



# 2020 Investor Day

February 27, 2020  
Toronto



# Introduction

## Louis Tonelli

### VP Investor Relations

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## Today's Agenda

- Introduction Louis Tonelli
- Strategic Overview Don Walker | Swamy Kotagiri
- Outlook Review and Capital Allocation Vince Galifi
- Power & Vision Tom Rucker | Sharath Reddy | John O'Hara
- Body Exteriors & Structures John Farrell | Grahame Burrow

### BREAK

- Seating Systems Mike Bisson | John Wyskiel
- Complete Vehicles Frank Klein
- Panel Discussion Tom Skudutis | Guenther Apfalter | John O'Hara | David Gray
- Wrap Up and Q&A Don Walker | All

### LUNCH | TECHNOLOGY DISPLAYS

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## Forward Looking Statements

Certain statements in this document 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 these presentations include, but are not limited to:

- Magna's ability to capitalize on growth opportunities in lightweighting, vehicle electrification, smart mobility solutions, autonomous driving and other automotive trends;
- The timing and success of program launches;
- Successful award of programs for which we have quoted;
- Magna's forecast of light vehicle production in North America and Europe;
- Expected total sales, based on such light vehicle production, including expected split by reporting segment, and by region within each reporting segment;
- Adjusted EBIT margin, including expected split between segments;
- Expected returns on invested capital;
- Free cash flow expectations;
- Equity income;
- Interest expense, net;
- Income tax rate;
- Net income attributable to Magna;
- Capital spending;
- The ability to successfully implement our product group strategic priorities; and
- Future returns of capital to our shareholders, including through dividends and share repurchases.

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) outbreak;
- 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;
- OEM consolidation;

#### Manufacturing Operational Risks

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

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# Leading the Way in an Evolving Industry

**Don Walker**  
Chief Executive Officer



## Auto Industry Evolution

- Most high-tech, complex industry
- Highly regulated, safety product in high volume
- Major focus for most industrialized nations:
  - Taxes, jobs, R&D, capital, technology

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## Future Trends

### Technology

- Artificial intelligence
- Virtual / augmented reality
- Internet of Things / connectivity
- Driverless cars (ADAS)
- Advanced robotics
- Advanced materials
- Additive manufacturing
- Drones



### People & Planet

- Urbanization
- Health care advances
- Aging population
- Global warming
- Solar
- EV / hybrid
- Wealth distribution
  - people / countries



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## Current Issues



### PROTECTIONISM

USMCA  
China  
Brexit



### CLIMATE CHANGE

Regulations  
Sustainability



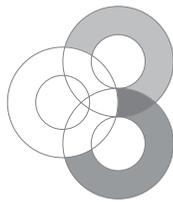
### FUTURE MOBILITY

ADAS  
New Entrants

Industry evolution: more investment, consolidation, partnership

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## Our Priorities



World Class Manufacturing  
Innovation  
Leadership Development

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## World Class Manufacturing Drives Our Sales, Profit and Reputation



Program  
management



250 vehicle  
launches a year



Continuous  
improvement



Quality, delivery,  
sustainability, profits

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# World Class Manufacturing

## Sustainability

### Environmental Principles

Emission Controls

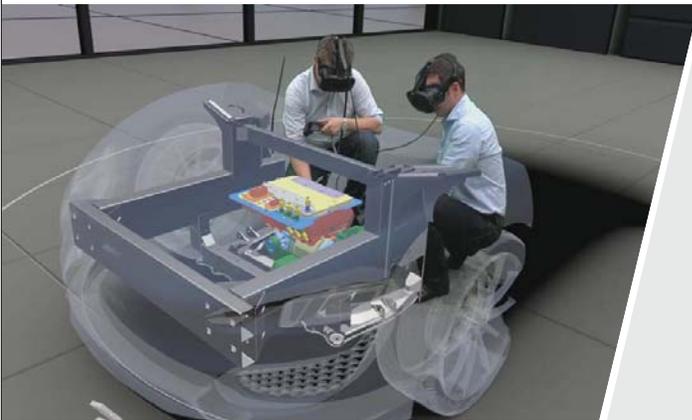
Water & Energy Conservation

Waste Management

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# Innovation

## How We Do Business



- Product + Process + Materials + Data
- Reputation as forward thinking
- Supplier of Choice

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# Innovation

## Creative Minds



2,100+

Patents in last 3 Years



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# Innovation

Open for Business Mindset



20+

Early Stage Investments

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University Engagements



Advanced electric motor development with Universities

# Innovation

Technology Council



Swamy Kotagiri  
Chair



Tony Fadell  
Silicon Valley



Mark Fields  
Automotive



Christian Tang  
ACME Capital



Prof. Dr. Thomas Weber  
Daimler BOD



Haitao Zhang  
Hasco

# People

Magna has a Unique Culture



Operate Like a  
Start Up.  
Innovate Like a  
Tech Company.



165,000

Entrepreneurial Employees



13,000

Engineers

# People

## Leadership Development



**Developing**  
future leaders



**Cultivating**  
more diverse and  
inclusive workforce



**Employee**  
engagement

# People

## Strong Leadership Team



- Don Walker CHIEF EXECUTIVE OFFICER
- Swamy Kotagiri PRESIDENT
- Vince Galifi CHIEF FINANCIAL OFFICER
- Tom Skudutis CHIEF OPERATING OFFICER
- Guenther Apfalter PRESIDENT MAGNA EUROPE
- Aaron McCarthy CHIEF HUMAN RESOURCES OFFICER
- Riccardo Treccroce CHIEF LEGAL OFFICER
- Eric Wilds CHIEF SALES & MARKETING OFFICER
- Jim Tobin PRESIDENT MAGNA ASIA
- Joanne Horibe CHIEF COMPLIANCE OFFICER

SWAMY KOTAGIRI			TOM SKUDUTIS			GUENTHER APFALTER
POWER & VISION			BODY EXTERIORS & STRUCTURES		SEATING SYSTEMS	COMPLETE VEHICLES
POWERTRAIN	ELECTRONICS	MECHATRONICS, MIRRORS, LIGHTING	BODY & CHASSIS	EXTERIORS	SEATING	VEHICLE ENG. & MANUFACTURING
						
Tom Rucker PRESIDENT	Uwe Geissinger PRESIDENT	John O'Hara PRESIDENT	John Farrell PRESIDENT	Grahame Burrow PRESIDENT	Mike Bisson/ John Wyskiel PRESIDENT	Frank Klein PRESIDENT



# Strategy Overview

Swamy Kotagiri  
President



## Trends and Drivers Impacting Automotive



- Legislative and regulatory
- Comfort and convenience
- Mobility as a service

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## Disruption in Industry



Electrification



Autonomy



Smart Mobility

# Mission for our Process and Products...





**Smarter.**  
Comfort, Convenience and Connectivity  
Designing and delivering an inspired, best-in-class cabin experience



**Cleaner.**  
Efficiency and Sustainability  
Optimizing the use of energy to meet the needs of our customers and our planet



**Safer.**  
Active and Passive Safety  
Engineering protection and peace-of-mind for all who share the road



**Lighter.**  
Lightweight Material and Science  
Driving performance and quality through innovative mass reduction



**Affordable.**

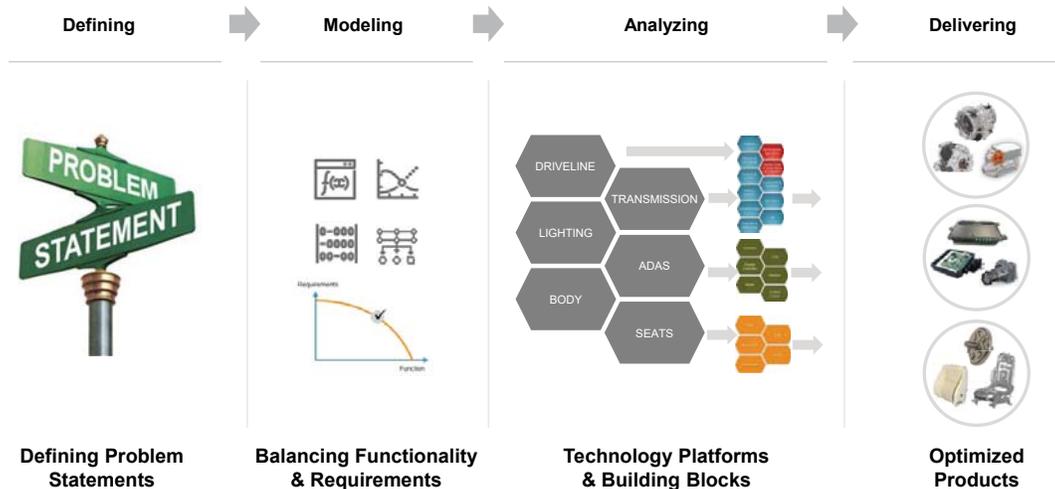
Development and Manufacturing Efficiency  
Align and optimize processes for the development and manufacture of products

# Complete Vehicle to Specific Products



- Flexibility in a changing market
- Deliberate product line strategy
- Overall systems approach

# Systems Approach



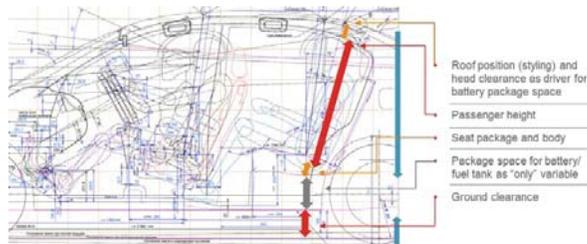
# Influence of Electrification on Product Lines



### Architecture



### Packaging



### Optimized Products



PACKAGING BATTERY IN VEHICLE INFLUENCES VARIOUS SYSTEMS

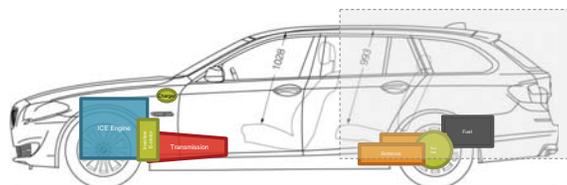
# Influence of Electrification on Product Lines



### Architecture



### Light Weighting

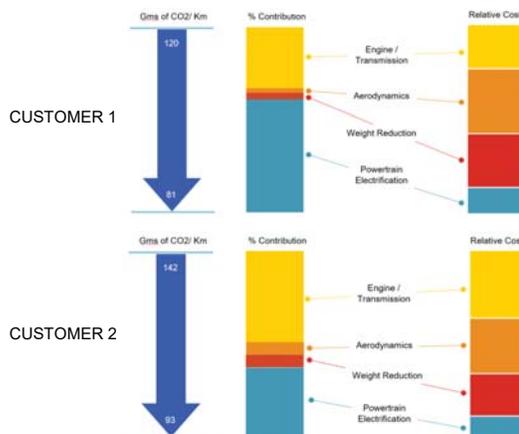


### Optimized Products



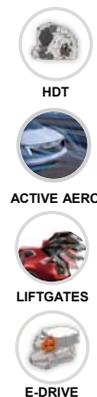
CHANGING PROPULSION DRIVES DIFFERENT WEIGHT DISTRIBUTION

# Cost Optimization for Emission Reduction



### Varies by:

- Region
- OEM fleet mix
- Vehicle segment
- Volume
- Invested capital



MULTIPLE SOLUTIONS TO OEM/INDUSTRY CHALLENGES

# Influence of ADAS/Autonomy on Product Lines



## Architecture



## Integrated Sensors



## Optimized Products



MATERIAL AND PROCESS INNOVATION FOR INTEGRATED SENSORS

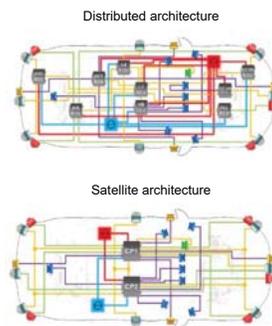
# Influence of Electric Architecture on Product Lines



## Future E/E Architecture



## Topology Evolution



## Optimized Products



FLEXIBLE, SCALABLE, MODULAR PRODUCTS FOR EVOLVING ARCHITECTURE

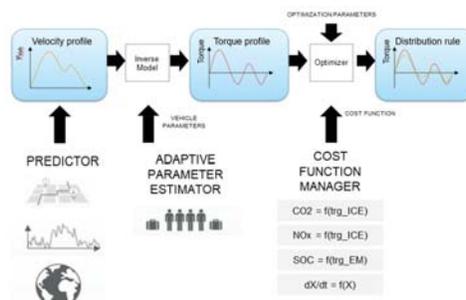
# Influence of Smart Mobility on Product Lines



## Eco System



## Operating Efficiency



## Optimized Products



TECHNOLOGY BUILDING BLOCKS FOR FUTURE MOBILITY



**50+** processes

**80+** materials



PRODUCT FUNCTIONALITY AND AFFORDABILITY – MATERIAL AND PROCESS AGNOSTIC

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## Advanced Manufacturing Initiatives

- Automation
- Logistics and handling
- Joining
- Materials
- Digitization
- Data analytics



INNOVATION PIPELINE FOR FACTORY OF THE FUTURE

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IN SUMMARY

## Magna Brings a Unique Approach



- Breadth & depth of capabilities
- Cohesive strategy
- One Magna leading the way

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# Finance

**Vince Galifi**  
Chief Financial Officer

## Agenda

Outlook by segment

Consolidated outlook

Capital allocation

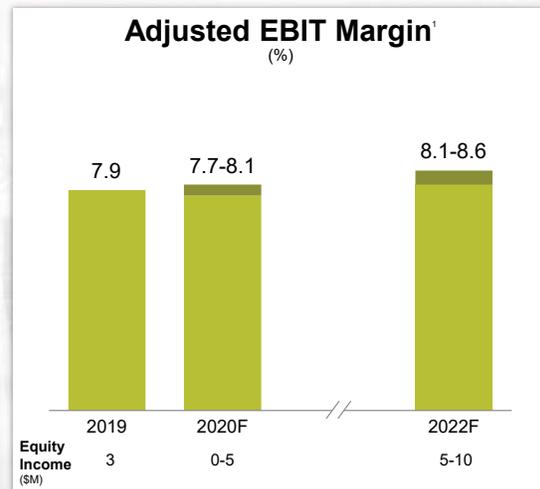
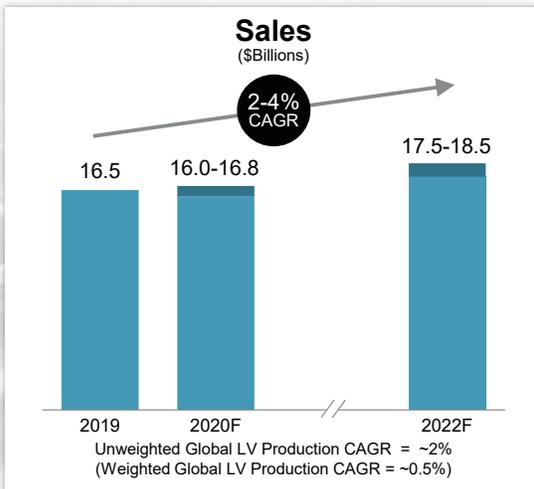


## Financial Outlook\* – Key Assumptions

	2020	2022
<b>Automotive Light Vehicle Production (millions of units)</b>		
• North America	16.3	16.3
• Europe	20.8	21.6
<b>U.S. Foreign Exchange Rates</b>		
• Cdn	0.750	0.750
• Euro	1.100	1.100
• RMB	0.142	0.142
<b>Acquisitions/Divestitures</b>		
• No material unannounced acquisitions / divestitures		

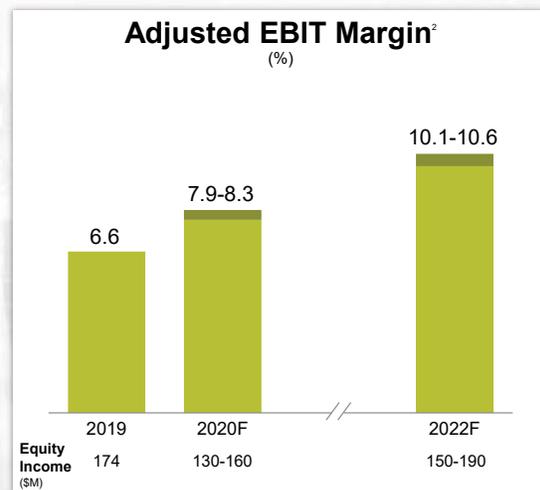
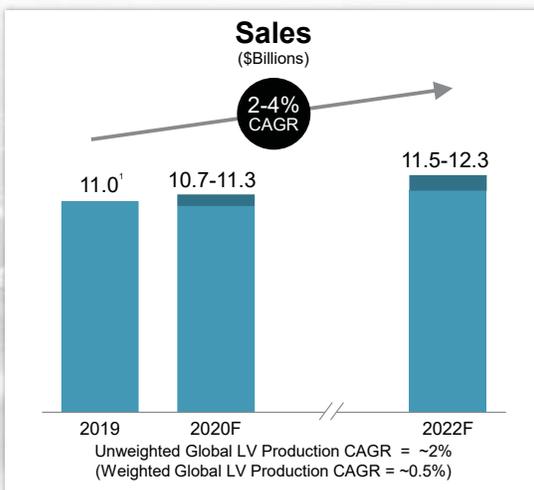
\* Our 2020 outlook remains unchanged from the outlook provided on January 16, 2020. We have not included any adjustment to our outlook related to COVID-19 (coronavirus), as it is difficult to forecast when our customers' facilities in China will be fully operational, their ability to recover lost production, the risk of supply chain disruptions in the event that Chinese factories are unable to resume normal operations promptly, any adverse impact on the economy in China and/or the possibility that the economies of other regions could be adversely impacted by any further COVID-19-related slowdown in China.

# Continued Growth, Margins Improving



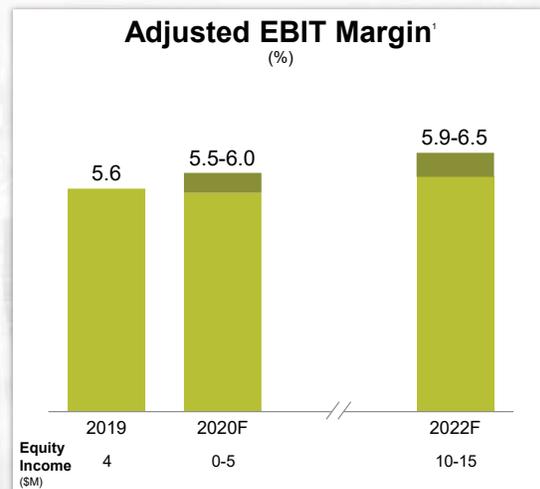
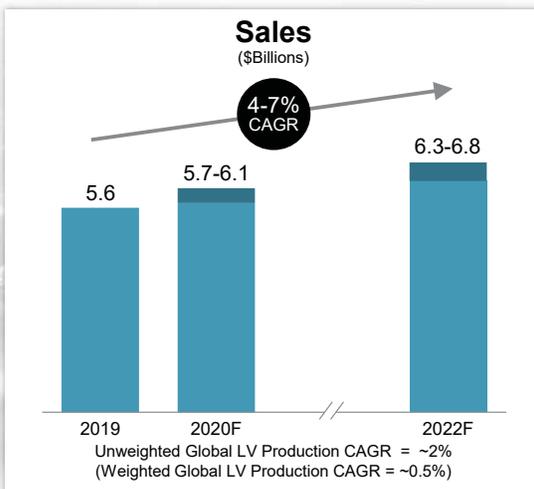
<sup>1</sup> Excluding other expense (income), net

# Further Growth and Significant Margin Expansion



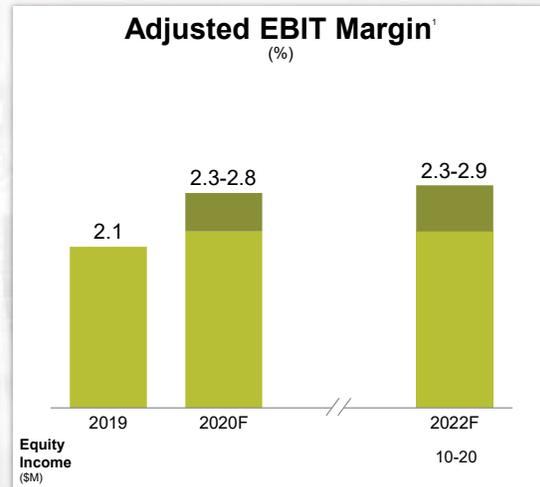
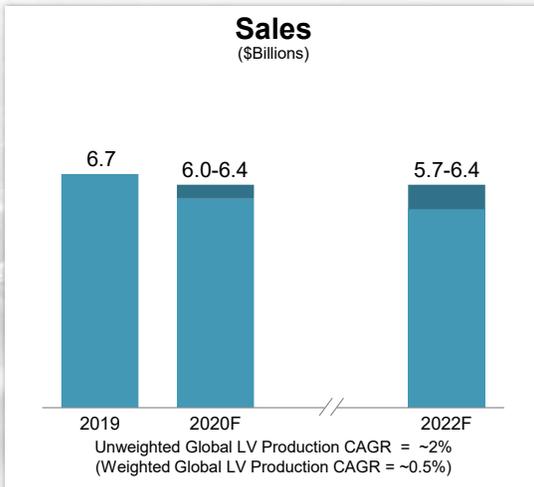
<sup>1</sup> Excluding \$0.4B in sales of Fluid Pressure & Controls (FP&C) business unit sold at end of Q1, 2019  
<sup>2</sup> Excluding other expense (income), net

# Strong Growth Above Market, Recovering Margins



<sup>1</sup> Excluding other expense (income), net

# Program Launches Completed, Focusing on Efficiencies



<sup>1</sup> Excluding other expense (income), net

## Agenda



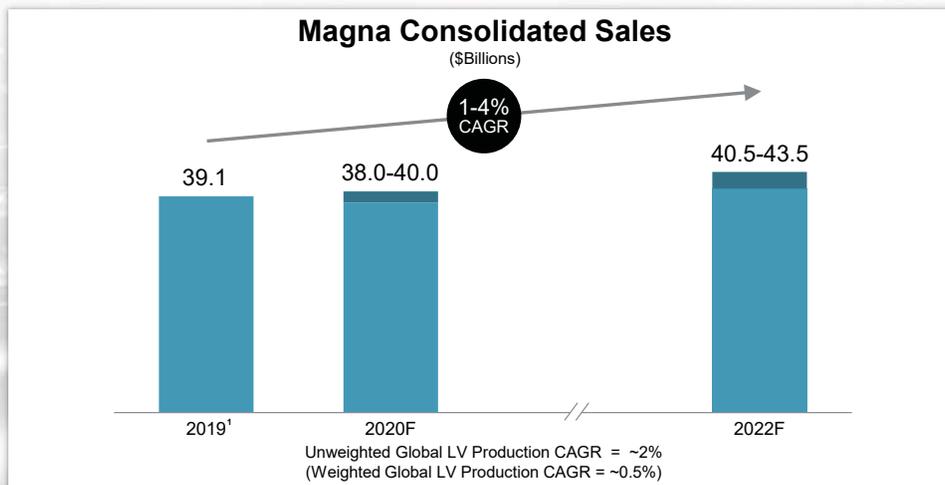
Outlook by segment

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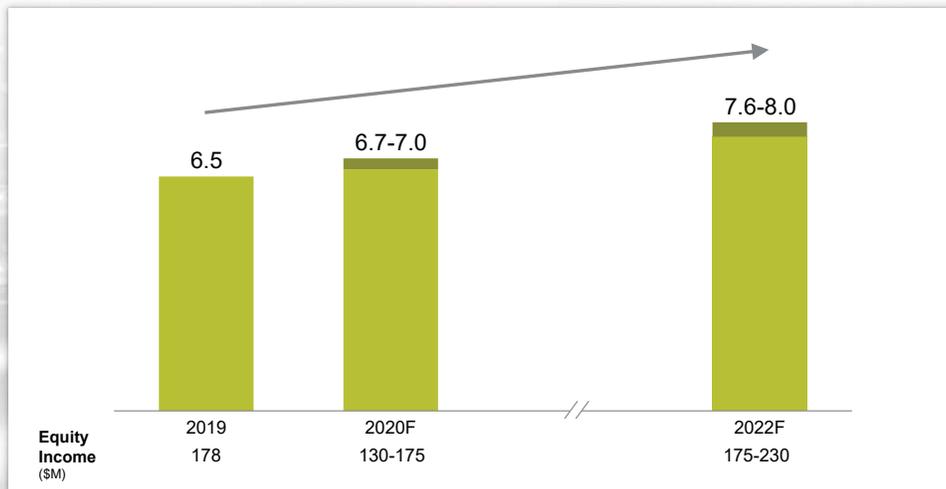


## Magna's Consolidated Sales Expected to Grow



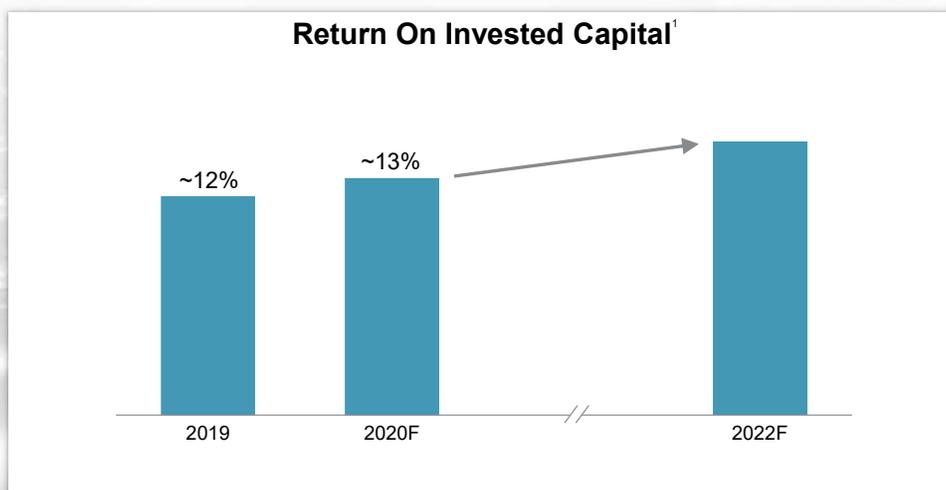
<sup>1</sup> Excluding \$0.4B in sales of FP&C business unit sold at end of Q1, 2019

# Consolidated EBIT Margin %<sup>1</sup> Expanding



<sup>1</sup> Excluding other expense (income), net

# Returns Expected to Increase



<sup>1</sup> Return on Invested Capital = Tax-Effectuated Return on Funds Employed (@25%)  
Return on Funds Employed = Adjusted EBIT / Assets Employed

# Agenda



Outlook by segment

Consolidated outlook

Capital allocation



# Capital Allocation Principles Unchanged



## 1 Maintain Strong Balance Sheet

- Preserve liquidity and high investment grade credit ratings
- Maintain flexibility to invest for growth



## 2 Invest for Growth

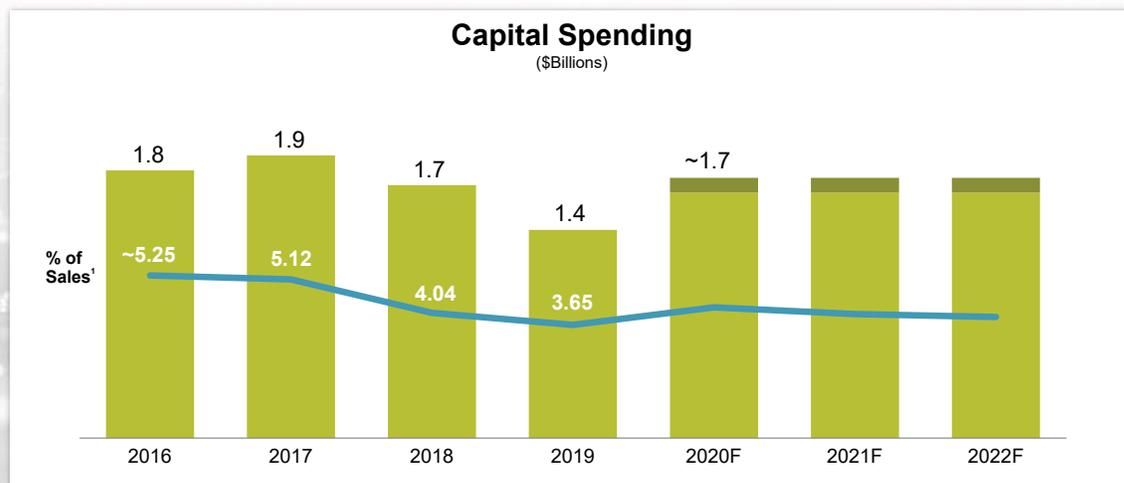
- Organic opportunities
- Innovation
- Acquisitions that fit product strategy

## 3 Return Capital to Shareholders

- Continued dividend growth over time
- Repurchase shares with excess cash

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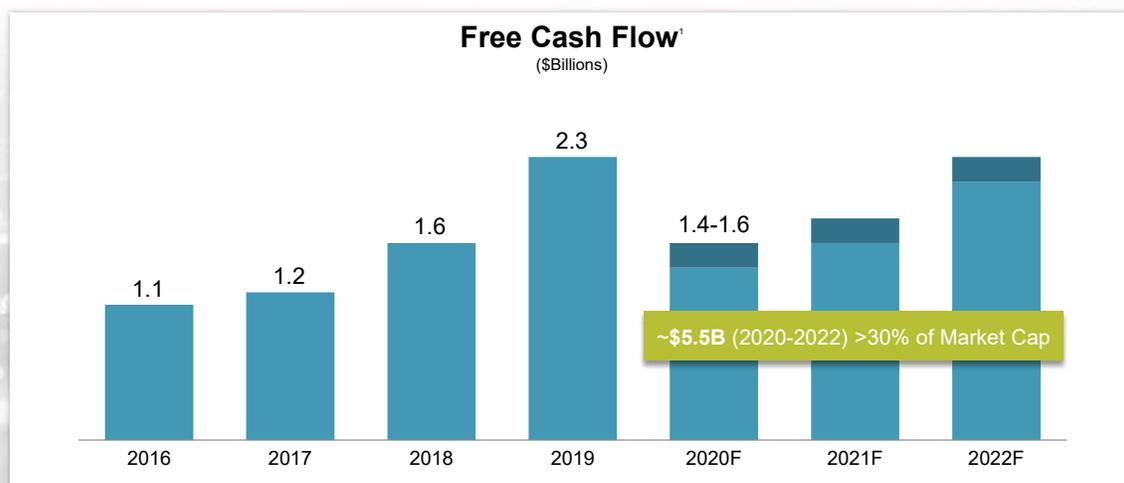
# Relatively Level Capital Spending Through Outlook



<sup>1</sup> 2020 to 2022 are based on the level of business reflected in our sales outlook

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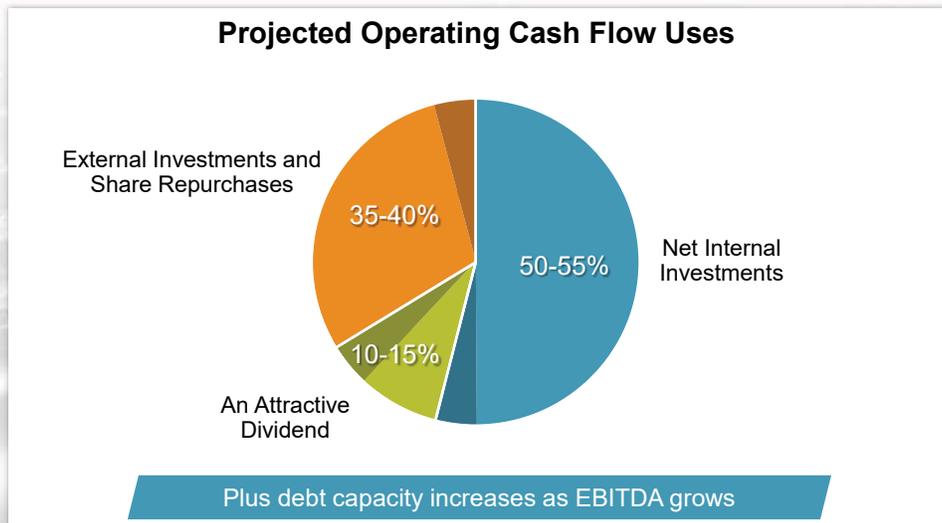
# Continued Strong Free Cash Flow Generation



<sup>1</sup> Free Cash Flow is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

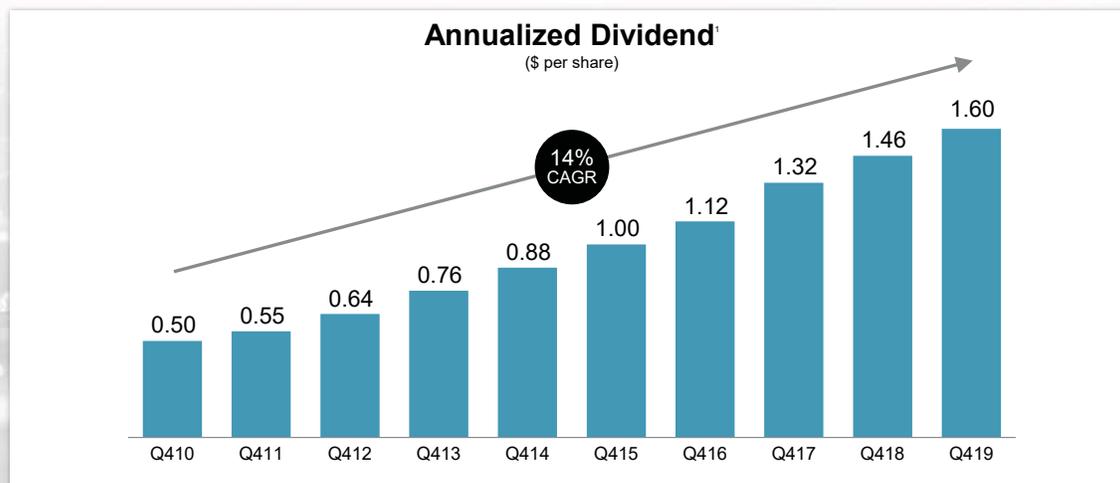
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# Projected Operating Cash Flow Uses 2020-2022: A Balanced Approach



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# Dividend Growth Remains a Priority



<sup>1</sup> Based on Q4 run rate

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# Proven Track Record of Returning Capital to Shareholders



2017-2019



~22% of shares repurchased in 3 year period

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# Delivering Powerful Growth in Earnings and Strong Cash Flow



## Continued Growth

- Growth in sales despite relatively level vehicle production in our key markets

## Margins Improving

- Margin expansion expected throughout our outlook period

## Strong Cash Flow

- Focused on cash conversion
- Expect ~\$5.5 billion free cash flow generation (2020-2022)
- Substantial cash resources for external investments and returning capital to shareholders



# APPENDIX

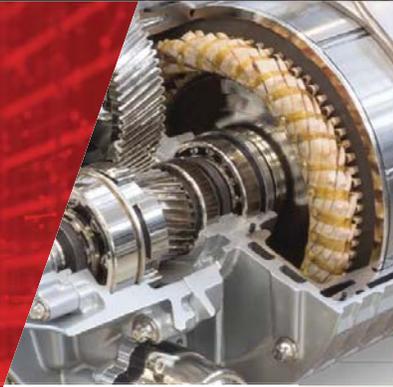
## Financial Outlook



(U.S. GAAP) (\$Billions, unless otherwise noted)	2020	2022
Total Sales	38.0 – 40.0	40.5 – 43.5
EBIT Margin %	6.7% – 7.0%	7.6% – 8.0%
Equity Income	130M – 175M	175M – 230M
Interest Expense	~85M	
Tax Rate	~24.5%	
Net Income Attributable to Magna	1.8 – 2.0	
Capital Spending	~1.7	



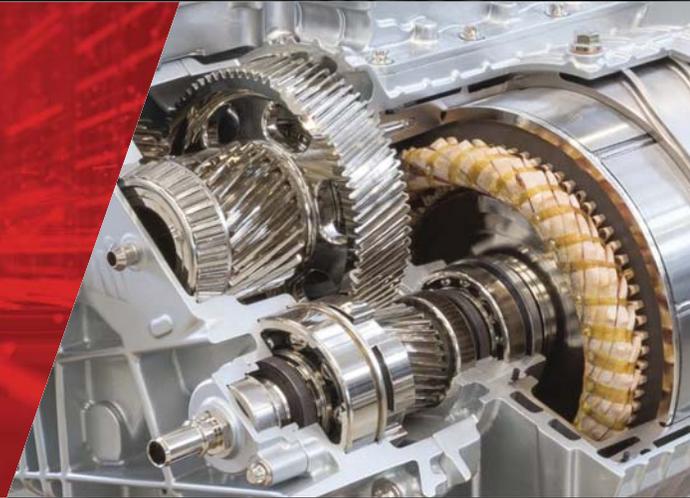
# Power & Vision Update





# Powertrain

Tom Rucker  
President



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## Agenda

Business overview

Market positioning

Strategy going forward



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MAGNA POWERTRAIN AT A GLANCE

## A Leader in Bringing Power to the Wheels

SALES

**\$5.7\***  
Billion  
(2019)

MANUFACTURING

**45**  
Global Sites

ENGINEERING

**21**  
Global Sites

EMPLOYEES

**~25,000**  
Skilled  
Employees

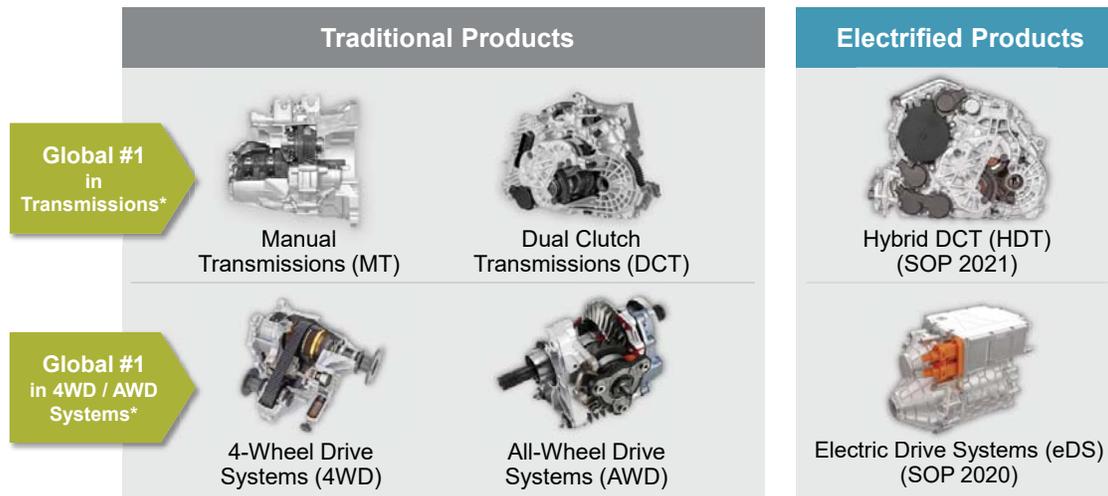
MARKET POSITION

**#1**  
In Our Key  
Products



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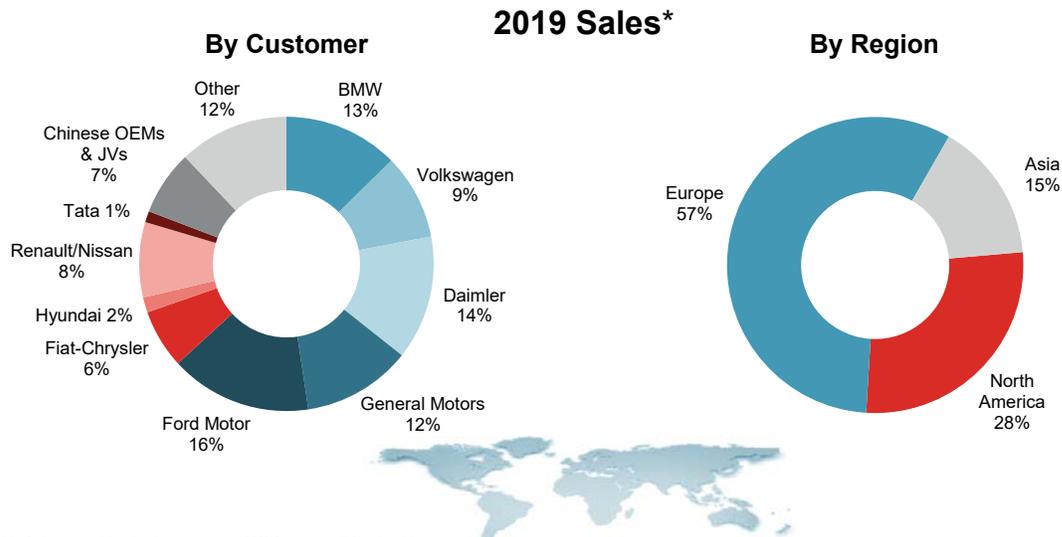
# Leading Powertrain Solutions



\* Our estimated positions as an independent (i.e. non OEM-affiliated) supplier

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## Well Diversified Business with OEM Customers Globally...



\* Includes consolidated sales + sales at 100% for unconsolidated entities

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## ...With Products Supporting Well-Known Brands and Models



<p style="text-align: center;"><b>4WD</b></p> <p style="text-align: center;"><b>Exclusive Provider</b></p> <ul style="list-style-type: none"> <li>• BMW Rear-Wheel Drive (RWD): 3-7 Series, including X and M Series</li> <li>• General Motors: Large and Mid-size trucks and SUVs</li> <li>• Daimler RWD: C-Class, E-Class, S-Class, GLC, GLE, G-Wagon</li> <li>• Jeep RWD: Grand Cherokee, Wrangler, Gladiator</li> </ul>	<p style="text-align: center;"><b>DCT</b></p> <p style="text-align: center;"><b>Exclusive Provider To</b></p> <ul style="list-style-type: none"> <li>• BMW Front-Wheel Drive</li> <li>• Ferrari</li> </ul> <p style="text-align: center;"><b>Other Customers Include</b></p> <ul style="list-style-type: none"> <li>• Daimler</li> <li>• PSA</li> <li>• Ford</li> <li>• Brilliance</li> <li>• Chery</li> <li>• Geely</li> <li>• Great Wall</li> </ul>
<p style="text-align: center;"><b>AWD</b></p> <p style="text-align: center;"><b>Premium AWD Customers Include</b></p> <ul style="list-style-type: none"> <li>• Audi Front-Wheel Drive (FWD): A-Series, Q-Series and TT</li> <li>• Daimler FWD: A-Class, B-Class, CLA, and GLA</li> <li>• Nissan: Murano and Pathfinder</li> <li>• Hyundai: Santa Fe and Kia Sportage</li> </ul>	



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# BMW Platform Award – Largest Transmissions Award In Company History



- Transmission technologies for front-wheel drive platforms
- Scalable DCT, including hybrid transmission variants
- 170 different vehicle applications



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## Agenda



Business overview

Market positioning

Strategy going forward

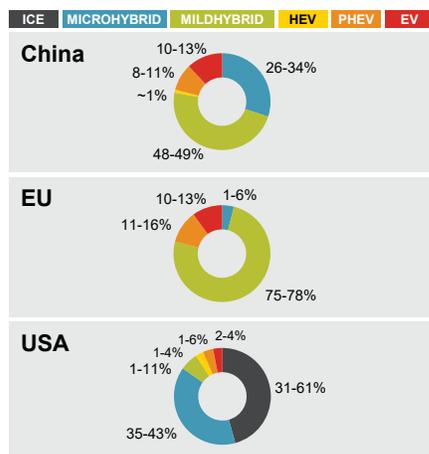


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## Global Powertrain Electrification Trends: Our Portfolio Meets Global OEM Needs



### Powertrain Electrification by Region 2025\*



### Key Trends

- eMobility growth is accelerating:
  - 6M Battery Electric Vehicles (BEVs) in 2025; However, ~90% of all vehicles produced will still use an ICE for propulsion → **Traditional Products**
  - **eDrive Systems** begin to replace traditional AWD systems in Front Wheel Drive architectures
  - CO<sub>2</sub> emission requirements drive 48V architectures (28% of global fleet in 2025) → **Hybrid DCTs**
  - Zero Emission Vehicle (ZEV) requirements drive high voltage PHEVs and EVs → **eDrives & Dedicated Hybrid Transmissions (DHT)**

\* Based on Magna Fleet Analysis October 2019

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# Market Forecast to 2025 – Shifting, but Overall Growth



	Production Units in Millions*			Impact on Magna
	Traditional	Hybridized	Full Electric	
<b>Manual Transmissions</b>	2019		2025	Global decline in MTs
<ul style="list-style-type: none"> <li>Diesel use continues to decline (often paired with MTs) and changing consumer preferences</li> </ul>	28.2		23.4	
<b>4-Wheel Drive</b>				Leverage installed base
<ul style="list-style-type: none"> <li>Maintain position as world's largest independent transfer case supplier</li> </ul>	7.8		9.3	
<b>All-Wheel Drive</b>				Transition to eDS products
<ul style="list-style-type: none"> <li>Magna's product portfolio supports the transition to eAWD</li> </ul>	0.2	1.5	10.2	
<b>Dual Clutch Transmissions</b>				Growth in hybrid transmissions
<ul style="list-style-type: none"> <li>Leverage scalable products and building blocks to increase sales in Hybrid DCTs and Dedicated Hybrid Transmissions</li> </ul>	2.8	11.2	12.2	
<b>Electric Vehicle / Plug-in Hybrids (EV/PHEV)</b>				Growth in eDS products
<ul style="list-style-type: none"> <li>Magna continues to innovate and expects to become one of the top suppliers in the electrified powertrain systems space</li> </ul>	0.8	5.1	10.6	

\* Sources: IHS Alt. Propulsion & Magna Driveline Database November 2019

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## Agenda



Business overview

Market positioning

Strategy going forward



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## Strategy Going Forward



**1** Maintain #1 position in key products (4WD/AWD, DCT)



**2** Leverage system integration know-how and scalability approach to transition to electrified products



**3** Increase vertical integration to improve competitiveness



**4** Strong innovation pipeline focusing on emerging technologies



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# Maintain #1 Position in Key Products



## We have already secured significant awards on key products

- Substantial 4WD contracts awarded through 2030 in both Europe and North America
- BMW award secures high volume DCT business beyond 2025



## Additional awards pending

- Leveraging our proven track record to deliver high volume, high quality traditional products at competitive prices to our OEM customers

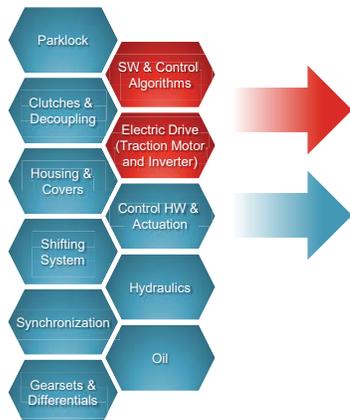


Our key products remain strong going forward and provide the foundation for funding future electrified products

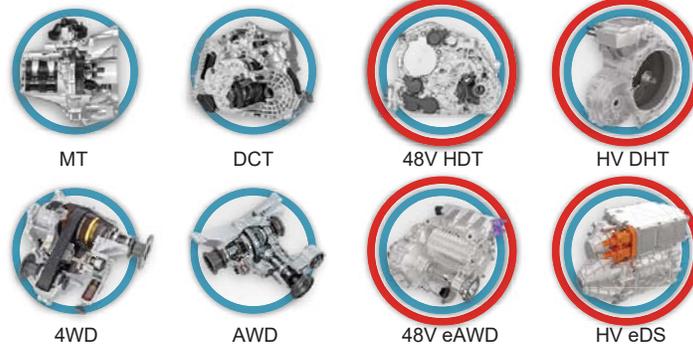
# Magna's Scalability Approach



## Modular & Scalable Building Blocks



## Modular & Scalable Products



Utilization of red building blocks enables a scalable solution for our new electrified products

# Initial Awards Confirm Electrification Strategy



## Leading Brand in China\*

- New EV Platform, HV eDrive, SOP 2020

## Global OEM\*

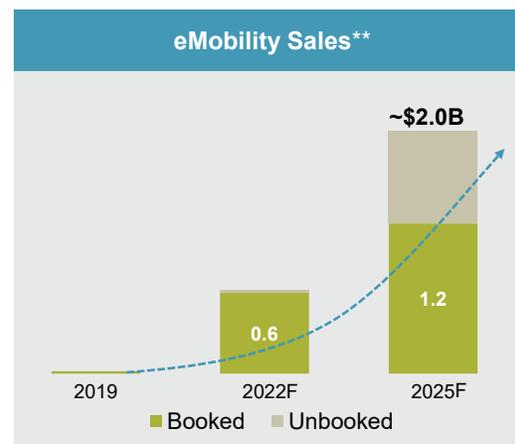
- HV eDrive, SOP 2023
- Additional PHEV variant likely to be added

## BMW Group

- Transmission technologies for front-wheel drive platform
- Including hybrid transmission variants

## European Program

- 48V Hybrid DCT, SOP 2021
- Usage may be extended globally



Significant contribution to our 2025 sales expected to come from eMobility products\*\*

## Increasing Competitiveness Through Vertical Integration



- ECUs for high-volume 4WD transfer cases



- Clutch modules



- eMotors and inverters for hybrid transmissions and eDrive systems



Vertical integration strengthens competitiveness by enabling increased design integration and provides value-add on key building blocks

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## Strong Product Innovation Pipeline

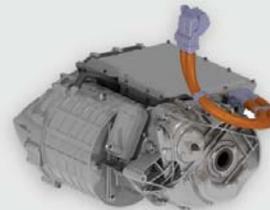


### Dedicated Hybrid Transmission (DHT)



- Purpose-built for full hybrid functionality including extended zero emission driving
- Fulfills package requirements of future BEV platforms
- 2025 addressable market: **2.3M units**

### Next Generation eDrive System



- Technology developments focused on best-in-class efficiency and cost
- Primary and secondary eDrives for global market needs
- Large addressable market

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## Positioned to Win in Powertrain Electrification



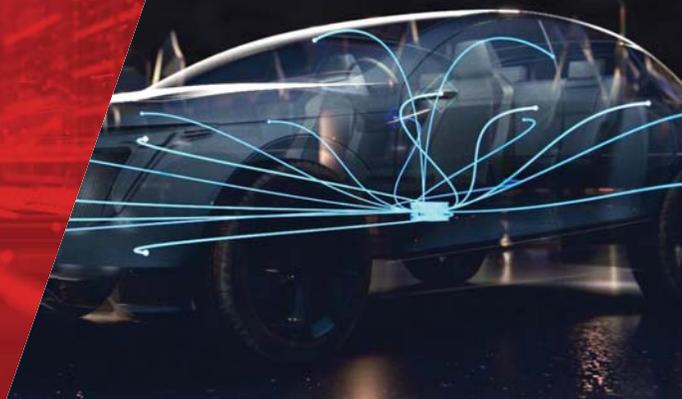
- Building on market leadership with a well positioned product portfolio, global footprint and strong customer relationships
- Key strategic initiatives support additional growth and transition to electrified products
  - Modular and scalable building blocks
  - Increased vertical integration
  - Focused investment in innovation and new technologies
- Significant awards in electrified powertrain space with major OEMs



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# Electronics

**Sharath Reddy**  
Sr. Vice President



## Agenda

Magna Electronics today

Market trends impacting our business

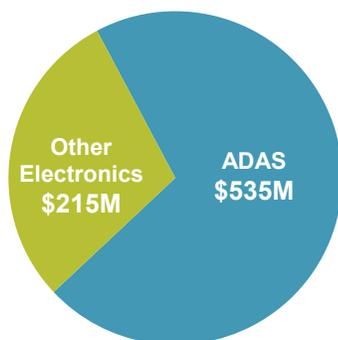
Strategy moving forward



## Magna Electronics At a Glance

### Two Business Lines

2019 Sales ~\$750M



### Locations – By Region

○ Manufacturing    ○ Engineering    ○ Sales



**~2,800 Employees**  
**>1,200 Engineers**

# Product Portfolio is Positioned for Growth



ADAS			Other Electronics
Expanding from Cameras to full ADAS Portfolio			Largely Intercompany
Rear / Surround Camera	Front Camera	LiDAR	Powertrain Control Units
			
ICON RADAR™	Domain Controller	System Fusion	Mechatronics, Mirrors & Lighting
			

4

# Key Product & Technology Recognition Updates



Key New Product / Business Awards	Industry Technology Recognition
<ul style="list-style-type: none"> <li>✓ Industry-First EyeQ5 Front Camera program (European OEM)</li> <li>✓ EyeQ4 Front Camera program (European OEM)</li> <li>✓ Surround View System programs (European &amp; Japanese OEMs)</li> <li>✓ Industry-First Solid-State LiDAR program (European OEM)</li> <li>✓ First interior CLEARVIEW™ mirror program on 2 models, cross-Magna collaboration to include rear camera and ECU</li> </ul>	 <p>2019 (2) PACE Award Finalists LiDAR, Augmented Reality Camera</p>  <p>2018 PACE Award Winner Trailer Angle Detection (Ford)</p>
	

5

# Key Organization, Footprint, and Plant Award Updates



 <p>JV Established for mini-LED Light Source Product</p> 	 <p>New design center in Pune, India</p>	 <p>New 230,000 sq. ft. manufacturing facility in Holly, Michigan</p>
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## Plant Manufacturing & Quality Awards

- ✓ GM Supplier Quality Excellence Award (7<sup>th</sup> time)
- ✓ VW Group Good Partnership Recognition
- ✓ Dongfeng Peugeot-Citroën Automobile Quality System Basic+ Best Practices Recognition Award
- ✓ GM Customer Care & Aftersales On-time Shipping Award
- ✓ IP Asia Golden Qualified Manufacturers List Award

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# Strengthening New Product Launch Capability



## Challenges

- Test and validation requirements
- Rapid ramp-up of engineering footprint in Europe
- Concurrent development and industrialization of new and complex technology



## Actions Taken / Planned

- Strengthened leadership team and engineering bench-strength
- Deployed global support resources to bridge capabilities
- Expanded data center in Europe
- Continuous collaboration with customer



Result: Strong market position in LiDAR and Advanced Front Camera

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# Agenda



Magna Electronics today

Market trends impacting our business

Strategy moving forward



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# Product Portfolio is Aligned to Mobility Megatrends



## ADAS / Autonomy

- Consumer demand, NCAP and NHTSA regulations drive increased ADAS/AD dollar content
- Leapfrog technology with first digital imaging ICON RADAR and Solid-State LiDAR enables Magna to transform from leading camera supplier to complete ADAS systems provider



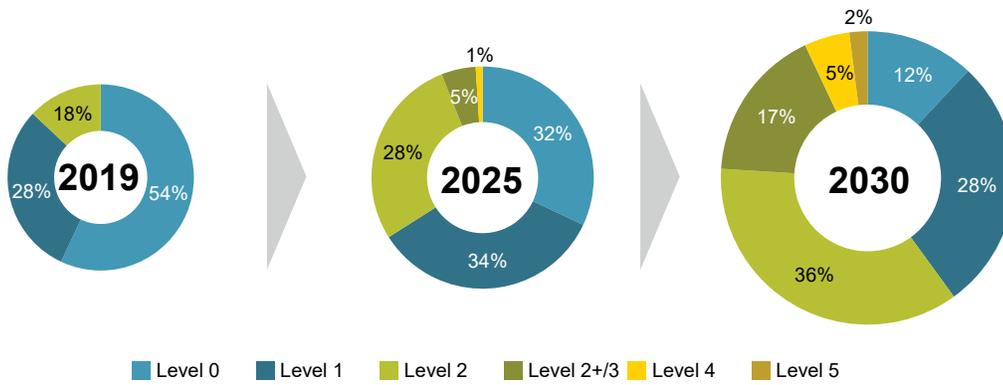
## Vehicle Electrification

- Higher volumes of hybrid and full electric vehicles
- Electrification of vehicle components continues to grow



9

# Well Positioned in Large & Growing ADAS/AD Market\*



Additional feature content drives double digit growth rates

Sources: 2019: IHS Markit, January 2020; 2025: Magna Internal Forecast based on internal study and IHS Markit forecast, January 2020; 2030: Magna Internal Forecast  
 \* Levels of driving autonomy as defined by SAE classifications, including additional Magna analysis/classifications; percentages represent vehicle units produced at each AD level

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## Agenda



Magna Electronics today

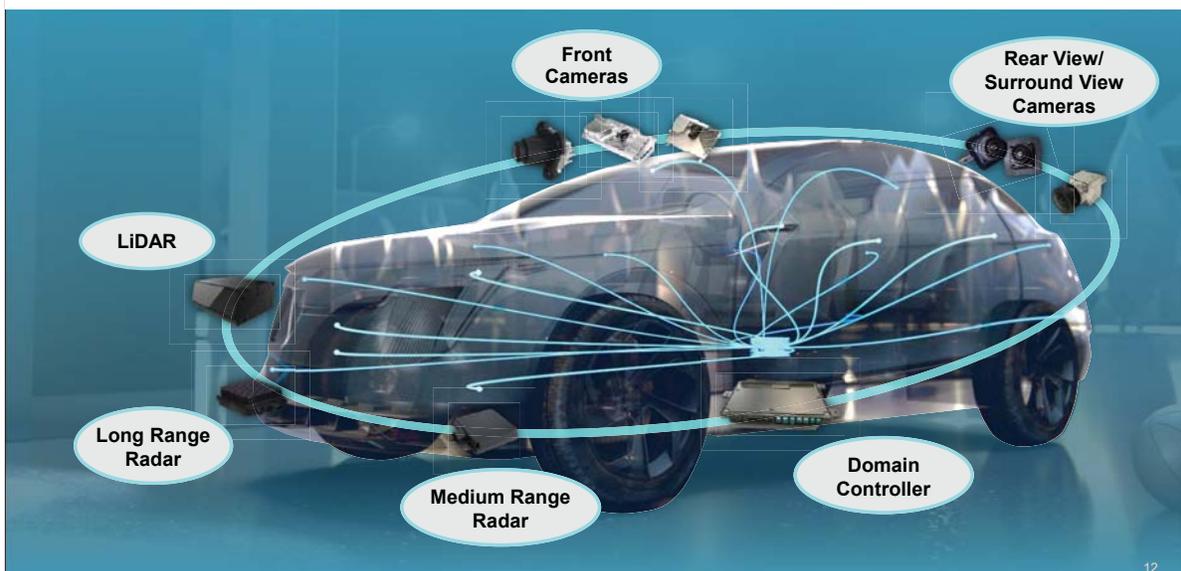
Market trends impacting our business

Strategy moving forward

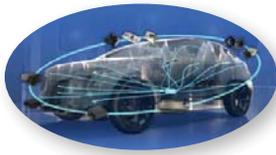


STRATEGY #1

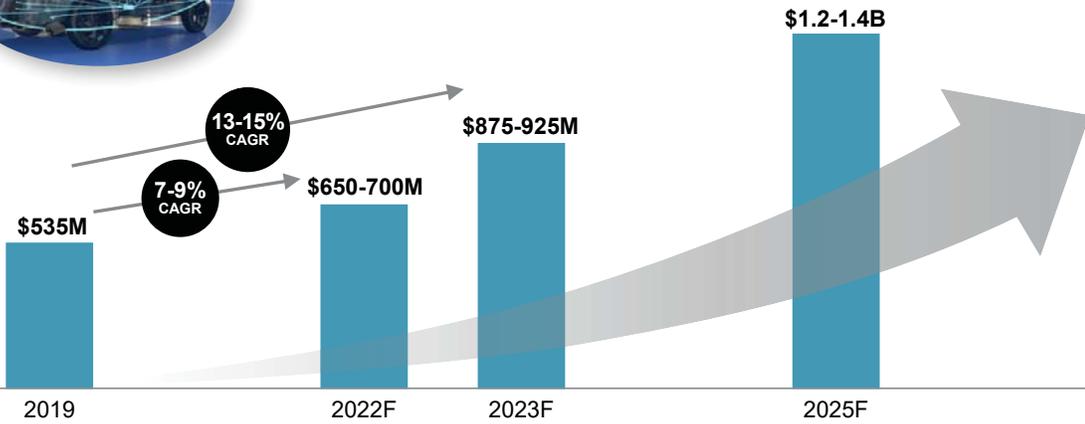
## Transform Magna into a Full ADAS System Supplier



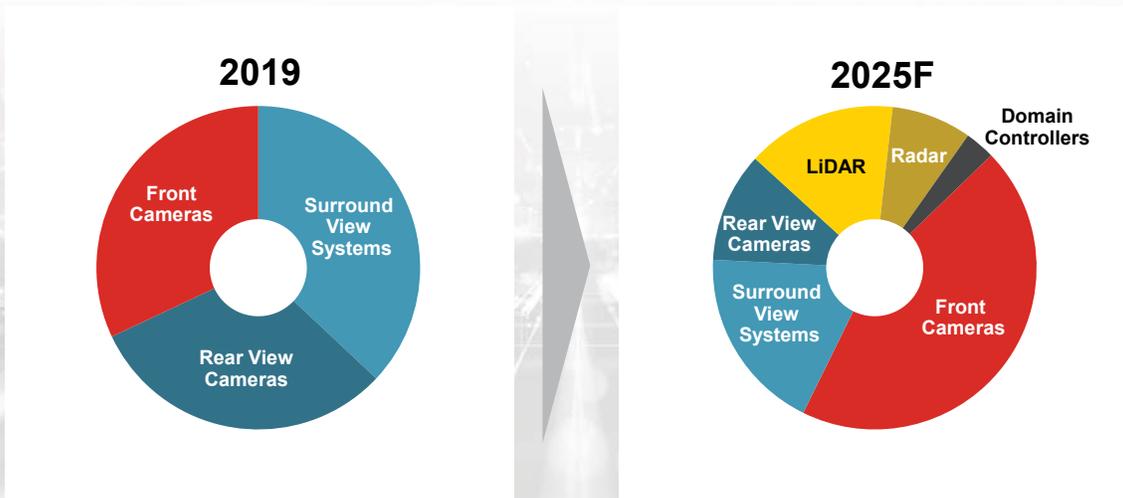
# Modest Near-Term Growth, Accelerating 2022+



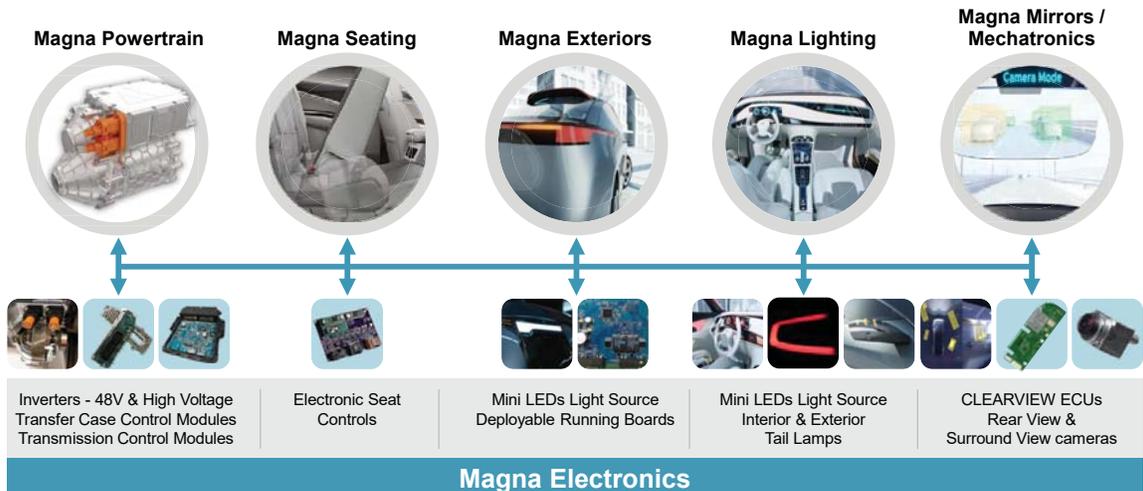
## ADAS Sales Growth Outlook



# ADAS Sales are Expected to Diversify



# Other Electronics Growth Strategy



## Positioned for Significant Growth Moving Forward

- Leveraging strength in vision-based systems to transform business into full ADAS supplier
  - Strong position in a fast-growing market
- Strengthened product launch capability
- Focused on lower levels of autonomy in near term
  - Continue to monitor L4/5 market to assess timing of future investments
- Other Electronics business growing through increased cross-Magna collaboration



# Mechatronics, Mirrors & Lighting

John O'Hara  
President



## Agenda

Business overview

Market positioning

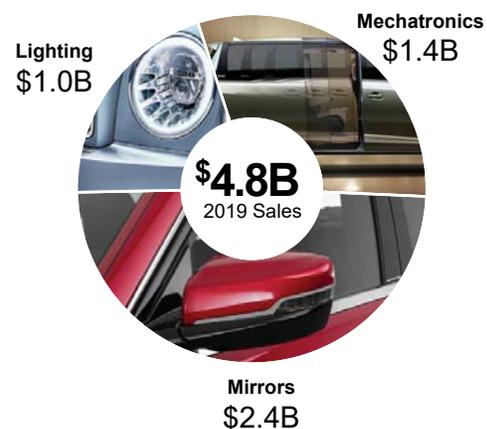
Strategy going forward



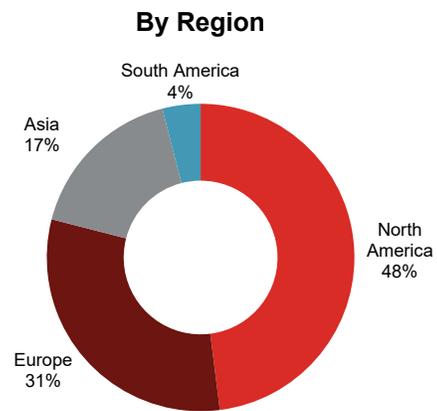
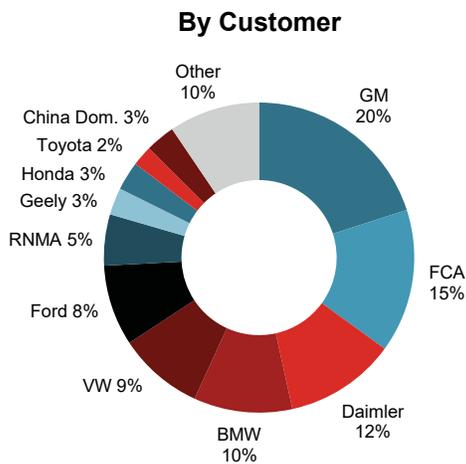
## Our Business At a Glance

- Three global core product areas
  - Lighting
  - Mirrors
  - Mechatronics
- 19 countries / 63 manufacturing facilities
- Positioned for trends in future mobility with electronics content driving growth
- Strong profitability, cash flow conversion and return on investment

### Sales by Product Area



# Diverse Sales by Customer / Region – 2019



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## Performance Highlights – Lighting



- Globalized our lighting business
  - 12 plants across all key regions
  - 3 core engineering centers
  - 15 customers
- Acquisition of OLSA
  - footprint in Europe, China, Brazil and Mexico
  - solidified Magna as a leader in technology for rear lighting
- Acquisition of engineering center in Czech Republic
  - focused on forward lighting growth globally
- Increased investment in advanced technologies with over 250 engineers globally



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## Performance Highlights – Mirrors



- Enhancing global footprint with launch of new facilities
  - completed: Slovakia, Thailand
  - planned: Morocco, Macedonia
- Awarded first CLEARVIEW™ inside mirror contract on two models
  - complete Camera Monitoring System (CMS) including inside mirror and rear camera
- First to market Trailer Tow mirror
  - 4-link power with auto adjust
  - secured with multiple customers
- Investing in new technologies
  - advanced overhead consoles
  - integration of driver distraction software



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# Performance Highlights – Mechatronics



- ☑ Strengthened position in SMARTACCESS™ portfolio with acquisition of motion control software
- ☑ Secured JV with BHAP in China for door module growth, new customer contracts
- ☑ Opened new engineering center focused on mechatronic systems in Suzhou, China
- ☑ SMARTLATCH™ momentum
  - 13 awarded models across 7 brands



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# Agenda



Business overview

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Strategy going forward



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# Strong Technology Position in Key Product Areas



Rear Lighting



Mirrors



Latching



Globally ranked #1

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# Unique Opportunity: The Future of Rear Vision



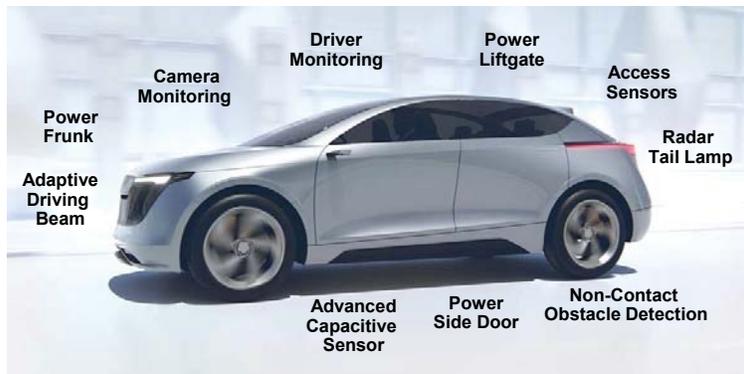
- Commissioned independent research on the future of outside mirrors
  - Potential camera monitoring system penetration of ~5% by 2030
- Magna's competitive advantage
  - Leading outside mirror supplier
  - Electronics expertise in ADAS and camera systems
  - Capability to engineer a complete system solution
- Engaged in rear vision activity with multiple OEMs



**Magna is positioned to be a leader in this technology**

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# New Features / Technologies Driving Content Growth



Our product real estate is **ideal** for electronics integration

Premium feature take rates are increasing

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# Sensors for SMARTACCESS™



Short Range Radar	Radar Access Sensor	Advanced Capacitive Sensor
<ul style="list-style-type: none"> <li>• Non-contact detection</li> </ul>	<ul style="list-style-type: none"> <li>• Liftgate activation</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle access</li> </ul>

Superior performance in all environmental conditions

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# Agenda

Business overview

Market positioning

Strategy going forward



## Key Growth Drivers



## 1. Expanding Lighting Business



### Growth Drivers

- Safety and design trends are increasing content
- Globalize forward lighting and increase market share
- Magna advantage through cross group synergies for advanced technologies



# 1. Investing in Advanced Lighting Technology



## Adaptive Driving Beam

- Increased safety and uniform high beam without glaring other vehicles
- Forward camera vision inputs determine object location and adapts to reduce glare



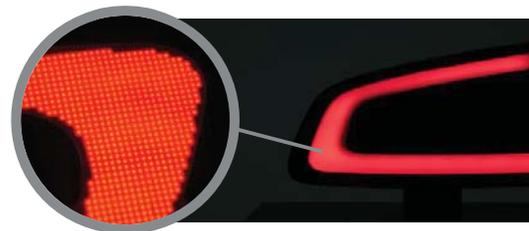
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# 1. Investing in Advanced Lighting Technology



## FLECSFORM™

- Micro LEDs that enable uniform lighting in an extremely thin package
- Flexible substrate to allow for complex shapes and unique styling
- Performance benefits over OLED
- Magna cross group synergy



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# 2. Growth in Rear Vision Content Per Vehicle



## Inside Mirror

MAGNA CONTENT  
\$5 - \$150

1. Auto dimming glass
2. Memory actuator
3. Capacitive touch
4. Frameless glass
5. Microphone
6. Speaker
7. Telematics
8. Interior lighting
9. Electronic module
10. Backup video

## Outside Mirror

MAGNA CONTENT  
\$60 - \$450

1. Cameras
2. Blindzone indicator
3. Auto dimming glass
4. Mirror actuator
5. Powerfold actuator
6. Turn signal
7. Logo / ground lighting
8. Sensors
9. Material finish
10. Forward lighting
11. Rear lighting
12. Power extend actuator

## Inside CMS

MAGNA CONTENT  
\$150 - \$250



## Outside CMS

MAGNA CONTENT  
\$200 - \$600

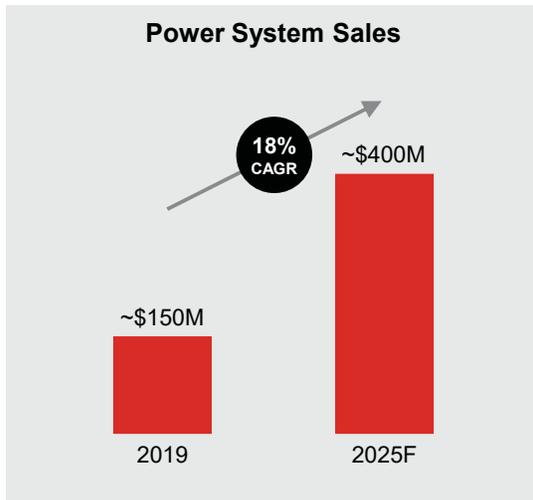


- Premium feature take rates increasing
- High level of electronics integration
- Engaged in activity with multiple OEMs on CMS
- We continue to lead the SUV and truck segments and commercialize first to market technology



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### 3. Vehicle Access Trends Driving Growth



#### Growth Drivers

- Increasing comfort and convenience features
- Well positioned product portfolio with complete system expertise
- SMARTACCESS™ platform enables unique vehicle access experiences
- Leader in motion control software and sensing
- Power doors gaining momentum with multiple new awards



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#### SUMMARY

### Why This Is A Great Business



- Positioned for future mobility with electronics content driving growth
- Strong technology position and sales growth across all product areas
- Continued strong profitability, cash flow conversion and return on investment



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# Body Exteriors & Structures

## Update





# Body & Chassis

John Farrell  
President

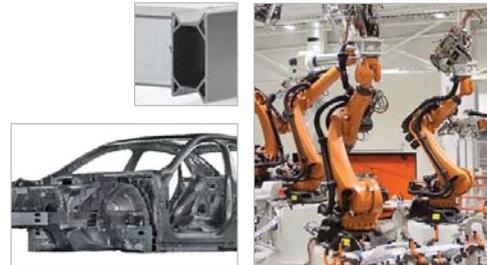


## Agenda

Business overview

Market position

Strategy going forward



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## A Leader in Vehicle Body and Chassis Structures



- Unique business capable of providing complete body and chassis assemblies globally

- Leading forming and joining technologies for steel and aluminum

- Highly relevant to future mobility

3

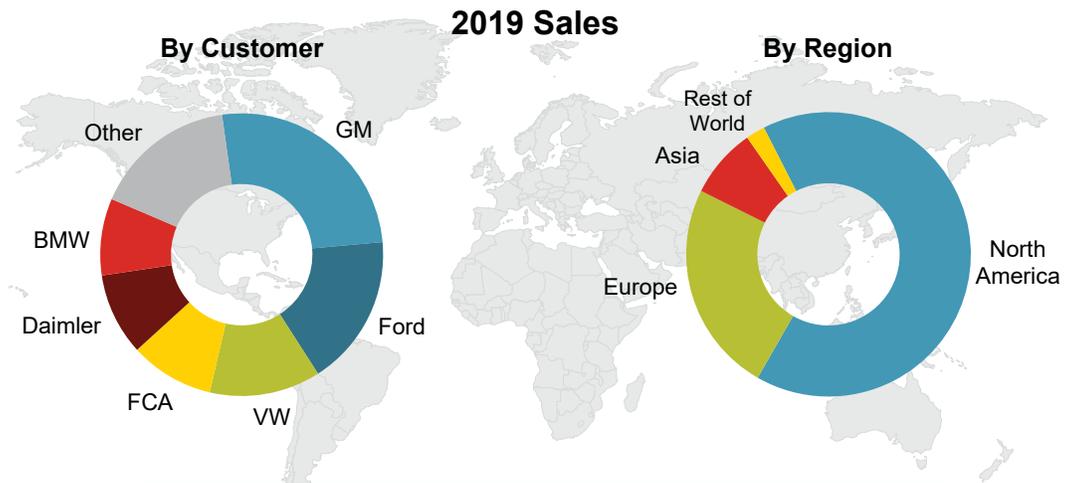
2019 sales	<b>\$10.0B</b>	Manufacturing facilities	<b>89</b>
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Stable, profitable business with leading market positions and strong cash flow generation

**>44,000** employees in **20** countries

**Diverse Global Customer Base**



Supplying products around the globe for all customers

**Leveraging Steel and Aluminum Forming and Joining Technologies**

Chassis	Body-In-White (BIW)	
Frames, front and rear cradles, cross members, control arms, twist axles	<b>Non-Class A</b> EV battery trays, pillars, door rings, front-end structural modules, rails, shock towers, underbodies, floors, bumpers, complete body-in-white assemblies	<b>Class A</b> Bodysides, decklids, doors, roofs, hoods, liftgates, panels, rockers

# Our Competitive Edge – Global Capabilities in All Key Areas

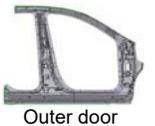


<b>Global Innovator</b>	<ul style="list-style-type: none"> <li>Recognized globally as an innovator in all aspects of vehicle body and chassis structures                     <ul style="list-style-type: none"> <li>Bringing products to market that provide our customers a competitive edge</li> </ul> </li> </ul>	
<b>Lightweighting and Joining</b>	<ul style="list-style-type: none"> <li>Developing new product, process and joining technologies                     <ul style="list-style-type: none"> <li>The right material in the right place for mass reduction without compromising OEM styling and performance</li> </ul> </li> </ul>	
<b>Material Development</b>	<ul style="list-style-type: none"> <li>Leveraging existing product knowledge with the use of new materials                     <ul style="list-style-type: none"> <li>Application of new steel and aluminum grades</li> </ul> </li> </ul>	
<b>Design and Engineering</b>	<ul style="list-style-type: none"> <li>Global industrial design and product engineering capabilities                     <ul style="list-style-type: none"> <li>Helping our customers boldly imagine and create the car of the future</li> </ul> </li> </ul>	
<b>Manufacturing Processes</b>	<ul style="list-style-type: none"> <li>Continued leadership in manufacturing processes                     <ul style="list-style-type: none"> <li>Deep foundation in core manufacturing principles</li> <li>Cost-competitive solutions in a vast array of processes</li> </ul> </li> </ul>	

7

## Our Competitive Edge at Work



<b>Acura RDX Double Door Ring</b>	<b>GM T1xx Frame</b>
<ul style="list-style-type: none"> <li>2019 Acura RDX has the world's first hot stamped inner and outer door ring system</li> </ul>	<ul style="list-style-type: none"> <li>Reduced mass by &gt;10% from previous generation (~30kg of mass)</li> <li>Worked closely with customer to identify and implement down-gauging and design optimization opportunities</li> <li>Utilization of alternative materials / technology</li> <li>Effective use of high strength steel</li> </ul>
<div style="display: flex; justify-content: space-around;">   </div> <p style="text-align: center;">Inner door                  Outer door</p> <ul style="list-style-type: none"> <li>Cosma's simulation expertise helped reduce customer's overall investment</li> <li>2019 Automotive News PACE Award finalist</li> </ul>	
 	

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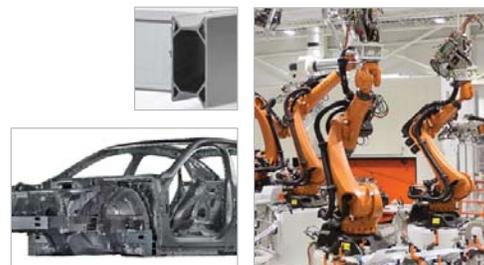
## Agenda



Business overview

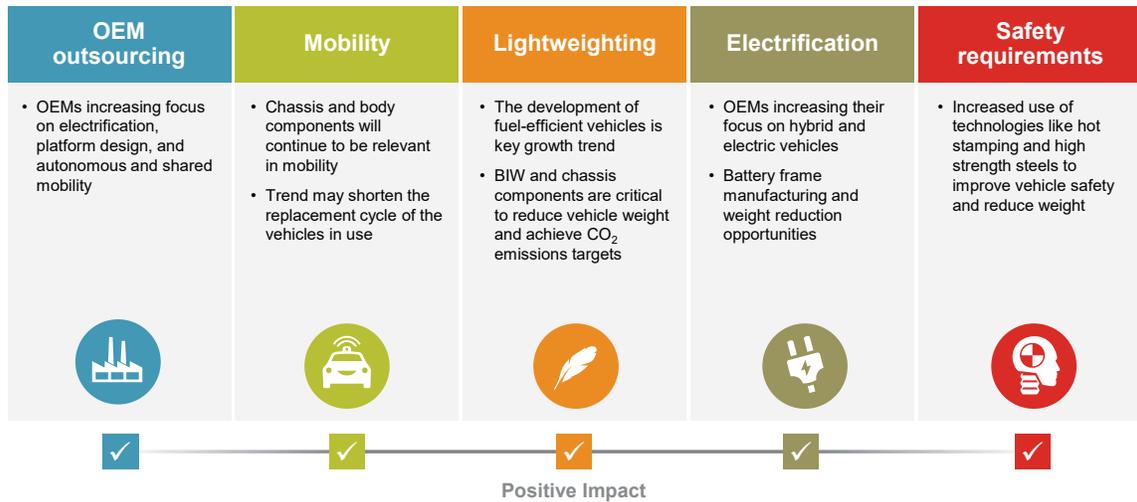
Market position

Strategy going forward



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# Well-Positioned to Capitalize on Industry Trends



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# Leader in Core Products in Core Markets – Further Share Growth Opportunities in China & RoW



		North America	Europe	China	RoW
Body	Body-in-white	●	●	●	●
	Class A	●	●	●	○
	Battery frames	●	●	●	○
	Bumpers	●	●	●	●
Chassis	Frames	●	●	○	●
	Chassis	●	●	●	●

Legend ● Strong position ● Expanding position ○ Future evaluation ● Maintain

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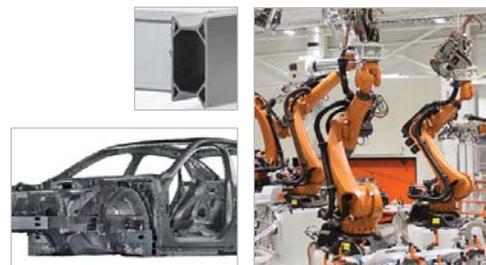
# Agenda



Business overview

Market position

Strategy going forward

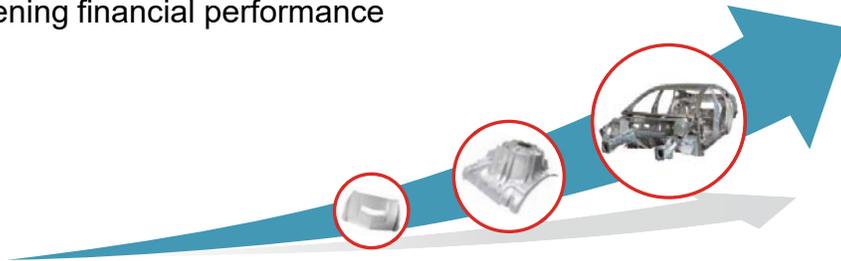


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# Our Priorities



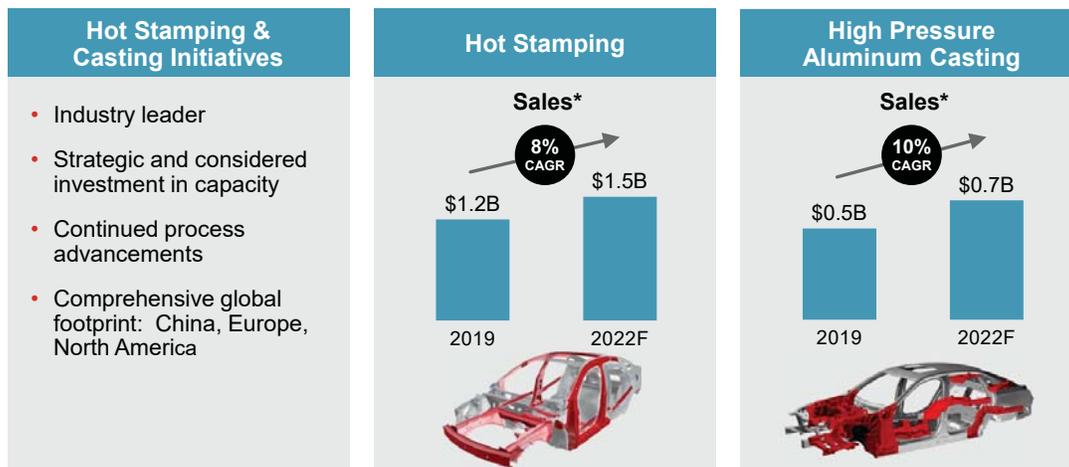
- 1 Focus on technologies and innovation that drive the car of the future
- 2 Continued strong sales growth in each of our core markets
- 3 Strengthening financial performance



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## PRIORITY #1: TECHNOLOGIES OF THE FUTURE

# Lightweighting Technologies in Production

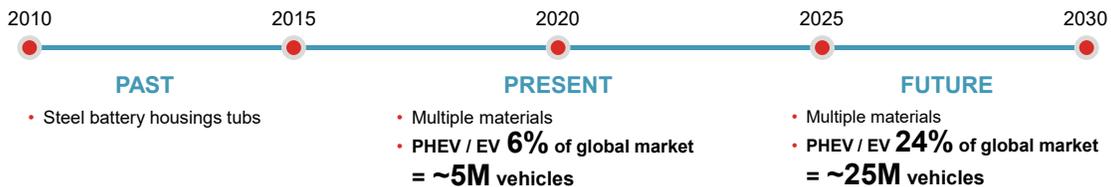


\* Includes estimated component sales in other assemblies

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## PRIORITY #1: TECHNOLOGIES OF THE FUTURE

# Our Next Product: Battery Frames



		<p><b>Key Impact on Chassis and BIW</b></p> <ul style="list-style-type: none"> <li>Vehicle architecture</li> <li>Increased lightweighting requirements</li> <li>Higher load / load distribution considerations</li> <li>Powertrain variants (ICE, PHEV, EV)</li> </ul>	<p><b>COSMA Advantages</b></p> <ul style="list-style-type: none"> <li>✓ Process expertise in metal forming, joining, and modular assembly for battery frames</li> <li>✓ Working with other Magna groups to develop alternative solutions for battery frames using various materials</li> </ul>
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Significant battery frame awards

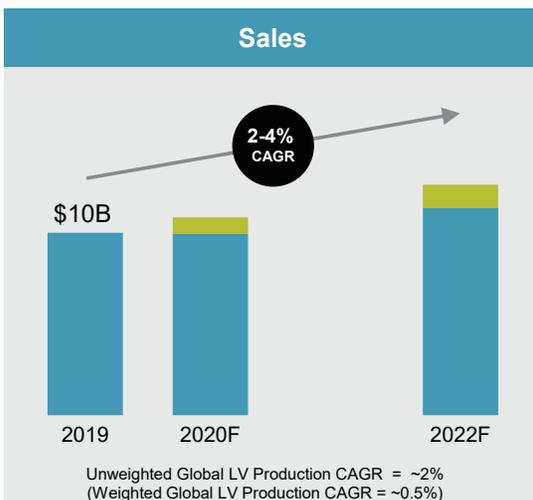
15

# Product and Process Innovations



BIW – Gen3 Steel	Smart MIG Welding	Advanced Robotics	Augmented Reality
<ul style="list-style-type: none"> <li>Lightweight alternative to hot stamping with higher strength and improved formability</li> <li>Challenges under development                             <ul style="list-style-type: none"> <li>Higher tonnage press requirement</li> <li>Process refinements to eliminate cracks/fractures</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Adaptive MIG welding with closed loop feedback</li> <li>Parameter and seam tracking                             <ul style="list-style-type: none"> <li>Adjusts for weld gaps</li> </ul> </li> <li>Accurately measures weld surface</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative industrial environment in which robots and humans work together</li> <li>Ability to pass safety requirements remains a challenge</li> </ul>	<ul style="list-style-type: none"> <li>Inspection technology to automatically detect missing features such as studs, weld nuts and spot welds</li> <li>Optical inspection system for automatic defect recognition</li> <li>Able to learn features and recognize target features</li> </ul>

# Our Solid Sales Growth Continues



- Above market growth in core markets
- Double-digit growth in Asia
- Significant program launches
- Increased content on new and replacement business
- Lightweighting a key driver

# Program Evolution Drives Sales



	Program Content 2009	Program Content 2015	Program Content 2020
Frame			
	+	+	+
Class A	✓	✓	✓
Body Stamping		✓	✓
Hot Stamping		✓	✓
High-Pressure Die Casting			✓
<b>Content per Vehicle</b>	<b>~\$800</b>	<b>~\$900</b>	<b>~\$1,050</b> (~30% increase over three generations)

## Ensure Strong On-Going Financial Performance



- Strong free cash flow conversion
  - Realizing yield following heavy investment cycle
- Maintaining solid sales growth on relatively level capital spending, following a period of significant investment and rapid growth
  - Disciplined approach to growth while ensuring we have the resources to execute
- Operational priorities
  - Operational improvements
  - Flawless launch execution
  - World class manufacturing



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### IN SUMMARY

## Leader in Forming and Joining Vehicle Body and Chassis Structures

- Unmatched expertise in vehicle body and chassis structures
- Leading innovator in products, processes and materials
- Strong market positions in core areas
- Continued disciplined growth in our core markets
- Focused on manufacturing excellence globally
  - Expected margin improvement



Positioned to deliver solid performance with growing earnings and cash flow

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# Exteriors

Grahame Burrow  
President



## Agenda

Business overview

Market positioning

Strategy going forward



## A Leader in Exterior Products and Systems

2019 sales **\$5.9B**

Manufacturing facilities **63**

**24,000** employees in **13** countries



LIFTGATE & DOOR MODULES



ACTIVE AERODYNAMIC SYSTEMS



FASCIA



FRONT-END MODULES



EXTERIOR TRIM



ENGINEERED GLASS



AUTOMATED RUNNING BOARDS

# Key Program Awards Driving Business Growth



<p><b>Jeep Grand Cherokee</b></p>  <p>North America</p>	<p><b>Ford Mach-E</b></p>  <p>North America</p>	<p><b>Nissan Rogue</b></p>  <p>North America</p>
<p><b>VW Transporter</b></p>  <p>Europe</p>	<p><b>Nissan Qashqai</b></p>  <p>Europe</p>	<p><b>Ford Explorer/Aviator</b></p>  <p>Asia</p>

4

# Customer and Global Industry Recognition



<p>PACE Award Finalist: Spaceframe Global – 2019</p> 	<p>Challenging Spirit Award: RDX Liftgate Launch North America – 2019</p> 	<p>Supplier Quality Excellence Award North America – 2019</p> 
<p>SPE Europe Awards: Body Exterior, High-Volume TP Liftgate Europe – 2018</p> 	<p>Innovation Award: Ram Truck Active Air Deflector North America – 2018</p> 	<p>Quality Performance Award North America – 2018</p> 

10 Industry Awards      32 Customer Awards

5

# Agenda



Business overview

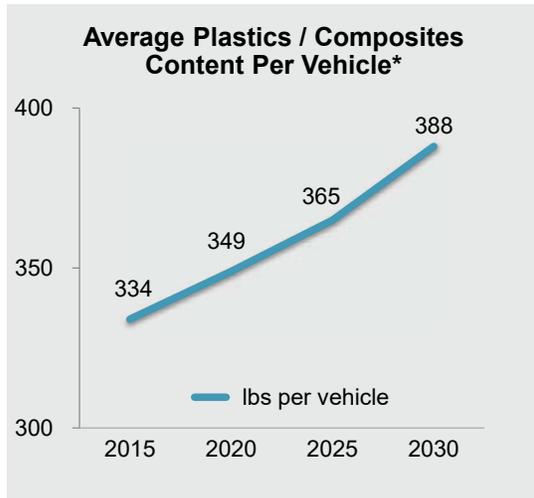
Market positioning

Strategy going forward



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# Plastics Growth in Automotive



## Enabling Trends

- Increased regulatory and environmental objectives
- E-vehicle range anxiety
- Offset weight of added content
- Sensor and lighting integration with enhanced styling freedom



\* Source: IHS Markit

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# Leader in Core Products with Growth Opportunities



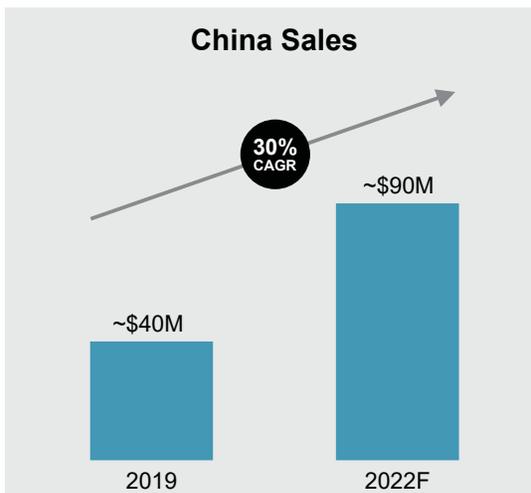
Product Area	Current Market Positions*		
	NA	EU	Asia
Liftgate & door modules	#1	#3	#3
Active aerodynamics	#1	★	#4
Fascia systems	#1	#2	#5
Front-end modules	#1	#2	#4
Exterior trim	#1	#1	#5
Engineered glass	#1	#2	★
Running boards	#1	★	★

★ Future growth opportunity

\* Our estimated positions as an independent (i.e. non OEM-affiliated) supplier – based on sales

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# Growing in China



## China Highlights

- New Customers: GM, Honda, FCA
- New Plants: Changsha, Shanghai
- Global Programs: Liftgates, Active Aero

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# Key Exterior Trends



**Access**

- Growing industry adoption of thermoplastic for liftgates



**Electronics Integration**

- Sensor and lighting integration for improved functionality and brand identity



**Range Optimization**

- Active aerodynamics reduce emissions, improve fuel economy and extend battery range



# Agenda



Business overview

Market positioning

Strategy going forward



# Strategy Going Forward



**1**

Expansion of liftgate and access systems portfolio



**2**

Value-add product integration for smart mobility: lighting & sensors



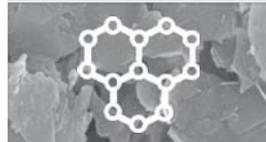
**3**

Active aerodynamics optimizing vehicle efficiency

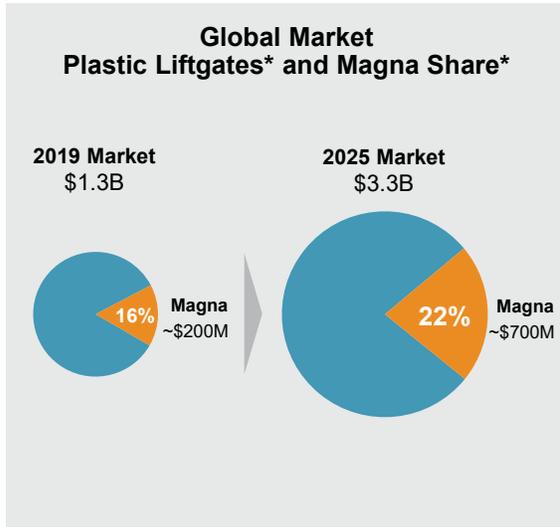


**4**

Advanced materials & sustainability

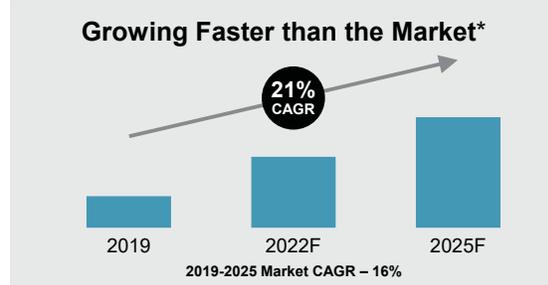


# Magna Gaining Share in Fast Growing Liftgate Market



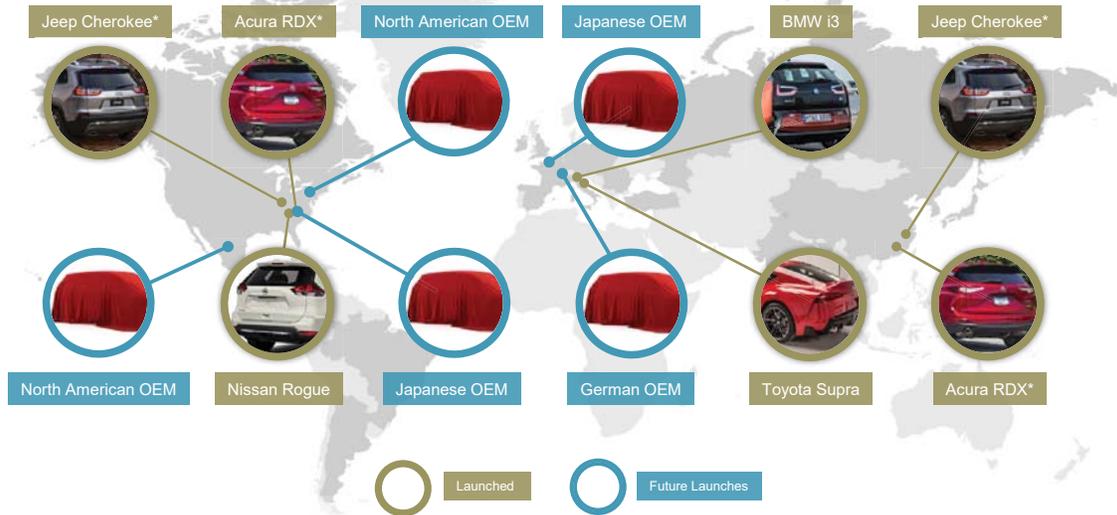
### Drivers of Growth:

- OEM adoption of composite liftgates increasing globally
- Need for targeted lightweight solutions due to vehicle electrification
- Well positioned to support customers sourcing liftgates globally



\* Source: Internal estimates

# Magna Global Liftgates – Growing Portfolio



\* Global Platform

# Thermoplastics Enable Future Mobility & Access



### Storage • Security • Access

- Lightweight/green
- Lower cost for mid-cycle changes and varied trim levels
- Modular construction
- More aggressive styling and brand distinction
- Integration of features for improved consumer experience
  - Gesture control
  - Flexible storage
  - Ease of access
  - Security
  - Sensor integration



# Integrating Smart Mobility Features



## Seamless Integration

- Integration of ADAS sensors, RADAR, LiDAR, ultrasonics and cameras
- Materials enable transmissivity and provides durability
- Messaging and communication
- Design freedom



## Future Exterior Lighting

- Functionality and communication
- Styling and personalization
- Brand identity
- Safety and security



### Cross Magna Activities

# Faster, Further, for Less



- OEMs are adding active aerodynamic features to meet targets
- Electric and high-ride vehicles benefit from active aero devices
- Range extension
- Options for modularity with low, up-front cost

## Rear Diffuser/Spoiler



## Active Air Deflector



## Modular Active Grille Shutter



# Material Science and Environmental Responsibility



## Material Science

Adhesives



Coatings



Thermoplastics



Composites



## Sustainability



**Product**

CO<sub>2</sub> reduction > 16,000 metric tons



**Manufacturing**

Accelerating CO<sub>2</sub> reduction efforts globally



**Materials**

99% of scrap resin recycled or repurposed

## Financial Performance

- Strong EBIT
- Solid return on investment
- Excellent free cash flow and cash flow conversion

## Sustainable, Profitable Growth

- Exceeding liftgate market growth
- Balanced portfolio addressing market needs
  - Active aerodynamics
  - Lighting & sensor integration
  - Access systems
- Content per vehicle increasing



# Seating

Mike Bisson  
President



## Agenda

Business overview

Market positioning

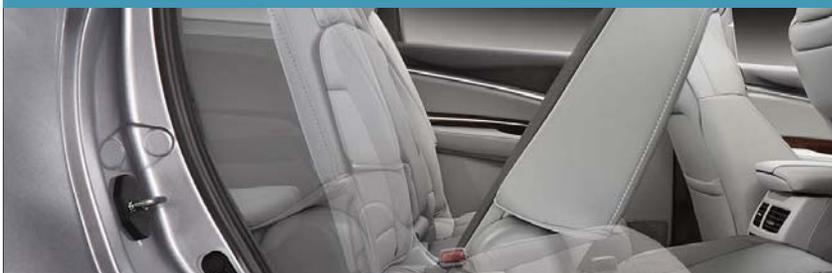
Strategy going forward



## Seating At a Glance

2019 sales **\$5.6B**

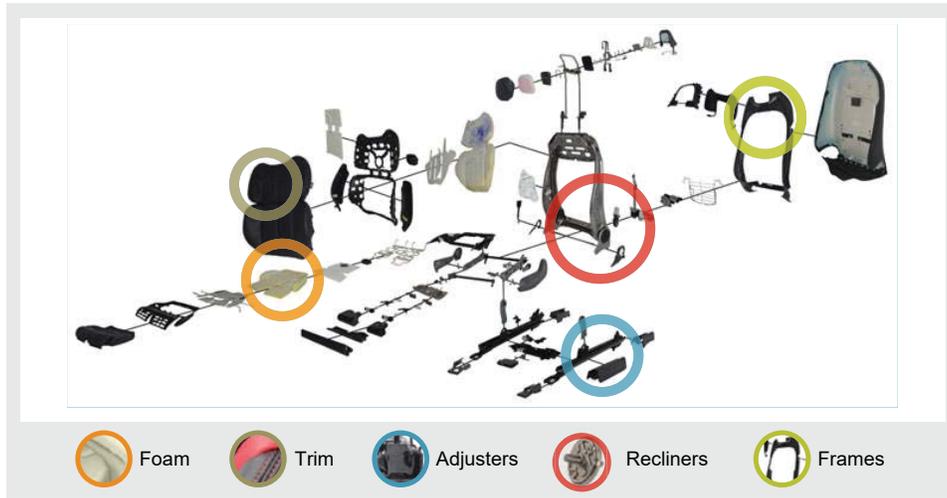
Manufacturing facilities **66**



Strong returns,  
growing business  
with above-average  
cash flow conversion

**>29,000** employees in **17** countries

# Full Portfolio for Vertical Integration



- Foam
- Trim
- Adjusters
- Recliners
- Frames

Based on Lincoln 30 Way WOW Seat

4

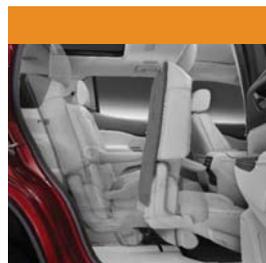
# Industry-Leading Technology



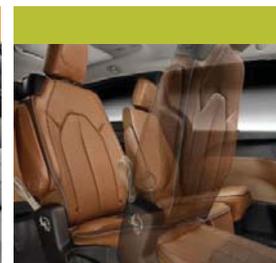
**META™  
Tracks**



**i-DISC®  
Recliners**



**Stow 'n Go®  
with Easy Tilt\***



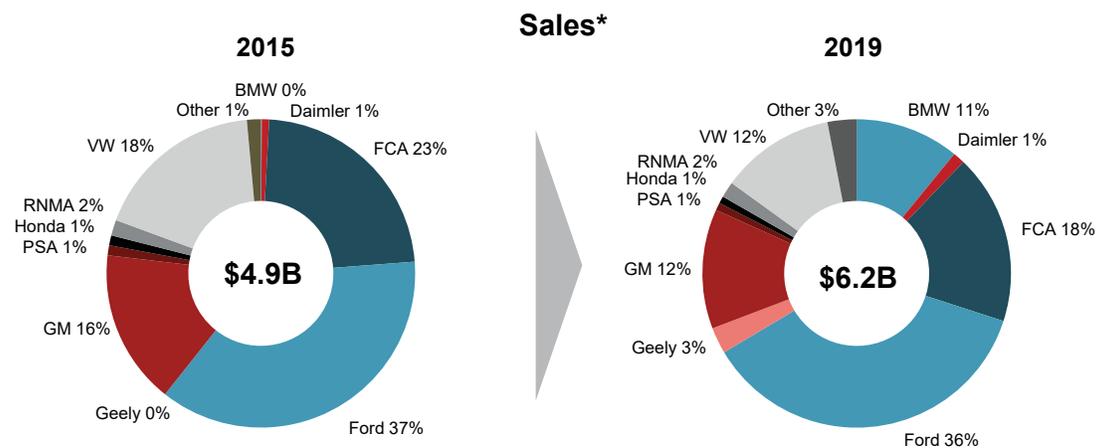
**EZ Entry  
Manual Pitch Slide**

Known for our strong second and third row expertise

\* Stow 'n Go® is a registered trademark of FCA

5

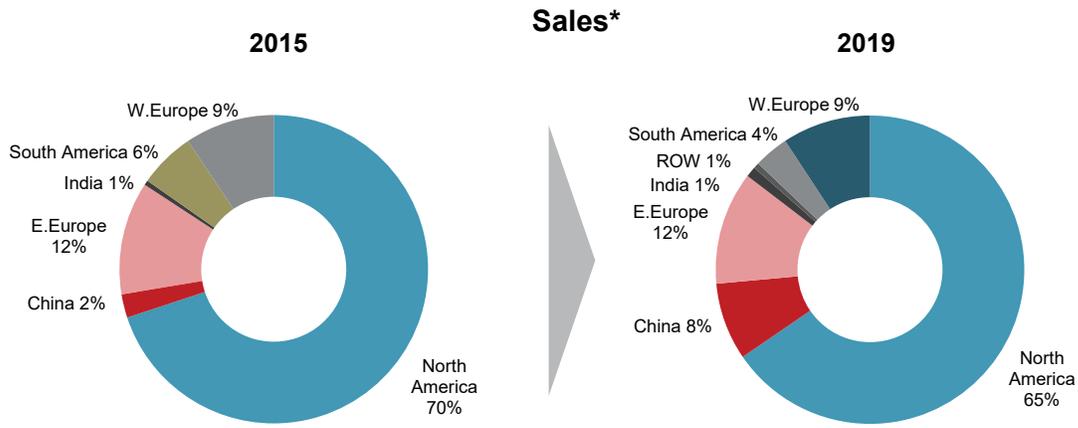
# Diversified our Customer Base over Time



\* Includes consolidated sales + sales at 100% for unconsolidated entities

6

# Improving Geographic Mix with Growth in China



\* Includes consolidated sales + sales at 100% for unconsolidated entities

7

# BMW: A Growing Customer



- **Programs**
  - X5, X6, X7 were our first seating program launches with BMW
  - Secured new business for 2022
  - Successfully launching 1 and 2 Series in Europe
  - Launching X5 and X6 at new operation in Thailand
- **Challenges in North America**
  - New customer, new facility, new employees
  - Significant scope changes due to added seat variants
  - Late customer changes
- **Progress**
  - Strengthened leadership team
  - Executing Continuous Improvement roadmap
  - Expect improved operating results 2020 vs 2019



8

# 2019 FCA Interior Supplier of the Year



First seating supplier to win this award

9

# Seating

**John Wyskiel**  
**Sr. Vice President /**  
**Future President**



## Agenda

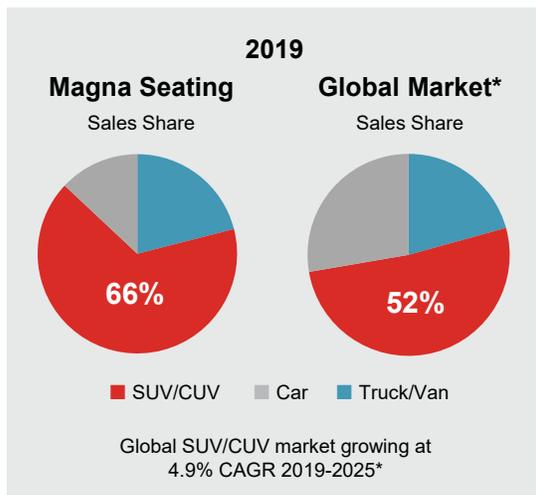
Business overview

Market positioning

Strategy going forward



## Continue to Build on Strong SUV/CUV Share



### Strong Position Driven By:

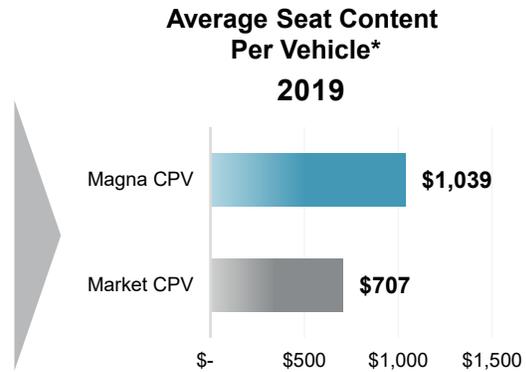
- Best-in-class rear seat mechanisms
- Multiple structure solutions
- Innovative seat function and reconfigurability
- Expertise managing:
  - Highly variable content/complexity
  - High volume programs



# Our Seating Content Significantly Above Market



Content Drivers	
Growth in Number of Rows	Increased Content Per Row
<ul style="list-style-type: none"> <li>✓ SUVs/CUVs market growth</li> <li>✓ Trend of adding third row to SUVs/CUVs</li> </ul> 	<ul style="list-style-type: none"> <li>✓ Power in second and third row</li> <li>✓ Comfort</li> <li>✓ Thermal</li> <li>✓ Convenience</li> <li>✓ Sensors</li> </ul>



\* Source: 2019 McKinsey Studies, Magna Management Assumptions

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## Agenda



Business overview

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Strategy going forward



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## Strategy Going Forward



1 Capitalizing on global growth markets



2 Continued vertical integration



3 Ensure well-positioned for future of mobility



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# 1 Capitalizing on Global Growth Markets



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## Strategy Going Forward



1 Capitalizing on global growth markets



2 Continued vertical integration



3 Ensure well-positioned for future of mobility



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## 2 Continued Progress with Vertical Integration



Region	Foam	Trim	Recliners	Tracks	Structures
<b>N. America</b>	✓	✓	✓	✓	✓
<b>S. America</b>	✓ Organic	✓ Organic	✓ HM JV	✓ HM JV	✓
<b>Europe</b>	✓ Organic	✓	✓ HM JV	✓ Organic	✓ VIZA Acquis.
<b>China</b>	✓	✓ Organic	✓	✓	✓
<b>India</b>					✓ HM JV

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1 Capitalizing on global growth markets



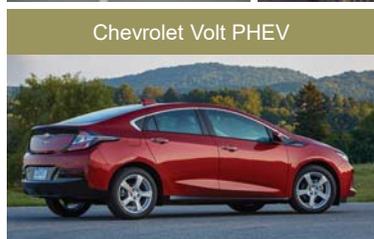
2 Continued vertical integration



3 Ensure well-positioned for future of mobility



## 3 Building on Strong EV & Smart Mobility Experience



- Our seats are found on some of the best known “smart mobility” vehicles in the market
- Experience gained from 100K+ vehicles



## 3 Positioned for the Future of Mobility



Creating solutions that adapt to the consumer instead of requiring the consumer to adapt to the vehicle

**+** Future Ready

# SMART MOBILITY SEATING

## 3 Launching FREEFORM Technology on Model Year 2021 Vehicles



- Endless design possibilities
- **4"** draw on the back of the seat for added knee room
- **4x** more breathable than comparable molded products
- Reduced complexity by **80** components
- Removable for cleaning for future mobility applications

OEM Innovation Award Finalist

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IN SUMMARY

## Seating has Strong Business Potential for Continued Growth

- Consistently outgrowing the market
- Strong cash flow conversion and returns
- Expanding business globally with new customers
- Strengthening position through vertical integration
- Prepared for the future of mobility



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# Appendix

## 2 Strengthened Structures Competitive Position with VIZA Acquisition

- Good integration progress
- Positive OEM feedback
- Awarded two new programs in Mexico
- First-time Morocco footprint



- Seat steel frame production plants VIZA
- Seat assembly plants Magna
- Seat steel frame production plants Magna



# Complete Vehicles

Frank Klein  
President



## Agenda

Business overview

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## One-Stop Shop: Magna Steyr From Virtual Engineering to Vehicle Production

- Number 1 in multi-OEM vehicle contract manufacturing
- 120 years of experience
- High quality standards
- Reliable & solid partner
- Highly educated & motivated employees
- ~4,000 engineers in a global network

**3.7** million  
vehicles  
produced

**29** models  
produced for  
**9** OEMs

**40**  
different vehicles  
or derivatives  
engineered in  
the last 20 years

# Complete Vehicles At a Glance



2019 sales	\$6.7 Billion
Multi-OEM vehicle contract manufacturing – global ranking	#1
Global supplier of complete vehicle engineering	Top 6
Employees*	~12,000
Locations: Vehicle Manufacturing / Engineering	3 / 18
Portion of EV related projects for engineering / production	30% / 15%



\* Excludes employees at BJEV manufacturing joint venture

# Diversified & Expanding Customer Base



Existing Customers

Recently Added Customers

# What Makes our Business Unique?

- ✓ Capability
- ✓ Flexibility
- ✓ Quality record



# World Premiere of the VISION-S at CES 2020



Completely new vehicle concept for a battery electric vehicle platform developed and built in close cooperation between Sony and Magna Steyr



“Best of CES Award” in the “Most unexpected product” category at CES 2020

## Magna Steyr is an Enabler for Magna’s Auto Parts & Systems Business



### Magna content per vehicle:

Jaguar E-PACE



~\$1,100

Jaguar I-PACE



~\$2,350

G Class



~\$4,900

BMW 5 series



~\$600

BMW Z4



~\$3,350

Toyota GR Supra



~\$2,050

## Expanding Manufacturing Expertise from Graz to New Regions



Central Europe



Graz, Austria

Eastern Europe



Hoče, Slovenia

Asia



Zhenjiang, China



## Expanding Manufacturing Expertise from Graz to New Regions



- Six SOPs delivered in 24 months on time and at quality expectations
- Battery electric, hybrid and ICE vehicles produced in the same facility



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## Expanding Manufacturing Expertise from Graz to New Regions



- First manufacturing footprint in Eastern Europe
- From ground-breaking to SOP in 18 months
- State-of-the-art paint shop with potential to expand to complete vehicle manufacturing plant
- Capacity of up to 100,000 painted bodies/year



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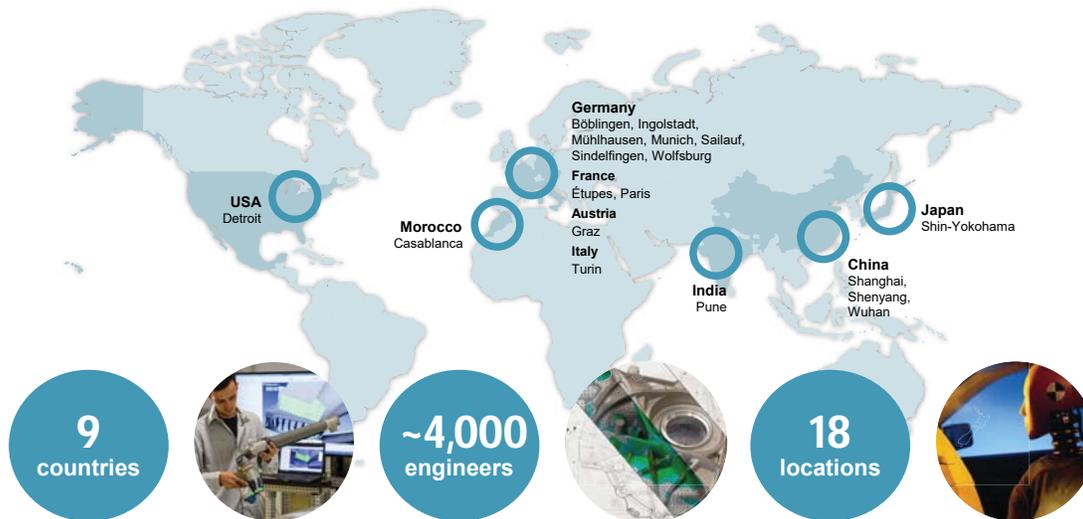
## Expanding Manufacturing Expertise from Graz to New Regions



- Contract manufacturing joint-venture with BJEV established
- Battery electric vehicle production
- Total capacity up to 180,000 vehicles/year
- SOP of first vehicle later this year

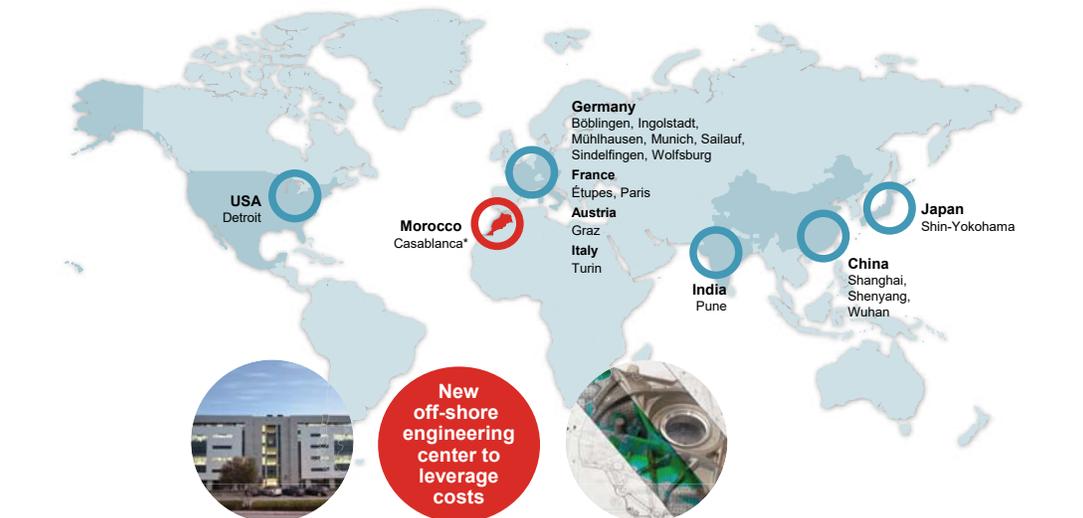
12

# Established Competitive Engineering Network to Meet Growing Customer Demands



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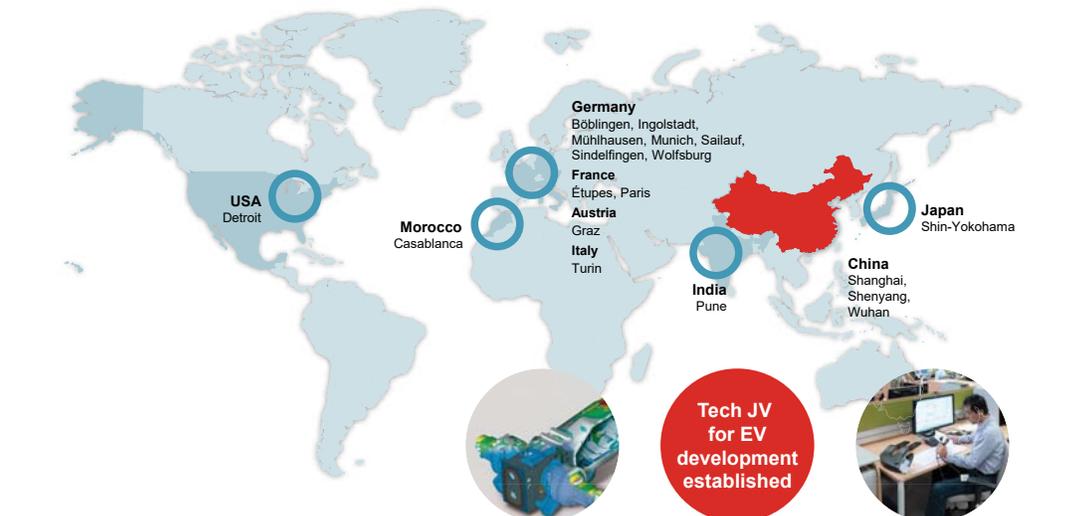
# Established Competitive Engineering Network to Meet Growing Customer Demands



\* Joint venture

14

# Established Competitive Engineering Network to Meet Growing Customer Demands



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Business overview

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## Complete Vehicles' Unique Market Position

- 
- Enabler for new entrants to realize fast time to market
  - Sole automotive supplier with global complete vehicle one-stop shop
  - Brand-independent partner for platform sharing in terms of multi-OEM engineering & manufacturing
  - First contract manufacturer to produce vehicles with different powertrains on the same production line worldwide

Well established business relationships with traditional OEMs and new entrants

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## Key Market Trends Influencing Complete Vehicle Business

### 1 Electrification

- Increasingly strict regulations and environmental targets force the industry to adopt new powertrain strategies



### 2 Cooperation

- Investments in new technologies, increasing cost pressure due to political and regulatory requirements and new players in the automotive industry lead to new cross-brand cooperation



### 3 New entrants

- New technologies and the transformation in the field of smart mobility attract new players from other industries to the automotive industry



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# Agenda

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## Strategy Going Forward

1



Execute China strategy

2



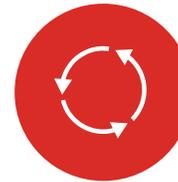
Capitalize on electrification expertise

3



Enable competitive cooperation solutions

4



Grow with new entrants

## 1 Execute China Strategy



High demand from Asian region for automotive eMobility competence

- First global contract manufacturer with footprint in China, SOP in 2020
- Magna's joint venture with BJEV is a one-stop shop offering customers a fully developed platform, engineering services and contract manufacturing capabilities for battery electric vehicles
- Our partner BJEV is the No.1 automaker for BEV's in China
- Leverage state-of-the-art scalable BEV platform for use by global 3<sup>rd</sup> party customers



Launch of first pre-production vehicles at JV manufacturing plant

## 2 Capitalize on Electrification Expertise



Increasingly strict regulations and environmental targets force the industry to adopt new powertrain strategies



Jaguar's electric I-PACE is produced on the same line as the conventional E-PACE

- Capability to integrate, validate and test electrified powertrains
- Ability and flexibility to manufacture different propulsion systems in one facility
- Own BEV platform for 3<sup>rd</sup> party OEMs and new entrants
- Developing a hydrogen strategy to address the market's electrification needs (BEV, FCEV) with engineering services, components and systems

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## 3 Enable Competitive Cooperation Solutions



Future platform sharing scenarios require independent industrialization partner



The new VinFast vehicle family – a successful example of an OEM-New Entrant cooperation with Magna as engineering partner

- Magna as brand-independent one-stop shop to develop and/or manufacture complete vehicles based on own or customers' platform
- Further positions Magna as a preferred partner to OEMs to realize profitable niche products

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## 4 Grow Business with New Entrants and Technology Companies



New entrants and technology companies require experienced automotive partners for fast market entry



Magna integrates Waymo's self-driving systems

- Support new entrants and technology companies to transform their vision into a proven automotive reality
- Utilize Magna's extensive component, systems, complete vehicle and manufacturing know-how
- Installed manufacturing capacity and a global network for complete vehicle engineering to overcome market entry barriers

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## Magna Steyr: The Preferred Partner to Face the Challenges of an Industry in Transition



- **Brand-independent** partner to established OEMs and new entrants
- **Core competence** as a one-stop shop is unique in the industry – combining complete vehicle development and manufacturing
- **Expertise** in alternative propulsion systems
- **Business enabler** – contract vehicle manufacturing provides opportunities for Magna's systems business





# Wrap-Up

**Don Walker**  
Chief Executive Officer



## Product Growth at Various Stages



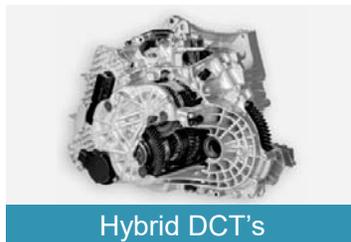
Liftgates



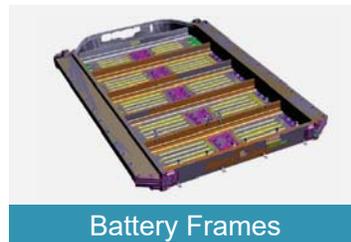
Cameras



E-latches



Hybrid DCT's



Battery Frames

2

## Magna Vantage Point

- Operating units focused on product lines
- Leveraging collective capabilities
- Overall systems approach



No supplier matches Magna's capability

3

## Why Invest in Magna



- Unique culture
- Well-positioned for the future
- Continuing to grow
- Solid balance sheet provides flexibility
- Generating strong returns and cash flow



Building shareholder value