6	24.6
Settlement of pre-existing accounts payable with acquired entities	-	-	12.4	35.2
	$ 51.7	$ 67.7	$ 93.7	$ 126.0

AAM expects between $45 - $60 million of additional restructuring and acquisition-related costs in the second half of 2017.

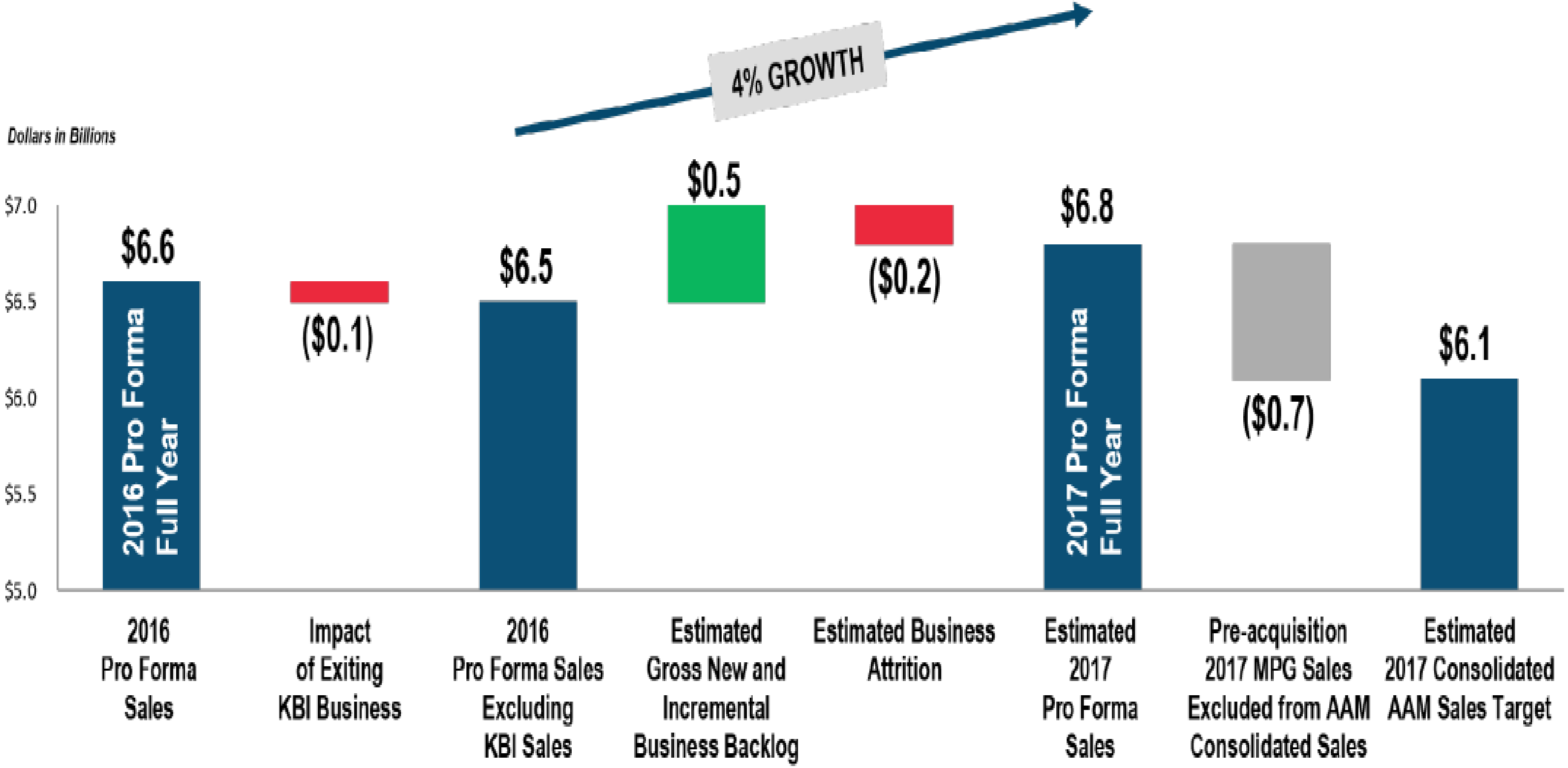
Adjusted Free Cash Flow and Debt Profile

Cash Flow and Debt Metrics	As of June 30, 2017
2Q Adjusted Free Cash Flow*	$141.6 million
Net Debt*	$3.7 billion
Net Leverage Ratio*	3.1x
Liquidity*	$1.45 billion

AAM prepaid over $20M on its Term Loans in 2Q 2017 – representing the scheduled debt amortization payments over the next 12 months

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

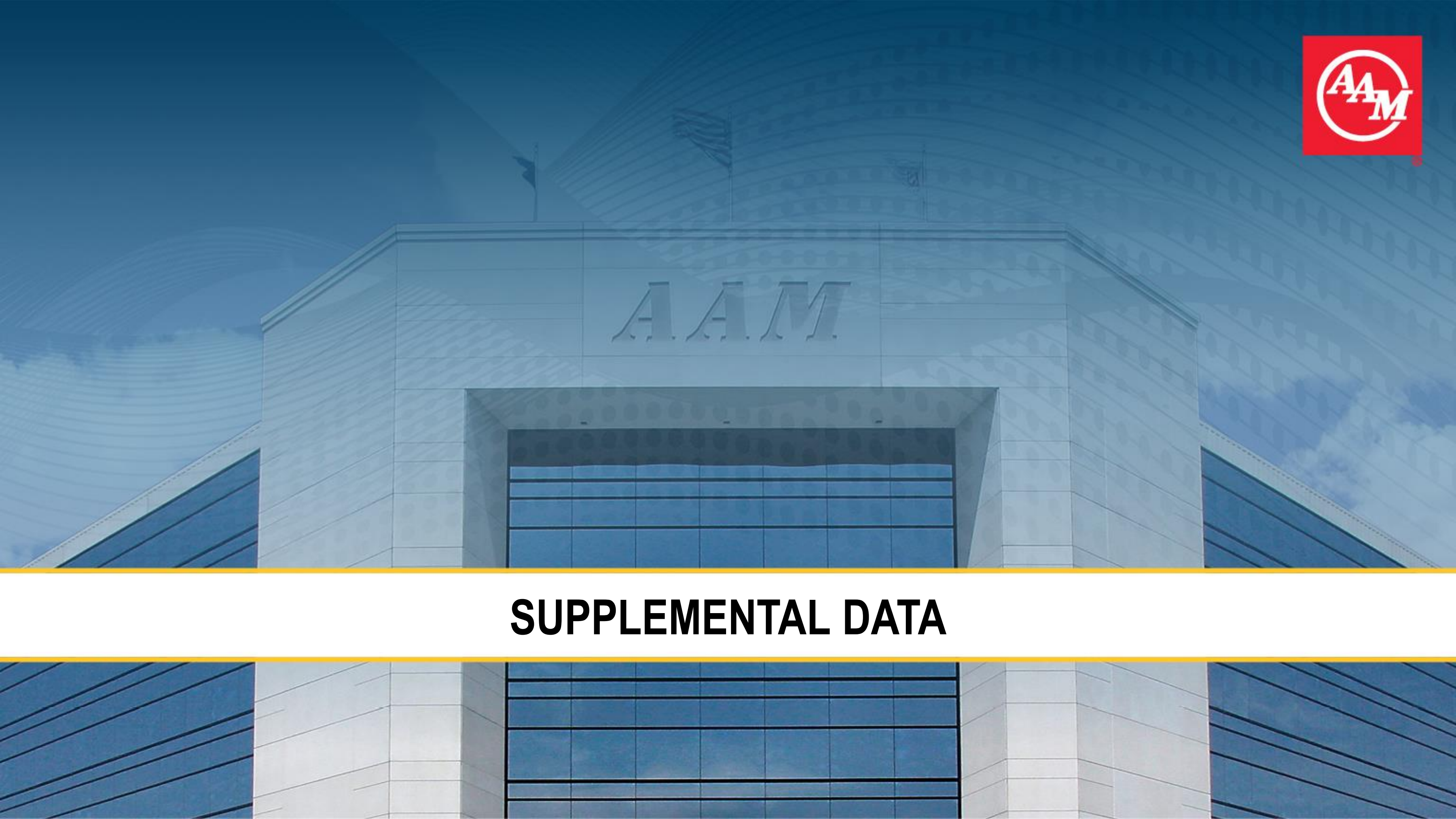
2017 Sales Walkdown



Excluding the KBI impact, AAM expects ≈4% sales growth on a pro forma basis

Note: Pro forma sales for 2016 includes AAM sales of $3.9 billion and MPG sales of $2.8 billion, adjusted for the elimination of the MPG sales to AAM of $0.1 billion

SUPPLEMENTAL DATA



Reconciliation of Non-GAAP Measures

In addition to the results reported in accordance with accounting principles generally accepted in the United States of America (GAAP) included within this presentation, we have provided certain information, which includes non-GAAP financial measures. Such information is reconciled to its closest GAAP measure in accordance with Securities and Exchange Commission rules and is included in the following slides.

Certain of the forward-looking financial measures included in this presentation are provided on a non-GAAP basis. A reconciliation of non-GAAP forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not practical given the difficulty of projecting event driven transactional and other non-core operating items, as well as purchase price adjustments and their related effects in any future period. The magnitude of these items, however, may be significant.

Supplemental Data

EBITDA and Adjusted EBITDA Reconciliation

($ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net income attributable to AAM	$ 66.2	$ 71.0	$ 144.6	$ 132.1
Interest expense	56.9	23.4	82.4	47.0
Income tax expense	2.4	20.7	9.9	36.0
Depreciation and amortization	124.6	50.7	180.8	100.5
EBITDA	$ 250.1	$ 165.8	$ 417.7	$ 315.6
Restructuring and acquisition-related costs	51.7	—	67.7	—
Debt refinancing and redemption costs	2.7	—	2.7	—
Non-recurring items:				
Acquisition-related fair value inventory adjustment	24.9	—	24.9	—
Other	(3.7)	(1.0)	(3.7)	(1.0)
Adjusted EBITDA	$ 325.7	$ 164.8	$ 509.3	$ 314.6
As % of net sales	18.5 %	16.1 %	18.1 %	15.8 %

Supplemental Data

EBITDA and Adjusted EBITDA Reconciliation for the Trailing Twelve Months Ended June 30, 2017

($ in millions)

	Quarter Ended				Trailing Twelve Months Ended
	September 30, 2016	**December 31, 2016**	**March 31, 2017**	**June 30, 2017**	**June 30, 2017**
Net income attributable to AAM	$ 61.7	$ 46.9	$ 78.4	$ 66.2	$ 253.2
Interest expense	23.2	23.2	25.5	56.9	128.8
Income tax expense	17.8	4.5	7.5	2.4	32.2
Depreciation and amortization	49.9	51.4	56.2	124.6	282.1
EBITDA	$ 152.6	$ 126.0	$ 167.6	$ 250.1	$ 696.3
Restructuring and acquisition-related costs	4.1	22.2	16.0	51.7	94.0
Debt refinancing and redemption costs	—	—	—	2.7	2.7
Non-recurring items:					
Acquisition-related fair value inventory adjustment	—	—	—	24.9	24.9
Other	—	—	—	(3.7)	(3.7)
Adjusted EBITDA	$ 156.7	$ 148.2	$ 183.6	$ 325.7	$ 814.2
Pre-acquisition Adjusted EBITDA from acquired entities					380.2
Pro forma Adjusted EBITDA					$ 1,194.4

Supplemental Data

Pro forma EBITDA and Adjusted EBITDA Reconciliation for Second Quarter of 2016

($ in millions)

	AAM	MPG	PRO FORMA
Net income attributable to shareholders	$ 71.0	$ 35.5	$ 106.5
Interest expense	23.4	15.0	38.4
Income tax expense	20.7	25.9	46.6
Depreciation and amortization	50.7	55.4	106.1
EBITDA	165.8	131.8	297.6
Non-recurring items	(1.0)	5.9	4.9
Adjusted EBITDA	$ 164.8	$ 137.7	$ 302.5

Supplemental Data

Adjusted Earnings Per Share Reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Diluted earnings per share	$ 0.59	$ 0.90	$ 1.51	$ 1.68
Restructuring and acquisition-related costs	0.46	—	0.71	—
Debt refinancing and redemption costs	0.02	—	0.03	—
Non-recurring items:				
Acquisition-related fair value inventory adjustment	0.22	—	0.26	—
Acquisition-related tax adjustments	(0.04)	—	(0.13)	—
Other	(0.02)	(0.01)	(0.01)	(0.01)
Tax effect of adjustments	(0.24)	—	(0.35)	—
Adjusted earnings per share	$ 0.99	$ 0.89	$ 2.02	$ 1.67

Supplemental Data

Free Cash Flow and Adjusted Free Cash Flow Reconciliation

($ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net cash provided by operating activities	$ 150.9	$ 157.3	$ 213.2	$ 183.5
Purchases of property, plant and equipment, net of proceeds from sale of property, plant and equipment and government grants	(103.0)	(52.3)	(137.1)	(102.3)
Free cash flow	47.9	105.0	76.1	81.2
Cash payments for restructuring and acquisition-related costs	56.7	—	66.2	—
Acquisition-related settlement of pre-existing accounts payable balances with acquired entities	12.4	—	35.2	—
Interest payments upon the settlement of acquired company debt	24.6	—	24.6	—
Adjusted free cash flow	$ 141.6	$ 105.0	$ 202.1	$ 81.2

Supplemental Data

Net Debt and Net Leverage Ratio

($ in millions)

	Trailing Twelve Months Ended June 30, 2017
Current portion of long-term debt	$ 5.2
Long-term debt, net	4,173.6
	4,178.8
Less: Cash and cash equivalents	490.6
Net debt at end of period	$ 3,688.2
Pro forma Adjusted EBITDA	$ 1,194.4
Net Leverage Ratio	3.1

Supplemental Data

Segment Financial Information

($ in millions)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Segment Sales				
Driveline	**$ 1,021.5**	$ 969.5	**$ 2,020.8**	$ 1,884.3
Metal Forming	**369.3**	141.4	**519.3**	277.2
Powertrain	**283.6**	—	**283.6**	—
Casting	**225.6**	—	**225.6**	—
Total Sales	**1,900.0**	1,110.9	**3,049.3**	2,161.5
Intersegment Sales	**(142.2)**	(85.5)	**(241.6)**	(166.9)
Net External Sales	**$ 1,757.8**	$ 1,025.4	**$ 2,807.7**	$ 1,994.6
Segment Adjusted EBITDA				
Driveline	**$ 178.9**	$ 135.7	**$ 332.1**	$ 257.5
Metal Forming	**69.4**	29.1	**99.8**	57.1
Powertrain	**51.9**	—	**51.9**	—
Casting	**25.5**	—	**25.5**	—
Total Segment Adjusted EBITDA	**$ 325.7**	$ 164.8	**$ 509.3**	$ 314.6

Definition of Non-GAAP Terms

EBITDA and Adjusted EBITDA

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

Other Non-recurring Items

For the three and six months ended on June 30, 2017, other non-recurring items reflect the impact of a gain related to the change of our method of accounting for indirect inventory and the interest expense for the debt drawdown period prior to acquisition funding requirement . For the three and six months ended on June 30, 2016, other non-recurring items reflect the impact of an investment gain related to the final distribution of the Reserve Yield Plus Fund.

Adjusted Earnings per Share

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

Free Cash Flow and Adjusted Free Cash Flow

We define free cash flow to be net cash provided by operating activities less capital expenditures net of proceeds from the sale of property, plant and equipment and government grants. Adjusted free cash flow is defined as free cash flow excluding the impact of cash payments for restructuring and acquisition-related costs, settlements of pre-existing accounts payable balances with acquired entities, and interest payments upon the settlement of acquired company debt. We believe free cash flow and Adjusted free cash flow are meaningful measures as they are commonly utilized by management and investors to assess our ability to generate cash flow from business operations to repay debt and return capital to our stockholders. Free cash flow and Adjusted free cash flow are also key metrics used in our calculation of incentive compensation. Other companies may calculate free cash flow and Adjusted free cash flow differently.

Net Debt and Net Leverage Ratio

We define net debt to be the current portion of long-term debt plus long-term debt, net less cash and cash equivalents. We define Net Leverage Ratio to be net debt divided by the trailing 12 months of pro forma Adjusted EBITDA. Pro forma Adjusted EBITDA includes AAM's Adjusted EBITDA and the pre-acquisition EBITDA of acquired entities. We believe that Net Leverage Ratio is a meaningful measure of financial condition as it is commonly used by management, investors and creditors to assess capital structure risk. Other companies may calculate Net Leverage Ratio differently.

Liquidity

We define Liquidity as cash on hand plus amounts available on our revolving credit facility and foreign credit facilities.

US SAAR

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


POWER
STARTS HERE.