



Q2 2019

RESULTS CONFERENCE CALL

August 8, 2019

Forward Looking Statements



Certain statements in this presentation constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") and are intended to provide information about management's current expectations and plans. Such forward-looking statements 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.

Forward-looking statements in this presentation include, but are not limited to, statements relating to:

- The expected benefits of the Framework Agreement with BAIC Group;
- Magna's forecast of light vehicle production in North America and Europe;
- Expected consolidated sales, based on such light vehicle production, including expected split by segment in our Body Exteriors & Structures; Power & Vision; Seating Systems; and Complete Vehicles segments;
- Consolidated Adjusted EBIT margin;
- Adjusted EBIT margin % by segment;
- Consolidated equity income;
- Cash flow expectations;
- Net interest expense;
- Effective income tax rate;
- Adjusted net income;
- Fixed asset expenditures; and
- Future returns of capital to our shareholders, including through dividends and share repurchases.

Our 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 such forward-looking statements, they are not a guarantee of future performance or outcomes. 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;
- 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;
- a deterioration in the financial condition of our supply base;

Manufacturing Operational Risks

- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- supply disruptions;
- climate change risks;
- attraction/retention of skilled labour;

IT Security Risk

- IT/Cybersecurity breach;

Pricing Risks

- pricing risks between time of quote and start of production;
- price concessions;
- commodity costs;
- declines in scrap steel prices;

Warranty / Recall Risks

- costs to repair or replace defective products;
- warranty costs that exceed warranty provision;
- costs related to a significant recall;

Acquisition Risks

- 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;
- 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.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement, and 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 in greater detail in this document under the section titled "Industry Trends and Risks" and set out in our Annual Information Form filed with securities commissions in Canada and our annual report on Form 40-F filed with the United States Securities and Exchange Commission, and subsequent filings.

Reminders



- All amounts are in U.S. Dollars (unless otherwise noted)
- 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”
- Prior period comparatives have been restated to reflect the transfer of certain assets out of Corporate & Other to the Company's operating segments to better reflect the utilization of these assets

Q2 2019 Highlights



- Q2 financials and outlook
- Framework agreement for electric vehicle manufacturing JV
- Customer quality awards

Q2 2019 Financial Highlights



- Solid second quarter Sales and Adjusted Diluted EPS despite:
 - Challenging global production environment
 - Higher costs in our ADAS business
 - Lower equity income
 - Dilutive impact of divestitures net of acquisitions
 - FX headwinds
- Overall results slightly ahead of internal expectations
- Organic sales increased 5% vs 6% decline in global production
- Generated \$511M in free cash flow
- Returned \$519M to shareholders

Framework Agreement for Electric Vehicle Manufacturing JV



- Joint venture in China between Magna and BAIC Group
- Combines Magna's vehicle assembly expertise with BAIC's local manufacturing, marketing, and distribution
- Expect to launch in late 2020 with potential to assemble EVs for other customers
- Complements Magna and BAIC's previously formed joint venture to engineer electric vehicles

Quality Recognition Awards

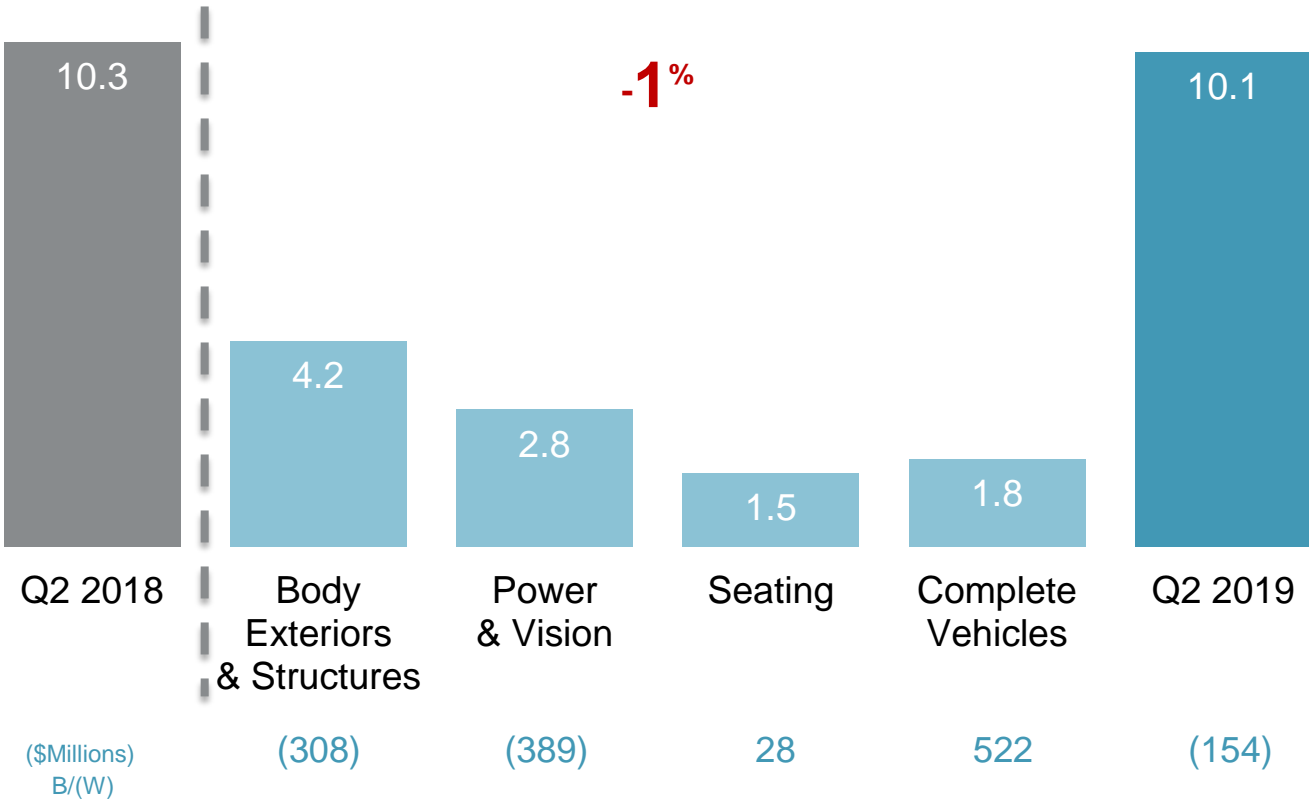
- FCA: Interior Supplier of the Year awarded to Seating
- Ford: Silver Quality World Excellence for hydroformed components in China
- GM: Driveline Systems Supplier of the Year



Q2 2019 Consolidated Sales Performance



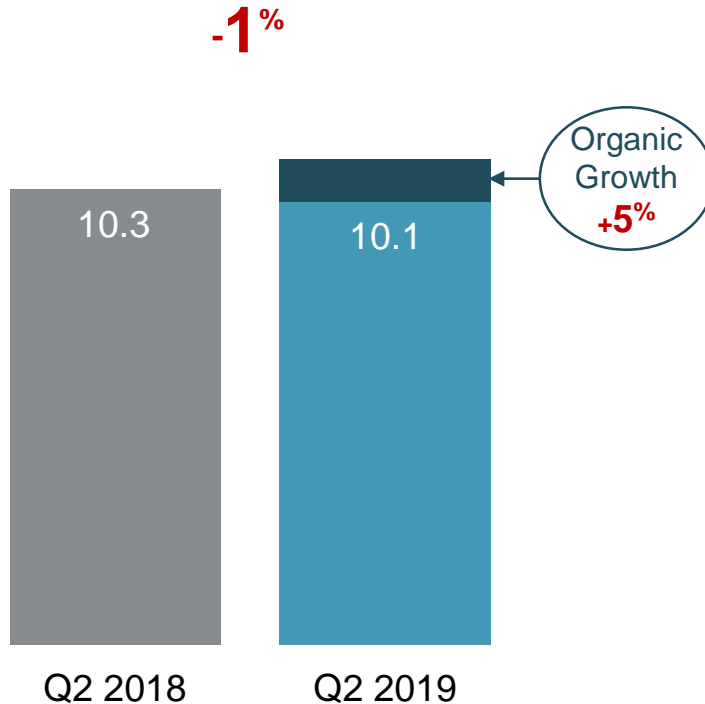
\$ BILLIONS



Q2 2019 Consolidated Sales Performance



\$ BILLIONS



Key Factors:

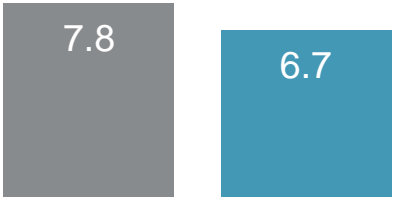
- Global light vehicle production (-)
- Foreign exchange translation (-)
- Divestitures, net of acquisitions (-)
- Lower assembly volumes on the BMW 5-Series (-)
- End of production of certain programs, including the Chevrolet Cruze (-)
- Net customer price concessions (-)
- Launch of new programs (+)

Q2 2019 Adjusted EBIT and Equity Income



ADJUSTED EBIT MARGIN %

-110^{BP}



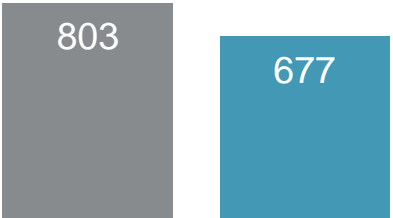
KEY FACTORS

- Power & Vision (-)
- Seating (-)
- Body Exteriors & Structures (-)
- Corporate and Other (+)

ADJUSTED EBIT

(\$ Millions)

-16%



EQUITY INCOME

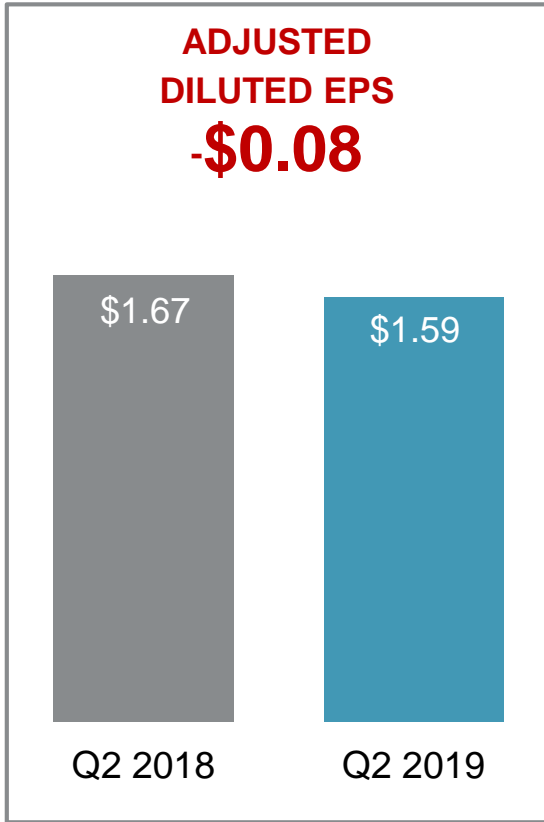
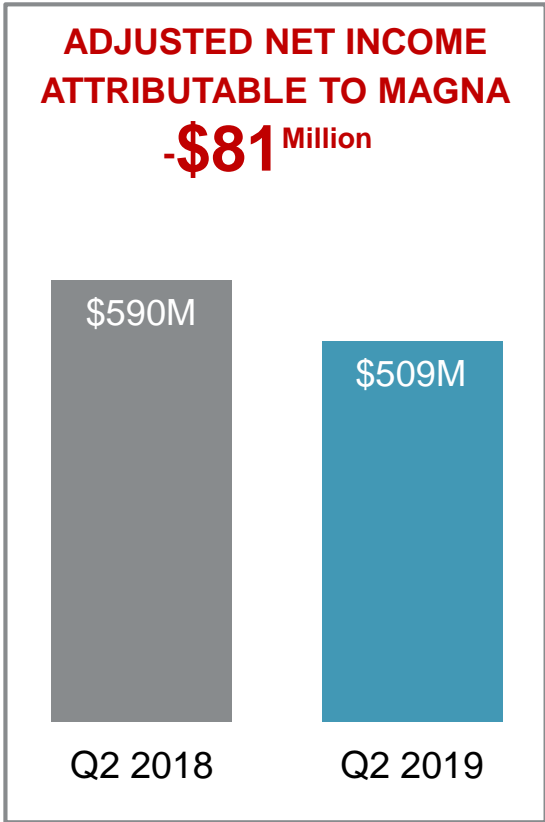
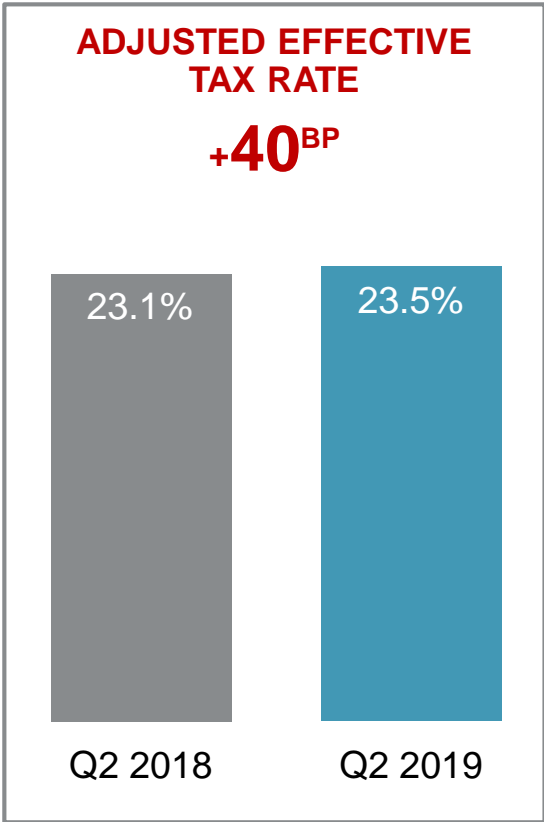
(\$ Millions)

-33%



■ Q2 2018 ■ Q2 2019

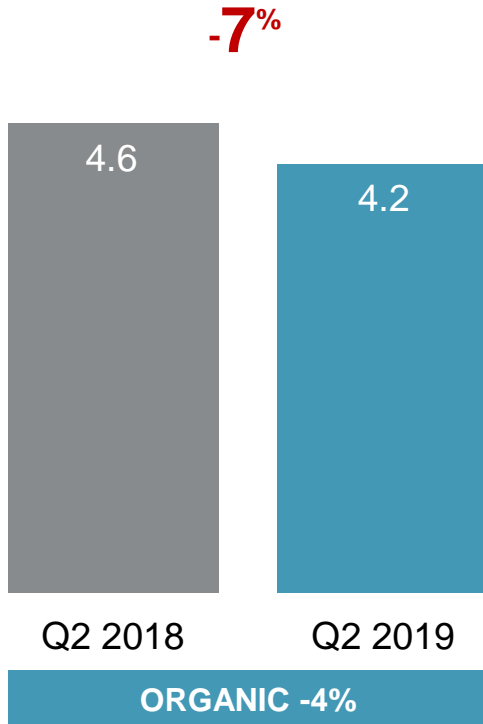
Q2 2019 Financial Highlights



Q2 2019 Segment Sales

BODY EXTERIORS & STRUCTURES

\$ BILLIONS



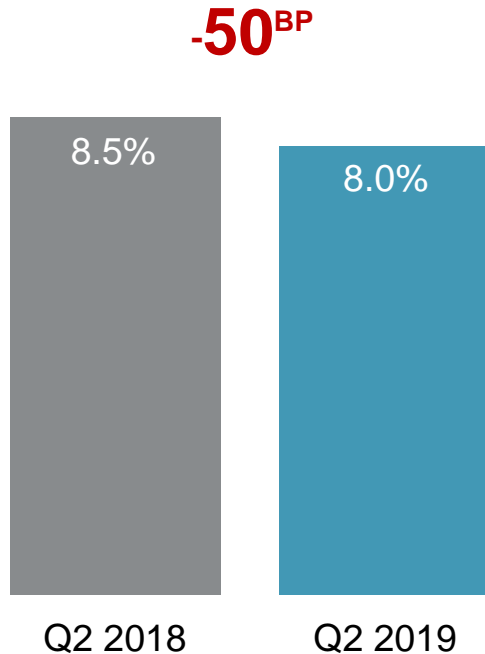
- Global light vehicle production (-)
- Foreign currency translation (-)
- End of production of certain programs, including the Chevrolet Cruze (-)
- Net customer price concessions (-)
- New program launches (+)

Significant New Launches:

- Chevrolet Blazer
- Ford Ranger
- GMC Sierra and Chevrolet Silverado
- BMW X3
- Jeep Gladiator

Q2 2019 Segment Adjusted EBIT Margin %

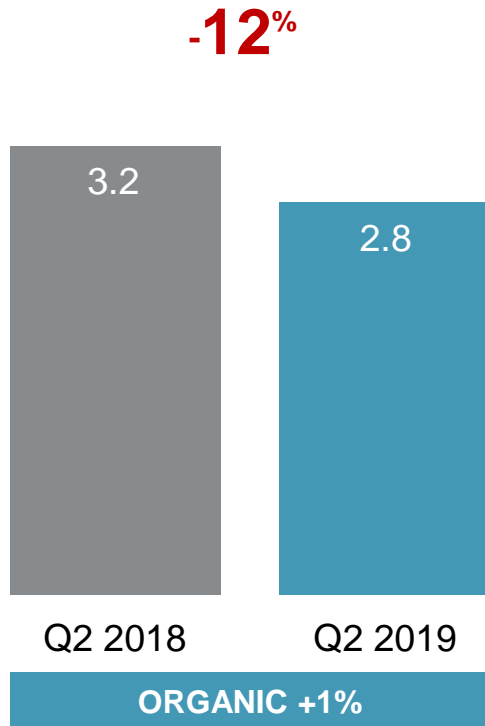
BODY EXTERIORS & STRUCTURES



- Reduced earnings due to lower sales (-)
- Lower net gains on sale of assets (-)
- Higher depreciation and amortization (-)
- Foreign exchange losses (-)
- Inefficiencies at plants we are closing (-)
- Higher warranty costs (-)
- Lower scrap steel recoveries and higher net commodity costs (-)
- Productivity and efficiency improvements (+)
- Lower launch costs (+)
- Customer pricing resolutions and commercial settlements (+)
- Fire at Tier 1 supplier in Q2 2018 (+)

Q2 2019 Segment Sales

POWER & VISION
\$ BILLIONS



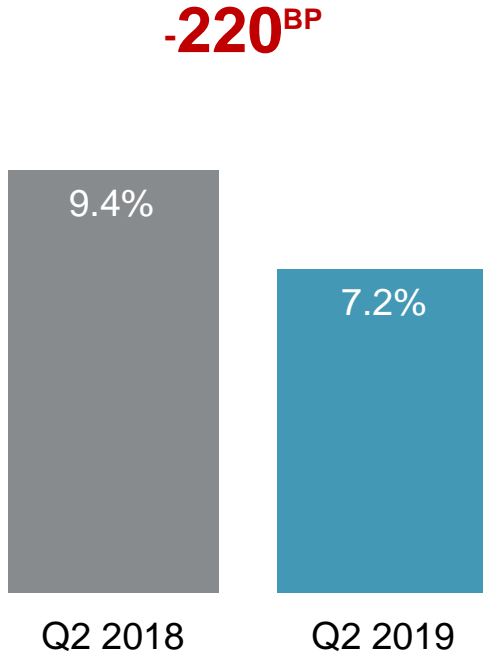
- Divestitures, net of acquisitions (-)
- Global light vehicle production (-)
- Foreign currency translation (-)
- Net customer price concessions (-)
- New program launches (+)

Significant New Launches:

- BMW X5
- Chevrolet Blazer
- BMW X3
- BMW X7

Q2 2019 Segment Adjusted EBIT Margin %

POWER & VISION

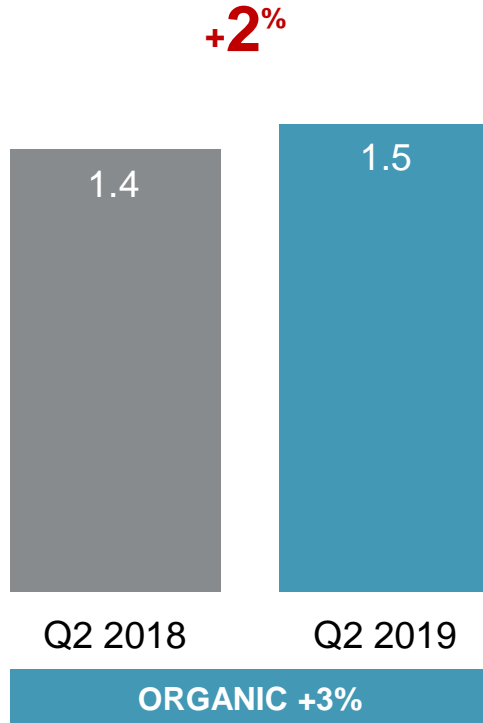


- Higher engineering and other costs in our ADAS business (-)
- Higher depreciation and amortization (-)
- Lower equity income (-)
- Acquisitions (-)
- Higher spending on electrification, autonomy and R&D (-)
- Divestiture of FP&C (+)

Q2 2019 Segment Sales



SEATING
\$ BILLIONS



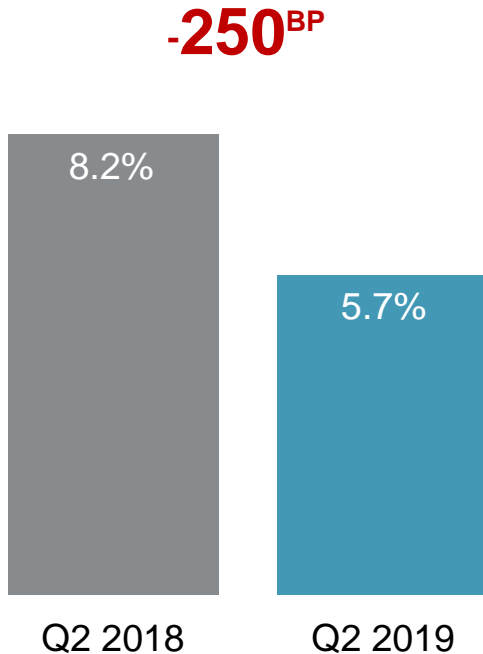
- New program launches (+)
- Acquisition of Viza (+)
- Global light vehicle production (-)
- End of production of certain programs, including the Chevrolet Cruze (-)
- Foreign currency translation (-)
- Net customer price concessions (-)

Significant New Launches:

- BMW X5
- BMW X7
- Geely Bin Yue
- Skoda Kodiaq

Q2 2019 Segment Adjusted EBIT Margin %

SEATING



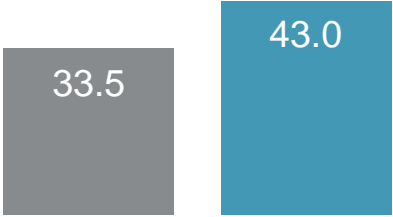
- Launch costs and operational inefficiencies at a new facility (-)
- Lower equity income (-)
- Higher commodity costs (-)
- Foreign exchange losses (-)
- Higher labour and benefit costs (-)

Q2 2019 Complete Vehicles



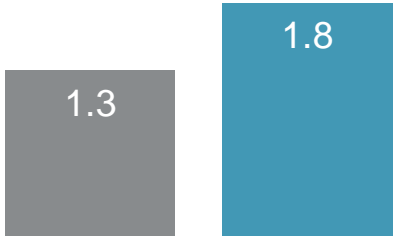
ASSEMBLY VOLUMES (Thousands of units)

+28%



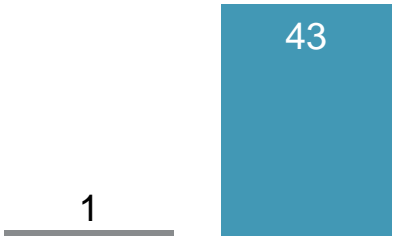
SALES (\$ Billions)

+41%



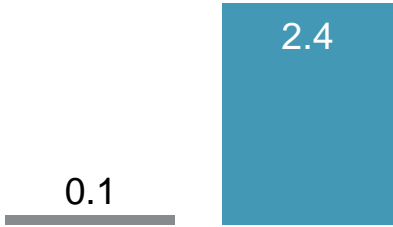
ADJUSTED EBIT (\$ Millions)

+42



ADJUSTED EBIT MARGIN %

+230^{BP}



■ Q2 2018 ■ Q2 2019

Q2 2019 Cash Flow

\$ MILLIONS



Cash from Operations

Net Income + Non-Cash Items	\$	920
Changes in Non-Cash Operating Assets & Liabilities	\$	-
	\$	920

Investment Activities

Fixed Assets	\$	(328)
Investments, Other Assets & Intangibles	\$	(107)
Acquisition of Viza	\$	(152)
	\$	(587)

Proceeds from Disposition and Other	\$	26
Add back acquisition of Viza	\$	152
Free Cash Flow	\$	511

Return of Capital to Shareholders



Common Shares Repurchased in Q2 **8.6M**

\$ to Repurchase Shares in Q2 \$ 409M

Dividends Paid \$ 110M

Total Q2 Return to Shareholders \$ 519M

Common Shares Repurchased to date in Q3¹ **1.9M**

\$ to Repurchase Shares in Q3¹ \$ 92M

¹ As of August 2, 2019

2019 Outlook



	August	May
Vehicle Production:		
– North America	16.6M	16.7M
– Europe	21.4M	21.5M
– China – Magna’s Top 30 Vehicles ¹	2.6M	2.8M
Foreign Exchange Rates:		
– U.S. – Cdn	0.745	0.743
– U.S. – Euro	1.125	1.124
– U.S. – RMB	0.146	0.148

¹ Represents ~2/3 of Magna’s 2018 consolidated sales in China. Modified to only include Top 30 Vehicles, previously based on platforms

2019 Outlook¹

\$ BILLIONS UNLESS OTHERWISE NOTED



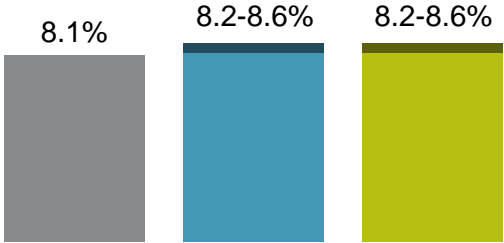
U.S. GAAP	August	May
Sales:		
• Body Exteriors & Structures	\$16.3 - \$17.1	\$16.3 - \$17.1
• Power & Vision	\$11.0 - \$11.6	\$11.0 - \$11.6
• Seating Systems	\$5.4 - \$5.8	\$5.5 - \$5.9
• Complete Vehicles	\$6.8 - \$7.2	\$6.9 - \$7.3
Total Sales	\$38.9 - \$41.1	\$39.1 - \$41.3
EBIT Margin %	6.6% - 6.9%	6.7% - 7.0%
Equity Income	\$150M - \$195M	\$150M - \$195M
Interest Expense	~\$90M	~\$100M
Tax Rate	~24%	~24%
Net Income Attributable to Magna	\$1.9 - \$2.1	\$1.9 - \$2.1
Capital Spending	~\$1.6	~\$1.7

¹ In this outlook we have assumed no material unannounced acquisitions or divestitures or other significant transactions. The outlook reflects the divestiture of our Fluid Pressure & Controls business, which occurred at the end of the first quarter of 2019. However the outlook above does not include the gain on the sale.

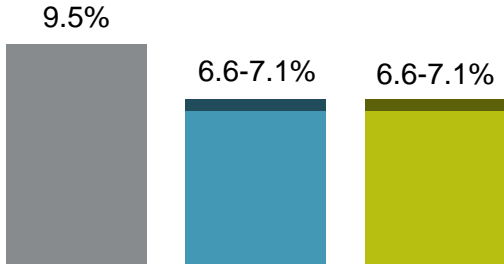
2019 Segment Adjusted EBIT Margin %



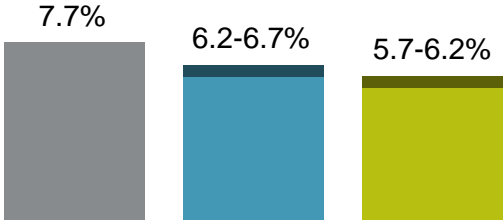
BODY EXTERIORS & STRUCTURES



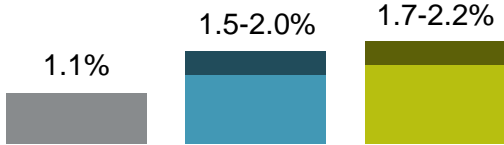
POWER & VISION



SEATING SYSTEMS



COMPLETE VEHICLES



■ 2018 ■ Prior 2019 Outlook ■ Current 2019 Outlook

Summary

- Operating results remained strong
- Organic sales outpaced global vehicle production in each segment
- Free cash flow was \$511 million, bringing our year to date total to \$858 million
- Returned \$519 million to shareholders
- Our 2019 outlook is largely unchanged with modest sales and margin reductions, no change in our net income range, and an increase in our free cash flow range





Q2 2019

APPENDIX

August 8, 2019

Sales Performance vs Market

Q2 2019 vs Q2 2018



	Reported	Organic ¹	Unweighted Outperformance	Weighted Outperformance
Body Exteriors & Structures	(7%)	(4%)	2%	(1%)
Power & Vision	(12%)	1%	7%	4%
Seating	2%	3%	9%	6%
Complete Vehicles	41%	49%	55%	52%
TOTAL SALES	(1%)	5%	11%	8%

Unweighted Production Growth (6%)

Weighted Production Growth² (3%)

¹ Excluding acquisitions net of divestitures and FX movements

² Calculated by applying Magna geographic sales weighting, excluding Complete Vehicle sales, to regional production

Geographic Sales

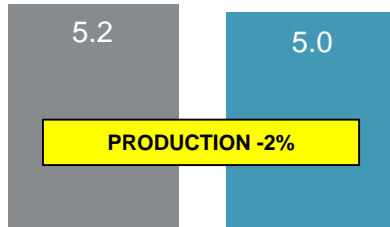
Q2 2019 vs Q2 2018



NORTH AMERICA

(\$Billions)

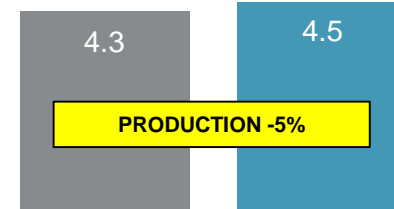
-4%



EUROPE

(\$Billions)

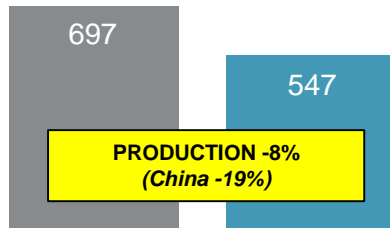
+4%



ASIA

(\$Millions)

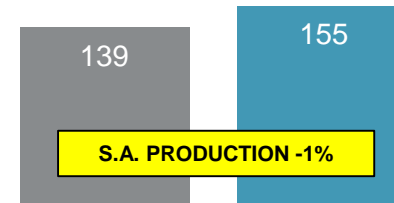
-22%



REST OF WORLD

(\$Millions)

+12%



■ Q2 2018

■ Q2 2019

Segment Impact on Adjusted EBIT % of Sales

Q2 2019 vs Q2 2018

\$ MILLIONS

	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
Second Quarter of 2018	\$ 10,280	\$ 803	7.8%
Increase (Decrease) related to:			
Body Exteriors & Structures	\$ (308)	\$ (47)	(0.2%)
Power & Vision	\$ (389)	\$ (98)	(0.7%)
Seating Systems	\$ 28	\$ (34)	(0.3%)
Complete Vehicles	\$ 522	\$ 42	-
Corporate and Other	\$ (7)	\$ 11	0.1%
Second Quarter of 2019	\$ 10,126	\$ 677	6.7%

Adjusted Debt to Adjusted EBITDA Calculation

\$ MILLIONS

	Q2 2019
LTM EBITDA	\$ 4,124
LTM Other Income per Financial Statements & Restructuring (Expense)	\$ 512
Other	\$ (134)
Adjusted EBITDA	\$ 4,502
Debt per Balance Sheet	\$ 3,382
Lease Liability per Balance Sheet	\$ 1,758
Other	\$ 218
Adjusted Debt	\$ 5,358
Adjusted Debt / Adjusted EBITDA	1.19x

Q2 2019 Reconciliation of Reported Results

EXCLUDING OTHER EXPENSE (INCOME), NET
\$ MILLIONS – EXCEPT PER SHARE FIGURES

	Reported	Other Expense	Excl. Other Expense
Income Before Income Taxes	\$ 595	\$ 68	\$ 663
% of Sales	5.9%		6.5%
Income Taxes	\$ 145	\$ 11	\$ 156
% of Pretax	24.4%		23.5%
Income Attributable to Non-Controlling Interests	\$ 2	\$ -	\$ 2
Net Income Attributable to Magna	\$ 452	\$ 57	\$ 509
Earnings Per Share	\$ 1.42	\$ 0.17	\$ 1.59

Q2 2018 Reconciliation of Reported Results

EXCLUDING OTHER EXPENSE (INCOME), NET
\$ MILLIONS – EXCEPT PER SHARE FIGURES

	Reported	Other Income	Excl. Other Income
Income Before Income Taxes	\$ 819	\$ (39)	\$ 780
% of Sales	8.0%		7.6%
Income Taxes	\$ 183	\$ (3)	\$ 180
% of Pretax	22.3%		23.1%
Income Attributable to Non-Controlling Interests	\$ (10)	\$ -	\$ (10)
Net Income Attributable to Magna	\$ 626	\$ (36)	\$ 590
Earnings Per Share	\$ 1.77	\$ (0.10)	\$ 1.67