



Forward. For all.

**Q1 2022 Results**

April 29, 2022

# Forward Looking Statements



Certain statements in this document constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements"). Any such forward-looking statements are intended to provide information about management's current expectations and plans and may not be appropriate for other purposes. Forward-looking statements may include financial and other projections, as well as statements regarding our future plans, strategic objectives or economic performance, or the assumptions underlying any of the foregoing, and other statements that are not recitations of historical fact. We use words such as "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "aim", "forecast", "outlook", "project", "estimate", "target" and similar expressions suggesting future outcomes or events to identify forward-looking statements. 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
Economic Impacts of Russian Invasion of Ukraine	<ul style="list-style-type: none"> <li>• Disruption of production in Russia</li> <li>• Lower industry production volumes and lower Magna sales</li> <li>• Higher energy, commodity, transportation/logistics and other input costs</li> <li>• Potential disruption of energy supply to Western European operations</li> <li>• Disruption of supply chains, including potential worsening of semiconductor chip shortage</li> <li>• Increasing cybersecurity threats</li> <li>• Potential asset impairment charges</li> <li>• Expropriation risks</li> </ul>
Impact of the global semiconductor shortage	<ul style="list-style-type: none"> <li>• 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:</li> <li>• Lower sales</li> <li>• Production inefficiencies due to production lines being stopped/restarted unexpectedly based on OEMs' production priorities</li> <li>• Premium freight costs to expedite shipments; and/or other unrecoverable costs</li> <li>• Skilled labour attraction/retention</li> <li>• 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</li> </ul>
Impact of energy shortages	<ul style="list-style-type: none"> <li>• Risks related to production shutdowns due to energy shortages/rationing. These risks include:</li> <li>• Lower sales</li> <li>• Higher energy costs</li> <li>• Premium freight costs to expedite shipments; and/or other unrecoverable costs</li> <li>• Price increases from sub-suppliers that have been negatively impacted by</li> <li>• Production inefficiencies, premium freight costs and/or other costs related to production shutdowns resulting from energy rationing</li> </ul>
Impact of supply chain disruptions	<ul style="list-style-type: none"> <li>• Impact of COVID-19</li> </ul>
Inflationary price increases	<ul style="list-style-type: none"> <li>• Commodity cost volatility</li> <li>• Increase in our cost structure as a result of inability to offset inflationary price increases through continuous improvement actions, price increases, adjustments to our own operations or otherwise</li> <li>• Price increases or surcharges from sub-suppliers in connection with inflationary pressures they face</li> <li>• Skilled labour attraction/retention</li> </ul>
Impact of COVID-19	<ul style="list-style-type: none"> <li>• Risks related to mandatory stay-at-home orders/lockdowns, including in parts of China, which could impact vehicle sales, vehicle production and our own production</li> <li>• Economic impact of COVID-19 on consumer confidence</li> </ul>
Light Vehicle Production	<ul style="list-style-type: none"> <li>• Light vehicle sales levels</li> <li>• Supply disruptions, including as a result of the current semiconductor chip shortage, COVID-19 related shutdowns, and/or Russia's invasion of Ukraine</li> <li>• Production allocation decisions by OEMs</li> </ul>
Total Sales Segment Sales	<ul style="list-style-type: none"> <li>• Mandatory COVID-19 lockdowns/stay-at-home orders, including in certain parts of China, could impact vehicle sales, vehicle production and our own production</li> <li>• Economic impact of COVID-19 and/or Russia's invasion of Ukraine on consumer confidence</li> <li>• Supply disruptions, including as a result of a semiconductor chip shortage, COVID-19 related shutdowns, and/or Russia's invasion of Ukraine</li> <li>• Elevated levels of inflation</li> <li>• Regional energy shortages and price increases</li> <li>• Concentration of sales with six customers</li> <li>• Shifts in market shares among vehicles or vehicle segments</li> <li>• Shifts in consumer "take rates" for products we sell</li> </ul>
Adjusted EBIT Margin Net Income Attributable to Magna	<ul style="list-style-type: none"> <li>• Same risks as for Total Sales and Segment Sales above</li> <li>• Operational underperformance</li> <li>• 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; and price increases from sub-suppliers that have been negatively impacted by production inefficiencies</li> <li>• Price concessions</li> <li>• Commodity cost volatility</li> <li>• Higher labour costs</li> <li>• Tax risks</li> </ul>
Equity Income	<ul style="list-style-type: none"> <li>• Same risks as Adjusted EBIT Margin and Net Income Attributable to Magna</li> <li>• Risks related to conducting business through joint ventures</li> </ul>
Free Cash Flow	<ul style="list-style-type: none"> <li>• Same risks as for Total Sales/Segment Sales, and Adjusted EBIT Margin/ Net Income Attributable to Magna above</li> </ul>

# 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;
- 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 Electric Vehicle OEMs, including risks related to limited revenues/operating history of new OEM entrants;
- 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

- risks arising from Russia's invasion of Ukraine and compliance with the sanctions the regime imposed in response;
- impact of the semiconductor chip shortages on OEM production volumes and on the efficiency of our operations;
- risks related to COVID-19;
- supply disruptions and higher costs to mitigate such disruptions;
- regional energy shortages and price increases;
- skilled labour attraction/retention;
- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- climate change risks;
- leadership succession;

## IT Security/Cybersecurity Risk

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

## Pricing Risks

- Inflationary pressures;
- pricing risks between time of quote and award of new business;
- 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;
- intellectual property risks;
- 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;
- 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 – Q1 2022



1.

**Q1 outperformance** in continued difficult industry environment – focusing on operational excellence, cost controls and customer recoveries

2.

**Organic sales** outgrew weighted light vehicle production

3.

**Lowered outlook** based on reduced industry production assumptions, foreign currency translation and higher input costs

4.

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

## Headwinds

- ▶ Ongoing supply constraints (incl. semiconductor chips)
- ▶ Economic impacts of Russia's invasion of Ukraine
- ▶ Higher input costs
- ▶ COVID-19 lock downs in China

## Tailwinds

- ▶ Continued low dealer inventory levels
- ▶ Strong underlying auto demand
- ▶ Megatrends driving growth opportunities

# Q1 2022 Performance Highlights



## CONSOLIDATED SALES


**\$9.6B**      -5%


**Weighted GoM<sup>1</sup>**  
+5%


## ADJUSTED EBIT MARGIN %

**5.3%**      -230 bps

## OTHER HIGHLIGHTS

 Repurchased 5.8m shares for \$383M

 Paid out \$133M in dividends

 Early redemption of Senior Debt

## ADJUSTED DILUTED EPS

**\$1.28**      -31%

## FREE CASH FLOW<sup>2</sup>

**(\$99M)**

<sup>1</sup> 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

<sup>2</sup> Free Cash Flow 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

# Updated 2022 Outlook – Key Factors



- Lowered global light vehicle production (“GLVP”) assumptions
  - +3% year over year versus +6% in February outlook
  - Europe production down 2.1M units
    - 0.9M Russia – assumes no production for global OEMs
    - 1.2M in Rest of Europe
  - North America production down 500K units
  - China production up 200K units, down 400K Q2-Q4
- Lower sales expectations due to lower GLVP assumptions and lower euro-US\$
- Assumed higher net input costs impacting margin by ~\$290M





*Magna wins multiple GM supplier of the year awards for 2021*

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**Automotive News**  
**PACE**<sup>TM</sup>  
**AWARD**



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**2022 FINALIST**

*Multiple Magna innovations identified as finalists for the 2022 Automotive News PACE Awards*

# 2022 Investor Event – May 10, 2022



- Update on go-forward strategy execution
- On-road driving experiences and interactive displays showcasing new technologies
- Location: M1 Concourse in Pontiac, Michigan



# Q1 2022 Financial Results



## Consolidated Sales

(\$Billions)

-5%



Weighted GoM<sup>1</sup> +5%

### Q1'22 Production

Global	-7%
North America	-4%
Europe	-16%
China	+3%
Magna Weighted	-7%

## Key Factors

- Lower global light vehicle production (-)
- Lower assembly volumes (-)
- Foreign currency translation: \$311M (-)
- Divestitures, net of acquisitions: \$64M (-)
- Customer price concessions (-)
- Launch of new programs (+)
- Price increases to recover higher input costs (+)

<sup>1</sup> 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

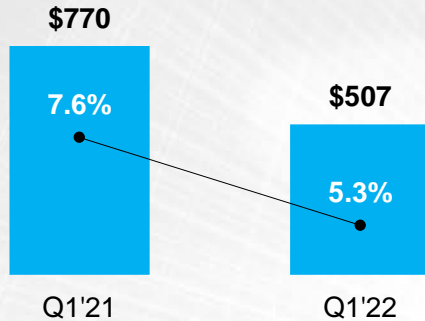
# Q1 2022 Financial Results



## Adjusted EBIT & Margin

(\$Millions)

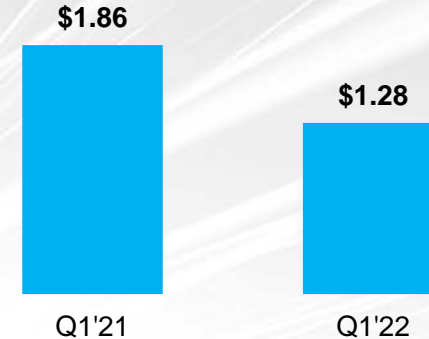
-34%



## Adjusted EPS

(\$)

-31%



### Most Significant Factor

- Higher input costs (-)

### Other Items

- Inefficiencies and other costs at certain underperforming facilities (-)
- Higher electrification spending (-)
- Lower equity income (-)
- Net favourable commercial items (+)
- Lower launch costs (+)
- Lower employee profit sharing and incentive comp (+)
- Lower net ADAS application engineering costs (+)

### Equity Income (-27M)

- Electrification spending (-)
- Reduced earnings on lower sales at other equity-accounted entities (-)

### Adjusted effective tax rate of 17.3% vs 23.3% in Q1, 2021:

- Net favourable adjustments related to changes in tax laws
- Favourable adjustments from temporal fx
- Higher favourable impact from R&D credits

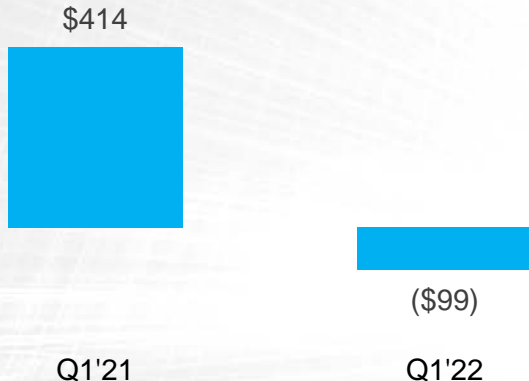
**Adjusted Net Income Attributable to Magna** of \$383M, down \$183M

# Q1 2022 Cash Flow and Investment Activities



## Free Cash Flow<sup>1</sup>

(\$Millions)



Cash from Operations Before Changes in Operating Assets & Liabilities	\$749M
Changes in Operating Assets & Liabilities	(\$569M)
<b>Cash from Operations</b>	<b>\$180M</b>
Fixed Asset Additions	(\$238M)
Increase in Investments, Other Assets and Intangible Assets	(\$64M)
Proceeds from Dispositions	\$23M
<b>Free Cash Flow<sup>1</sup></b>	<b>(\$99M)</b>

## OTHER USES OF CASH

Net Repayment of Debt	\$328M
Public and Private Equity Investments	\$2M
Repurchase of Common Shares	\$383M
Dividends (\$0.45/share)	\$133M

<sup>1</sup> 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



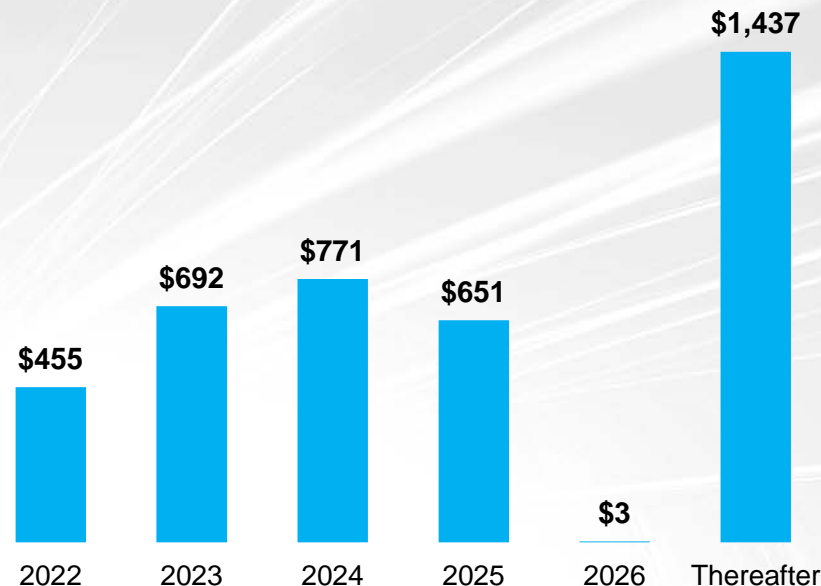
(\$M)

<b>TOTAL LIQUIDITY (03/31/22)</b>	
Cash	\$1,996
Available Term & Operating Lines of Credit	\$3,539
<b>Total Liquidity</b>	<b>\$5,535</b>

<b>LEVERAGE RATIO (LTM, 03/31/22)</b>	
Adjusted Debt	\$5,471
Adjusted EBITDA	\$3,529
Adjusted Debt / Adjusted EBITDA	1.55

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

**Estimated Future LTD Principal Repayments (12/31/21)**  
(\$M)



# Financial Outlook – Key Assumptions



	2021	FEBRUARY 2022	APRIL 2022
<b>Light Vehicle Production</b>			
(millions of units)			
• North America	13.1	15.2	<b>14.7</b>
• Europe	16.0	18.5	<b>16.4</b>
• China	24.6	24.2	<b>24.4</b>
<b>Foreign Exchange Rates</b>			
• 1 CDN dollar equals USD	0.798	0.800	<b>0.790</b>
• 1 EURO equals USD	1.183	1.130	<b>1.091</b>
• 1 RMB equals USD	0.155	0.157	<b>0.157</b>

*Changed from previous Outlook*

# 2022 Outlook



(\$Billions, unless otherwise noted)

	2021	FEBRUARY 2022	APRIL 2022
<b>Sales:</b>			
• Body Exteriors & Structures	14.5	16.2 – 16.8	<b>15.8 – 16.4</b>
• Power & Vision	11.3	11.9 – 12.3	<b>11.6 – 12.0</b>
• Seating Systems	4.9	5.4 – 5.7	<b>5.2 – 5.5</b>
• Complete Vehicles	6.1	5.8 – 6.1	<b>5.2 – 5.5</b>
<b>Total Sales</b>	<b>36.2</b>	<b>38.8 – 40.4</b>	<b>37.3 – 38.9</b>
Adjusted EBIT Margin % <sup>1</sup>	5.7%	6.0% – 6.4%	<b>5.0% - 5.4%</b>
Equity Income	148M	70M – 100M	<b>70M – 100M</b>
Interest Expense	78M	~80M	<b>~90M</b>
Income Tax Rate <sup>2</sup>	19.8%	~21%	<b>~21%</b>
Net Income Attributable to Magna <sup>3</sup>	1.553	1.7 – 1.9	<b>1.3 – 1.5</b>
Capital Spending	1.4	~1.8	<b>~1.8</b>

Changed from previous Outlook

<sup>1</sup> Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales

<sup>2</sup> The Income Tax Rate has been calculated using Adjusted EBIT and is based on current tax legislation

<sup>3</sup> Net Income Attributable to Magna represents Net Income excluding Other expense (income), net



# Free Cash Flow<sup>1</sup> Expectations



<sup>1</sup> Free Cash Flow 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

## Q1 Outperformance Despite Industry Headwinds

- Focusing on Operational Excellence, Cost Controls and Customer Recoveries
- Ongoing Investments to Drive Future Growth
- Positioned for Growth and Free Cash Flow Generation as Markets Recover



# Appendix – Q1 2022 Results

# Magna in Russia



- 2021 sales of \$371 million (~1% of total sales)
  - Substantively to Hyundai and Volkswagen
- ~2,000 employees in 6 facilities
- \$440 million on balance sheet as at March 31, 2022
  - \$160 million in net assets
  - \$280 million in deferred cumulative translation losses
- Operations remain substantially idled

# Q1 2022 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	\$ 420	\$ 61	\$ 481
% of Sales	<b>4.4%</b>		<b>5.0%</b>
Income Tax Expense	\$ 41	\$ 42	\$ 83
% of Pretax	<b>9.8%</b>		<b>17.3%</b>
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

# Q1 2021 Reconciliation of Reported Results



Excluding Other Expense (Income), Net  
 \$Millions – except for share figures

	REPORTED	OTHER INCOME, NET	EXCL. OTHER INCOME, NET
Income Before Income Taxes	\$ 805	\$ (58)	\$ 747
% of Sales	<b>7.9%</b>		<b>7.3%</b>
Income Tax Expense	\$ 183	\$ (9)	\$ 174
% of Pretax	<b>22.7%</b>		<b>23.3%</b>
Income Attributable to Non-Controlling Interests	\$ (7)	\$ -	\$ (7)
Net Income Attributable to Magna	\$ 615	\$ (49)	\$ 566
Earnings Per Share	\$ 2.03	\$ (0.17)	\$ 1.86

# Sales Performance vs Market



## Q1 2022 vs Q1 2021

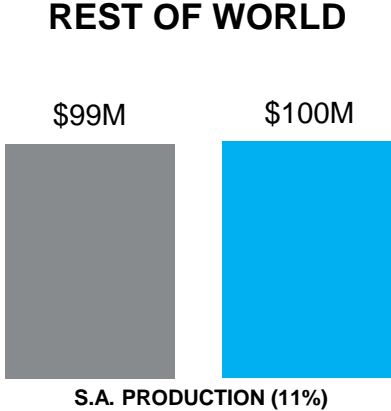
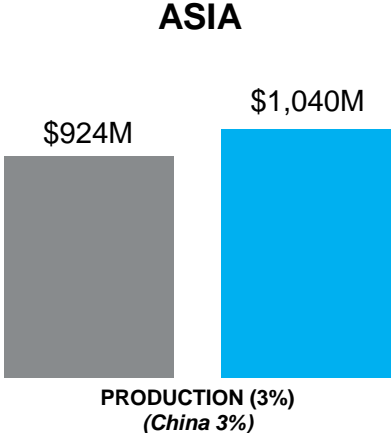
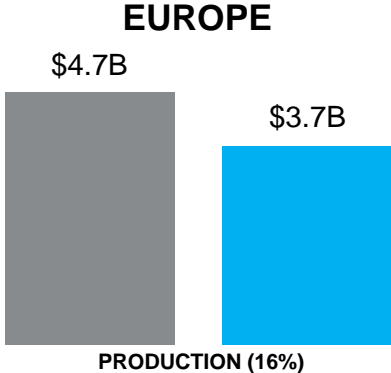
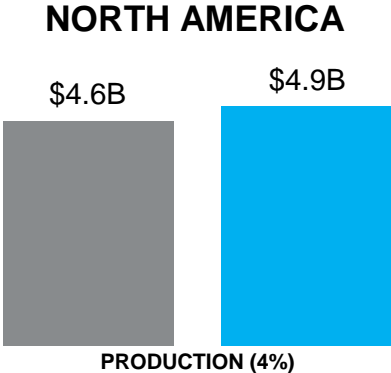
	REPORTED	ORGANIC <sup>1</sup>	PERFORMANCE VS WEIGHTED GLOBAL PRODUCTION (Weighted GoM)
Body Exteriors & Structures	1%	6%	13%
Power & Vision	(3%)	(2%)	5%
Seating Systems	6%	10%	17%
Complete Vehicles	(31%)	(26%)	(19%)
<b>TOTAL SALES</b>	<b>(5%)</b>	<b>(2%)</b>	<b>5%</b>
<b>Unweighted Production Growth</b>	<b>(7%)</b>		
<b>Weighted Production Growth<sup>2</sup></b>	<b>(7%)</b>		

<sup>1</sup> Organic Sales represents sales excluding acquisitions net of divestitures and FX movements

<sup>2</sup> Calculated by applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production

# Geographic Sales

## Q1 2022 vs Q1 2021



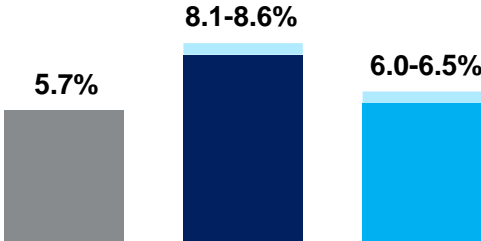
■ Q1 2021   ■ Q1 2022



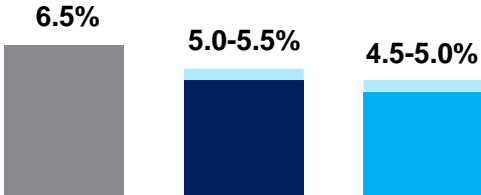
# 2022 Segment Adjusted EBIT Margin



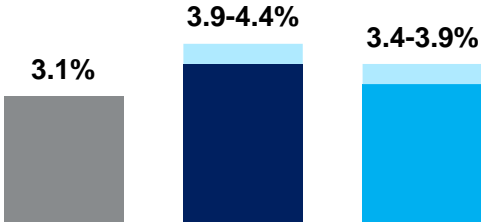
## BODY EXTERIORS & STRUCTURES



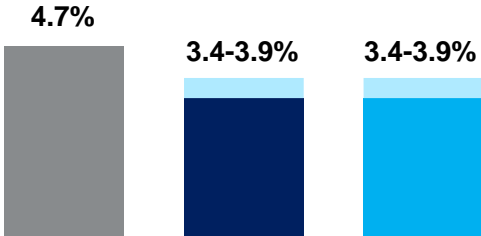
## POWER & VISION



## SEATING SYSTEMS



## COMPLETE VEHICLES



■ 2021    ■ February 2022 Outlook    ■ April 2022 Outlook

# Capital Allocation Principles



**Q1 2022**

## Maintain Strong Balance Sheet

- Preserve liquidity and high investment grade credit ratings
  - Adj. debt / Adj. EBITDA ratio between 1.0-1.5x *LTM 3/31/22* 1.55x
- Maintain flexibility to invest for growth

## Invest for Growth

- Organic and inorganic opportunities
 

<i>Fixed asset additions</i>	\$ 238M
<i>Other investments</i>	\$ 64M
<i>Public + Private Equity Inv.</i>	\$ 2M
- Innovation

## Return Capital to Shareholders

- Continued dividend growth over time \$ 133M
- Repurchase shares with excess liquidity \$ 383M

Disciplined, Profitable Approach to Growth Remains a Foundational Principle

# 2024 Financial Outlook<sup>1</sup>



## ASSUMPTIONS

### Light Vehicle Production (millions of units)

• North America	17.5
• Europe	21.2
• China	29.0

### Foreign Exchange Rates

• 1 CDN dollar equals USD	0.800
• 1 EURO equals USD	1.130
• 1 RMB equals USD	0.157

\$ Billions, Unless Otherwise Noted

### Sales

• Body Exteriors & Structures	\$19.6 – \$20.6
• Power & Vision	\$14.3 – \$14.9
• Seating Systems	\$6.2 – \$6.6
• Complete Vehicles	\$5.0 – \$5.5

### Total Sales

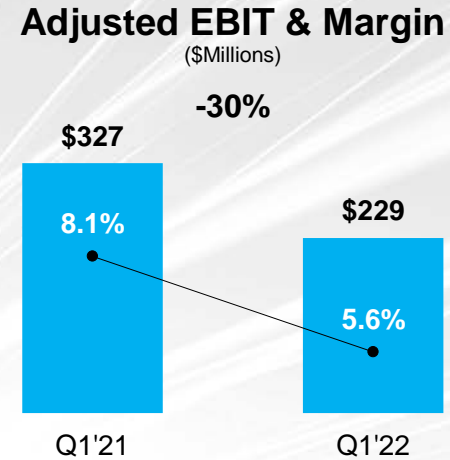
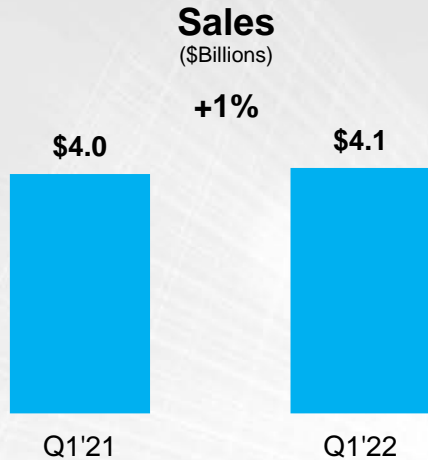
• Adjusted EBIT Margin % <sup>2</sup>	8.1% – 8.6%
• Equity Income	\$170M – \$215M

<sup>1</sup> Forward-looking financial information for 2024 is based on outlook information and assumptions provided in our press release dated February 11, 2022, and has not been updated

<sup>2</sup> Adjusted EBIT Margin is the ratio of Adjusted EBIT to Total Sales

# BODY EXTERIORS & STRUCTURES

## Segment Financial Performance



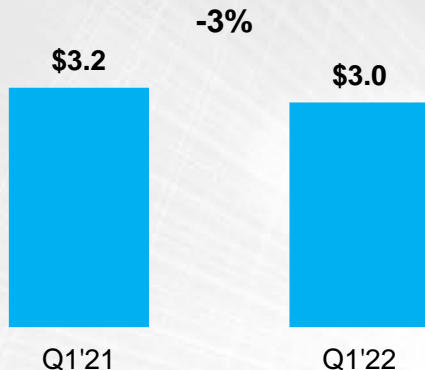
- Launch of new programs (+)
- Price increases to recover higher input costs (+)
- Lower global light vehicle production (-)
- Divestitures, net of acquisitions: \$97M (-)
- Foreign currency translation: \$80M (-)
- Customer price concessions (-)

- Higher input costs (-)
- Inefficiencies & other costs at certain underperforming facilities (-)
- Commercial settlements (+)
- Divestitures, net of acquisitions (+)

# Segment Financial Performance

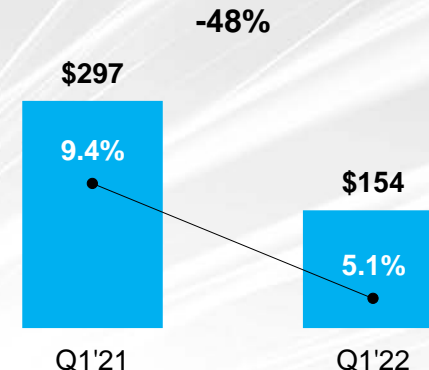


## Sales (\$Billions)



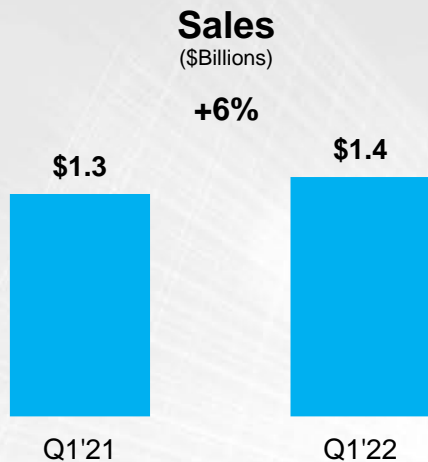
- Lower global light vehicle production (-)
- Foreign currency translation: \$92M (-)
- Net customer price concessions (-)
- Launch of new programs (+)
- Acquisition: \$37M (+)

## Adjusted EBIT & Margin (\$Millions)

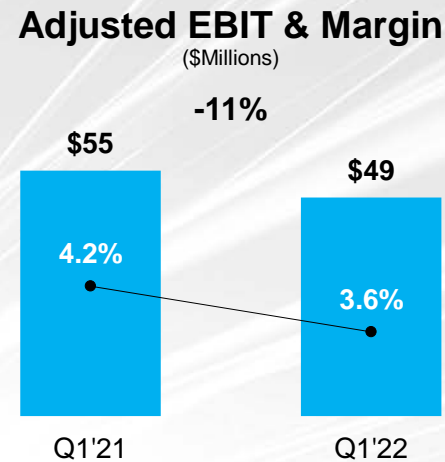


- Higher input costs (-)
- Higher electrification spending (-)
- Lower equity income (-)
- Inefficiencies at certain underperforming facilities (-)
- Reduced earnings on lower sales (-)
- Commercial settlements (+)
- Lower net ADAS application engineering costs (+)
- Lower launch costs (+)

# Segment Financial Performance

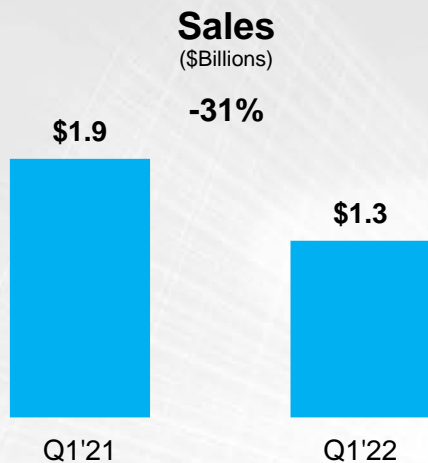


- Launch of new programs (+)
- Lower global light vehicle production (-)
- Foreign currency translation: \$54M (-)
- Net customer price concessions (-)

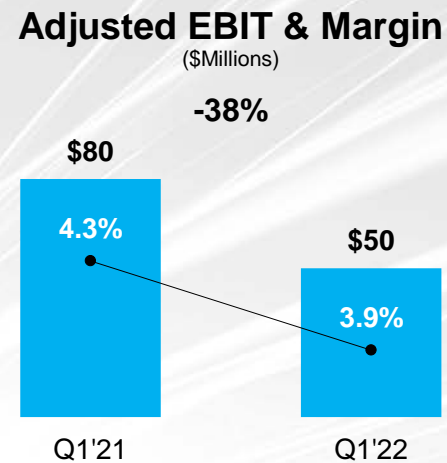


- Higher input costs (-)
- Earnings on higher sales (+)
- Lower launch costs (+)
- Commercial settlements (+)

# Segment Financial Performance



- Lower vehicle assembly volumes (-15.4K units)
- Weaker euro: \$92M (-)
- Favourable program mix (+)



- Reduced earnings on lower assembly volumes, net of contractual fixed cost recoveries on certain programs (-)
- Higher energy costs (-)
- Lower employee profit sharing & incentive comp (+)
- Higher margins on engineering programs (+)



Forward. For all.