



Forward. For all.

Q4 & Full Year 2022 + 2023 Outlook

February 10, 2023

Louis Tonelli

Vice President, Investor Relations

Forward Looking Statements



Certain statements in this website 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
Light Vehicle Production	<ul style="list-style-type: none"> • Light vehicle sales levels • Supply disruptions • Production allocation decisions by OEMs
Total (Consolidated) Sales Segment Sales	<ul style="list-style-type: none"> • The impact of elevated interest rates and availability of credit on consumer confidence and, in turn, vehicle sales and production • Potential supply disruptions • Impact of the Russian invasion of Ukraine on global economic growth and industry production volumes • Impact of deteriorating vehicle affordability on consumer demand and, in turn, vehicle sales and production • Concentration of sales with six customers • Shifts in market shares among vehicles or vehicle segments • Shifts in consumer "take rates" for products we sell
Unconsolidated Sales	<ul style="list-style-type: none"> • Same risks as Total (Consolidated) Sales and Segment Sales above. • Risks related to conducting business through joint ventures
Adjusted EBIT Margin Segment Adjusted EBIT Margin Net Income Attributable to Magna	<ul style="list-style-type: none"> • Same risks as for Total (Consolidated) Sales/Segment Sales and Unconsolidated Sales above • Successful execution of critical program launches, including complete vehicle manufacturing of the Fisker Ocean SUV • Operational underperformance • Production inefficiencies in our operations due to volatile vehicle production allocation decisions by OEMs • Higher costs incurred to mitigate the risk of supply disruptions • Inflationary pressures • Our ability to secure cost recoveries from customers and/or otherwise offset higher input prices • Price concessions • Commodity cost volatility • Scrap steel price volatility • Higher labour costs • Tax risks
Equity Income	<ul style="list-style-type: none"> • Same risks as Adjusted EBIT Margin, Segment Adjusted EBIT Margin and Net Income Attributable to Magna • Risks related to conducting business through joint ventures
Free Cash Flow	<ul style="list-style-type: none"> • Same risks as for Total (Consolidated) Sales/Segment Sales, Unconsolidated Sales and 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 deteriorating vehicle affordability;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks

- concentration of sales with six customers;
- risks related to conducting business with newer OEMs with limited operating history, product maturity and warranty experience;
- OEM consolidation and cooperation;
- shifts in market shares among vehicles or vehicle segments;
- shifts in consumer "take rates" for products we sell;
- dependence on outsourcing;
- quarterly sales fluctuations;
- potential loss of any material purchase orders;
- a deterioration in the financial condition of our supply base;

Manufacturing / Operational Risks

- product and new facility launch risks, including the successful launch of critical programs such as the Fisker Ocean SUV;
- operational underperformance;
- supply disruptions, including with respect to semiconductor chips;
- impact of volatile OEM vehicle production allocation decisions on the efficiency of our operations;
- risks arising from Russia's invasion of Ukraine and compliance with the sanctions regime imposed in response;

Manufacturing / Operational Risks (cont.)

- restructuring costs;
- impairment charges;
- labour disruptions;
- risks related to COVID-19;
- climate change risks;
- attraction/retention of skilled labour;

IT Security/Cybersecurity Risk

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

Pricing Risks

- inflationary pressures;
- our ability to secure customer cost recoveries from customers or otherwise offset higher input prices;
- pricing risks following 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 risks;

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"

Agenda

2022 Highlights and Q4 2022 Operating Results

2023 Outlook

Financial Strategy

Swamy Kotagiri

Chief Executive Officer

2022 Highlights

Q4 2022 Results



Consolidated Sales

WEIGHTED

GoM¹
+8%

\$9.6B +5%³

\$37.8B FY 2022

Adjusted EBIT Margin %

3.7% -190 bps³

4.4% FY 2022

Adjusted Diluted EPS

\$0.91 -30%³

\$4.10 FY 2022

Free Cash Flow²

\$340M -\$389M³

\$83M FY 2022

Results Adversely Impacted by Internal and External Factors

¹ Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

² Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

³ Versus Q4 2021

2022 Accomplishments



- Managed through continued supply chain challenges while minimizing disruption to OEM production
- Launched 66 Factory of the Future projects globally
- Received 107 customer recognition awards

2022 Accomplishments (cont.)



- Developed Operational Management Accelerator Program
- 6th Straight Year Named to Forbes "World's Best Employers"
- Named one of Fortune's "World's Most Admired Companies"

2022 Accomplishments (cont.)



- Continued weighted sales Growth over Market¹ of 7%
 - Achieved above-market sales growth¹ across all key regions
- Record business awards² of ~\$11B (average annual sales)
- Signed agreement to acquire Veoneer Active Safety

¹ Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

² Excluding Complete Vehicles

2022 Accomplishments (cont.)



- New business in core innovation areas:
 - Battery enclosures
 - E-Drives
 - Driver Monitoring
 - Smart Access Power Doors
- Winners of PACE award and PACE Pilot Innovation to Watch
- Increased R&D investment in mobility megatrends areas

Pat McCann

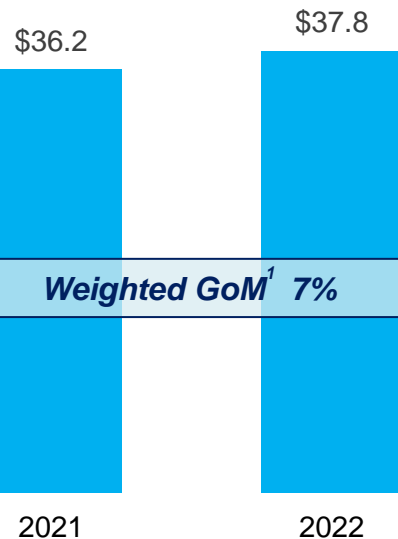
Executive Vice President & Chief Financial Officer

2022 Financial Results



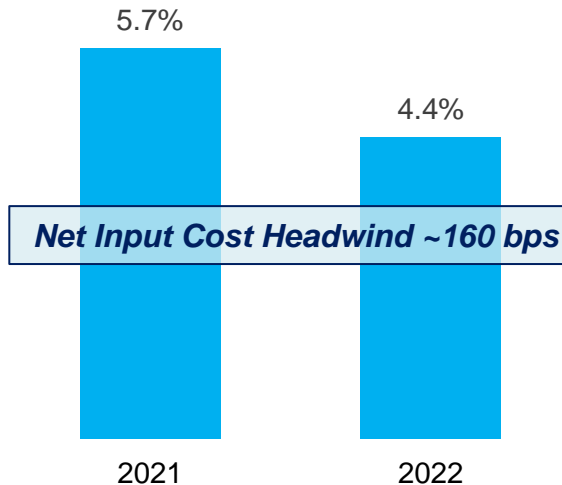
Consolidated Sales

(\$Billions)



Adjusted EBIT Margin

(%)



Adjusted EPS

(\$)



¹ Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

Q4 2022 Financial Results



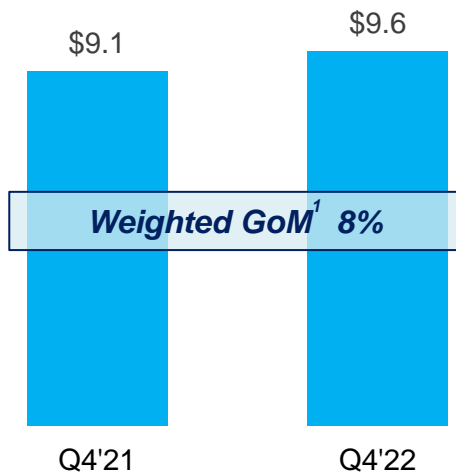
Consolidated Sales

(\$Billions)

Q4'22 vs Q4'21 Prod'n

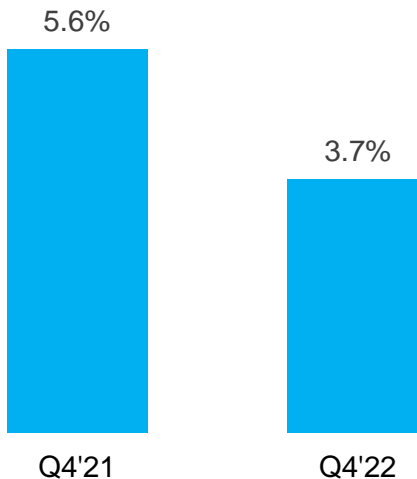
Global 5%

Magna Weighted 5%



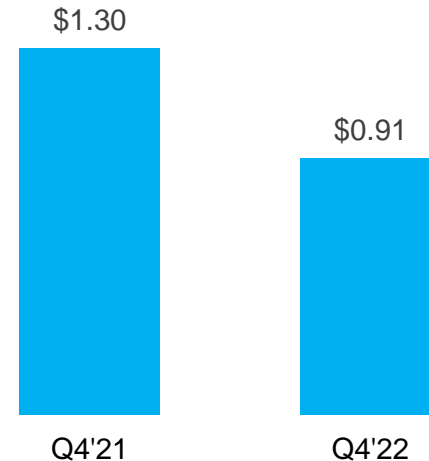
Adjusted EBIT Margin

(%)



Adjusted EPS

(\$)

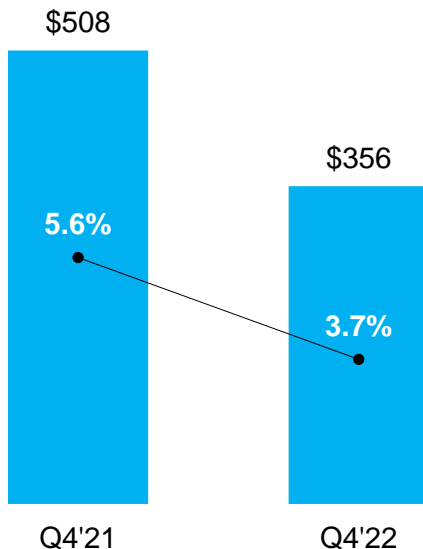


¹ Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

Adjusted EBIT & Margin

(\$Millions)

-30%



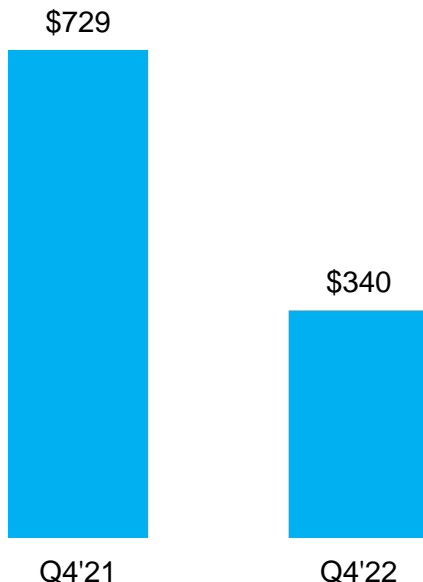
Adjusted EBIT Margin %

- Higher engineering spend for electrification & autonomy (-)
- Increased net warranty costs ~35 bps (-)
- Higher launch costs (-)
- Provisions against accounts receivable + other balances ~35 bps (-)
- Operational inefficiencies at a facility in Europe ~25 bps (-)
- Impact of foreign currency translation (+)
- Higher commercial resolutions ~25 bps (+)
- Contribution on increased sales (+)

Q4 2022 Cash Flow and Investment Activities



Free Cash Flow¹ (\$Millions)



(\$Millions)

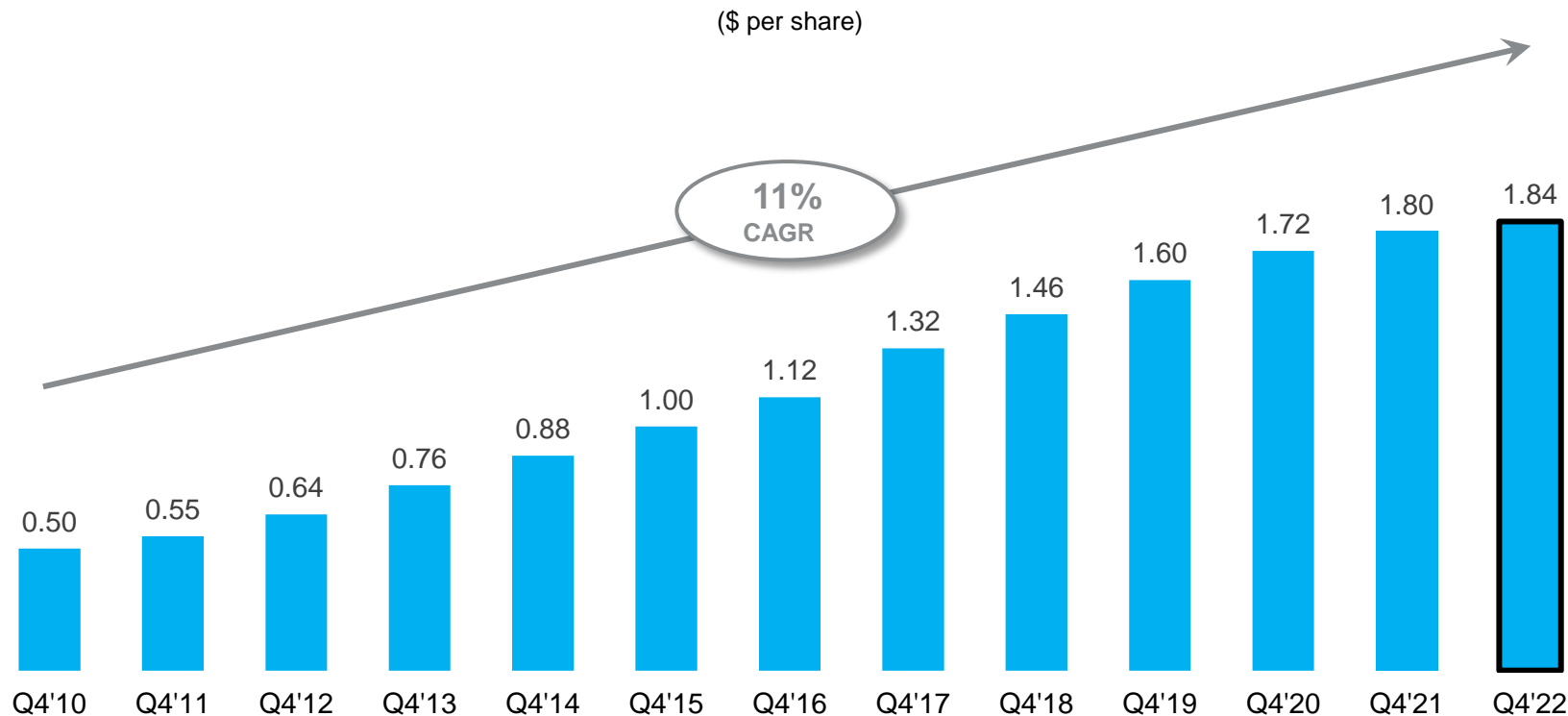
Cash from Operations Before Changes in Operating Assets & Liabilities	517
Changes in Operating Assets & Liabilities	739
Cash from Operations	1,256
Fixed Asset Additions	(750)
Increase in Investments, Other Assets and Intangible Assets	(186)
Proceeds from Dispositions	20
Free Cash Flow¹	340

OTHER USES OF CASH

Net Repayment of Debt	22
Business Combinations	3
Repurchase of Common Shares	5
Dividends (\$0.45/share)	126

¹ Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus investment in other assets

Annualized Dividend¹



Increased Q4 Dividend for 13th Straight Year

¹ Based on Q4 run rate

2023 Outlook*

***excludes pending acquisition of Veoneer Active Safety**

Advancing Our Go-Forward Strategy

Accelerate
Deployment of
Capital towards
High-Growth
Areas

Drive
Operational
Excellence

Unlock New
Business Models
and Markets

Overview of 2023 Outlook

Tailwinds

- Launching content on exciting new programs
- Higher expected global light vehicle production
- Increased business in megatrend areas
 - Increased investments to fund future growth

Headwinds

- Continued production volatility, primarily due to semiconductor chip supply constraints
- Incremental net input costs
 - Labour, energy
 - Scrap steel
- Macro Challenges
 - Inflation
 - Higher interest rates
 - Impact on auto demand

Sales Growth

Continued weighted sales growth over market¹
through outlook period

6-8% organic growth on average per year

Margin Expansion

Contribution on higher sales and operational
improvements key factors

230 bps or more of EBIT margin
improvement 2022 to 2025

Investing for Growth

Annual engineering to average
~\$900M in megatrend areas

Capital spending includes significant investments
for megatrend sales growth

Improving Free Cash Flow²

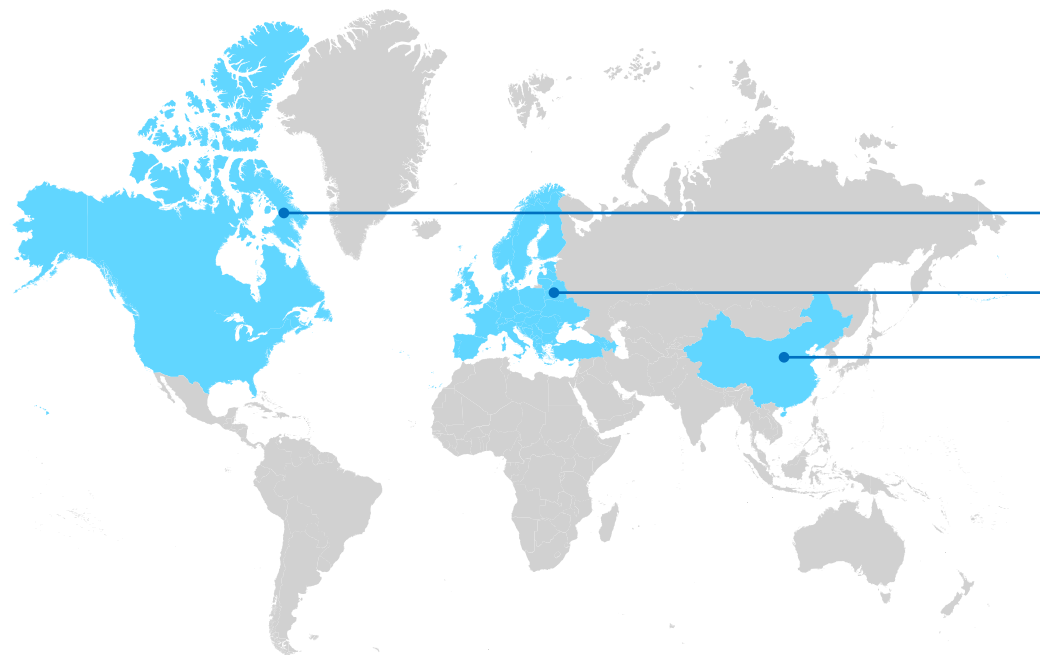
As sales and margins expand +
capital spending for growth declines

\$1.8B+ in 2025

¹ Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

² Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

Financial Outlook – Key Assumptions



Automotive Light Vehicle Production

(millions of units)

	<u>2022</u>	<u>2023</u>	<u>2025</u>
North America	14.3	14.9	16.5
Europe	15.6	16.2	17.5
China	26.9	26.2	29.0

U.S. Foreign Exchange Rates

	<u>2022</u>	<u>2023</u>	<u>2025</u>
Cdn	0.769	0.750	0.750
Euro	1.053	1.070	1.070
RMB	0.149	0.145	0.145

Acquisitions/Divestitures

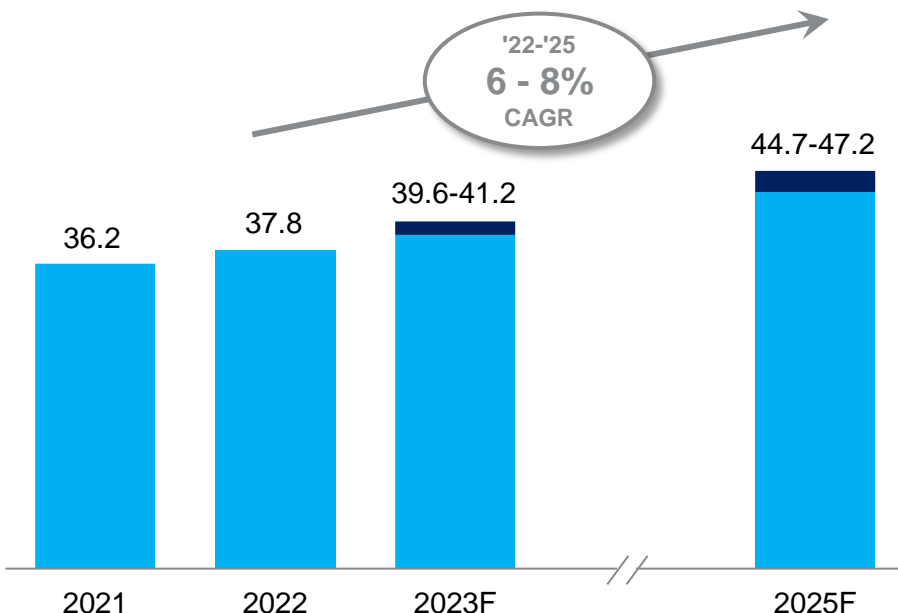
No material unannounced acquisitions/divestitures
Excludes pending acquisition of Veoneer Active Safety

Consolidated Outlook

Consolidated Sales



(\$Billions)



Unweighted Global LV Production CAGR = 3%
(Weighted Global LV Production CAGR = 4%)

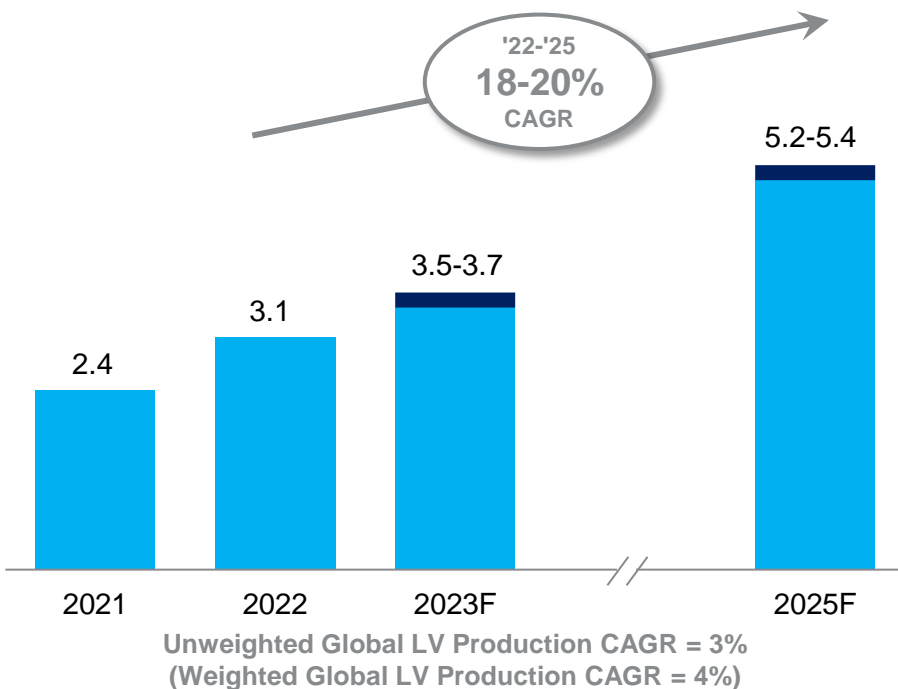
- Higher light vehicle production (+)
- Content growth (+)
 - New technologies
 - New facilities
 - Launches
- Inflation recoveries (+)
- Micromobility activities (+)
- End of production on certain programs (-)
- Program mix: full-cost vs. value-add sales accounting for Complete Vehicles (-)
- Disposition of powertrain facility (-)
- Organic¹ CAGR of 6-8% from '22 to '25
 - ~8-10% excluding Complete Vehicles

¹ Organic Sales represents sales excluding acquisitions net of divestitures and FX movements

Unconsolidated Sales¹



(\$Billions)



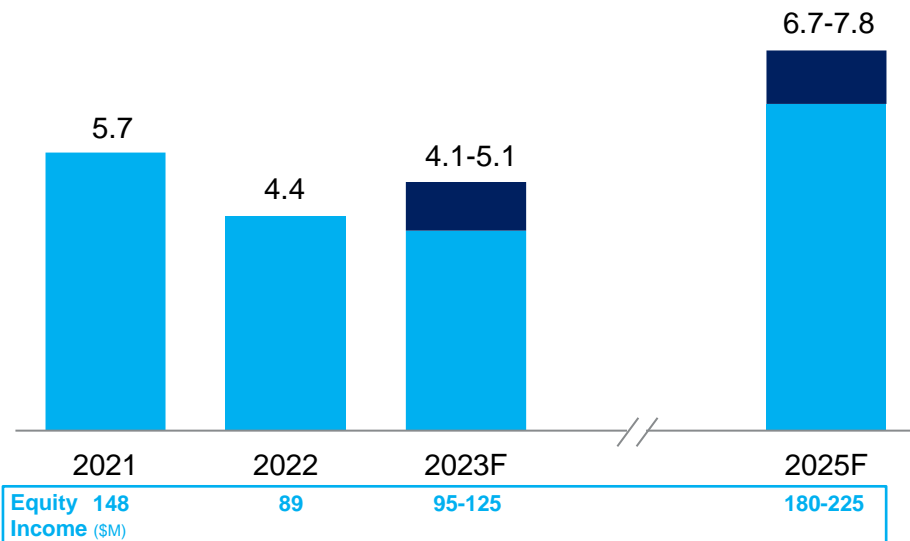
- Significant growth primarily driven by:
 - Electrification components and systems (LG JV)
 - Integrated e-Drives (HASCO JV)
 - Seating systems

¹ Sales at 100% for our unconsolidated entities

Consolidated Adjusted EBIT Margin %¹



(%)



2022-2023

- Contribution on higher sales (+)
- Operational improvement initiatives (+)
- Lower warranty costs (+)
- Lower commercial resolutions (-)
- Higher net input costs (~\$150M) (-)
- Lower license and royalty income (-)
- Higher launch and new facility costs (-)

2023-2025

- Contribution on higher sales (+)
- Operational improvement initiatives (+)
- Higher equity income (+)
- Lower launch and new facility costs (+)

¹ Excluding other expense (income), net

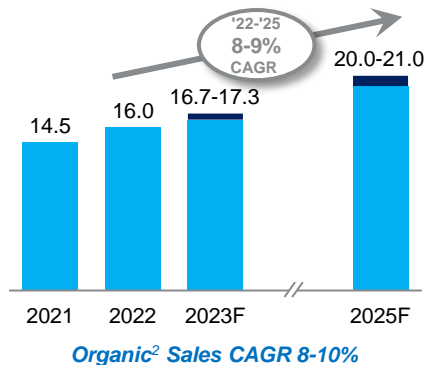
Segment Outlook

Segment Sales & Adjusted EBIT Margin %¹

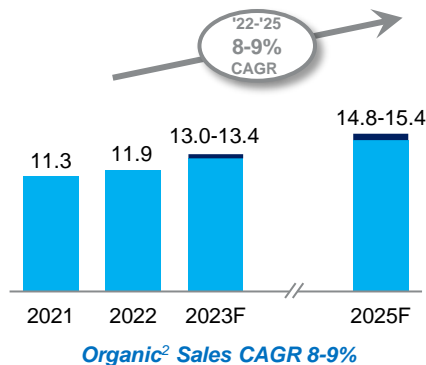


Sales (\$B)

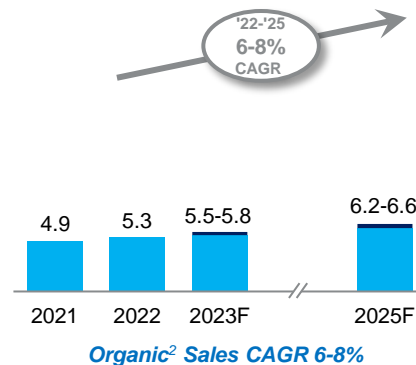
Body Exteriors & Structures



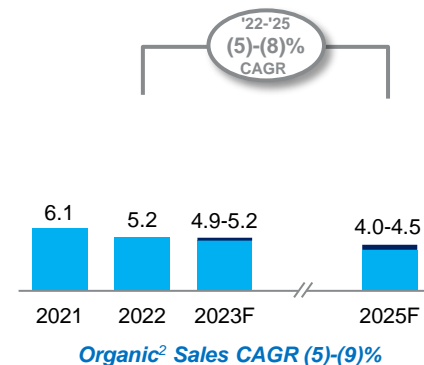
Power & Vision



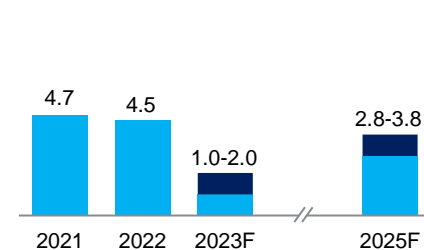
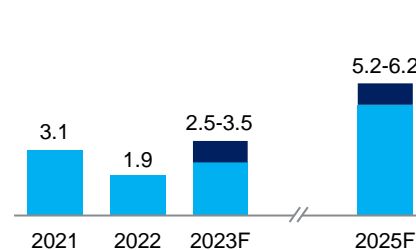
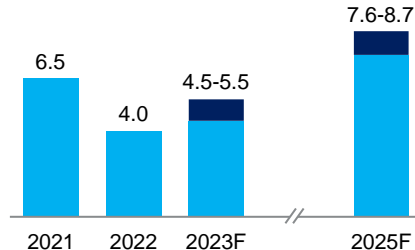
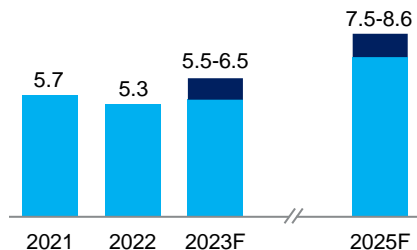
Seating Systems



Complete Vehicles



Adjusted EBIT Margin %



¹ Excluding other expense (income), net

² Organic Sales represents sales excluding acquisitions net of divestitures and FX movements

Financial Strategy

Capital Allocation Principles

Maintain Strong Balance Sheet

- Preserve liquidity and high investment grade credit ratings
 - Adj. debt to Adj. EBITDA ratio between 1.0-1.5x
- Maintain flexibility to invest for growth

Invest For Growth

- Organic and inorganic opportunities
- Innovation

Return Capital To Shareholders

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

Leverage Ratio Q4 2022

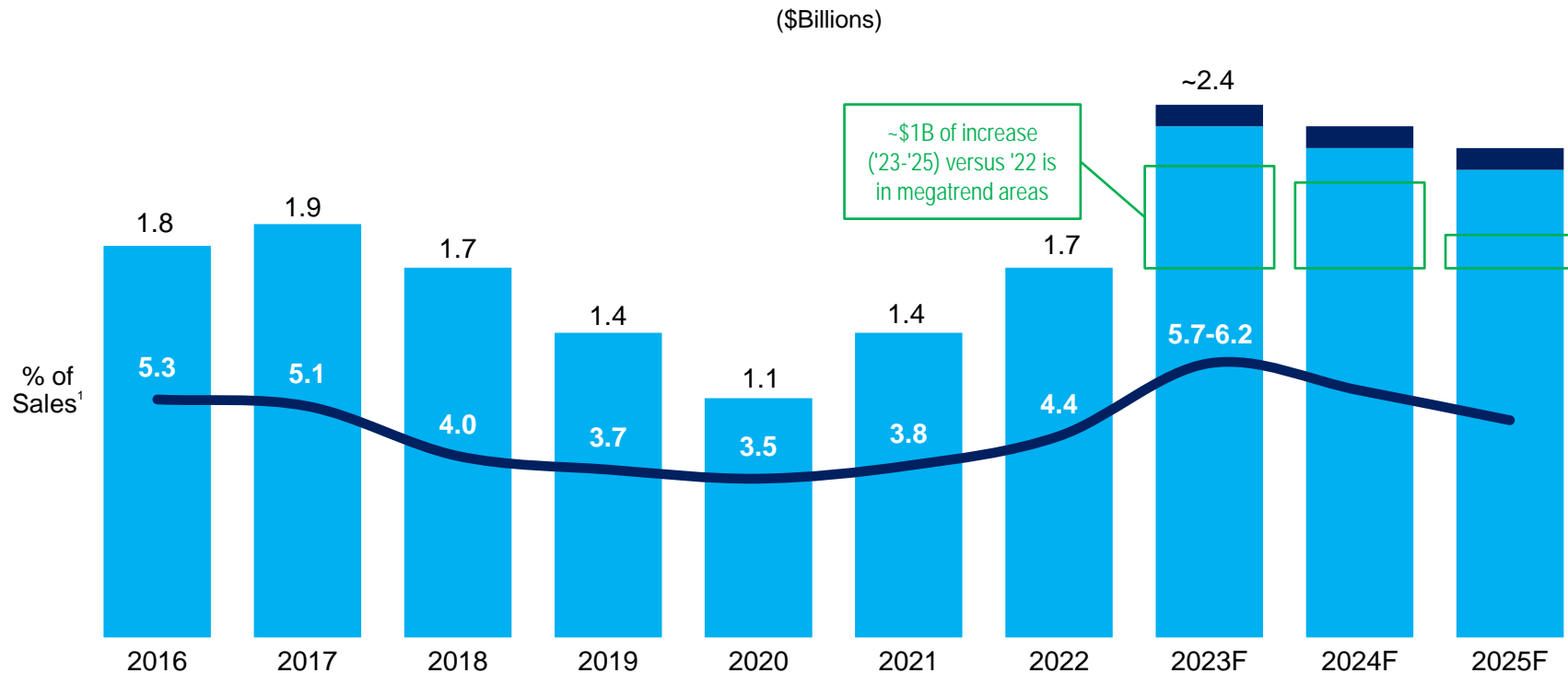


(\$Millions)

LTM EBITDA	3,081
Credit Rating Agency Adjustments	259
Adjusted EBITDA	3,340
Debt per Balance Sheet	5,073
Credit Rating Agency Adjustments	198
Adjusted Debt	5,271
Adjusted Debt / Adjusted EBITDA Ratio (Q4 2022)	1.58x

Planning to increase debt in 2023

Capital Spending



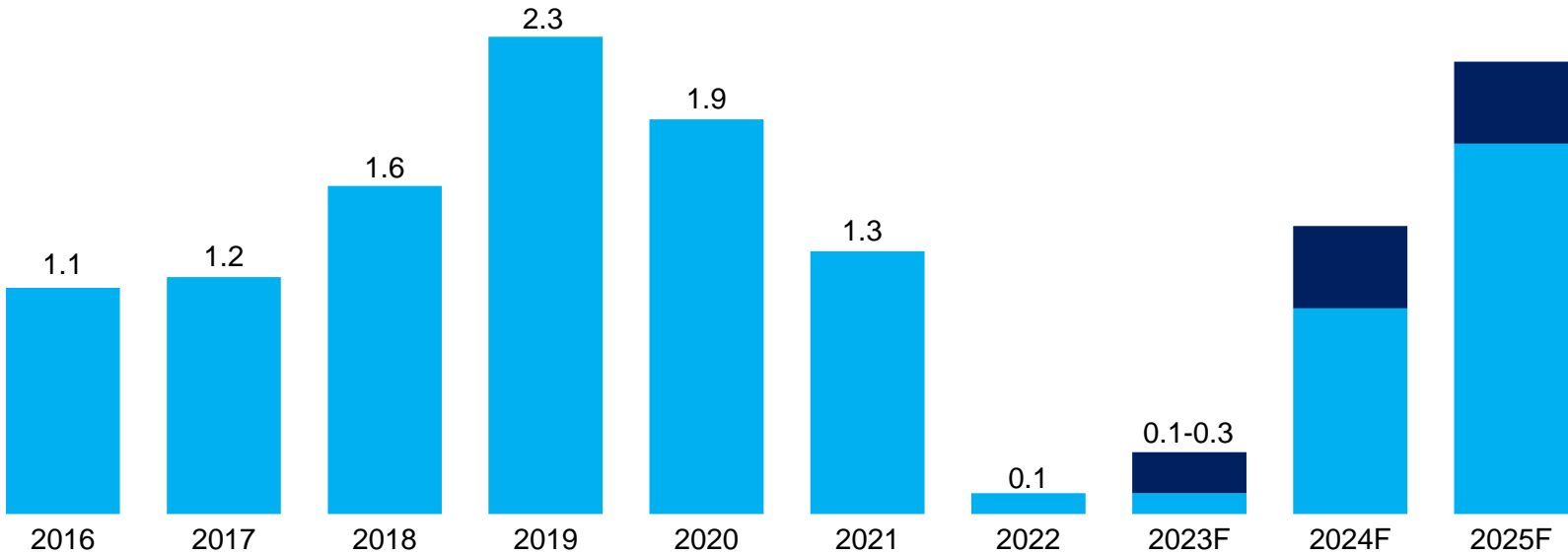
Increased Spending Reflects Investments for Growth

¹ 2023 to 2025 are based on the level of business reflected in our sales outlook

Free Cash Flow¹ Generation



(\$Billions)



Impacted by Near-Term Growth Investments

¹ Free Cash Flow (FCF) is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

In Summary

Continued organic sales growth over market

Increased investments to support growth in megatrend areas

Margin expansion over outlook period, including through operational improvement initiatives

Free cash flow improves as sales and margins expand + growth spending subsides



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Appendix – Q4 2022 Results

Q4 2022 Reconciliation of Reported Results



(\$Millions, except for share figures)	Reported	Other Expense, Net	Excl. Other Expense, Net
Income Before Income Taxes	\$ 146	\$ 193	\$ 339
% of Sales	1.5%		3.5%
Income Tax Expense	\$ 35	\$ 27	\$ 62
% of Pretax	24.0%		18.3%
Income Attributable to Non-Controlling Interests	\$ (16)	\$ -	\$ (16)
Net Income Attributable to Magna	\$ 95	\$ 166	\$ 261
Earnings Per Share	\$ 0.33	\$ 0.58	\$ 0.91

Q4 2021 Reconciliation of Reported Results



(\$Millions, except for share figures)	Reported	Other Income, Net	Excl. Other Income, Net
Income Before Income Taxes % of Sales	\$ 576 6.3%	\$ (90)	\$ 486 5.3%
Income Tax Expense % of Pretax	\$ 98 17.0%	\$ (17)	\$ 81 16.7%
Income Attributable to Non-Controlling Interests	\$ (14)	\$ -	\$ (14)
Net Income Attributable to Magna	\$ 464	\$ (73)	\$ 391
Earnings Per Share	\$ 1.54	\$ (0.24)	\$ 1.30

Sales Performance vs Market



Q4 2022 vs Q4 2021

	Reported	Organic ¹	Performance vs Weighted Global Production (Weighted GoM)
Body Exteriors & Structures	11%	17%	12%
Power & Vision	8%	16%	11%
Seating Systems	4%	11%	6%
Complete Vehicles	(12)%	(1)%	(6)%
TOTAL SALES	5%	13%	8%
Unweighted Production Growth	5%		
Weighted Production Growth²	5%		

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



2022 YTD vs 2021 YTD

	Reported	Organic ¹	Performance vs Weighted Global Production (Weighted GoM)
Body Exteriors & Structures	11%	16%	11%
Power & Vision	5%	11%	6%
Seating Systems	8%	15%	10%
Complete Vehicles	(15)%	(4)%	(9)%
TOTAL SALES	4%	12%	7%
Unweighted Production Growth	6%		
Weighted Production Growth²	5%		

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

Segment Impact on Adjusted EBIT % of Sales



Q4 2022 vs Q4 2021

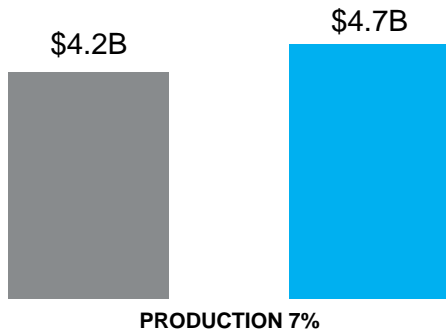
(\$Millions)	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
4 th Quarter of 2021	\$ 9,110	\$ 508	5.6%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ 384	\$ 30	0.1%
Power & Vision	\$ 212	\$ (62)	(0.8)%
Seating Systems	\$ 46	\$ (36)	(0.4)%
Complete Vehicles	\$ (181)	\$ (41)	(0.3)%
Corporate and Other	\$ (3)	\$ (43)	(0.5)%
4 th Quarter of 2022	\$ 9,568	\$ 356	3.7%

Geographic Sales

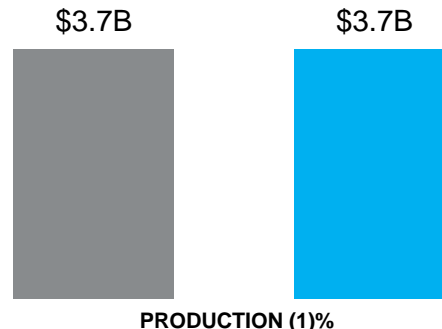


Q4 2022 vs Q4 2021

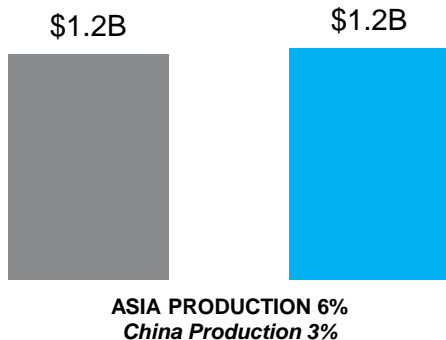
North America



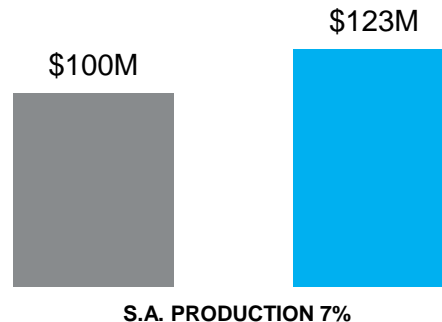
Europe



Asia



Rest of World



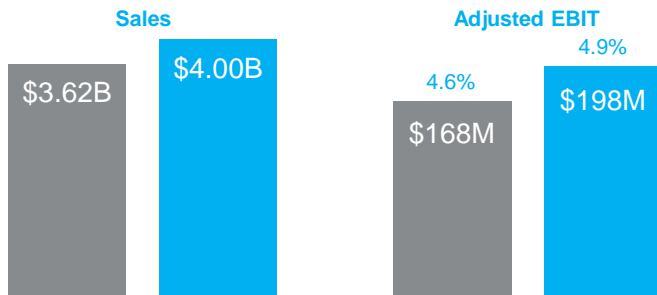
■ Q4 2021

■ Q4 2022

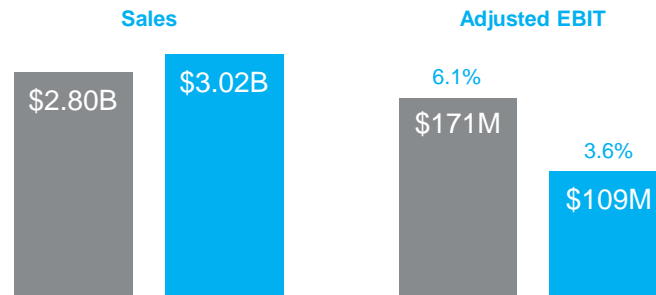
Segment Sales and Adjusted EBIT Margin



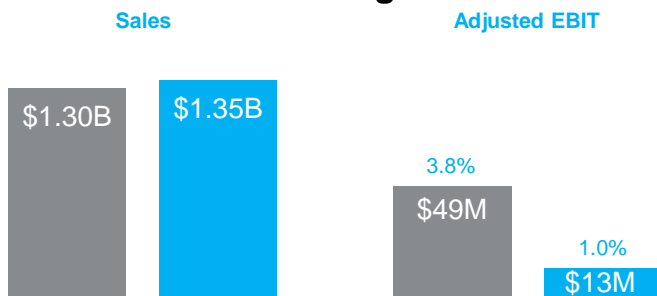
Body Exteriors & Structures



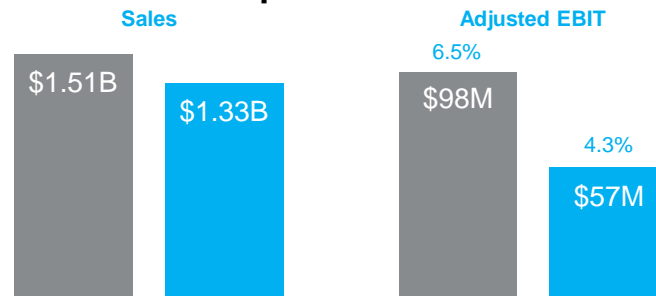
Power & Vision



Seating



Complete Vehicles



■ Q4 2021

■ Q4 2022

Appendix - Outlook

Financial Outlook



(\$Billions, unless otherwise noted)

	2023	2025
Sales:		
• Body Exteriors & Structures	16.7 – 17.3	20.0 – 21.0
• Power & Vision	13.0 – 13.4	14.8 – 15.4
• Seating Systems	5.5 – 5.8	6.2 – 6.6
• Complete Vehicles	4.9 – 5.2	4.0 – 4.5
Total Sales	39.6 – 41.2	44.7 – 47.2
Adjusted EBIT Margin % ¹	4.1% – 5.1%	6.7% – 7.8%
Equity Income	95M – 125M	180M – 225M
Interest Expense	~150M	
Income Tax Rate ²	~21%	
Net Income Attributable to Magna ³	1.1 – 1.4	
Capital Spending	~2.4	

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



Forward. For all.