

Forward. For all.

Q3-2023 Results

November 3, 2023



Louis Tonelli

Vice President, Investor Relations

Forward Looking Statements



Certain statements in this document constitutes "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 • Production disruptions, including as a result of labour strikes • Supply disruptions • Production allocation decisions by OEMs
Total Sales Segment Sales Sales CAGR in High-Growth Areas (to 2027) New Mobility Sales (by 2027)	<ul style="list-style-type: none"> • Same risks as for Light Vehicle Production above • The impact of elevated 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 • Potential consumer hesitancy with respect to EVs • Strategic and other risks relating to the transition to electromobility • Our ability to consistently develop and commercialize innovative products and processes • Concentration of sales with six customers • Shifts in market shares among vehicles or vehicle segments • Shifts in consumer "take rates" for products we sell • Relative foreign exchange rates
Adjusted EBIT Margin Net Income Attributable to Magna Potential Margin Expansion (to 2025) Target Leverage Ratio	<ul style="list-style-type: none"> • Same risks as for Total Sales/Segment Sales/Sales CAGR/New Mobility Sales above • Successful execution of critical program launches, including complete vehicle manufacturing of the Fisker Ocean SUV • Operational underperformance • Product warranty/recall risks • 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/Potential Margin Expansion/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/Segment Sales/Sales CAGR/New Mobility Sales and Adjusted EBIT Margin/Net Income Attributable to Magna/Potential Margin Expansion/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:

<p>Macroeconomic, Geopolitical and Other Risks</p> <ul style="list-style-type: none"> inflationary pressures; interest rate levels; <p>Risks Related to the Automotive Industry</p> <ul style="list-style-type: none"> economic cyclicality; regional production volume declines; intense competition; deteriorating vehicle affordability; potential consumer hesitancy with respect to Electric Vehicles (“EVs”); <p>Strategic Risks</p> <ul style="list-style-type: none"> 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; strategic and other risks related to the transition to electromobility; inability to achieve future investment returns that equal or exceed past returns; <p>Customer-Related Risks</p> <ul style="list-style-type: none"> the impact of OEM production-related disruptions, including as a result of labour strikes; 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; OEM consolidation and cooperation; Evolving counterparty risk profile; 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; 	<p>Supply Chain Risks</p> <ul style="list-style-type: none"> a deterioration of the financial condition of our supply base; supply disruptions and applicable costs related to supply disruption mitigation initiatives, including with respect to semiconductor chips; regional energy shortages/disruptions and pricing; <p>Manufacturing/Operational Risks</p> <ul style="list-style-type: none"> product and new facility launch risks; operational underperformance; restructuring costs; impairment charges; labour disruptions; skilled labour attraction/retention; risks related to COVID-19; leadership expertise and succession; <p>IT Security/Cybersecurity Risk</p> <ul style="list-style-type: none"> IT/Cybersecurity breach; product Cybersecurity breach; <p>Pricing Risks</p> <ul style="list-style-type: none"> pricing risks between time of quote and start of production; price concessions; commodity price volatility; declines in scrap steel/aluminum prices; <p>Warranty / Recall Risks</p> <ul style="list-style-type: none"> 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; 	<p>Acquisition Risks</p> <ul style="list-style-type: none"> competition for strategic acquisition targets; inherent merger and acquisition risks; acquisition integration risk; <p>Other Business Risks</p> <ul style="list-style-type: none"> risks related to conducting business through joint ventures; transition and physical risks related to climate change; intellectual property risks; 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; the unpredictability of, and fluctuation in, the trading price of our Common Shares; <p>Legal, Regulatory and Other Risks</p> <ul style="list-style-type: none"> antitrust risk; legal claims and/or regulatory actions against us; changes in laws and regulations, including those related to vehicle emissions, taxation, or supply chain due diligence; potential restrictions on free trade; and trade disputes/tariffs.
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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 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 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. Additional information about Magna, including our Annual Information Form, is available through the System for Electronic Data Analysis and Retrieval+ (SEDAR+) at www.sedarplus.com.

Reminders

All amounts are in U.S. Dollars

Effective July 1, 2023 we revised our calculation of Non-GAAP measures to exclude amortization of acquired intangible assets. The historical presentation of non-GAAP measures has also been updated to reflect the revised calculations.

Today's discussion excludes the impact of other expense (income), net ("Unusual Items") and amortization of acquired intangible assets.

"Organic", in the context of sales movements, means "excluding the impact of foreign exchange, acquisitions and divestitures"

Swamy Kotagiri

Chief Executive Officer

- ✔ Q3 organic sales outperformed weighted industry production by 2%
 - 4% outgrowth excluding Complete Vehicles

- ✔ Strong Q3 operating performance
 - YoY: Adjusted EBIT margin up 90 bps, Adjusted EPS up 33%

- ✔ Continued traction in operational excellence initiatives

- ✔ Raised 2023 outlook for Adjusted EBIT margin and Adjusted net income

- ✔ Committed to net-zero by 2050

- Continued incremental improvements
 - Reduced supply constraints, higher and less volatile OEM vehicle production
 - Resilient auto sales
- Interlocking challenges impacting entire industry
 - Continuing elevated labour inflation, higher interest rates, macroeconomic uncertainty
- North American OEM-UAW labour agreements to be finalized
 - Outlook includes UAW strike impact
- Remain highly focused on containing costs and expanding margins
 - Driving operational improvements
 - Obtaining cost recoveries
 - Flawless launches

1. Accelerate deployment of capital towards high-growth areas

Sales CAGR
2022-2027F

Powertrain Electrification ¹	35+%
Battery Enclosures	75+%
Active Safety	45+%

2. Drive operational excellence

150 bps

Margin Expansion
2022-2025

On Track for

~1/2

to be realized in 2023

3. Unlock new business models and markets

5x

Growth Swaps in
Battery-as-a-Service (Baas)
Platform in India

~1,000

Deliveries/Day Utilizing
Magna-Produced Bots

Expect

~\$300 million

New Mobility Sales by 2027

¹ Represents managed sales. Managed sales = consolidated sales + sales at 100% for unconsolidated entities. Includes both 48V hybrid + high voltage sales.

Net-zero

Alignment with our customers and the Science Based Targets Initiative – the gold standard for decarbonization targets

Priorities unchanged – energy reduction and renewable electricity to meet near-term targets

Net-zero focuses on process decarbonization: increasing business resiliency and minimizing risk

Goals

20% energy intensity reduction by 2027

100% Renewable Electricity

100% in Europe by 2025

100% Globally by 2030

SBTi 2030 near-term Commitment

42% reduction in scope 1 and 2

25% reduction in scope 3

SBTi 2050 net-zero Commitment

90% reduction in all 3 scopes

Pat McCann

Executive Vice President &
Chief Financial Officer

Q3 2023 Performance Highlights



Consolidated Sales

\$10.7B

+15%

Weighted GoM¹ of 2%

(4% excl. Complete Vehicles)

Adjusted EBIT²

5.8%

+90 bps

\$615M

+36%

Other highlights



GoM¹ in BE&S, P&V and Seating



Paid out \$128M in dividends



Raised 2023 Outlook

Adjusted Diluted EPS²

\$1.46

+33%

Free Cash Flow³

\$23M

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

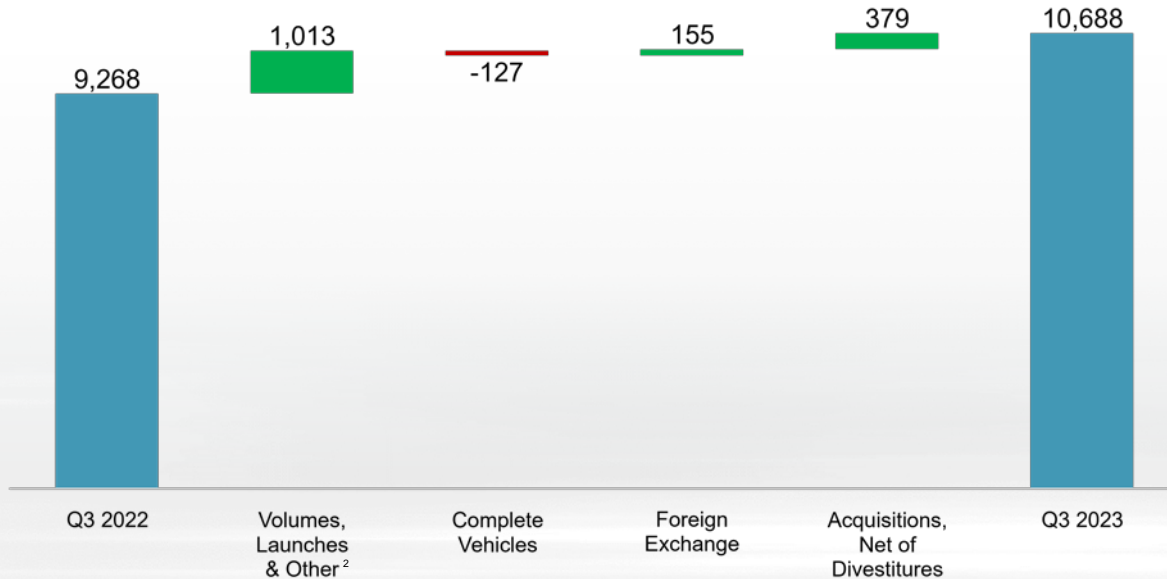
² Excludes the amortization of acquired intangibles beginning in Q3, 2023 (prior years restated)

³ 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

Consolidated Sales

(\$Millions)

+15%



Q3 2023 PRODUCTION

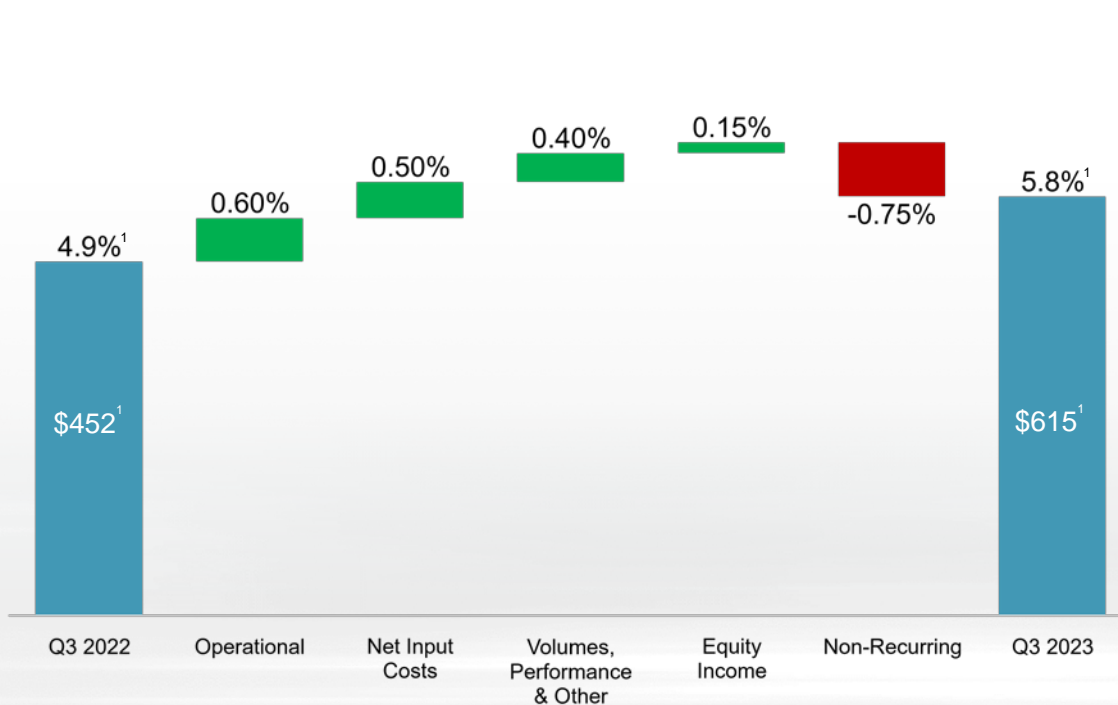
Global	+4%
North America	+7%
Europe	+14%
China	-2%
Magna Weighted	+8%

Weighted GoM¹ 2%
(4% 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 recoveries of certain higher production input costs and contractual customer price givebacks

Adjusted EBIT & Margin (\$Millions)



- Operational
 - Productivity and efficiency improvements
 - Lower net engineering costs
- Lower net input costs
 - Lower costs for energy and commodities
 - Customer recoveries
 - Higher labour costs
- Volumes, Performance & Other
 - Strong earnings on higher sales
 - Program changeover in Complete Vehicles (-)
 - Impact of UAW strike (-)
 - Acquisitions, net of divestitures (-)
- Higher equity income
 - Earnings on higher unconsolidated sales
 - Net favourable commercial items
- Non-recurring
 - Net commercial items (-)
 - Lower amortization on pubco securities (-)
 - Lower warranty costs (+)

¹ Excludes the amortization of acquired intangibles

Q3 2023 Financial Results



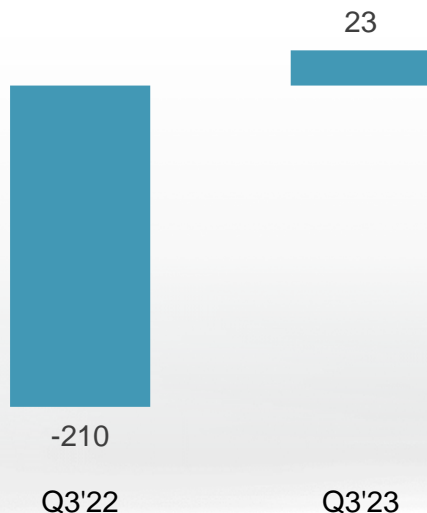
(\$Millions, unless otherwise noted)	Q3 2022	Q3 2023	CHANGE
Adjusted EBIT ¹	452	615	163
Interest Expense	18	49	(31)
Adjusted Pre-Tax Income	434	566	132
Adjusted Income Taxes	110 25.3%	124 21.9%	(14)
Income Attributable to Non-Controlling Interests	(7)	(23)	(16)
Adjusted Net Income Attributable to Magna	317	419	102
Diluted Share Count (millions of units)	288.5	286.8	(1.7)
Adjusted EPS (\$)	1.10	1.46	0.36

¹ Excludes the amortization of acquired intangibles

Q3 2023 Cash Flow and Investment Activities



Free Cash Flow¹ (\$Millions)



(\$Millions, unless otherwise noted)	Q3 2022	Q3 2023
Cash from Operations Before Changes in Operating Assets & Liabilities	591	821
Changes in Operating Assets & Liabilities	(353)	(24)
Cash from Operations	238	797
Fixed Asset Additions	(364)	(630)
Increase in Investments, Other Assets and Intangible Assets	(125)	(176)
Proceeds from Dispositions	41	32
Investment Activities	(448)	(774)
FREE CASH FLOW¹	(210)	23

OTHER SOURCES (USES) OF CASH

Net Issues (Repayment) of Debt	(10)	(135)
Public and Private Equity Investments	(25)	(7)
Repurchase of Common Shares	(180)	-
Dividends	(125)	(128)

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 (30SEP23) (\$Millions)

Cash	1,022
Available Term & Operating Lines of Credit	3,500
Total Liquidity	4,522

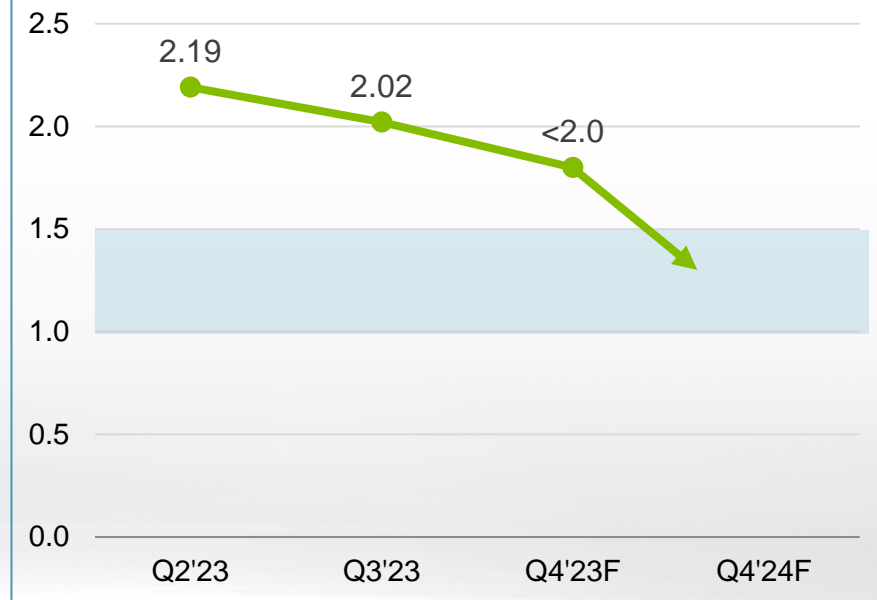
LEVERAGE RATIO (LTM, 30SEP23) (\$Millions)

Adjusted Debt	7,356
Adjusted EBITDA	3,647
Adjusted Debt / Adjusted EBITDA	2.02

Adjusted Debt / Adjusted EBITDA (excl. excess cash) ¹	1.98
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Investment-grade ratings from Moody's, S&P, DBRS

Adjusted Debt/EBITDA



Tracking better than we anticipated at end of Q2

¹ Excluding excess cash held to pay down €550M Senior Notes coming due in Q4

Updated 2023 Outlook – Key Assumptions



	2022	AUGUST 2023	NOVEMBER 2023
Light Vehicle Production (millions of units)			
• North America	14.3	15.2	15.2
• Europe	15.8	17.0	17.6
• China	26.4	26.2	27.1
Foreign Exchange Rates			
• 1 CDN dollar equals USD	0.769	0.746	0.743
• 1 EURO equals USD	1.053	1.096	1.075
• 1 RMB equals USD	0.149	0.142	0.141

- UAW strike included in Outlook

Changed from previous Outlook

Updated 2023 Outlook



	2022	2023		
	Actual	August	Acquired Intangibles Adjustment	November
(\$Billions, unless otherwise noted)				
Total Sales	37.8	41.9 – 43.5		42.1 – 43.1
Adjusted EBIT Margin % ^{1,2}	4.5%	4.8% – 5.2%	0.1%	5.1% – 5.4%
Equity Income	89M	110M – 140M		125M – 150M
Interest Expense	81M	~150M		~150M
Income Tax Rate ³	21.3%	~21%		~21%
Adj. Net Income Attributable to Magna ⁴	1.2	1.4 – 1.6		1.55 – 1.65
Capital Spending	1.7	~2.5		~2.5
Free Cash Flow ⁵	0.083	0.1 – 0.3		0.1 – 0.3

Raised Outlook, including UAW strike

Changed from previous Outlook

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

² Magna's Adjusted EBIT excludes the amortization of acquired intangibles beginning in Q3, 2023 (prior years restated)

³ 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 and amortization of acquired intangibles

⁵ 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 Q3 operating performance



Further sales growth over market



Raised outlook for 2023



Continued confidence in future margin expansion

Appendix – Q3 2023 Results

Q3 2023 Reconciliation of Reported Results



Excluding:

- (1) Other Expense (Income), Net and
- (2) Amortization of Acquired and Intangible Assets

\$Millions, except for share figures

	Reported	(1)	(2)	Adjusted
Income Before Income Taxes	\$ 538	\$ (4)	\$ 32	\$ 566
% of Sales	5.0%			5.3%
Income Tax Expense	\$ 121	\$ (4)	\$ 7	\$ 124
% of Pretax	22.5%			21.9%
Income Attributable to Non-Controlling Interests	\$ (23)	\$ -	\$ -	\$ (23)
Net Income Attributable to Magna	\$ 394	\$ -	\$ 25	\$ 419
Earnings Per Share	\$ 1.37	\$ -	\$ 0.09	\$ 1.46

Q3 2022 Reconciliation of Reported Results



Excluding:

(1) Other Expense (Income), Net and

(2) Amortization of Acquired and Intangible Assets

\$Millions, except for share figures

	Reported	(1)	(2)	Adjusted
Income Before Income Taxes	\$ 400	\$ 23	\$ 11	\$ 434
% of Sales	4.3%			4.7%
Income Tax Expense	\$ 104	\$ 4	\$ 2	\$ 110
% of Pretax	26.0%			25.5%
Income Attributable to Non-Controlling Interests	\$ (7)	\$ -	\$ -	\$ (7)
Net Income Attributable to Magna	\$ 289	\$ 19	\$ 9	\$ 317
Earnings Per Share	\$ 1.00	\$ 0.07	\$ 0.03	\$ 1.10

Sales Performance vs Market



Q3 2023 vs Q3 2022

	Reported	Organic ¹	Performance vs Weighted Global Production (Weighted GoM)
Body Exteriors & Structures	10%	9%	1%
Power & Vision	29%	14%	6%
Seating Systems	18%	18%	10%
Complete Vehicles	(2)%	(9)%	(17)%
TOTAL SALES	15%	10%	2%
Unweighted Production Growth	4%		
Weighted Production Growth²	8%		

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

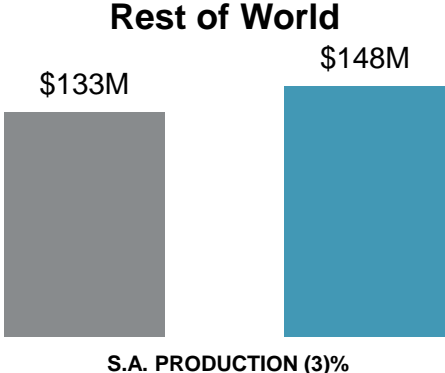
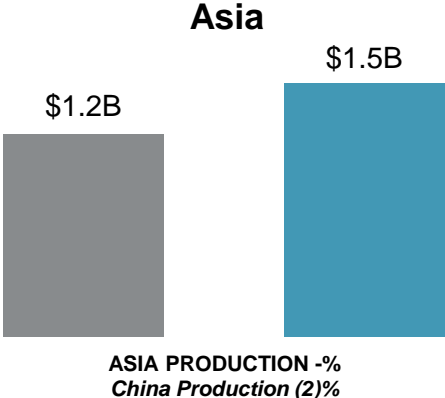
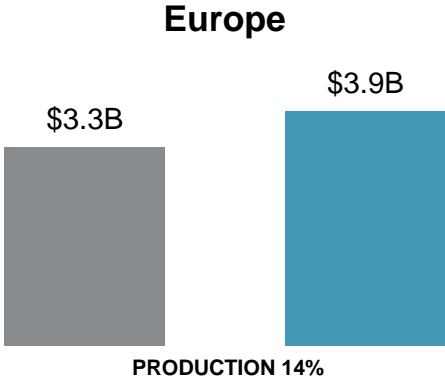
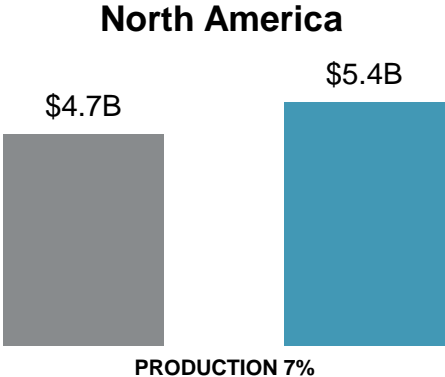
Segment Impact on Adjusted EBIT % of Sales



Q3 2023 vs Q3 2022

(\$Millions)	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
3 rd Quarter of 2022	\$ 9,268	\$ 452	4.9%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ 378	\$ 131	1.1%
Power & Vision	\$ 834	\$ 97	0.5%
Seating Systems	\$ 234	\$ 33	0.2%
Complete Vehicles	\$ (28)	\$ (70)	(0.6)%
Corporate and Other	\$ 2	\$ (28)	(0.3)%
3rd Quarter of 2023	\$ 10,688	\$ 615	5.8%

Q3 2023 vs Q3 2022

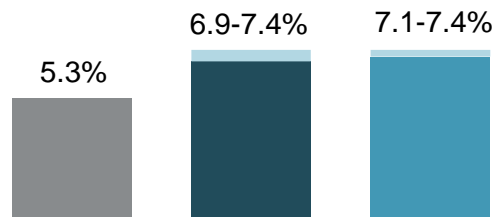


■ Q3 2022 ■ Q3 2023

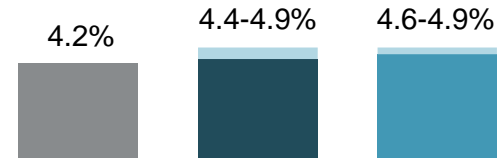
2023 Segment Adjusted EBIT Margin¹



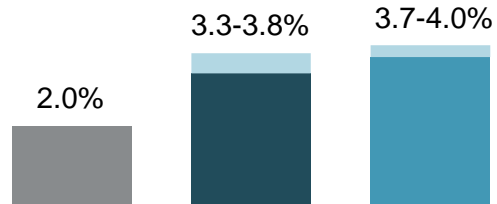
Body Exteriors & Structures



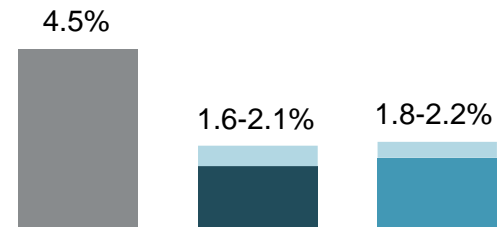
Power & Vision



Seating



Complete Vehicles



■ 2022 ■ August 2023 Outlook ■ November 2023 Outlook

¹ Excludes the amortization of all acquired intangibles

Capital Allocation Principles



Q3 2023

<p>Maintain Strong Balance Sheet</p>	<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 • Maintain flexibility to invest for growth 	<p><i>LTM 30SEP23</i></p>	<p>2.02x</p>
<p>Invest for Growth</p>	<ul style="list-style-type: none"> • Organic and inorganic opportunities • Innovation 	<p><i>Fixed asset additions</i> <i>Other investments</i></p>	<p>\$ 630M \$ 176M</p>
<p>Return Capital to Shareholders</p>	<ul style="list-style-type: none"> • Continued dividend growth over time • Repurchase shares with excess liquidity 		<p>\$ 128M</p>

Disciplined, Profitable Approach to Growth Remains a Foundational Principle



Forward. For all.