

Forward. For all.

Q2-2023 Results

August 4, 2023



Louis Tonelli

Vice President, Investor Relations

Forward Looking Statements

Certain statements in this document and related quarterly results conference call 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 and related quarterly results conference call, 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 • Production disruptions, including as a result of labour disruptions • Supply disruptions • Production allocation decisions by OEMs
Total Sales Segment Sales	<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 • 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
Adjusted EBIT Margin Potential Margin Expansion Net Income Attributable to Magna Target Leverage Ratio	<ul style="list-style-type: none"> • Same risks as for Total Sales/Segment 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/Potential Margin Expansion/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/Segment Sales and Adjusted EBIT Margin/Potential Margin Expansion/Net Income Attributable to Magna/Target Leverage Ratio above
Total Sales Segment Sales	<ul style="list-style-type: none"> • The impact of elevated interest rates and availability of credit on consumer confidence and in turn vehicle sales and production • Potential supply disruptions • 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

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 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"

Swamy Kotagiri

Chief Executive Officer

- ✔ Successfully completed acquisition of Veoneer Active Safety
 - Positions Magna as a global leader in Active Safety

- ✔ Q2 organic sales outperformed weighted industry production by 3%
 - 5% outgrowth excluding Complete Vehicles

- ✔ Strong Q2 operating performance
 - YoY: Adjusted EBIT margin up 170 bps, Adjusted EPS up 81%

- ✔ Raised 2023 outlook for sales, Adjusted EBIT margin, Adjusted net income

- ✔ Continued Progress in Go Forward Strategy

- Experiencing incremental improvements
 - Reduced supply constraints, higher and less volatile OEM vehicle production
 - Resilient auto sales
- Interlocking challenges impacting entire industry
 - Continuing elevated inflation, higher interest rates, macroeconomic uncertainty
- Upcoming North American OEM-labour negotiations in 2H
- Focus on containing costs and expanding margins
 - Driving operational improvements
 - Obtaining customer recoveries
 - Flawless launches

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

European BES facility on track with '23/'24 improvement expectations

Driving Margin Expansion

Completed Acquisition of Veoneer Active Safety



- Transaction closed on June 1st
- Broadens and complements our Active Safety portfolio
- Business on-track with our expectations
- Executing smooth integration and delivering synergies underway



- Awarded battery enclosure on Ford's second-gen electric pick-up truck
- Adding new capacity in Tennessee
- Further strengthening our position in battery enclosures



- Industry-first award with Modular Decoupling Unit for BEVs
- First-to-market bolt-on stand-alone solution
- Launching on multiple vehicles with German-based premium OEM
- Contributes to increasing electric driving range by up to 9%



- Announced long-term supply agreement
- Magna to integrate SiC technology into future eDrive systems
- Enables Magna's delivery of better cooling performance, faster acceleration and charging rates



- Awarded truck frame and seats on Ford's second-gen electric pick-up truck
- Preceded by awards for outside mirrors and exteriors on same platform
- Represents second seating program award for pick-up trucks in North America



- Awarded replacement vehicle assembly business on Mercedes-Benz G-Class
- Continues a 40+ year history as exclusive producer
- New program to launch in 2024



- Awarded new fascia business from Europe-based global OEM
- Magna to supply OEM's North American assembly plant from existing Exteriors facility
- The first of multiple programs is expected to launch in 2026

Pat McCann

Executive Vice President &
Chief Financial Officer

Q2 2023 Performance Highlights



Consolidated Sales

\$11.0B

+17%

Weighted GoM¹ of 3%
(5% excl. Complete Vehicles)

Adjusted EBIT

5.5%

+170 bps


+140 bps vs Q1, 2023

\$603M

+68%

Other highlights

 **GoM¹ in BE&S, P&V and Seating**

 **Paid out \$129M in dividends**

 **Raised 2023 Outlook**

Adjusted Diluted EPS

\$1.50

+81%

Free Cash Flow²

-\$7M

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

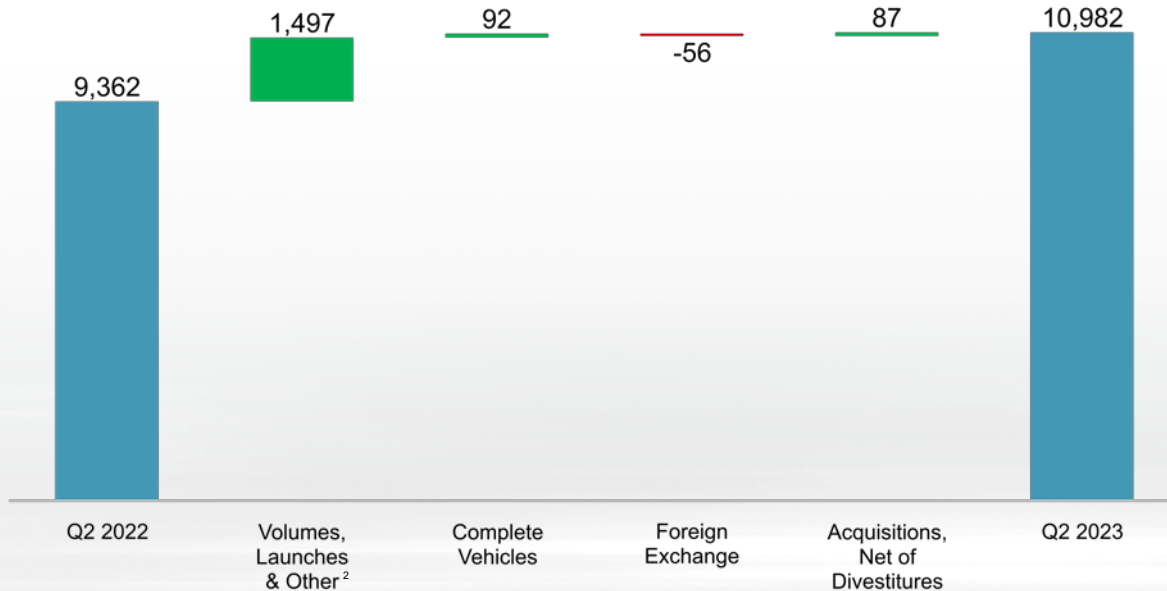
Q2 2023 Financial Results



Consolidated Sales

(\$Millions)

+17%



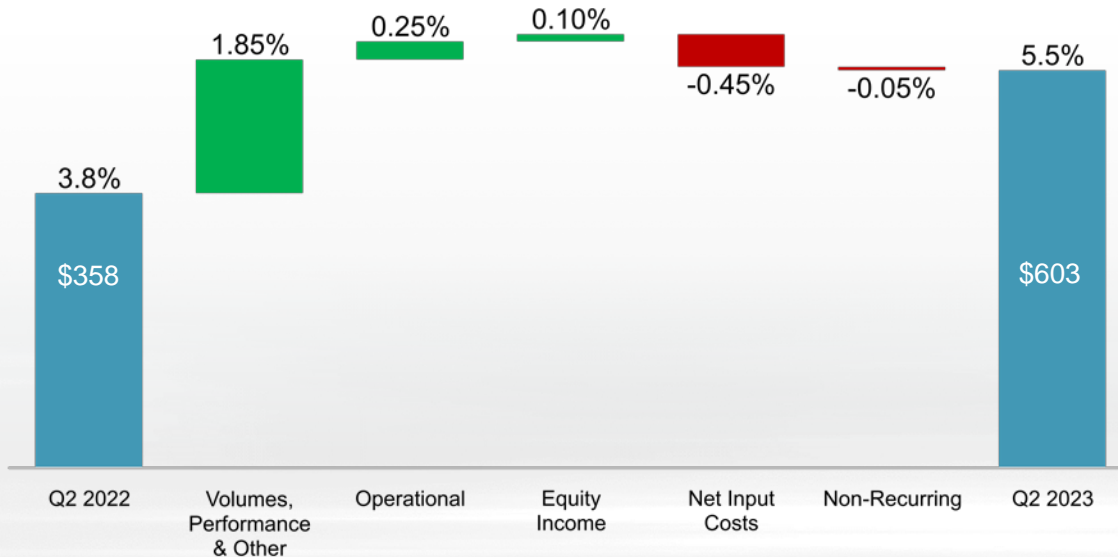
Q2 2023 PRODUCTION	
Global	+15%
North America	+14%
Europe	+13%
China	+21%
Magna Weighted	+14%

Weighted GoM¹ 3%
(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 and contractual customer price givebacks

Adjusted EBIT & Margin (\$Millions)



- Volumes, Performance & Other
 - Strong earnings on higher sales
 - Losses in our Russian facilities in Q2 2022 (+)
 - Acquisitions, net of divestitures (-)
- Operational
 - Productivity and efficiency improvements
 - Higher tooling contribution
 - Higher program-related engineering
 - Higher launch costs
- Higher equity income
 - Largely earnings on higher unconsolidated sales
- Higher net input costs (inflation)
 - Lower scrap steel/aluminum sales
 - Higher labour costs
 - Lower costs for energy, commodities and freight
- Non-recurring
 - Lower amortization on pubco securities (-)
 - Higher net favourable commercial items

Q2 2023 Financial Results

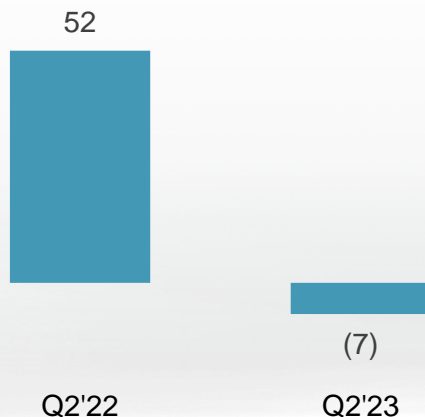


(\$Millions, unless otherwise noted)	Q2 2022	Q2 2023	CHANGE
Adjusted EBIT	358	603	245
Interest Expense	20	34	(14)
Adjusted Pre-Tax Income	338	569	231
Adjusted Income Taxes	(84) 24.9%	(124) 21.8%	(40)
(Income) Attributable to Non-Controlling Interests	(11)	(15)	(4)
Adjusted Net Income Attributable to Magna	243	430	187
Diluted Share Count (millions of units)	291.1	286.3	(4.8)
Adjusted EPS (\$)	0.83	1.50	0.67

Q2 2023 Cash Flow and Investment Activities



Free Cash Flow¹ (\$Millions)



(\$Millions, unless otherwise noted)	Q2 2022	Q2 2023
Cash from Operations Before Changes in Operating Assets & Liabilities	560	879
Changes in Operating Assets & Liabilities	(139)	(332)
Cash from Operations	421	547
Fixed Asset Additions	(329)	(502)
Increase in Investments, Other Assets and Intangible Assets	(80)	(96)
Proceeds from Dispositions	40	44
Investment Activities	(369)	(554)
FREE CASH FLOW¹	52	(7)

OTHER SOURCES (USES) OF CASH

Net Issues (Repayment) of Debt	(31)	544
Purchase of Subsidiaries	-	(1,475)
Public and Private Equity Investments	(2)	(3)
Repurchase of Common Shares	(212)	(2)
Dividends	(130)	(129)

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 (30JUN23) (\$Millions)

Cash	1,281
Available Term & Operating Lines of Credit	3,350
Total Liquidity	4,631

LEVERAGE RATIO (LTM, 30JUN23) (\$Millions)

Adjusted Debt	7,531
Adjusted EBITDA	3,441
Adjusted Debt / Adjusted EBITDA	2.19

Adjusted Debt / Adjusted EBITDA (excl. excess cash) ¹	2.08
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Investment-grade ratings from Moody's, S&P, DBRS

- Leverage ratio tracking better than previous expectations
- Ratio expected to decline by end of 2023, further decline through 2024

¹ Excluding ~\$400 million in excess cash held to pay down Euro notes coming due

Updated 2023 Outlook – Key Assumptions



	2022	MAY 2023	AUGUST 2023
Light Vehicle Production (millions of units)			
• North America	14.3	15.0	15.2
• Europe	15.8	16.3	17.0
• China	26.4	26.2	26.2
Foreign Exchange Rates			
• 1 CDN dollar equals USD	0.769	0.748	0.746
• 1 EURO equals USD	1.053	1.086	1.096
• 1 RMB equals USD	0.149	0.145	0.142

Changed from previous Outlook

Updated 2023 Outlook



(\$Billions, unless otherwise noted)	2022	MAY 2023	ALL OTHER	VEONEER ACTIVE SAFETY	AUG. 2023
Total Sales	37.8	40.2 – 41.8	0.7	1.0	41.9 – 43.5
Adjusted EBIT Margin % ^{1,2}	4.4%	4.7% - 5.1%	0.3%	(0.2%)	4.8% – 5.2%
Equity Income	89M	95M – 125M	15M		110M – 140M
Interest Expense	81M	~150M			~150M
Income Tax Rate ³	21.3%	~21%			~21%
Adj. Net Income Attributable to Magna ⁴	1.2	1.3 – 1.5	0.1		1.4 - 1.6
Capital Spending	1.7	~2.4		0.1	~2.5
Free Cash Flow ⁵	0.083	0.1 – 0.3			0.1 – 0.3

Raised Outlook

Changed from previous Outlook

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

² Magna's Adjusted EBIT to exclude the amortization of acquired intangibles, beginning in Q3, 2023

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

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



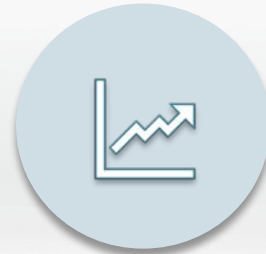
Strong Q2 operating performance



Further sales growth over market



Continued progress on Go Forward Strategy through recent activities



Raised outlook for 2023

Appendix – Q2 2023 Results

Q2 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	\$ 483 4.4%	\$ 86	\$ 569 5.2%
Income Tax Expense % of Pretax	\$ 129 26.7%	\$ (5)	\$ 124 21.8%
Income Attributable to Non-Controlling Interests	\$ (15)	\$ -	\$ (15)
Net Income Attributable to Magna	\$ 339	\$ (91)	\$ 248
Earnings Per Share	\$ 1.18	\$ 0.32	\$ 1.50

Q2 2022 Reconciliation of Reported Results



Excluding Other Expense (Income), Net \$Millions, except for share figures	Reported	Other Expense, Net	Excl. Other Expense, Net
Income (Loss) Before Income Taxes % of Sales	\$ (88) (0.9%)	\$ 426	\$ 338 3.6%
Income Tax Expense % of Pretax	\$ 57 (64.8%)	\$ 27	\$ 84 24.9%
Income Attributable to Non-Controlling Interests	\$ (11)	\$ -	\$ (11)
Net Income (Loss) Attributable to Magna	\$ (156)	\$ 399	\$ 243
Earnings (Loss) Per Share	\$ (0.54)	\$ 1.37	\$ 0.83

Sales Performance vs Market



Q2 2023 vs Q2 2022

	Reported	Organic ¹	Performance vs Weighted Global Production (Weighted GoM)
Body Exteriors & Structures	15%	16%	2%
Power & Vision	20%	18%	4%
Seating Systems	28%	29%	15%
Complete Vehicles	9%	7%	(7%)
TOTAL SALES	17%	17%	3%
Unweighted Production Growth	15%		
Weighted Production Growth²	14%		

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

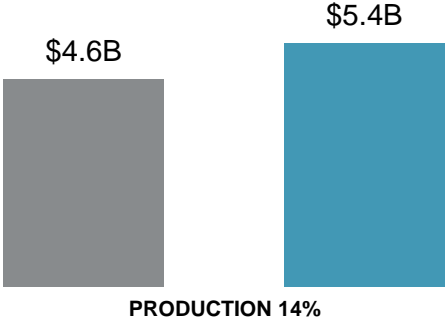


Q2 2023 vs Q2 2022

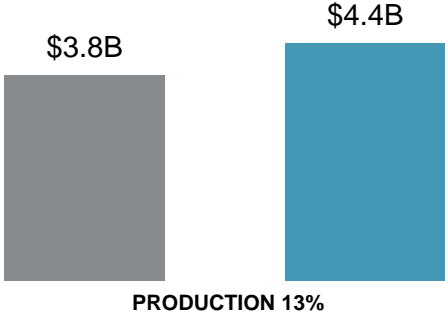
(\$Millions)	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
2 nd Quarter of 2022	\$ 9,362	\$ 358	3.8%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ 593	\$ 201	1.6%
Power & Vision	\$ 574	\$ 25	0.0%
Seating Systems	\$ 350	\$ 64	0.5%
Complete Vehicles	\$ 123	\$ (29)	(0.3%)
Corporate and Other	\$ (20)	\$ (16)	(0.1%)
2nd Quarter of 2023	\$ 10,982	\$ 603	5.5%

Q2 2023 vs Q2 2022

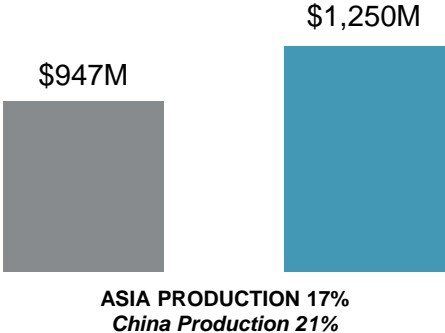
North America



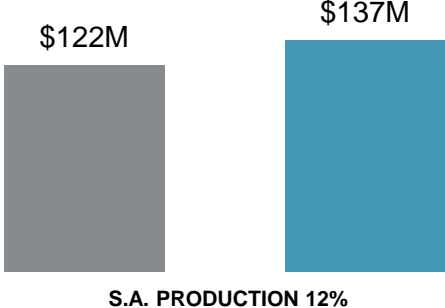
Europe



Asia



Rest of World

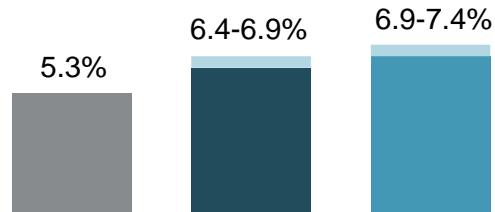


■ Q2 2022 ■ Q2 2023

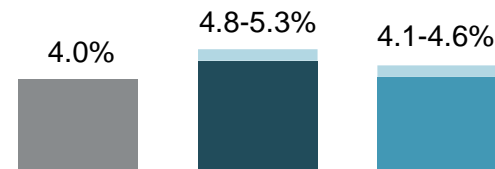
2023 Segment Adjusted EBIT Margin



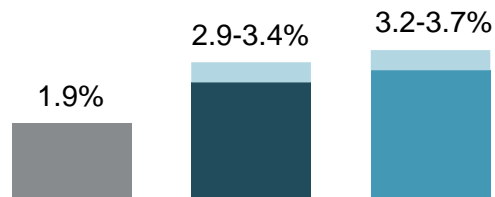
Body Exteriors & Structures



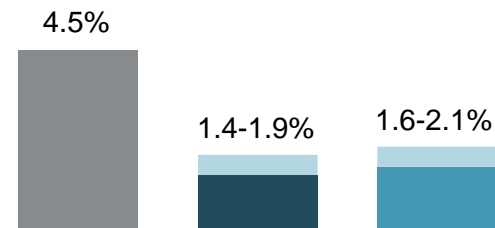
Power & Vision



Seating



Complete Vehicles



■ 2022 ■ May 2023 Outlook ■ August 2023 Outlook

Q2 2023

Maintain Strong Balance Sheet

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

LTM 30JUN23

2.19x

Invest for Growth

- Organic and inorganic opportunities
- Innovation

Fixed asset additions

\$ 502M

Other investments

\$ 96M

Acq. of Veoneer Active Safety

\$ 1,475M

Return Capital to Shareholders

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

\$ 129M

Disciplined, Profitable Approach to Growth Remains a Foundational Principle



Forward. For all.