MAGNA

Q2 2021 Earnings Presentation

August 6, 2021

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. The following table identifies the material forward-looking statements contained in this document, together with the material potential risks that we currently believe could cause actual results to differ materially from such forward-looking statements. Readers should also consider all of the risk factors which follow below the table:

Material Forward-Looking Statement	Material Potential Risks Related to Applicable Forward-Looking Statement
Completion of the Veoneer transaction	• Inherent merger and acquisitions risks, including: the potential termination of our merger agreement with Veoneer as a result of the offer by an alternative bidder to acquire Veoneer at a premium over Magna's offer price; unexpected costs, liabilities or delays; inability or failure to achieve intended benefits from the transaction; and/or loss of customers, suppliers, employees or other forms of business disruption, including diversion of management attention; failure to satisfy the conditions to completion of the transaction, including approval of the merger by Veoneer's stockholders, and receipt of required governmental / regulatory approvals on the terms or at the timing expected; litigation challenging the merger • Acquisition integration risks, including the failure to realize anticipated synergies • Technology and innovation risks, including competitiveness of acquired technologies • Program launch risks • Loss of cooperation from an important supplier • Intense competition
Financial impact of transaction, including content per vehicle opportunities	• Same risks as above • Shifts in consumer take rates • Potential loss of material purchase order
Engineering & software resources and expertise	• Acquisition integration risks • Attraction/retention of skilled labour, including failure to retain critical employees of either the acquired business or our own existing business • Labour disruption risk at acquired unionized facilities
Impact of the global semiconductor shortage	• Risks related to OEM actions in response to the semiconductor chip shortage such as unplanned shutdowns of production lines and/or plants; reductions in OEM vehicle production plans; and changes to OEM product mix. These risks include: lower sales; production inefficiencies due to production lines being stopped/restarted unexpectedly based on OEMs' production schedules; premium freight costs to expedite shipments; and/or other unrecoverable costs; OEM claims related to disruption of their production; price increases from sub-suppliers that have been negatively impacted by production inefficiencies, premium freight costs and/or other costs related to the semiconductor chip shortage • Price concessions
Inflationary price increases	• Commodity cost volatility • Inability to offset inflationary price increases through continuous improvement actions, price increases, adjustments to our own operations or otherwise • Skilled labour attraction/retention
Impact of LG Joint Venture on our ability to participate in e-powertrain opportunities	• Technology and innovation risks • Intense competition • Risks related to conducting business through joint ventures
Total Sales Segment Sales	• Mandatory stay-at-home orders and other restrictions to help contain COVID-19 spread could impact vehicle sales, vehicle production and our own production • Economic impact of COVID-19 on consumer confidence • Supply disruptions, including as a result of a semiconductor chip shortage currently being experienced in the industry • Concentration of sales with six customers • Shifts in market shares among vehicles or vehicle segments • Shifts in consumer "take rates" for products we sell
Adjusted EBIT Margin Segment Adjusted EBIT Margin Net Income Attributable to Magna	• Same risks as for Total Sales and Segment Sales above • Operational underperformance • Higher costs incurred to mitigate the risk of supply disruptions, including: materials price increases; higher-priced substitute supplies; premium freight costs to expedite shipments; production inefficiencies due to production lines being stopped/restarted unexpectedly based on customers' production schedules; price increases from sub-suppliers that have been negatively impacted by production inefficiencies; and potential claims against us if customer production is disrupted • Price concessions • Commodity cost volatility • Higher labour costs • Tax risks
Equity Income	• Same risks as Adjusted EBIT Margin/Segment Adjusted EBIT Margin/Net Income Attributable to Magna above • Risks related to conducting business through joint ventures
Free Cash Flow	• Same risks as for Total Sales/Segment Sales, and Adjusted EBIT Margin/Segment Adjusted EBIT Margin/Net Income Attributable to Magna above

Forward Looking Statements (cont.)

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. In addition to the factors in the table above, 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 pandemic;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks
- concentration of sales with six customers;
- emergence of potentially disruptive EV OEMs;
- OEM consolidation and cooperation;
- 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 pandemic;

Manufacturing Operational Risks
- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- COVID-19 shutdowns;
- supply disruptions, including with respect to semiconductor chips;
- higher costs to mitigate supply disruptions;
- climate change risks;
- attraction/retention of skilled labour and leadership succession;

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 cost volatility;
- declines in scrap steel/aluminum 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
- competition for strategic acquisition targets;
- 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 or made as a result of the COVID-19 pandemic.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement. Additionally, 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 under the "Industry Trends and Risks" heading of our Management's Discussion and Analysis; and
- set out in our Annual Information Form filed with securities commissions in Canada, our annual report on Form 40-F filed with the United States Securities and Exchange Commission, and subsequent filings.

Readers should also consider discussion of our risk mitigation activities with respect to certain risk factors, which can be also found in our Annual Information Form.

Reminders

All amounts are in U.S. Dollars

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"

Key Messages

1 **Solid Q2 performance** in a challenging industry environment

2 **Continued focus on cost management,** reflecting operational excellence and implemented restructuring actions

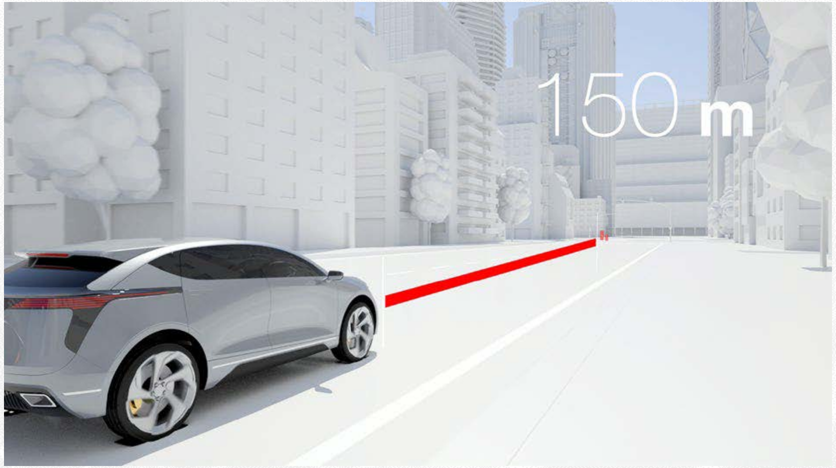
3 **Strategic portfolio** positions us for sales growth over market and strong free cash flow

4 **Well-positioned to capture growing market opportunities** with systems approach and unique complete vehicle capabilities

Magna's ICON™ Digital Radar

MAGNA

✓ Program Award



- Dramatically improves RADAR performance
- Detects pedestrians up to 150 metres away
- Eliminates interference experienced by current RADAR systems
- Developed in partnership with technology startup Uhnder, Inc.

Industry First Application Launches in 2022

Magna and LG Close Joint Venture Transaction

- Enhances e-motor and inverter building blocks
- Strengthens position in e-drive systems through vertical integration
- Allows us to participate in growing addressable market for e-powertrain components

Increased Opportunities for Growth in e-Powertrains

Surface Element Lighting Technology

- Compact packaging, homogeneous appearance and customizable, affordable LED lighting
- OLED-like uniformity at a fraction of the cost is a game-changer
- Minimum thickness of 4mm allows individual compact LED panels to be packaged into tight spaces

First to Market on All-Electric 2021 Volkswagen ID.4

Recognition from General Motors

29th annual supplier of the year

- Only supplier to receive six awards in a single year from the automaker – won six awards for second straight year
- Awards honor top suppliers that consistently exceed expectations
- Magna recognized across a variety of technologies

Six 2020 Supplier of the Year Awards

Current Market Dynamics

HEADWINDS	TAILWINDS
Semiconductor Chip Supply Constraints	Continued Robust Auto Demand Environment
High Commodity Costs	Low Dealer Inventory Levels, Particularly in North America
Increased Labour Costs	OEMs Indications Point to Strong Future Production

Q2 2021 Performance Highlights

MAGNA

CONSOLIDATED SALES

$9.0B

ADJUSTED EBIT MARGIN %

6.2%

ADJUSTED DILUTED EPS

$1.40

FREE CASH FLOW[1]

$178M

$592M YTD

OTHER ACCOMPLISHMENTS

- Maintained 2021 FCF expectations despite lowering Outlook
- Returned $226M to shareholders through dividends + share buybacks
- Improved Exteriors manufacturing footprint in Europe

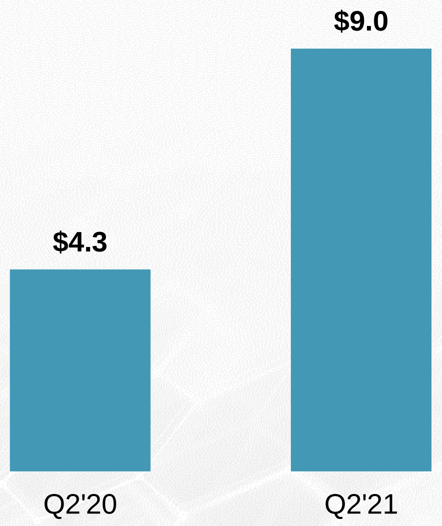
Solid Performance in a Difficult Operating Environment

[1] *Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets plus settlement of long-term receivable from a non-consolidated joint venture minus capital spending minus investment in other assets*

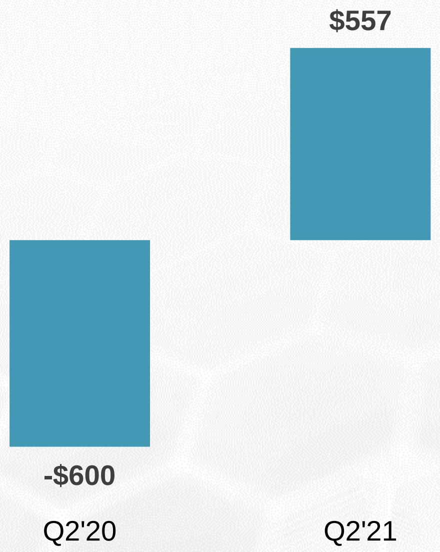
Q2 2021 Financial Results

MAGNA

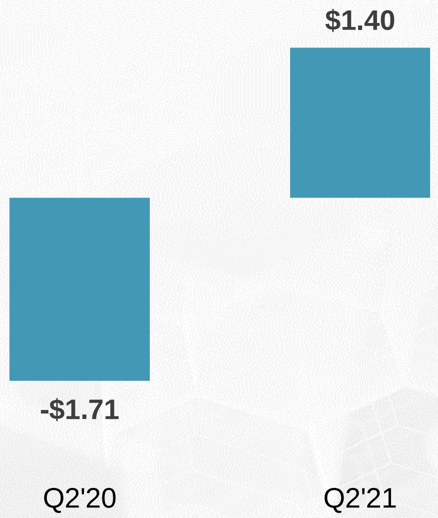
Consolidated Sales
($Billions)



Adjusted EBIT
($Millions)



Adjusted EPS
($)



Reflects COVID-19 shutdowns Q2'20, semiconductor chip shortage Q2'21

Q2 2021 vs Q1 2021 (Sequential) Financial Results

Consolidated Sales

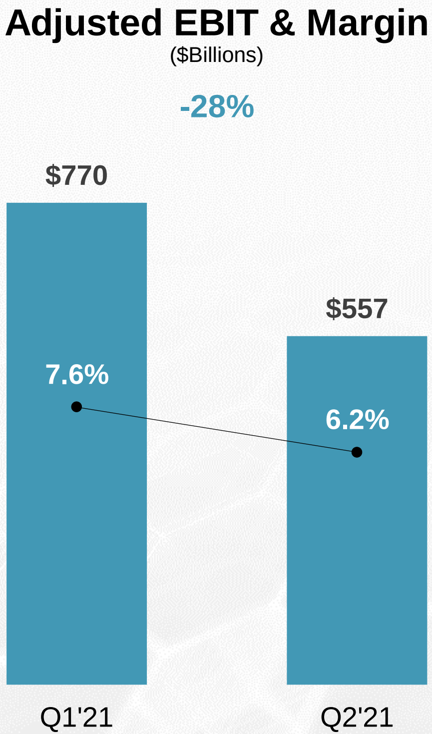
($Billions)

Q2'21 vs Q1'21 Production	
Global	-10%
North America	-13%
Europe	-11%
China	-1%
Magna Weighted	-11%

Key Factors

- Lower global light vehicle production, substantially due to semiconductor chip shortage (-)
- Foreign currency translation: $31M (+)

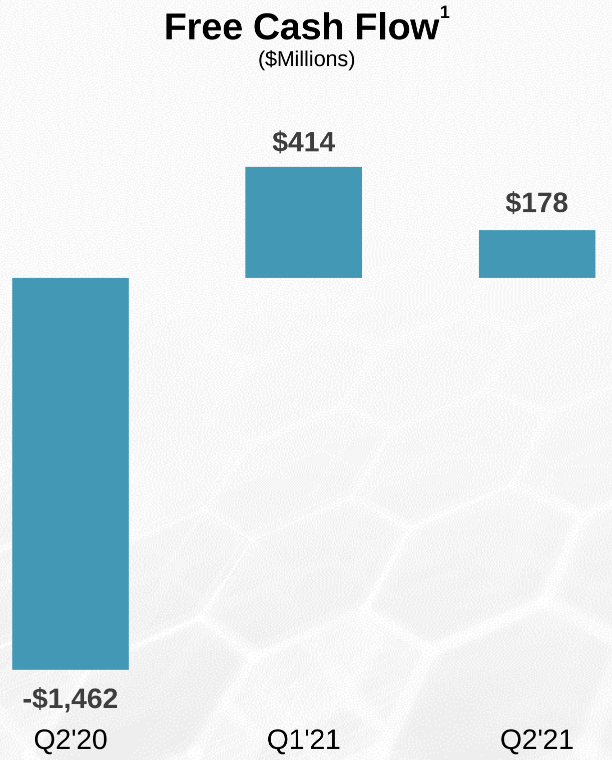
Q2 2021 vs Q1 2021 (Sequential) Financial Results



Key Factors

- Lower earnings on $1.1B decline in sales (-)
- Commodity costs (-)
- New facility and launch costs (-)
- Incremental labour costs in Mexico (-)
- Higher net application costs in ADAS (-)
- Favourable value-added tax settlement in Brazil (+)
- Higher tooling contribution (+)
- Q1'21 net settlements of customer claims (+)

Q2 2021 Cash Flow and Investment Activities



Cash from Operations Before Changes in Operating Assets & Liabilities	$777M
Changes in Operating Assets & Liabilities	($249M)
Cash from Operations	***$528M***
Fixed Asset Additions	($277M)
Increase in Investments, Other Assets and Intangible Assets	($93M)
Proceeds from Dispositions	$20M
Free Cash Flow[1]	**$178M**

USES OF CASH	
Public and Private Equity Investments	$17M
Share Repurchases (1.0M Shares)	$99M
Dividends ($0.43/share)	$127M

[1] *Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets plus settlement of long-term receivable from a non-consolidated joint venture minus capital spending minus investment in other assets*

Continued Financial Flexibility

($B)

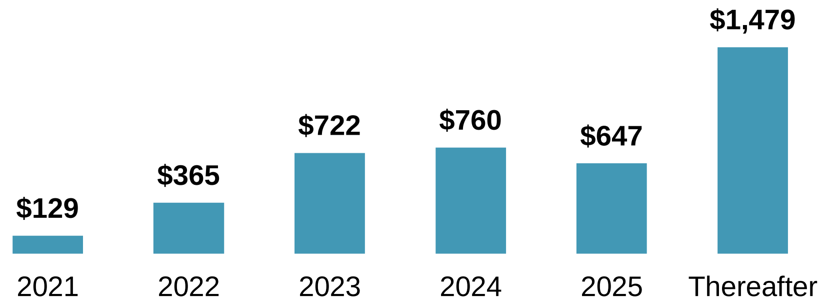
TOTAL LIQUIDITY (6/30/21)	
Cash	$3.4
Available Term & Operating Lines of Credit	$3.5
Total Liquidity	$6.9

LEVERAGE RATIO (LTM, 6/30/21)	
Adjusted Debt	$6.1
Adjusted EBITDA	$4.7
Adjusted Debt / Adjusted EBITDA (Q2 2021)	1.29
Adjusted Debt / Adjusted EBITDA (Q1 2021)	1.74

Investment-grade ratings from Moody's, S&P, DBRS

Estimated Future LTD Principal Repayments (12/31/20)

($M)



Q2'21 HIGHLIGHTS

- Continued operational excellence and higher earnings driving strong cash generation

Improved Adjusted Debt to Adjusted EBITDA

2021 Outlook Assumptions

	2020	MAY	AUGUST
Light Vehicle Production (millions of units)			
• North America	13.0	15.6	**14.4**
• Europe	16.5	18.5	**18.1**
• China	23.5	24.7	24.7
Foreign Exchange Rates			
• 1 CDN dollar equals USD	0.746	0.797	**0.801**
• 1 EURO equals USD	1.141	1.201	**1.193**
• 1 RMB equals USD	0.145	0.153	**0.155**

Changed from previous Outlook

2021 Outlook

MAGNA

$ Billions, Unless Otherwise Noted	2020	MAY	AUGUST
Sales:			
• Body Exteriors & Structures		$16.5 – $17.1	**$15.3 – $15.9**
• Power & Vision		$12.0 – $12.4	**$11.8 – $12.2**
• Seating Systems		$5.6 – $5.9	**$5.1 – $5.4**
• Complete Vehicles		$6.7 – $7.0	**$6.3 – $6.6**
Total Sales	$32.6	$40.2 – $41.8	**$38.0 – $39.5**
Adjusted EBIT Margin %[1]	5.1%	7.2% – 7.6%	**7.0% – 7.4%**
Equity Income	$189M	$120M – $150M	**$115M – $145M**
Interest Expense	$86M	~$100M	**~80M**
Income Tax Rate[2]	25.7%	~23%	~23%
Net Income Attributable to Magna[3]	$1.186	$2.2 – $2.4	**$2.0 – $2.2**
Capital Spending	$1.145	~$1.6	~$1.6

Changed from previous Outlook

[1] *Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales*
[2] *The Income Tax Rate has been calculated using Adjusted EBIT and is based on current tax legislation*
[3] *Net Income Attributable to Magna represents Net Income excluding Other expense (income), net*

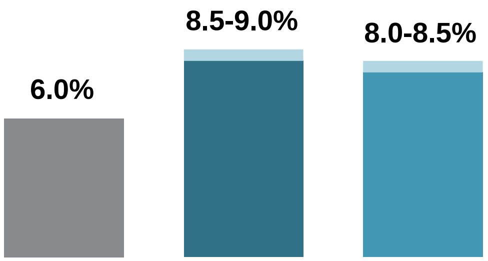
Free Cash Flow[1] Expectations

[1] *Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets plus settlement of long-term receivable from a non-consolidated joint venture minus capital spending minus investment in other assets*

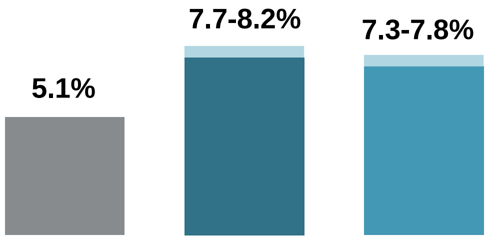
2021 Segment Adjusted EBIT Margin

MAGNA

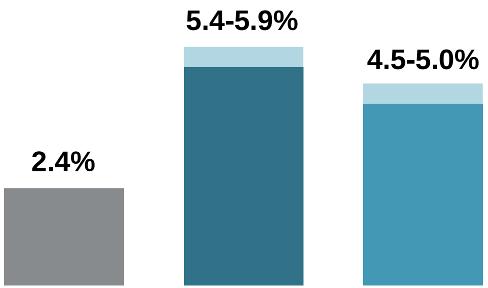
BODY EXTERIORS & STRUCTURES



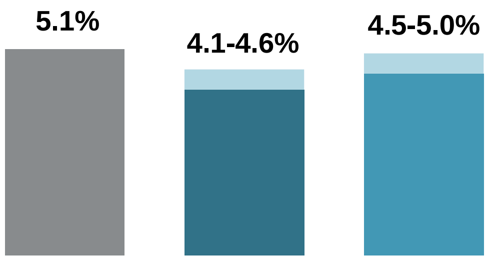
POWER & VISION



SEATING SYSTEMS



COMPLETE VEHICLES



2020 | May 2021 Outlook | August 2021 Outlook

Solid Q2 Performance in a Challenging Environment

- **Strong cost management considering volatile production schedules**
- **Free cash flow[1] generation of $178M, $592M YTD**
- **Returned $226M to shareholders through dividends and share repurchases**
- **Maintained 2021 free cash flow[1] expectations despite lowered 2021 Outlook**

[1] *Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets plus settlement of long-term receivable from a non-consolidated joint venture minus capital spending minus investment in other assets*

Appendix

Q2 2021 Reconciliation of Reported Results

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

	REPORTED	OTHER EXPENSE, NET	EXCL. OTHER EXPENSE, NET
Income Before Income Taxes	$ 540	$ 6	$ 546
% of Sales	***6.0%***		***6.0%***
Income Tax Expense	$ 104	$ 4	$ 108
% of Pretax	***19.3%***		***19.8%***
Income Attributable to Non-Controlling Interests	$ (12)	$ -	$ (12)
Net Income Attributable to Magna	$ 424	$ 2	$ 426
Earnings Per Share	$ 1.40	$ -	$ 1.40

Q2 2020 Reconciliation of Reported Results

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

	REPORTED	OTHER EXPENSE	EXCL. OTHER EXPENSE
Loss Before Income Taxes	$ (789)	$ 168	$ (621)
% of Sales	***(18.4)%***		***14.5%***
Income Tax Benefit	$ (137)	$ 32	$ (105)
% of Pretax	***17.4%***		***16.9%***
Loss Attributable to Non-Controlling Interests	$ 5	$ -	$ 5
Net Loss Attributable to Magna	$ (647)	$ 136	$ (511)
Loss Per Share	$ (2.17)	$ 0.46	$ (1.71)

Sales Performance vs Market

Q2 2021 vs Q2 2020

	REPORTED	ORGANIC[1]	PERFORMANCE VS WEIGHTED GLOBAL PRODUCTION (Weighted GoM)
Body Exteriors & Structures	125%	114%	(19)%
Power & Vision	122%	95%	(38)%
Seating	123%	97%	(36)%
Complete Vehicles	60%	46%	(87)%
TOTAL SALES	**110%**	**93%**	**(40)%**
Unweighted Production Growth	**58%**		
Weighted Production Growth[2]	**133%**		

[1] *Organic Sales represents sales excluding acquisitions net of divestitures and FX movements*
[2] *Calculated by applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production*

Sales Performance vs Market

2021 YTD vs 2020

	REPORTED	ORGANIC[1]	PERFORMANCE VS WEIGHTED GLOBAL PRODUCTION (Weighted GoM)
Body Exteriors & Structures	45%	39%	1%
Power & Vision	58%	41%	3%
Seating	38%	25%	(13)%
Complete Vehicles	48%	36%	(2)%
TOTAL SALES	**48%**	**37%**	**(1)%**

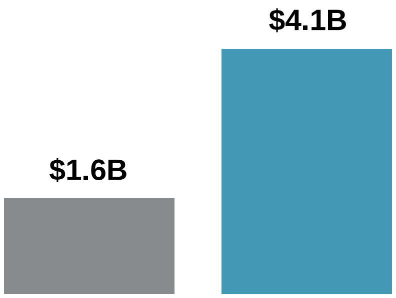
Unweighted Production Growth	**36%**
Weighted Production Growth[2]	**38%**

[1] *Organic Sales represents sales excluding acquisitions net of divestitures and FX movements*
[2] *Calculated by applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production*

Geographic Sales

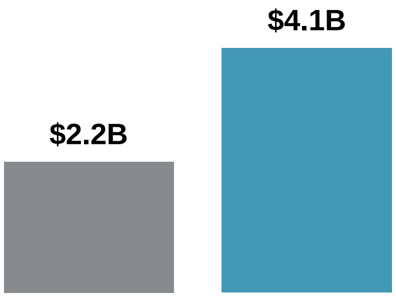
Q2 2021 vs Q2 2020

NORTH AMERICA



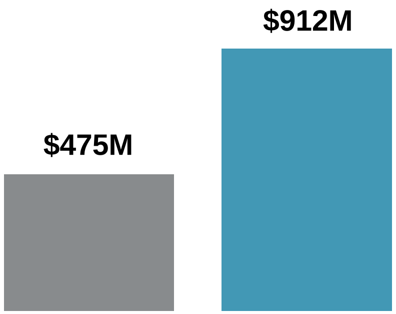
PRODUCTION +165%

EUROPE



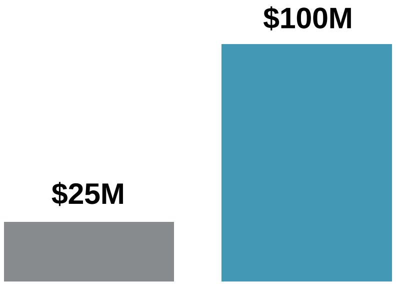
PRODUCTION +110%

ASIA



PRODUCTION +25%
(China +3%)

REST OF WORLD



S.A. PRODUCTION +355%

Q2 2020 Q2 2021

2023 Financial Outlook[1]

Assumptions	
Light Vehicle Production (millions of units)	
• North America	16.3
• Europe	20.1
• China	26.0
Foreign Exchange Rates	
• 1 CDN dollar equals USD	0.770
• 1 EURO equals USD	1.210
• 1 RMB equals USD	0.153
$ Billions, Unless Otherwise Noted	
Sales	
• Body Exteriors & Structures	$18.0 – $19.0
• Power & Vision	$13.0 – $13.6
• Seating Systems	$6.1 – $6.5
• Complete Vehicles	$6.3 – $6.8
Total Sales	$43.0 – $45.5
• Adjusted EBIT Margin %[2]	8.1% – 8.6%
• Equity Income	$155M – $200M

[1] *We have not updated 2023 Outlook ranges from our February 19th, 2021 press release.*
[2] *Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales*

Capital Allocation Principles

			Q2'21
Maintain Strong Balance Sheet	• Preserve liquidity and high investment grade credit ratings - Adj. debt / Adj. EBITDA ratio between 1.0-1.5x • Maintain flexibility to invest for growth	*LTM 06/30/21*	1.29x
Invest for Growth	• Organic and inorganic opportunities • Innovation	*Fixed asset additions* *Other investments* *Public + Private Equity Inv.*	$277M $93M $17M
Return Capital to Shareholders	• Continued dividend growth over time		$127M
	• Repurchase shares with excess liquidity		$99M

Disciplined, Profitable Approach to Growth Remains a Foundational Principle

Leverage Ratio

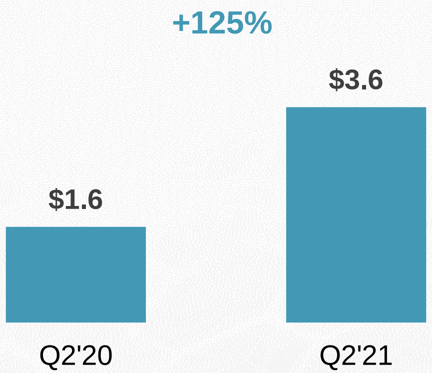
$Millions

LTM EBITDA	$	4,634
Lease Adjustment	$	320
Other	$	(217)
Adjusted EBITDA	**$**	**4,737**
Debt per Balance Sheet	$	4,058
Lease Liability per Balance Sheet	$	1,841
Other	$	218
Adjusted Debt	**$**	**6,117**
Adjusted Debt / Adjusted EBITDA (Q2 2021)		**1.29x**
Adjusted Debt / Adjusted EBITDA (Q1 2021)		**1.74x**

Further Improved in Q2 2021

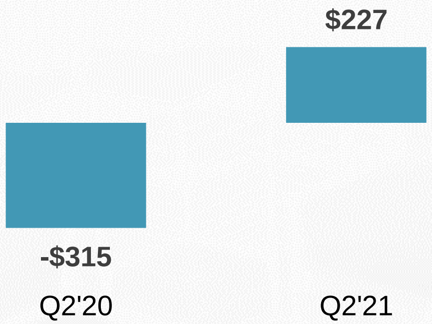
Segment Financial Performance

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Foreign currency translation: $173M (+)
- End of production of certain programs (-)
- Net customer price concessions (-)

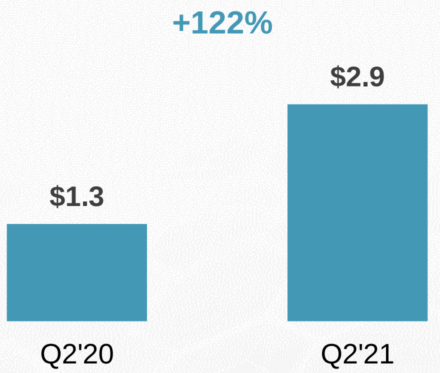
Adjusted EBIT
($Millions)



- Earnings on higher sales (+)
- Cost savings and operating efficiencies, including as a result of implemented restructuring actions (+)
- Higher tooling contribution (+)
- Net provisions for customer claims in 2020 (+)
- Lower transactional FX losses and positive impact of foreign currency translation (+)
- Favourable value-added tax settlement in Brazil (+)
- Higher employee profit sharing and incentive comp (-)
- Incremental labour costs in Mexico (-)
- Net customer price concessions (-)

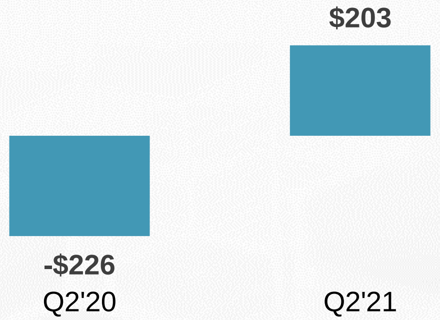
Segment Financial Performance

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Consolidation of Getrag entities: $175M (+)
- Foreign currency translation: $170M (+)
- Net customer price concessions (-)

Adjusted EBIT
($Millions)

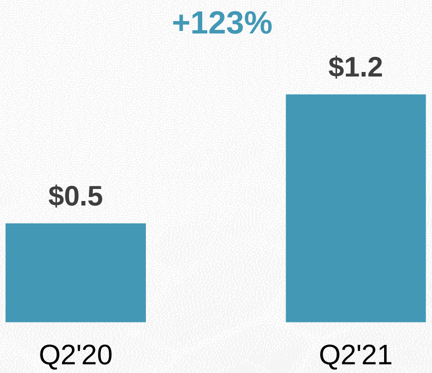


- Earnings on higher sales (+)
- Lower net application engineering costs in ADAS (+)
- Cost savings and operating efficiencies, including as a result of implemented restructuring actions (+)
- Lower net warranty costs: $13M (+)
- Foreign currency translation: $12M (+)
- Higher equity income: $10M (+)
- Consolidation of Getrag entities (+)
- Higher employee profit share and incentive comp (-)
- Higher commodity costs (-)
- Net customer price concessions (-)

Segment Financial Performance

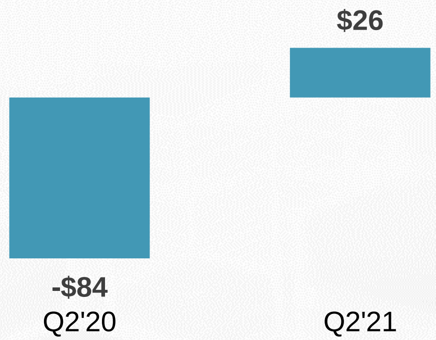
MAGNA

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Acquisition of Hongli in China: $92M (+)
- Foreign currency translation: $41M (+)
- Unfavourable production mix (-)
- Net customer price concessions (-)

Adjusted EBIT
($Millions)

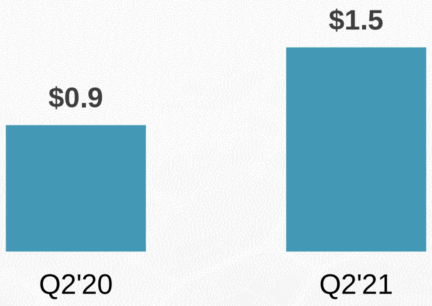


- Earnings on higher sales (+)
- Productivity and efficiency improvements at an underperforming facility (+)
- Favourable commercial settlements (+)
- Favourable value-added tax settlement in Brazil (+)
- Higher launch costs (-)
- Higher employee profit sharing and incentive comp (-)
- Net customer price concessions (-)

Segment Financial Performance

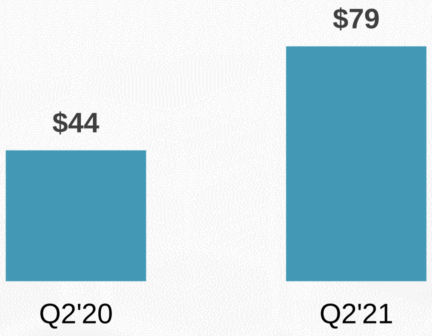
Sales
($Billions)

+60%



- Higher vehicle assembly volumes (+13K units)
- Higher euro: $126M (+)

Adjusted EBIT
($Millions)



- Earnings on higher assembly volumes, net of contractual fixed cost recoveries on certain programs (+)
- Higher margins on engineering programs (+)
- Foreign currency translation: $7M (+)
- Higher employee profit sharing and incentive comp (-)
- Net customer price concessions (-)


MAGNA