

Forward. For all.

Q1-2023 Results

May 5, 2023



Louis Tonelli

Vice President, Investor Relations

Forward Looking Statements



Certain statements in this presentation and accompanying 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. The following table identifies the material forward-looking statements contained in this website, together with the material potential risks that we currently believe could cause actual results to differ materially from such forward-looking statements. Readers and listeners 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 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 • The impact of the Russian invasion of Ukraine on global economic growth and industry production volumes • The impact of rising interest rates and availability of credit on consumer confidence and, in turn, vehicle sales and production • The 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
2023, 2025 & 2027 Sales relating to: <ul style="list-style-type: none"> • Powertrain Electrification; • Battery Enclosures; • ADAS; and • Our proposed acquisition of Veoneer Active Safety 	<ul style="list-style-type: none"> • Same risks as for Total Sales above • Consumer adoption of electrified vehicle offerings and ADAS features • Our ability to grow sales with new OEM entrants • Our ability to consistently develop and commercialize innovative products or processes • Intellectual property risks • Risks related to alignment of our product mix with the "Car of the Future" • Evolving counterparty risk profile • Acquisition integration risk
Adjusted EBIT Margin Net Income Attributable to Magna Target Leverage Ratio	<ul style="list-style-type: none"> • Same risks as for Total 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 costs • 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/Net Income Attributable to Magna/Target Leverage Ratio above • Risks related to conducting business through joint ventures
Free Cash Flow	<ul style="list-style-type: none"> • Same risks as for Total Sales and Adjusted EBIT Margin/Net Income Attributable to Magna/Target Leverage Ratio 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:

Macroeconomic, Geopolitical and Other Risks

- impact of the Russian invasion of Ukraine;
- inflationary pressures;
- interest rate levels;
- risks related to COVID-19;

Risks Related to the Automotive Industry

- economic cyclicality;
- regional production volume declines;
- deteriorating vehicle affordability;
- potential consumer hesitancy with respect to Electric Vehicles ("EVs");
- intense competition;

Strategic Risks

- alignment of our product mix with the "Car of the Future";
- our ability to consistently develop and commercialize innovative products or processes;
- our investments in mobility and technology companies;
- our changing business risk profile as a result of increased investment in electrification and autonomous/assisted 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;

Customer- Related Risks

- concentration of sales with six customers;
- inability to significantly grow our business with Asian customers;
- emergence of potentially disruptive EV OEMs, including risks related to limited revenues/operating history of new OEM entrants;
- Evolving counterparty risk profile;
- dependence on outsourcing;
- 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;
- potential OEM production-related disruptions;

Supply Chain Risks

- semiconductor chip supply disruptions and price increases, and the impact on customer production volumes and on the efficiency of our operations;
- supply disruptions and applicable costs related to supply disruption mitigation initiatives;
- regional energy shortages/disruptions and pricing;
- a deterioration of the financial condition of our supply base;

Manufacturing/Operational Risks

- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- skilled labour attraction/retention;
- leadership expertise and 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 price 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;

Climate Change Risks

- transition risks and physical risks;
- strategic and other risks related to the transition to electromobility;

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;
- intellectual property risks;
- risks of conducting business in foreign markets;
- fluctuations in relative currency values;
- an increase in pension funding obligations;
- tax risks;
- reduced financial flexibility as a result of an economic shock;
- inability to achieve future investment returns that equal or exceed past returns;
- changes in credit ratings assigned to us;
- the unpredictability of, and fluctuation in, the trading price of our Common Shares;
- a reduction of suspension of our dividend;

Legal, Regulatory and Other Risks

- antitrust risk;
- legal claims and/or regulatory actions against us;
- changes in laws and regulations, including those related to vehicle emissions, taxation, or made as a result of the COVID-19 pandemic.
- potential restrictions on free trade;
- trade disputes/tariffs; and
- environmental compliance costs.

In evaluating forward-looking statements or forward-looking information, we caution readers and listeners not to place undue reliance on any forward-looking statement. Additionally, readers and listeners 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 revised Annual Information Form filed with securities commissions in Canada, our annual report on Form 40-F/40-F/A filed with the United States Securities and Exchange commission, and subsequent filings.
- Readers and listeners should also consider discussion of our risk mitigation activities with respect to certain risk factors, which can also be 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"

Swamy Kotagiri

Chief Executive Officer

- ✔ Organic sales outperformed weighted industry production by 8%
- ✔ Strong Q1 operating performance
- ✔ Increasing lower end of Adjusted EBIT margin outlook by 60 bps from 4.1% to 4.7%
- ✔ ~\$8 billion in sales growth in next three years, including from new program launches, driving cap ex
 - 2023 cap ex outlook unchanged, expect cap ex/sales to normalize by 2025
- ✔ Issued \$1.6B of debt, in part to finance acquisition of Veoneer Active Safety
 - Plan to be back in target leverage range by end of 2024

- Interlocking challenges impacting entire industry
 - Higher inflation
 - Rising interest rates
 - Slowing economic growth

- Remained focused on:
 - Driving operational improvements
 - Working with customers to recover inflationary costs
 - Executing our strategy

Short and Mid-Term

- ✓ Consolidation and restructuring of management, SG&A and engineering functions
- ✓ Acceleration of manufacturing plant restructuring and consolidation
- ✓ Repricing on underperforming programs

Long-Term

- ✓ Accretive automation and productivity improvements, prioritize most impactful plants
- ✓ Reduce direct cost through component price reductions, freight optimization, tier 2 inflation management
- ✓ Accelerate smart manufacturing activities to drive performance

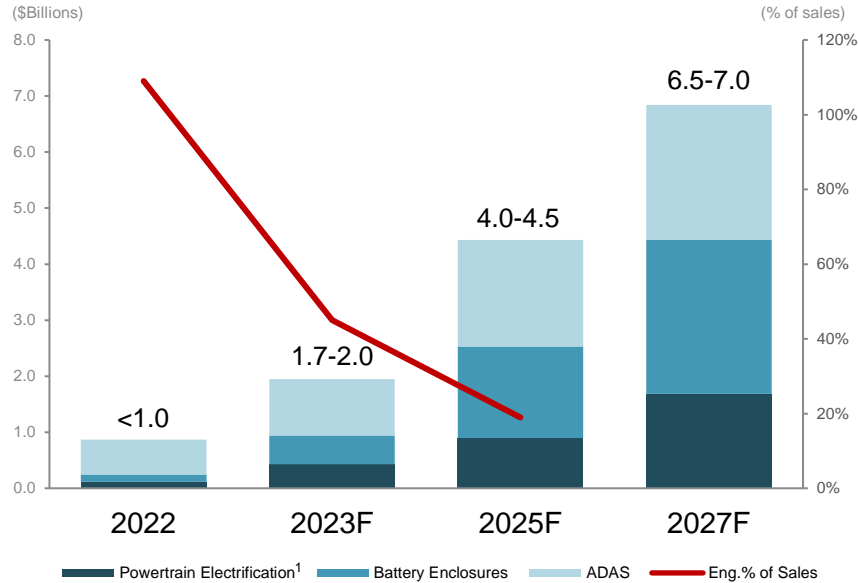
Margin Expansion Potential

Executing in Megatrend Product Areas

(Excluding pending acquisition of Veoneer Active Safety)



Sales



Related Engineering Spend of ~\$900M for 2023 to 2025

Q1 Key Program Announcements

ClearView™ Vision System on Ram 2500 and 3500 Heavy Duty models (SOP 2023)



Battery Enclosures for GM EV Trucks (SOP 2023)



eDrive Systems for Europe-based Global Premium OEM (SOP 2026)



Profitability Inflection Point in 2025

¹ Powertrain electrification includes consolidated 48-volt and high-voltage sales

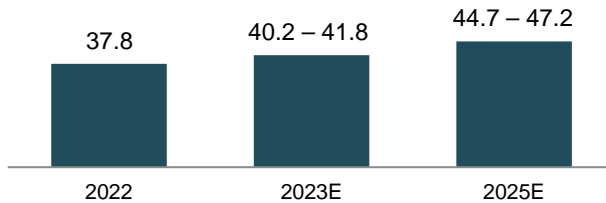
Investing Capital To Support Sales Growth

(Excluding pending acquisition of Veoneer Active Safety)

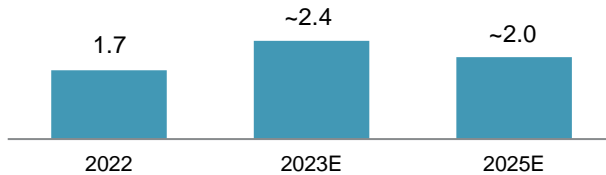


Sales / Capital Outlook

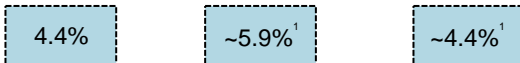
Sales
(\$Billions)



CapEx
(\$Billions)



CapEx
% Sales



Normalized CapEx/Sales profile by 2025

Q1 Key Program Announcements

Seat Complete Assemblies for
General Motors EV Pick-up Trucks
(SOP 2025)



Engineering and Contract
Manufacturing for INEOS
Automotive's Off-Road EV
(SOP 2026)



SmartAccess™ Power Door
System for Market debut on
Ferrari Purosangue
(SOP 2023)



Record business awards in 2022 – 30% above 5-year average

¹ At sales mid-point

A graphic featuring a large, five-pointed star with a 3D effect, appearing to be made of clear or frosted glass. The star is set against a blue gradient background. The text 'Customer Recognition' is overlaid on the star in a large, white, sans-serif font.

Customer Recognition

- 100+ Customer Awards annually
- Launch and Quality Performance
- Seven GM 2022 Supplier of the Year Awards, one Overdrive Award

Pat McCann

Executive Vice President &
Chief Financial Officer

Q1 2023 Performance Highlights



Consolidated Sales

\$10.7B

+11%

Weighted GoM¹ of 8%

(5% excl. Complete Vehicles)

Adjusted EBIT

4.1%

-120 bps

+40 bps vs Q4, 2022

\$437M

-14%

Other highlights



GoM¹ in all operating segments



Paid out \$132M in dividends



Raised 2023 Outlook

Adjusted Diluted EPS

\$1.11

-13%

Free Cash Flow²

-\$279M

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

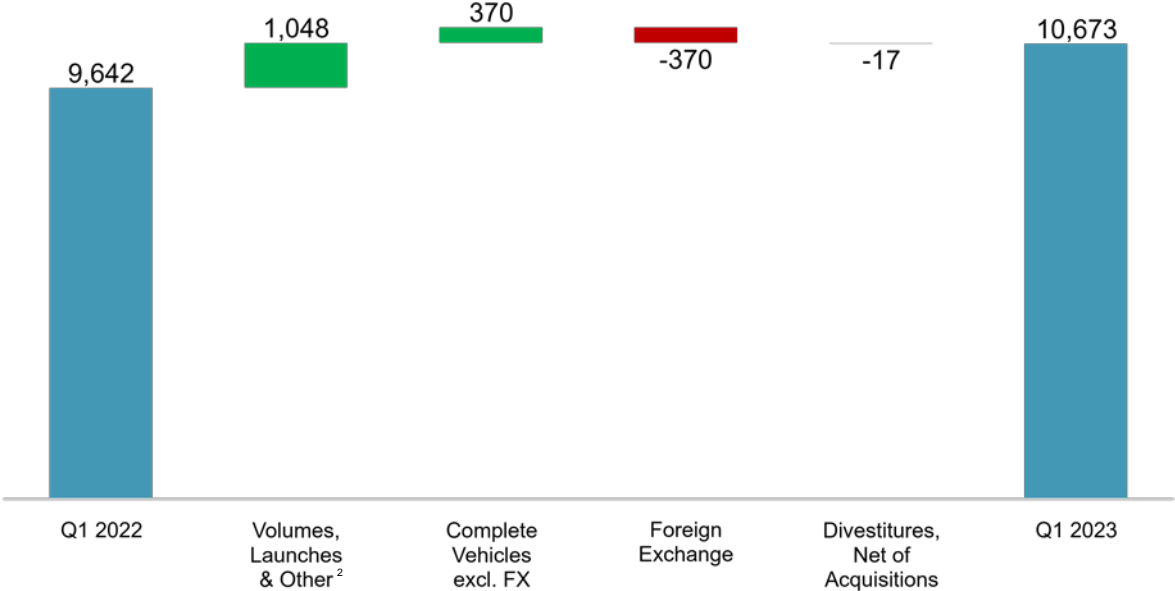
² Free Cash Flow is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

Q1 2023 Financial Results



Consolidated Sales (\$Millions)

+11%



Q1 2023 PRODUCTION

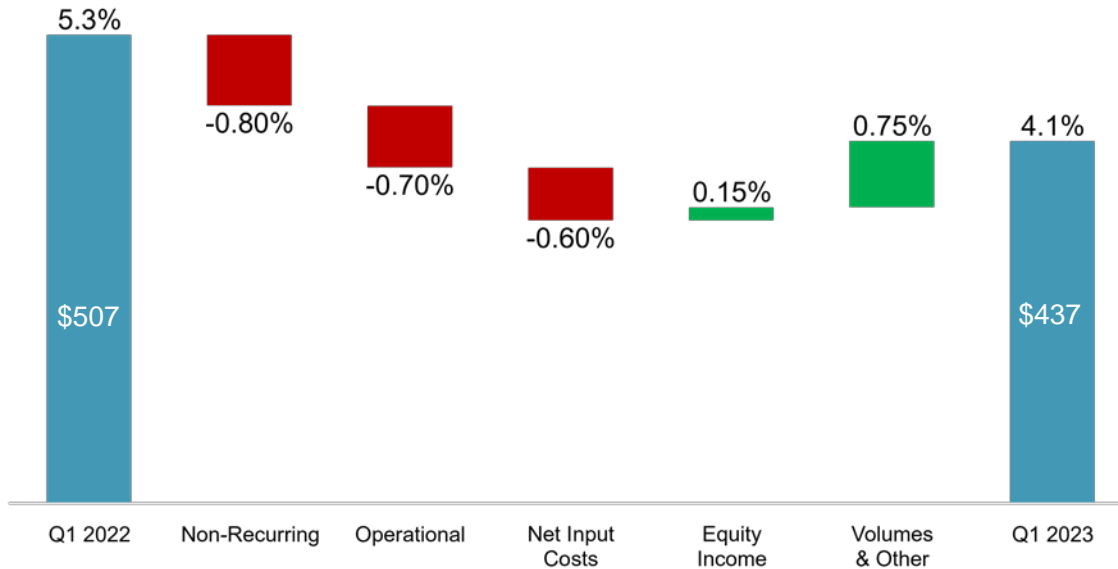
Global	+3%
North America	+8%
Europe	+7%
China	-5%
Magna Weighted	+7%

Weighted GoM¹ 8%
(5% excl. Complete Vehicles)

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 Includes customer price increases to recover certain higher production input costs, lower sales in Russia due to the substantial idling of operations, and net customer price concessions

Adjusted EBIT & Margin (\$Millions)



- **Non-recurring**
 - Lower net favourable commercial items
 - Warranty accrual
- **Operational**
 - Inefficiencies at BES facility in Europe
 - Higher program-related engineering
 - Higher launch costs
 - Productivity and efficiency improvements (+)
- **Higher net input costs (inflation)**
 - Lower scrap steel/aluminum sales
 - Higher labour and energy
- **Higher equity income**
 - Largely earnings on higher unconsolidated sales
- **Volumes & Other**
 - Earnings on higher sales

Q1 2023 Financial Results

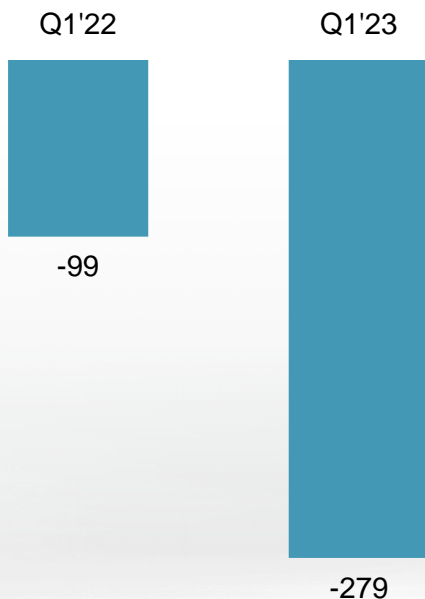


(\$Millions, unless otherwise noted)	Q1 2022	Q1 2023	CHANGE
Adjusted EBIT	507	437	(70)
Interest Expense	26	20	6
Adjusted Pre-Tax Income	481	417	(64)
Adjusted Income Taxes	(83) 17.3%	(90) 21.6%	(7)
(Income) Attributable to Non-Controlling Interests	(15)	(8)	7
Adjusted Net Income Attributable to Magna	383	319	(64)
Diluted Share Count (millions of units)	298.1	286.6	(11.5)
Adjusted EPS (\$)	1.28	1.11	(0.17)

Q1 2023 Cash Flow and Investment Activities



Free Cash Flow¹ (Millions)



(\$Millions, unless otherwise noted)	Q1 2022	Q1 2023
Cash from Operations Before Changes in Operating Assets & Liabilities	749	568
Changes in Operating Assets & Liabilities	(569)	(341)
Cash from Operations	180	227
Fixed Asset Additions	(238)	(424)
Increase in Investments, Other Assets and Intangible Assets	(64)	(101)
Proceeds from Dispositions	23	19
Investment Activities	(279)	(506)
FREE CASH FLOW¹	(99)	(279)

KEY SOURCES (USES) OF CASH		
Net (Repayment) Issuances of Debt	(328)	1,636
Dividends	(133)	(132)

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

Continued Financial Strength



TOTAL LIQUIDITY (31MAR23) (\$Millions)

Cash	\$ 2,429
Available Term & Operating Lines of Credit ¹	\$ 3,500
Total Liquidity	\$ 5,929





LEVERAGE RATIO (LTM, 31MAR23) (\$Millions)

Adjusted Debt	\$ 6,923
Adjusted EBITDA	\$ 3,163
Adjusted Debt / Adjusted EBITDA	2.19

Adjusted Debt / Adjusted EBITDA (excl. excess cash) ³	2.00
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Investment-grade ratings from Moody's, S&P, DBRS

Recent Debt Transactions (March 2023)

				
Tenor	9-yr	10-yr	3-yr ²	8-yr
Amount	€550m	\$500m	\$300m	\$350m
Interest Rate	4.375%	5.50%	5.98%	4.95%
Maturity	March 2032	March 2033	March 2026	June 2031

To Be Used to Fund:

- Acquisition of Veoneer Active Safety
- Capital spending, including in megatrend areas
- Refinancing of euro debt maturing in 2023

Anticipate Return to Target Leverage Ratio by End of 2024

¹ Excludes delayed-draw term loan available to partially fund acquisition of Veoneer Active Safety

² Bond issuances include an option to repay any time after 1 year

³ Excluding excess cash held to pay down Euro notes coming due

Updated 2023 Outlook – Key Assumptions



	2022	FEBRUARY 2023	MAY 2023
Light Vehicle Production (millions of units)			
• North America	14.3	14.9	15.0
• Europe	15.8	16.2	16.3
• China	26.4	26.2	26.2
Foreign Exchange Rates			
• 1 CDN dollar equals USD	0.769	0.750	0.748
• 1 EURO equals USD	1.053	1.070	1.086
• 1 RMB equals USD	0.149	0.145	0.145

Changed from previous Outlook

Updated 2023 Outlook



(\$Billions, unless otherwise noted)	2022	FEBRUARY 2023	MAY 2023
Total Sales	37.8	39.6 – 41.2	40.2 – 41.8
Adjusted EBIT Margin % ¹	4.4%	4.1% – 5.1%	4.7% - 5.1%
Equity Income	89M	95M – 125M	95M – 125M
Interest Expense	81M	~150M	~150M
Income Tax Rate ²	21.3%	~21%	~21%
Net Income Attributable to Magna ³	1.2	1.1 – 1.4	1.3 – 1.5
Capital Spending	1.7	~2.4	~2.4
Free Cash Flow ⁴	0.083	0.1 – 0.3	0.1 – 0.3

Changed from previous Outlook

Raised Outlook

¹ Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales

² 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

⁴ 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



Strong Q1 operating performance



Growth over market across all segments



Taking additional actions to reduce expenses and optimize cost structure



Raising low end of Adjusted EBIT margin outlook for 2023

Appendix – Q1 2023 Results

Q1 2023 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 % of Sales	\$ 275 2.6%	\$ 142	\$ 417 3.9%
Income Tax Expense % of Pretax	\$ 58 21.1%	\$ 32	\$ 90 21.6%
Income Attributable to Non-Controlling Interests	\$ (8)	\$ -	\$ (8)
Net Income Attributable to Magna	\$ 209	\$ 110	\$ 319
Earnings Per Share	\$ 0.73	\$ 0.38	\$ 1.11

Q1 2022 Reconciliation of Reported Results



Excluding Other Expense (Income), Net \$Millions, except for share figures	Reported	Other Expense, Net	Excl. Other Income, Net
Income Before Income Taxes % of Sales	\$ 420 4.4%	\$ 61	\$ 481 5.0%
Income Tax Expense % of Pretax	\$ 41 9.8%	\$ 42	\$ 83 17.3%
Income Attributable to Non-Controlling Interests	\$ (15)	\$ -	\$ (15)
Net Income Attributable to Magna	\$ 364	\$ 19	\$ 383
Earnings Per Share	\$ 1.22	\$ 0.06	\$ 1.28

Sales Performance vs Market



Q1 2023 vs Q1 2022

	Reported	Organic ¹	Performance vs Weighted Global Production (Weighted GoM)
Body Exteriors & Structures	9%	12%	5%
Power & Vision	9%	14%	7%
Seating Systems	8%	11%	4%
Complete Vehicles	28%	33%	26%
TOTAL SALES	11%	15%	8%
Unweighted Production Growth	3%		
Weighted Production Growth²	7%		

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

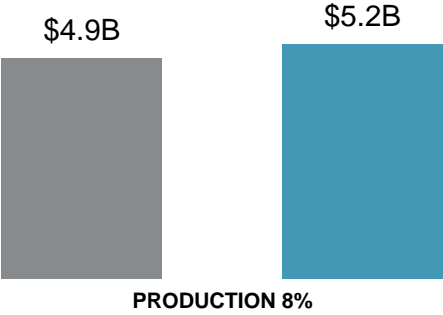


Q1 2023 vs Q1 2022

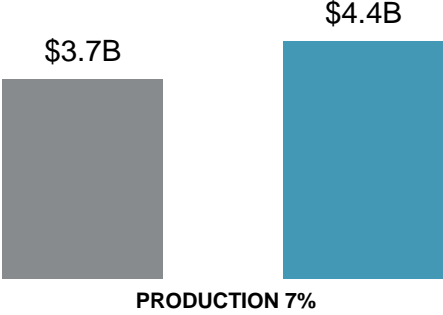
(\$Millions)	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
1 st Quarter of 2022	\$ 9,642	\$ 507	5.3%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ 362	\$ 41	0.2%
Power & Vision	\$ 277	\$ (70)	(0.8%)
Seating Systems	\$ 110	\$ (13)	(0.2%)
Complete Vehicles	\$ 351	\$ 2	(0.2%)
Corporate and Other	\$ (69)	\$ (30)	(0.2%)
1st Quarter of 2023	\$ 10,673	\$ 437	4.1%

Q1 2023 vs Q1 2022

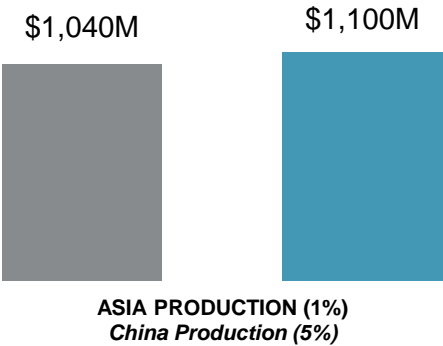
North America



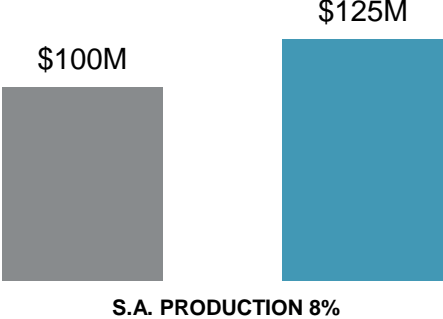
Europe



Asia



Rest of World

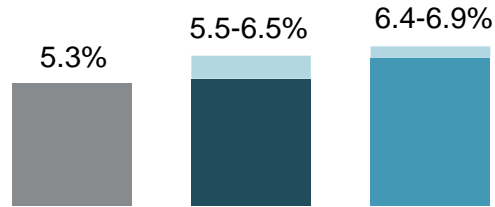


■ Q1 2022 ■ Q1 2023

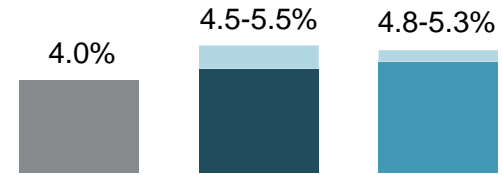
2023 Segment Adjusted EBIT Margin



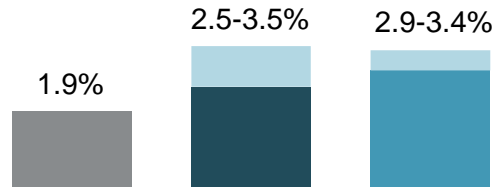
Body Exteriors & Structures



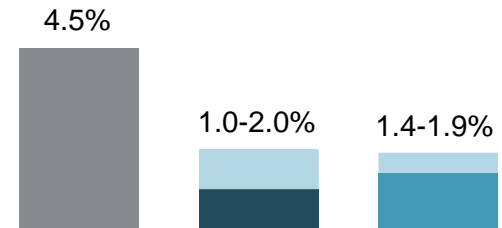
Power & Vision



Seating



Complete Vehicles



■ 2022 ■ February 2023 Outlook ■ May 2023 Outlook

Q1 2023			
Maintain Strong Balance Sheet	<ul style="list-style-type: none"> • Preserve liquidity and high investment grade credit ratings <ul style="list-style-type: none"> - Adj. debt / Adj. EBITDA ratio between 1.0-1.5x 	<i>LTM 31MAR23</i>	2.19x
	<ul style="list-style-type: none"> • Maintain flexibility to invest for growth 		
Invest for Growth	<ul style="list-style-type: none"> • Organic and inorganic opportunities 	<i>Fixed asset additions</i> <i>Other investments</i>	\$ 424M \$ 101M
	<ul style="list-style-type: none"> • Innovation 		
Return Capital to Shareholders	<ul style="list-style-type: none"> • Continued dividend growth over time • Repurchase shares with excess liquidity 		\$ 132M

Disciplined, Profitable Approach to Growth Remains a Foundational Principle

(\$Billions, unless otherwise noted)	2025
Sales:	
• Body Exteriors & Structures	20.0 – 21.0
• Power & Vision	14.8 – 15.4
• Seating Systems	6.2 – 6.6
• Complete Vehicles	4.0 – 4.5
Total Sales	44.7 – 47.2
Adjusted EBIT Margin % ²	6.7% – 7.8%
Equity Income	180M – 225M
Interest Expense	
Income Tax Rate ³	
Net Income Attributable to Magna ⁴	
Capital Spending	

¹ Forward-looking financial information for 2025 is based on outlook information and assumptions provided in our press release dated February 10, 2023, and has not been updated

² Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales

³ The Income Tax Rate has been calculated using Adjusted EBIT and is based on current tax legislation

⁴ Net Income Attributable to Magna represents Net Income excluding Other expense (income), net



Forward. For all.