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Q3 2022 Results

November 4, 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**
Total Sales Segment Sales	• Supply disruptions, including as a result of the semiconductor chip shortage currently being experienced in the industry; and Russia's invasion of Ukraine; • The impact of the Russian invasion of Ukraine on global economic growth, and industry production volumes, as well as potential disruption of energy supply to Western European operations, particularly natural gas • 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
Adjusted EBIT Margin Net Income Attributable to Magna	• Same risks as for Total Sales and Segment Sales above • Operational underperformance • Higher costs incurred to mitigate the risk of supply disruptions, including: materials price increases; higher-priced substitute supplies; premium freight costs to expedite shipments; production inefficiencies due to production lines being stopped/restarted unexpectedly based on customers' production schedules; price increases from sub-suppliers that have been negatively impacted by production inefficiencies; and potential claims against us if customer production is disrupted • Inability to offset inflationary price increases • Price concessions • Commodity cost volatility • Higher labour costs • Tax risks
Expected Sequential Earnings Improvement	• Same risks as for Adjusted EBIT Margin/Net Income Attributable to Magna above
Equity Income	• Same risks as Adjusted EBIT Margin and Net Income Attributable to Magna • Risks related to conducting business through joint ventures
Free Cash Flow	• Same risks as for Total Sales/Segment 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;
- 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 regime imposed in response;
- impact of the semiconductor chip shortage on OEM production volumes and the efficiency of our operations;
- supply disruptions, including with respect to semiconductor chips;
- regional energy shortages and price increases;
- skilled labour attraction/retention;

Manufacturing Operational Risks (cont.)
- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- risks related to COVID-19;
- climate change risks;

IT Security/Cybersecurity Risk
- IT/cybersecurity breach;
- product cybersecurity breach;

Pricing Risks
- inflationary pressures:
- pricing risks between time of quote and start of production;
- price concessions;
- commodity cost volatility;
- declines in scrap steel/aluminum prices;

Warranty / Recall Risks
- costs related to repair or replacement of defective products, including due to a recall;
- warranty or recall costs that exceed warranty provision or insurance coverage limits;
- product liability claims;

Acquisition Risks
- competition for strategic acquisition targets;
- inherent merger and acquisition risks;
- acquisition integration risk;

Other Business Risks
- risks related to conducting business through joint ventures;
- our ability to consistently develop and commercialize innovative products or processes;
- intellectual property risks;
- our changing business risk profile as a result of increased investment in electrification and autonomous driving, including: higher R&D and engineering costs, and challenges in quoting for profitable returns on products for which we may not have significant quoting experience;
- risks of conducting business in foreign markets;
- fluctuations in relative currency values;
- tax risks;
- reduced financial flexibility as a result of an economic shock;
- changes in credit ratings assigned to us;

Legal, Regulatory and Other Risks
- antitrust risk;
- legal claims and/or regulatory actions against us; and
- changes in laws and regulations, including those related to vehicle emissions or made as a result of the COVID-19 pandemic.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement. Additionally, readers should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements, including the risks, assumptions and uncertainties above which are:
- discussed under the “Industry Trends and Risks” heading of our Management’s Discussion and Analysis; and
- set out in our Annual Information Form filed with securities commissions in Canada, our annual report on Form 40-F filed with the United States Securities and Exchange commission, and subsequent filings.

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

Reminders

All amounts are in U.S. Dollars

Today's discussion excludes the impact of other expense (income), net ("Unusual Items")

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

Key Messages – Q3 2022

1. **Improved** YoY and sequential results in Q3

2. **Expect sequential improvement** in earnings again in Q4

3. **Reduced 2022 outlook** for sales and margin

4. **Further progress** in our go-forward strategy

Current Market Dynamics

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Headwinds

- Continued supply constraints
- Input costs remain elevated
- Foreign currency translation due to stronger USD
- Impact of high inflation and rising interest rates on consumer demand

Tailwinds

- Dealer inventory levels remain well below historical levels
- Underlying auto demand remains resilient
- Auto forecasters expecting increased global light vehicle production in 2023+

Q3 2022 Performance Highlights

CONSOLIDATED SALES

$9.3B **+17%**

Weighted GoM[1]

3%

ADJUSTED EBIT MARGIN %

4.8% **+190 bps**

ADJUSTED DILUTED EPS

$1.07 **+91%**

FREE CASH FLOW[2]

-$210M

OTHER HIGHLIGHTS

- Improved EBIT margin in every operating segment
- Repurchased 3.1M shares for $180M
- Paid out $125M in dividends

[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 plus settlement of long-term receivable from a non-consolidated joint venture minus capital spending minus investment in other assets*

[3] *Represents managed sales. Managed sales = consolidated sales + sales at 100% for unconsolidated entities*

Updated 2022 Outlook – Key Factors

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Reduction in 2022
Adjusted EBIT Margin %

- Operating efficiencies at certain facilities — ~15 bps
  - Most significant is BES facility in Europe
    - Action plans in place
    - We expect progress improving run-rate of losses going forward
- Lower volumes driving lower sales in key markets — ~10 bps
  - Reduced volumes in North America and Europe
  - Partially offset by increased volumes in China
  - Ongoing industry disruption costs: Start-stop, OEM release volatility
    - Previous outlook anticipated improvements
- Modestly higher net input costs — ~5 bps
  - Lower sales of scrap steel and aluminum (~$20M)

Expect Sequential Earnings Improvement Q4/22 vs Q3/22

Magna Enters Micromobility Market

- Utilizing Magna's capabilities and platform technologies
- Invested in Yulu and in growing battery-swapping business
- Ongoing activities with delivery robots

Launching 48Volt Hybrid Transmissions

Magna's 48-Volt hybrid transmission system launches on several Stellantis models around the globe

- Hybrid dual-clutch transmission debuted on the Jeep Renegade and Compass e-Hybrid, Fiat 500X and Tipo
- Agreement includes additional hybrid models in the future for Europe
- Scalable technology aids customers in the transition to vehicle electrification

Technology Recognitions from Automotive News

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Automotive News PACE™ AWARD

2022 WINNER

Automotive News PACE™ pilot

2022 INNOVATION TO WATCH

Q3 2022 Financial Results

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Consolidated Sales

($Billions)

+17%

Weighted GoM[1] 3%

Q3'22 Production	
Global	24%
North America	24%
Europe	25%
China	27%
Magna Weighted	24%

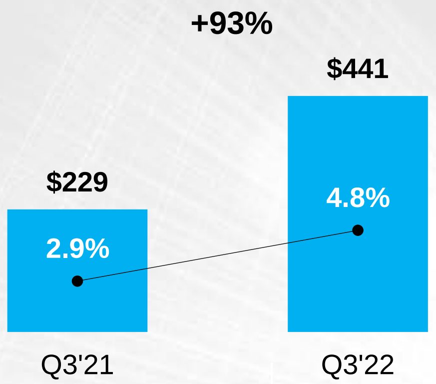
Key Factors

- Higher global light vehicle production and assembly volumes (+)
- Launch of new programs (+)
- Customer price increases to recover higher input costs (+)
- Foreign currency translation: $774M or 10% (-)
- Lower sales at facilities in Russia (-)
- Customer price concessions (-)

[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*

Q3 2022 Financial Results

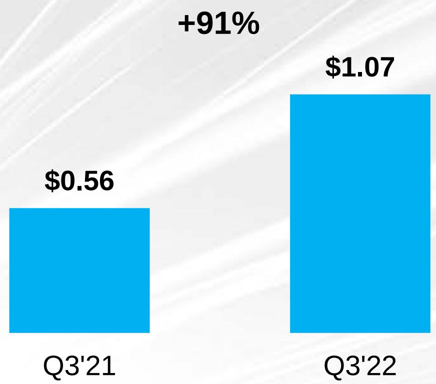
Adjusted EBIT & Margin
($Millions)



Adjusted EBIT Margin %

- Earnings on higher sales (+)
- Commercial settlements (+)
- Provision on engineering services contract with Evergrande in Q3'21 (+)
- Higher tooling contribution (+)
- Divestitures, net of acquisitions (+)
- Higher net input costs (-)
- Operating inefficiencies at a facility in Europe (-)
- Higher launch costs (-)
- Higher net warranty costs (-)
- Reduced earnings on lower sales at facilities in Russia (-)

Adjusted EPS
($)



Adjusted effective tax rate of 25.5% vs 15.0% in Q3'21:

- Lower R&D credits (-)
- Change in the mix of earnings (-)
- Favourable changes in reserves for uncertain tax positions (+)

Adjusted Net Income Attributable to Magna of $308M, up $138M

Q3 2022 Cash Flow and Investment Activities

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Free Cash Flow[1]
($Millions)

	($Millions)
Cash from Operations Before Changes in Operating Assets & Liabilities	$591
Changes in Operating Assets & Liabilities	($353)
Cash from Operations	***$238***
Fixed Asset Additions	($364)
Increase in Investments, Other Assets and Intangible Assets	($125)
Proceeds from Dispositions	$41
Free Cash Flow[1]	**($210)**
OTHER USES OF CASH	
Net Repayment of Debt	$10
Private Equity Investments	$25
Repurchase of Common Shares	$180
Dividends ($0.45/share)	$125

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

Continued Financial Flexibility

($Billions)

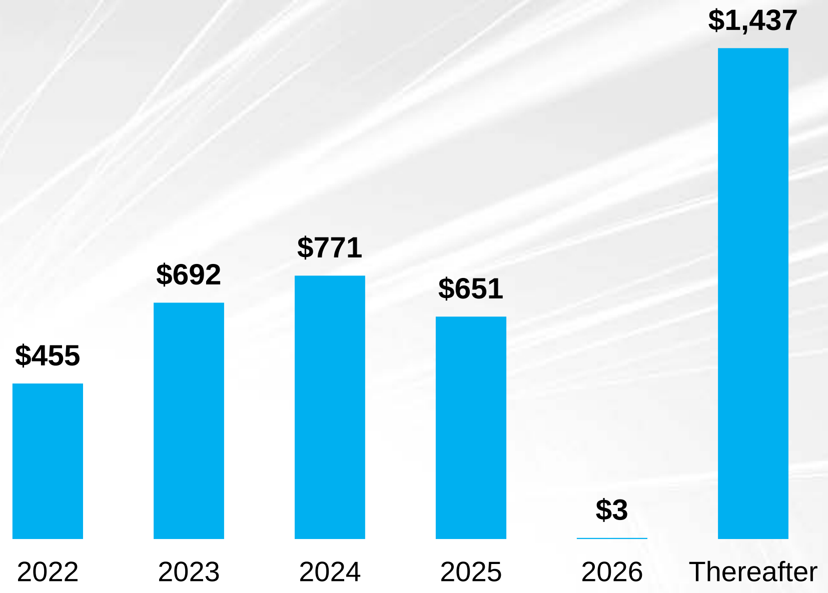
TOTAL LIQUIDITY (09/30/22)	
Cash	$1.1
Available Term & Operating Lines of Credit	$3.5
Total Liquidity	$4.6

LEVERAGE RATIO (LTM, 09/30/22)	
Adjusted Debt	$5.138
Adjusted EBITDA	$3.695
Adjusted Debt / Adjusted EBITDA	1.39x

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

Estimated LTD Principal Repayments (12/31/21)

($Millions)



Financial Outlook – Key Assumptions

	2021	JULY 2022	NOVEMBER 2022
Light Vehicle Production (millions of units)			
• North America	13.1	14.7	14.5
• Europe	16.0	16.4	16.0
• China	24.6	24.4	25.5
Foreign Exchange Rates			
• 1 CDN dollar equals USD	0.798	0.783	0.767
• 1 EURO equals USD	1.183	1.052	1.043
• 1 RMB equals USD	0.155	0.151	0.149

Changed from previous Outlook

2022 Outlook

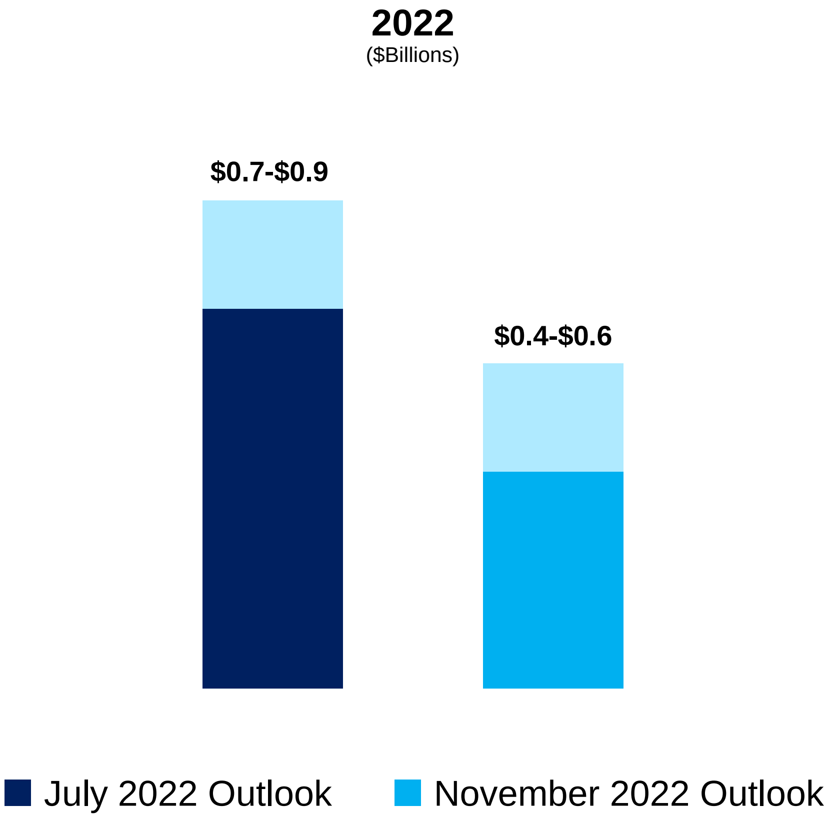
($Billions, unless otherwise noted)

	2021	JULY 2022	NOVEMBER 2022
Sales:			
• Body Exteriors & Structures	14.5	16.0 – 16.6	16.0 – 16.4
• Power & Vision	11.3	11.7 – 12.1	11.6 – 11.9
• Seating Systems	4.9	5.3 – 5.6	5.2 – 5.4
• Complete Vehicles	6.1	5.1 – 5.4	5.0 – 5.2
Total Sales	36.2	37.6 – 39.2	37.4 – 38.4
Adjusted EBIT Margin %[1]	5.7%	5.0% – 5.4%	4.8% – 5.0%
Equity Income	148M	70M – 100M	75M – 100M
Interest Expense	78M	~80M	~80M
Income Tax Rate[2]	19.8%	~21%	~21%
Net Income Attributable to Magna[3]	1.553	1.3 – 1.5	1.3 – 1.4
Capital Spending	1.4	~1.8	~1.7

Changed from previous Outlook

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

Free Cash Flow[1] Expectations



- Reduced earnings outlook (-)
- Higher expected year end working capital (-)
- Lower capital spending outlook (+)

[1] *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*

In Summary

Improved Results in Q3, Both YoY and Sequentially

- Further sequential earnings improvement expected in Q4
- Continued focus on improvements in our underperforming operations, managing costs and customer recoveries
- Ongoing progress in our go-forward strategy

Appendix – Q3 2022 Results

Q3 2022 Reconciliation of Reported Results

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($Millions, except for share figures)

	REPORTED	OTHER EXPENSE, NET	EXCL. OTHER EXPENSE, NET
Income Before Income Taxes	$ 400	$ 23	$ 423
% of Sales	***4.3%***		***4.6%***
Income Tax Expense	$ 104	$ 4	$ 108
% of Pretax	***26.0%***		***25.5%***
Income Attributable to Non-Controlling Interests	$ (7)	$ -	$ (7)
Net Income Attributable to Magna	$ 289	$ 19	$ 308
Earnings Per Share	$ 1.00	$ 0.07	$ 1.07

Q3 2021 Reconciliation of Reported Results

($Millions, except for share figures)

	REPORTED	OTHER EXPENSE, NET	EXCL. OTHER EXPENSE, NET
Income Before Income Taxes	$ 27	$ 180	$ 207
% of Sales	***0.3%***		***2.6%***
Income Tax Expense	$ 10	$ 21	$ 31
% of Pretax	***37.0%***		***15.0%***
Income Attributable to Non-Controlling Interests	$ (6)	$ -	$ (6)
Net Income Attributable to Magna	$ 11	$ 159	$ 170
Earnings Per Share	$ 0.04	$ 0.52	$ 0.56

Sales Performance vs Market

Q3 2022 vs Q3 2021

	REPORTED	ORGANIC[1]	PERFORMANCE VS WEIGHTED GLOBAL PRODUCTION (Weighted GoM)
Body Exteriors & Structures	25%	31%	7%
Power & Vision	16%	26%	2%
Seating Systems	15%	25%	1%
Complete Vehicles	(3%)	13%	(11%)
TOTAL SALES	**17%**	**27%**	**3%**
Unweighted Production Growth	**24%**		
Weighted Production Growth[2]	**24%**		

[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

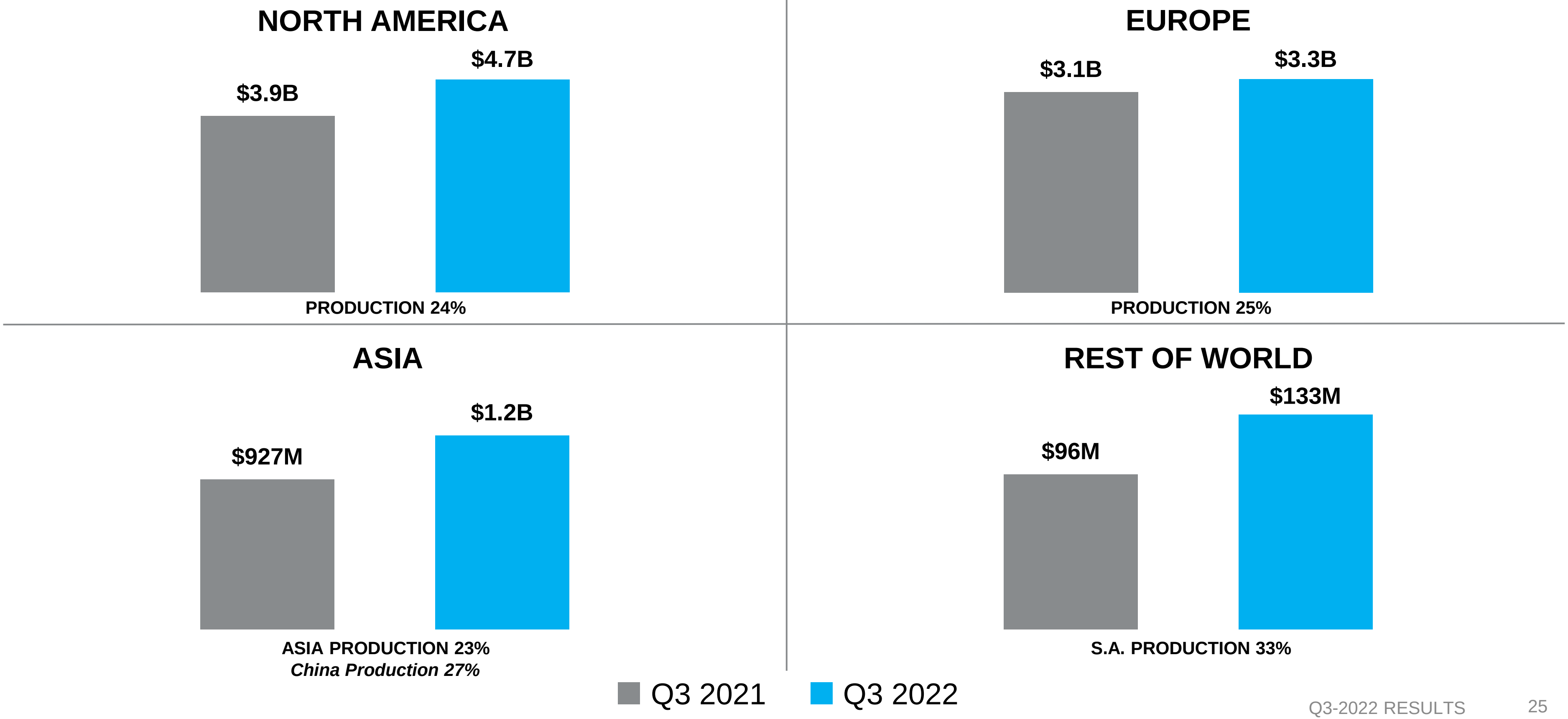
2022 YTD vs 2021 YTD

	REPORTED	ORGANIC[1]	PERFORMANCE VS WEIGHTED GLOBAL PRODUCTION (Weighted GoM)
Body Exteriors & Structures	11%	16%	10%
Power & Vision	4%	9%	3%
Seating Systems	9%	17%	11%
Complete Vehicles	(15%)	(5%)	(11%)
TOTAL SALES	**4%**	**11%**	**5%**
Unweighted Production Growth	**6%**		
Weighted Production Growth[2]	**6%**		

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

Geographic Sales

Q3 2022 vs Q3 2021



2022 Segment Adjusted EBIT Margin

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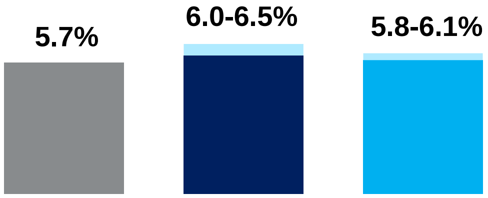
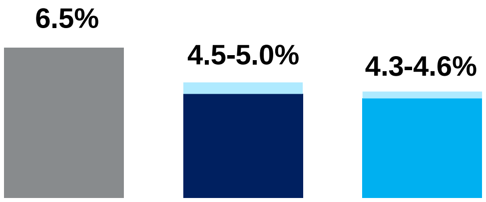
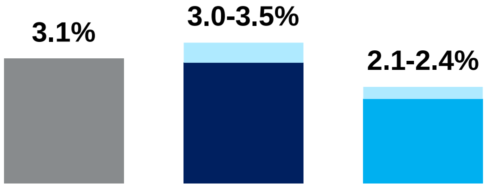
BODY EXTERIORS & STRUCTURES



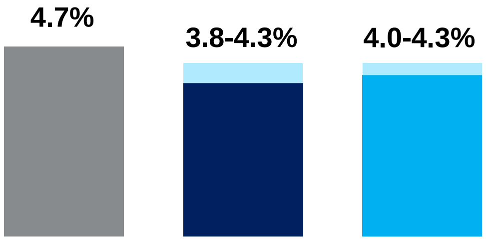
POWER & VISION



SEATING SYSTEMS



COMPLETE VEHICLES



2021 | July 2022 Outlook | November 2022 Outlook

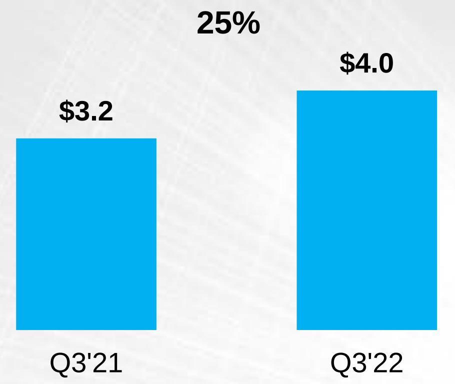
Capital Allocation Principles

			Q3 2022
Maintain Strong Balance Sheet	• Preserve liquidity and high investment grade credit ratings - Adj. debt / Adj. EBITDA ratio between 1.0-1.5x	*LTM 9/30/22*	1.39x
	• Maintain flexibility to invest for growth		
Invest for Growth	• Organic and inorganic opportunities	*Fixed asset additions* *Other investments* *Private Equity Investments*	$ 364M $ 125M $ 25M
	• Innovation		
Return Capital to Shareholders	• Continued dividend growth over time		$ 125M
	• Repurchase shares with excess liquidity		$ 180M

Disciplined, Profitable Approach to Growth Remains a Foundational Principle

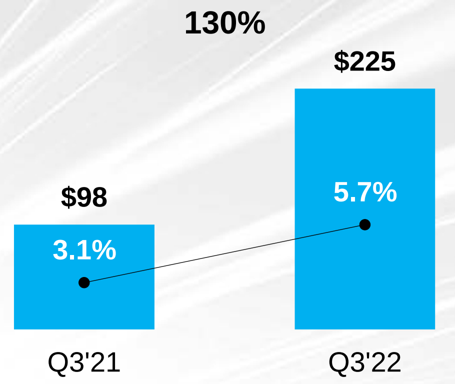
Segment Financial Performance

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Customer price increases to recover higher input costs (+)
- Acquisitions, net of divestitures: $15M (+)
- Foreign currency translation: $209M (-)
- Lower sales at facilities in Russia (-)
- Net customer price concessions (-)

Adjusted EBIT & Margin
($Millions)

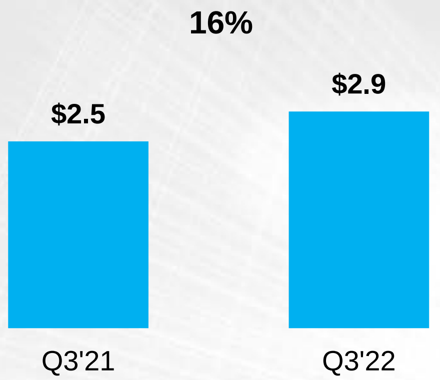


Adjusted EBIT Margin %

- Earnings on higher sales (+)
- Commercial settlements (+)
- Higher tooling contribution (+)
- Divestitures, net of acquisitions (+)
- Higher net input costs (-)
- Operating inefficiencies at a facility in Europe (-)
- Reduced earnings on lower sales at facilities in Russia (-)

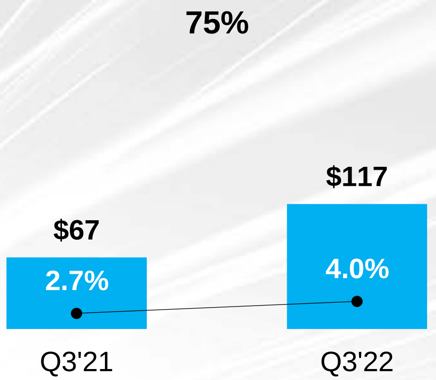
Segment Financial Performance

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Customer price increases to recover higher production costs (+)
- Foreign currency translation: $239M (-)
- Net customer price concessions (-)

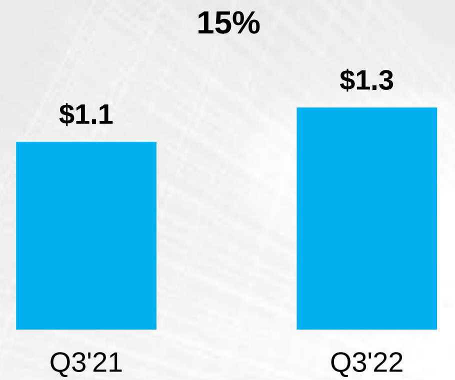
Adjusted EBIT & Margin
($Millions)



Adjusted EBIT Margin %
- Earnings on higher sales (+)
- Commercial settlements (+)
- Higher net input costs (-)
- Higher net warranty costs: $14M (-)
- Higher launch costs (-)

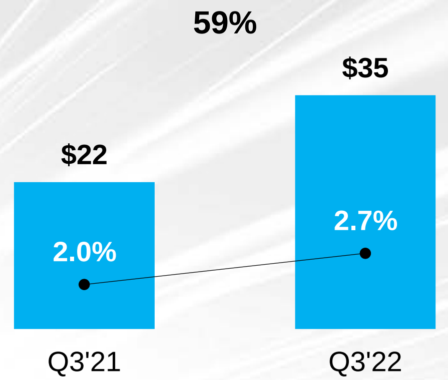
Segment Financial Performance

Sales
($Billions)



- Higher global light vehicle production (+)
- Launch of new programs (+)
- Customer price increases to recover higher production input costs (+)
- Foreign currency translation: $103M (-)
- Lower sales at facilities in Russia (-)
- Divestitures: $9M (-)
- Net customer price concessions (-)

Adjusted EBIT & Margin
($Millions)



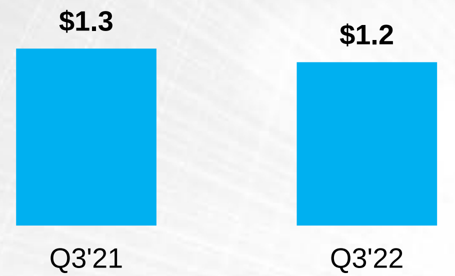
Adjusted EBIT Margin %

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

Segment Financial Performance

Sales
($Billions)

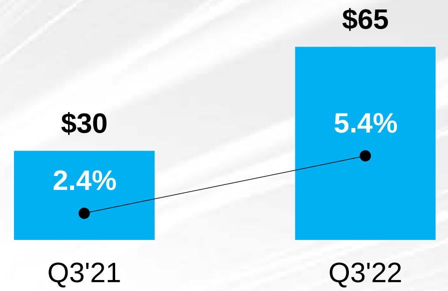
-3%



- Weaker euro: $207M (-)
- Higher vehicle assembly volumes: 1.6K units (+)

Adjusted EBIT & Margin
($Millions)

117%



Adjusted EBIT Margin %

- Provision on engineering services contract with Evergrande in Q3'21 (+)
- Higher earnings on higher assembly volumes, net of contractual fixed cost recoveries on certain programs (+)
- Higher net input costs (-)

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