

Q1 2020 Results Call

May 7, 2020

Forward Looking Statements



Certain statements in this presentation constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements"). Any such forward-looking statements are intended to provide information about management's current expectations and plans and may not be appropriate for other purposes. Forward-looking statements may include financial and other projections, as well as statements regarding our future plans, strategic objectives or economic performance, or the assumptions underlying any of the foregoing, and other statements that are not recitations of historical fact. We use words such as "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "aim", "forecast", "outlook", "project", "estimate", "target" and similar expressions suggesting future outcomes or events to identify forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements relating to: the expected timing of the resumption and ramp up of production in various regions; our actions in response to the COVID-19 (Coronavirus) pandemic, including with respect to: resumption of production; employee health and safety; actions to maintain liquidity, including suspension of share repurchases for cancellation; reductions or freezing of capital and other expenditures; and decremental margin expectations for the remainder of the year.

Forward-looking statements are based on information currently available to us, and are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. While we believe we have a reasonable basis for making any such forward-looking statements, they are not a guarantee of future performance or outcomes. Whether actual results and developments conform to our expectations and predictions is subject to a number of risks, assumptions and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict, including, without limitation:

Risks Related to the Automotive Industry

- economic cyclicality;
- regional production volume declines, including as a result of the COVID-19 (coronavirus) pandemic;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks

- concentration of sales with six customers;
- shifts in market shares among vehicles or vehicle segments;
- shifts in consumer "take rates" for products we sell;
- quarterly sales fluctuations;
- potential loss of any material purchase orders;
- a deterioration in the financial condition of our supply base, including as a result of the COVID-19 (Coronavirus) pandemic;
- OEM consolidation;

Manufacturing Operational Risks

- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- COVID-19 (Coronavirus) shutdowns;
- supply disruptions, including as a result of the COVID-19 (coronavirus) pandemic;
- climate change risks;
- attraction/retention of skilled labour;

IT Security/Cybersecurity Risk

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

Pricing Risks

- pricing risks between time of quote and start of production;
- price concessions;
- commodity costs;
- declines in scrap steel prices;

Warranty / Recall Risks

- costs related to repair or replacement of defective products, including due to a recall;
- warranty or recall costs that exceed warranty provision or insurance coverage limits;
- product liability claims;

Acquisition Risks

- inherent merger and acquisition risks;
- acquisition integration risk;

Other Business Risks

- risks related to conducting business through joint ventures;
- our ability to consistently develop and commercialize innovative products or processes;
- our changing business risk profile as a result of increased investment in electrification and autonomous driving, including: higher R&D and engineering costs, and challenges in quoting for profitable returns on products for which we may not have significant quoting experience;
- risks of conducting business in foreign markets;
- fluctuations in relative currency values;
- tax risks;
- reduced financial flexibility as a result of an economic shock;
- changes in credit ratings assigned to us;

Legal, Regulatory and Other Risks

- antitrust risk;
- legal claims and/or regulatory actions against us; and
- changes in laws and regulations, including those related to vehicle emissions.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement, and readers should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements, including the risks, assumptions and uncertainties above which are discussed in greater detail in this document under the section titled "Industry Trends and Risks" and set out in our Annual Information Form filed with securities commissions in Canada and our annual report on Form 40-F filed with the United States Securities and Exchange Commission, and subsequent filings.

- All amounts are in U.S. Dollars (unless otherwise noted)
- Today's discussion excludes the impact of other expense (income), net (Unusual Items)
- “Organic”, in the context of sales movements, means “excluding the impact of foreign exchange, acquisitions and divestitures”

Health and Safety of Employees is Our #1 Priority

- Developed protocols, assessment tools, and guidance documents
 - Disseminated health screening tools
 - Isolation and contact tracing guidelines
 - Decontamination procedures
- Installed PPE and supplied personal protective gear to employees
- Working with public health authorities
 - Sharing best practices
 - Established Smart Start Playbook



Health and Safety of Employees is Our #1 Priority

- Minimizing the impact on our employees
 - Maintaining benefits coverage throughout layoffs
 - Maximizing days at full compensation by utilizing vacation days
 - Engaging emergency wage protection programs and providing top-up payments
 - Providing regular communications with respect to company programs for physical and mental health



Experienced Senior Management Team

- Highly coordinated response
- Multiple workstreams formed across disciplines and geographies
- Entrepreneurial culture drives an ownership mentality
- Flexing our cost structure while continuing to support our customers
- Executive management able to focus on long-term vision for Magna

Supporting Fight Against COVID-19

- A number of our facilities producing masks, face shields, gowns, and ventilator components
- Donating PPE to hospitals, meals to health care workers, and hygiene kits to shelters



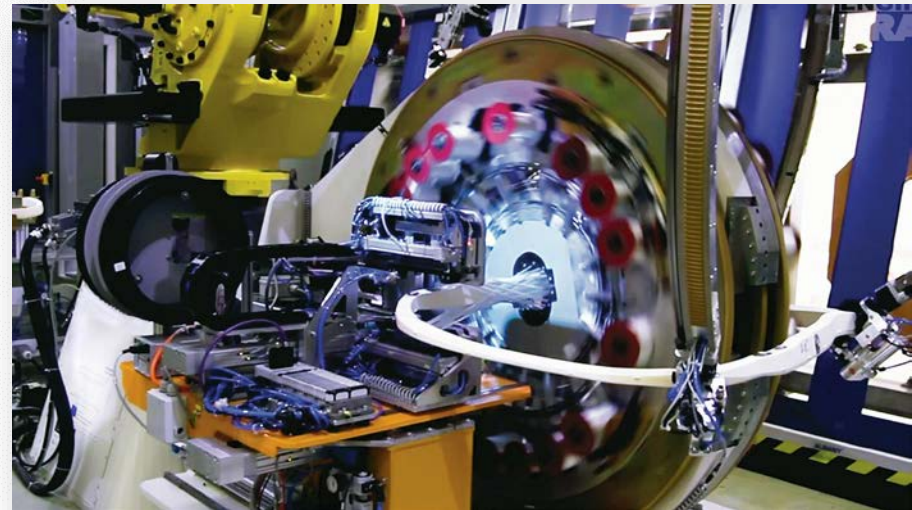
- Our value creation framework is intact
 - Entrepreneurial culture
 - Leading market positions
 - Global capabilities
- Continue to invest for the future
 - New program launches
 - R&D
- Industry trends largely unchanged
 - Magna well positioned as highlighted at Investor Day

The logo for Fortune's 'World's Most Admired Companies' for the year 2020. It features the word 'FORTUNE' in green, 'WORLD'S MOST' in black, 'ADMIRED' in large black letters, and 'COMPANIES' in black with '2020' in green to the right.

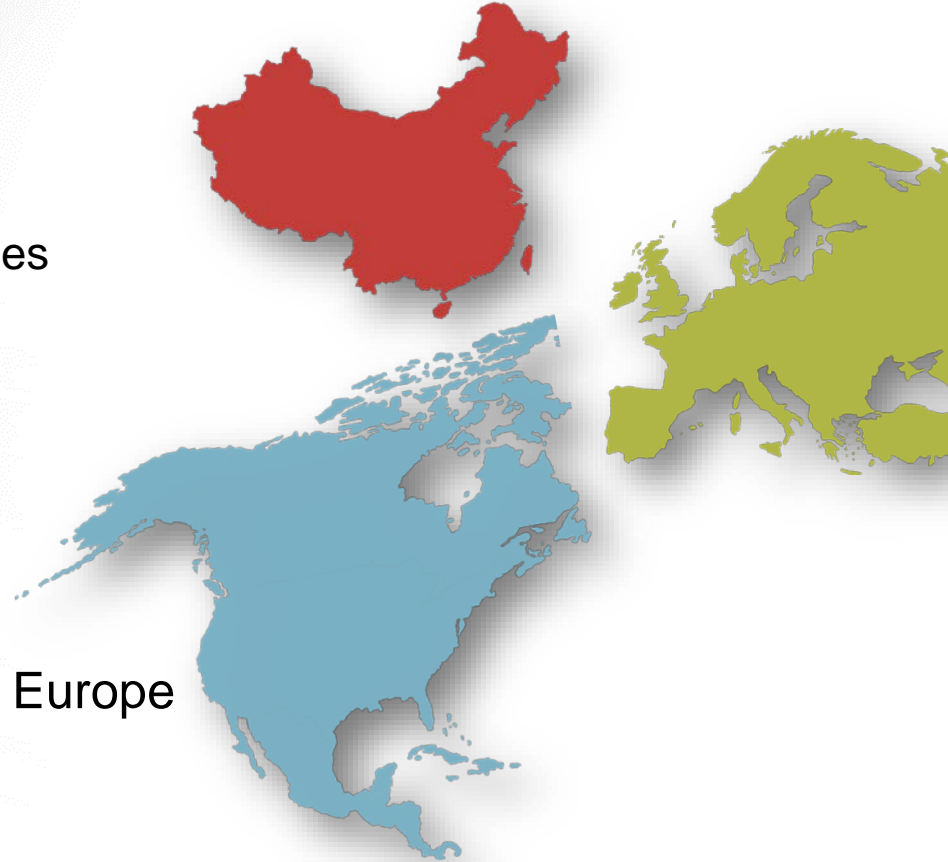
PACE Award for Composite Liftgate



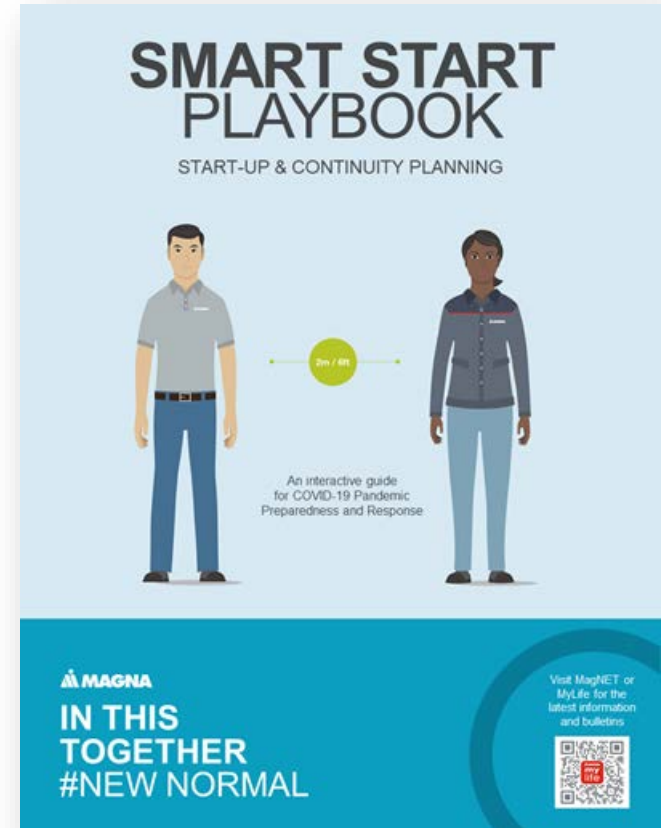
- Lightweight solution debuted on the 2020 Toyota Supra
- Space frame reinforcement solution enables 10% mass reduction and is first application in the automotive industry
- Expect significant growth in liftgates going forward



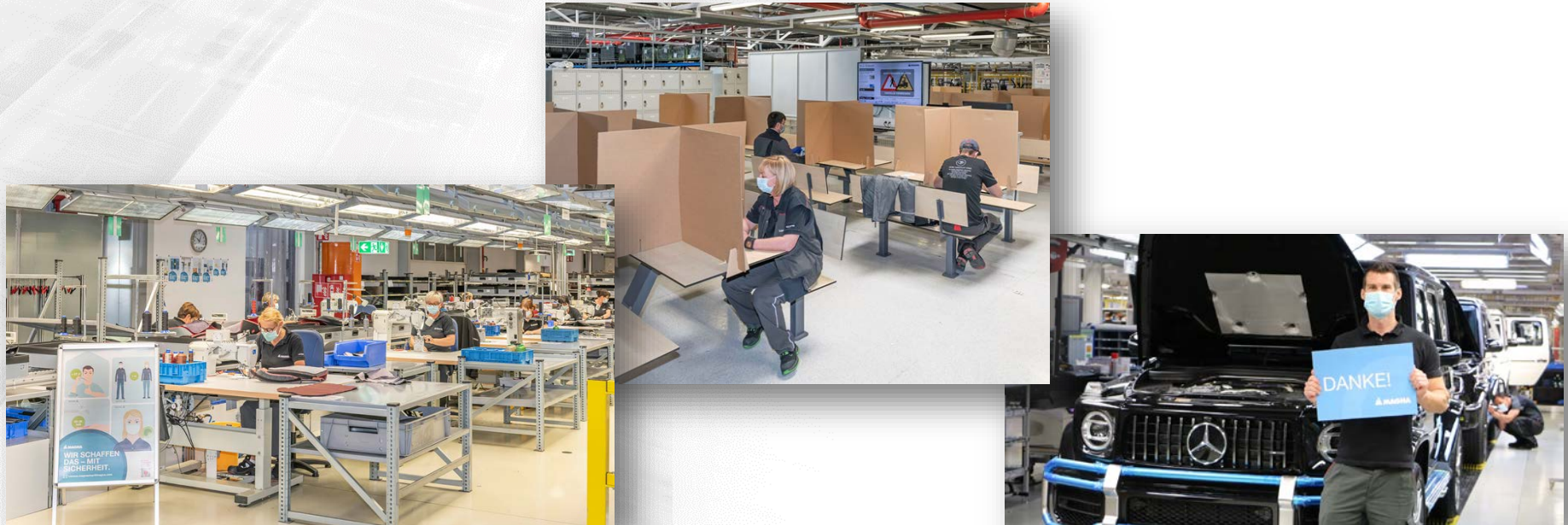
- China
 - OEMs have restarted production
 - Vehicle sales continue to improve
 - We are now fully operational in our facilities
 - Lessons learned being shared globally
- Europe
 - OEMs in the process of restarting
- North America
 - Planning on restarts this month
 - Mexico could be a risk
- Expecting a slow ramp in production in Europe and North America
- Not seeing significant program delays



- Close cooperation with customers, suppliers, local governments, and our employees
- Smart Start Playbook provides a framework for restarting our facilities
- Working closely with our supply chain



- G-Class assembly line in Graz among the first in Europe to successfully restart complete vehicle production



Vehicle Production in Q1-2020 (Including Impact of COVID-19)



<u>Region</u>	<u>YOY Change in Production</u>
North America	-13%
Europe	-19%
China	-44%
Global	-27%

Estimated COVID-19 Impact on Magna's 1Q20 Results:

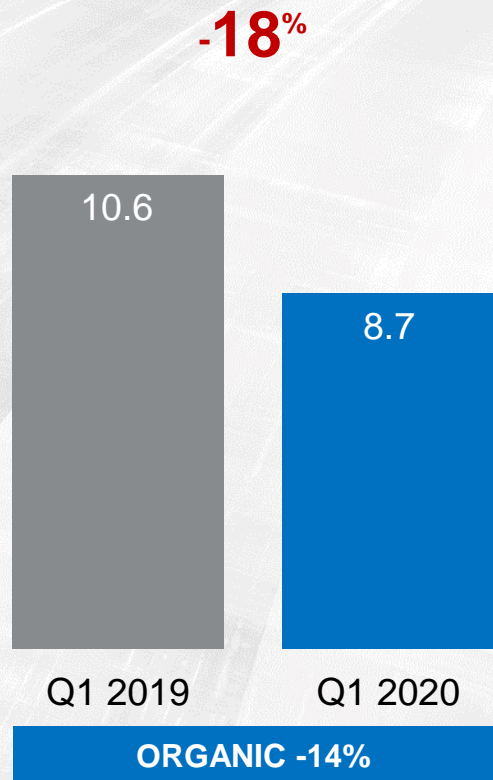
Total Sales	~\$1.1 billion
EBIT ¹	~\$250 million

¹ EBIT impact includes ~\$30 million mainly associated with top-up payments to employees

Q1 2020 Consolidated Sales Performance



\$ BILLIONS



Key Factors:

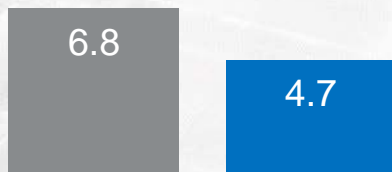
- Production and assembly volumes, including COVID-19 (-)
- Divestitures, net of acquisitions (-)
- Foreign exchange translation (-)
- End of certain programs (-)
- Net customer price concessions (-)
- Launch of new programs (+)

Q1 2020 Adjusted EBIT and Equity Income



ADJUSTED EBIT MARGIN %

-210^{BP}



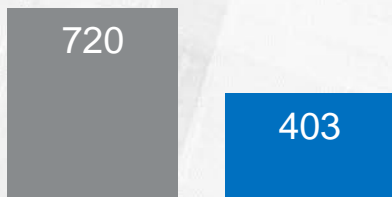
KEY FACTORS

- COVID-19 ~200BP (-)
- Lower tooling contribution (-)
- Operational underperformance at a BES facility (-)
- Divestiture of FP&C (-)
- Lower incentive compensation and profit sharing (+)
- Favourable engineering resolution in CV (+)
- Favourable MB G-Class mix (+)

ADJUSTED EBIT

(\$ Millions)

-44%



EQUITY INCOME

(\$ Millions)

-5

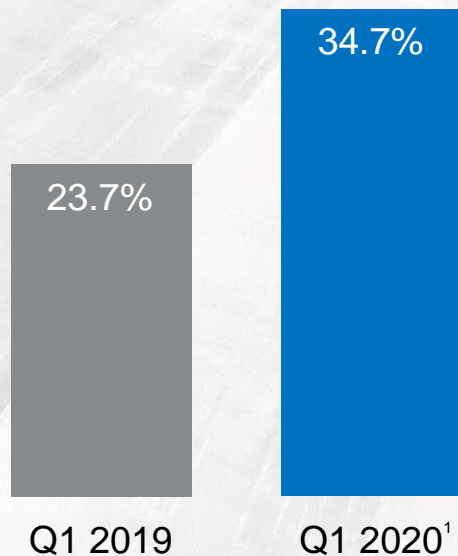


■ Q1 2019 ■ Q1 2020

Q1 2020 Financial Highlights

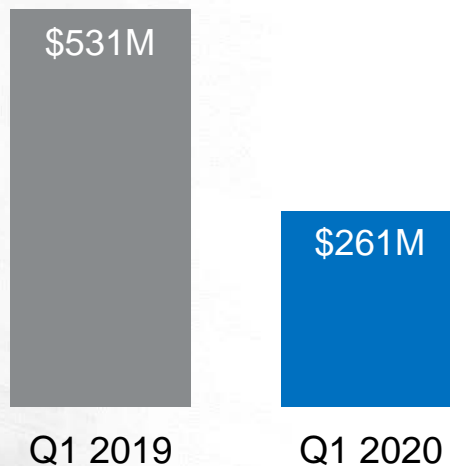


ADJUSTED EFFECTIVE TAX RATE



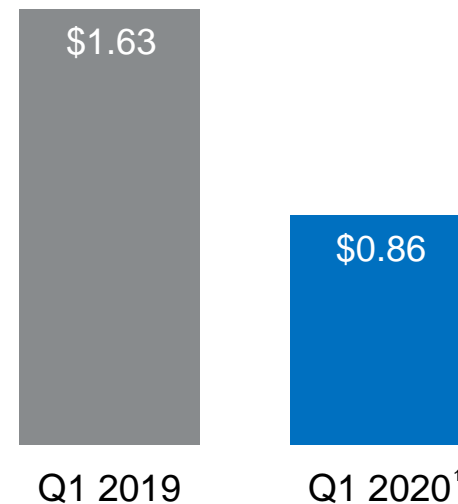
ADJUSTED NET INCOME ATTRIBUTABLE TO MAGNA

-\$270^{Million}



ADJUSTED DILUTED EPS

-\$0.77



¹ 950 basis points of the increase in our adjusted effective tax rate is a result of tax on foreign exchange gains reported for Mexican tax purposes but not for US GAAP. This item negatively impacted our adjusted diluted EPS by approximately \$0.12.

Q1 2020 Cash Flow



\$ MILLIONS

Cash from Operations

Net Income + Non-Cash Items	\$	615
Changes in Non-Cash Operating Assets & Liabilities	\$	24
	\$	639

Investment Activities

Fixed Assets	\$	(203)
Investments, Other Assets & Intangibles	\$	(93)
	\$	(296)
Proceeds from Disposition and Other	\$	23
Free Cash Flow	\$	366

Investment in Waymo	\$	(100)
Acquisition	\$	(7)

Common Shares Repurchased¹ in Q1	4.8M
\$ to Repurchase ¹ Shares in Q1	\$ 192M
Dividends Paid	\$ 121M
Total Q1 Return to Shareholders	<hr/> \$ 313M

¹ Shares repurchased for cancellation

Liquidity Position



\$ MILLIONS UNLESS OTHERWISE NOTED

Available Operating & Term Lines of Credit	\$3,072
Cash & Cash Equivalents	\$1,146
Total Available Liquidity (3/31/20)	\$4,218
Increase in Short Term Revolver (4/13/20) ¹	\$700
Pro-forma Total Available Liquidity	~\$4.9 Billion

Also Recently Filed \$2B Shelf Prospectus

¹ We amended our 364-day syndicated revolving credit facility, including to increase the size of the facility from US\$300 million to US\$1.0 billion and extend its maturity date to April 12, 2021, from June 2020.

Adjusted Debt to Adjusted EBITDA Calculation



\$ MILLIONS

	Q1 2020
LTM EBITDA	\$ 3,588
Lease Adjustment	\$ 316
Other	\$ (10)
Adjusted EBITDA	\$ 3,894
Debt per Balance Sheet	\$ 3,114
Lease Liability per Balance Sheet	\$ 1,804
Other	\$ 237
Adjusted Debt	\$ 5,155
Adjusted Debt / Adjusted EBITDA	1.32x

- Continue to invest in our business
 - Support organic growth
 - R&D
 - M&A
- Board approved Q1 2020 dividend of \$0.40 per share
- Given ongoing uncertainty we stopped share repurchases

- Withdrew our Outlook given business uncertainty
- Decremental margin in the low 20% range for balance of the year is reasonable
 - Various puts and takes can impact decrementals, including Q2 top-up payments
- Working capital expected to be a use of cash as sales increase sequentially
- Reasonable to assume we can reduce capital for 2020 by 10-15%

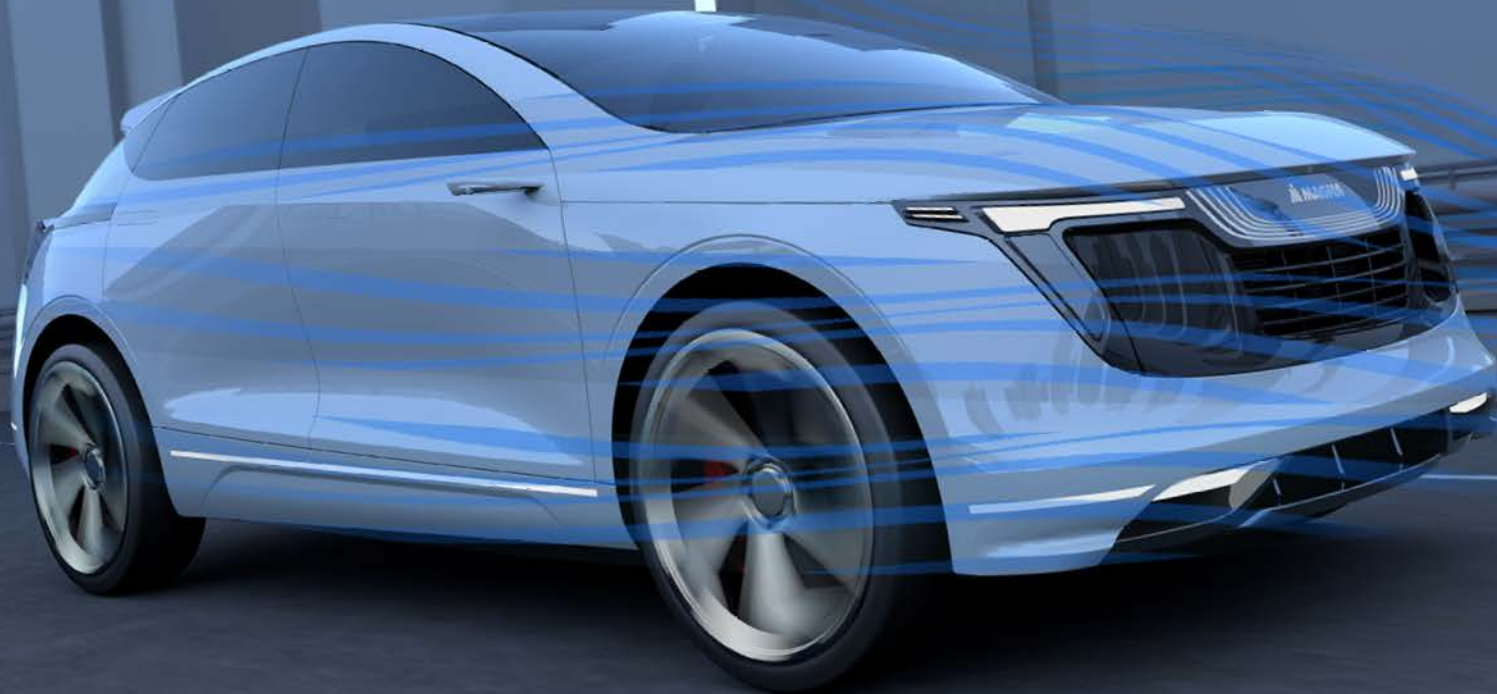
Q1 2020 RESULTS

Q&A



Q1 2020 RESULTS

APPENDIX



Estimated COVID-19 Q1-2020 Impact by Segment¹



\$ MILLIONS

Segment	Estimated Sales Impact	Estimated Margin Impact
Body Exteriors and Structures	\$ 425	~200-250BP
Power & Vision	\$ 300	~200-250BP
Seating	\$ 150	~200-250BP
Complete Vehicles	\$ 225	~25-50BP
Magna	\$ 1,100	~200BP

¹ It is difficult to determine with a high degree of accuracy the value of sales lost as well as the impact to EBIT specifically as a result of the temporary suspension of production at OEM plants brought on by COVID-19. However, based on our expectations prior to the production suspensions compared to final production levels for the first quarter, we estimate such lost sales to have been approximately \$1.1 billion and that Adjusted EBIT was negatively impacted by approximately \$250 million.

Sales Performance vs Market



Q1 2020 vs Q1 2019

	Reported	Organic ¹	Unweighted Performance vs Global Production	Weighted Performance vs Global Production
Body Exteriors & Structures	(15%)	(14%)	13%	2%
Power & Vision	(18%)	(5%)	22%	11%
Seating	(12%)	(13%)	14%	3%
Complete Vehicles	(31%)	(29%)	(2%)	(13%)
TOTAL SALES	(18%)	(14%)	13%	2%

Unweighted Production Growth (27%)

Weighted Production Growth² (16%)

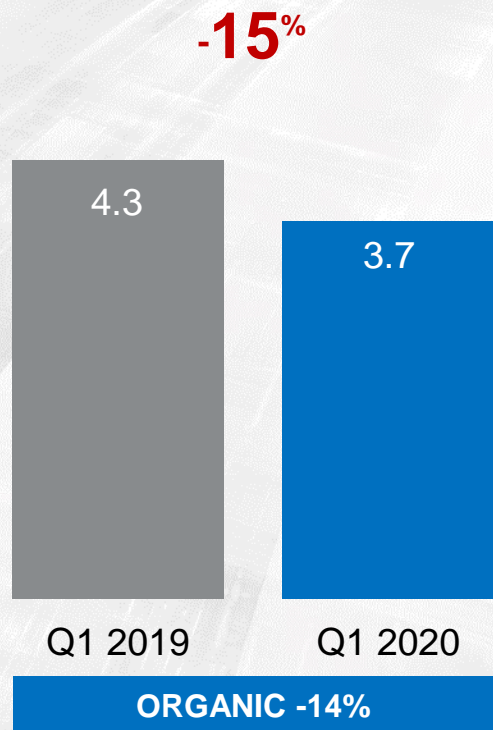
¹ Excluding acquisitions net of divestitures and FX movements

² Calculated by applying Magna geographic sales weighting, excluding Complete Vehicle sales, to regional production

Q1 2020 Segment Sales



BODY EXTERIORS & STRUCTURES
\$ BILLIONS



- Global light vehicle production including the impact of the COVID-19 pandemic (-)
- End of production of certain programs (-)
- Foreign currency translation (-)
- Net customer price concessions (-)
- New program launches (+)

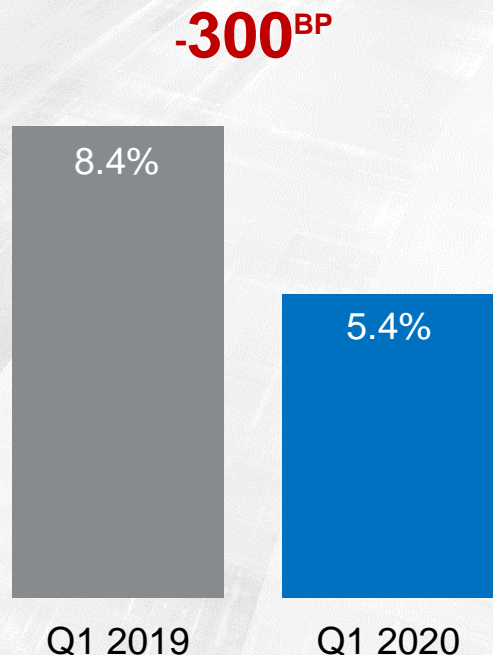
Significant New Launches:

- GMC Sierra and Chevrolet Silverado
- Ford Explorer and Lincoln Aviator
- Jeep Gladiator
- Chevrolet Blazer and Cadillac XT6

Q1 2020 Segment Adjusted EBIT Margin %



BODY EXTERIORS & STRUCTURES

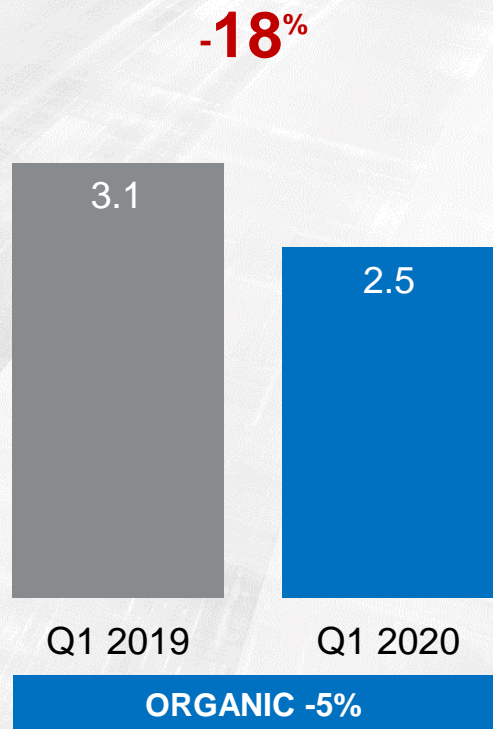


- COVID-19 pandemic (-)
- Lower tooling contribution (-)
- Operational underperformance at a facility (-)
- Lower scrap steel and aluminum recoveries partially offset by lower commodity costs(-)
- Higher foreign exchange gains (+)
- Lower launch costs (+)
- Inefficiencies at plants in Q1'19 that have since closed (+)
- Lower employee profit sharing (+)

Q1 2020 Segment Sales



POWER & VISION
\$ BILLIONS



- Global light vehicle production including the impact of the COVID-19 pandemic (-)
- Divestiture of FP&C (-)
- Foreign currency translation (-)
- Net customer price concessions (-)
- New program launches (+)

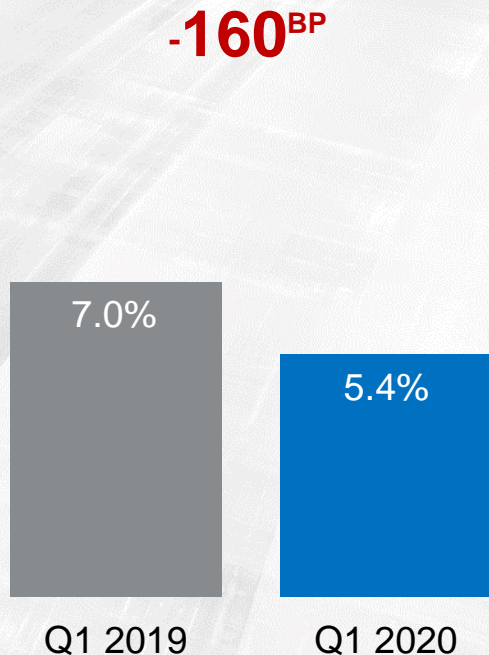
Significant New Launches:

- Mercedes-Benz CLA and CLA Shooting Brake
- GMC Sierra & Chevrolet Silverado
- Renault Captur
- Mercedes-Benz GLB

Q1 2020 Segment Adjusted EBIT Margin %



POWER & VISION

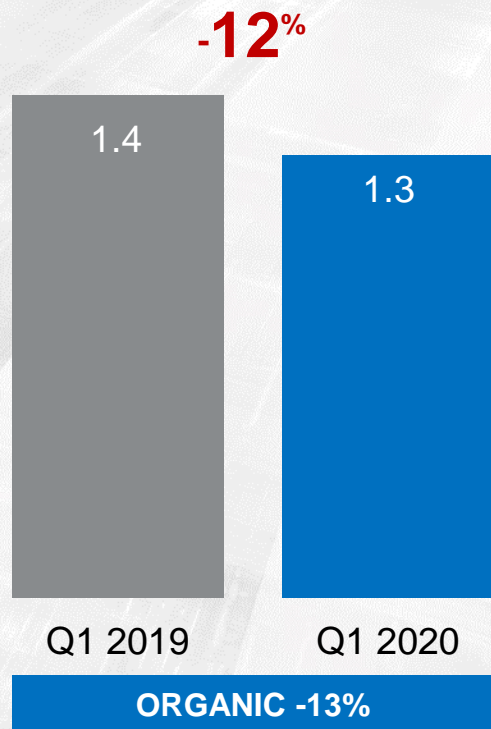


- COVID-19 pandemic (-)
- Divestiture of FP&C (-)
- Higher foreign exchange gains (+)
- Lower labour and benefit costs (+)
- Lower commodity costs (+)
- Higher net favourable commercial items (+)

Q1 2020 Segment Sales



SEATING
\$ BILLIONS



- Global light vehicle production including the impact of the COVID-19 pandemic (-)
- End of production of certain programs (-)
- Foreign currency translation (-)
- Net customer price concessions (-)
- Acquisition of Viza (+)
- New program launches (+)

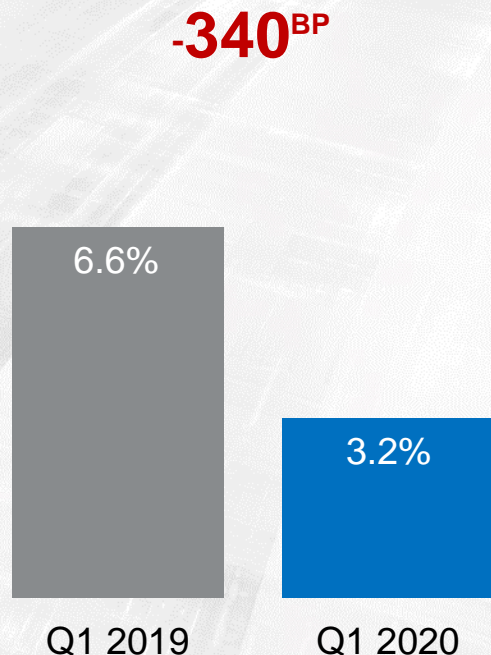
Significant New Launches:

- BMW 1-series
- BMW X6
- Skoda Kamiq
- BMW 2-series

Q1 2020 Segment Adjusted EBIT Margin %



SEATING



- COVID-19 pandemic (-)
- Higher launch costs (-)
- Operational underperformance at a facility (-)
- Gain on sale of assets during Q1'19 (-)
- Lower equity income (-)
- Foreign exchange gains (+)

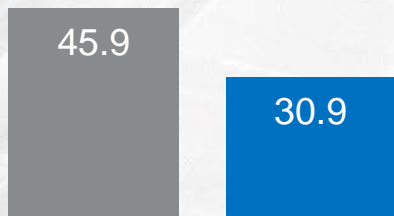
Q1 2020 Complete Vehicles



ASSEMBLY VOLUMES

(Thousands of units)

-33%



SALES

(\$ Billions)

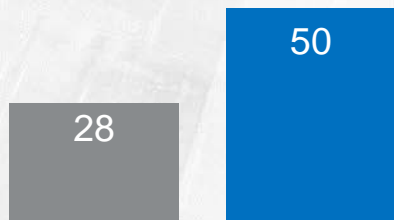
-31%



ADJUSTED EBIT

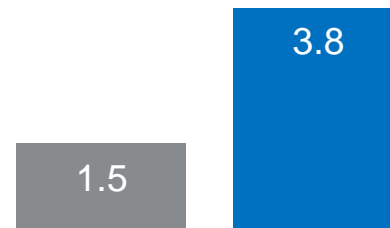
(\$ Millions)

+22



ADJUSTED EBIT MARGIN %

+230^{BP}



■ Q1 2019 ■ Q1 2020

Segment Impact on Adjusted EBIT % of Sales



Q1 2020 vs Q1 2019

\$ MILLIONS

	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
First Quarter of 2019	\$ 10,591	\$ 720	6.8%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ (632)	\$ (164)	(1.4%)
Power & Vision	\$ (560)	\$ (81)	(0.5%)
Seating Systems	\$ (172)	\$ (54)	(0.5%)
Complete Vehicles	\$ (607)	\$ 22	0.8%
Corporate and Other	\$ 37	\$ (40)	(0.5%)
First Quarter of 2020	\$ 8,657	\$ 403	4.7%

Q1 2019 Reconciliation of Reported Results



EXCLUDING OTHER EXPENSE (INCOME), NET
\$ MILLIONS – EXCEPT PER SHARE FIGURES

	Reported	Other Expense (Income)	Excluding Other (Income)
Income Before Income Taxes % of Sales	\$ 1,368 12.9%	\$ (679)	\$ 689 6.5%
Income Taxes % of Pretax	\$ 267 19.5%	\$ 104	\$ 163 23.7%
Income Attributable to Non-Controlling Interests	\$ 5	\$ -	\$ 5
Net Income Attributable to Magna	\$ 1,106	\$ (575)	\$ 531
Earnings Per Share	\$ 3.39	\$ (1.76)	\$ 1.63



DRIVING **EXCELLENCE.**
INSPIRING **INNOVATION.**