



DRIVING EXCELLENCE.
INSPIRING INNOVATION.

INVESTOR PRESENTATION

SEPTEMBER 2020

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. Forward-looking statements in this document include, but are not limited to, statements relating to: our actions in response to the COVID-19 (Coronavirus) pandemic, including those relating to employee health and safety and our customers and supply base, as well as the expected impact of our right-sizing/restructuring actions; our expectations regarding the impact of program delays or cancellations on our business; our expectations regarding Total Sales, EBIT margin percentage, interest expense, tax rate, capital spending, future Adjusted Debt to EBITDA ratio; and implied second-half of 2020 light vehicle production, Consolidated Sales, EBIT, Free Cash Flow and incremental margin; Magna's ability to capitalize on growth opportunities in light-weighting, vehicle electrification, smart mobility solutions, autonomous driving and other automotive trends; the timing and success of upcoming launches; and our ability to successfully implement our financial strategy, including future returns of capital to our shareholders.

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. 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 the COVID-19 (coronavirus) pandemic;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

Customer and Supplier Related Risks

- concentration of sales with six customers;
- 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;
- a deterioration in the financial condition of our supply base, including as a result of the COVID-19 (Coronavirus) pandemic;

Manufacturing Operational Risks

- product and new facility launch risks;
- operational underperformance;
- restructuring costs;
- impairment charges;
- labour disruptions;
- COVID-19 (Coronavirus) shutdowns;
- supply disruptions, including as a result of the COVID-19 (coronavirus) pandemic;
- climate change risks;
- attraction/retention of skilled labour;

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 costs;
- declines in scrap steel 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

- 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.

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Investment Profile



- World's 3rd largest automotive supplier by sales
- Strong capabilities in lightweighting, powertrain/electrification, ADAS/vision, seating and mechatronics
- Complete vehicle operations are unique and positioned for smart mobility
- Track record of returning capital to shareholders
- Strong liquidity position

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Challenging Production Environment in Key Markets...



Challenging Q2

- NA & EU markets experienced significant YOY reductions
- Volume declines worse than the Great Financial Crisis

Trend shows sequential improvement

- Industry environment recovering off of the lows
- Expecting significant improvement in our H2 sales vs H1

Mid-term production trending lower than previously anticipated

- Initiated and accelerated restructuring
- Right-sizing the business to align cost structure
- Recorded \$168M charge in Q2, 2020

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... However, Some Encouraging Elements Emerged



Q2/20 Decremental Margin of ~22%

- On sales impacted by COVID-19
- Reduction in discretionary spending

Conserving Additional Cash

- Reduced capital spending

Improved Decremental Margin Expected Beyond Q2

- Driven by:
 - Cost reduction across the company
 - Right sizing actions

We Continue to Invest for the Future

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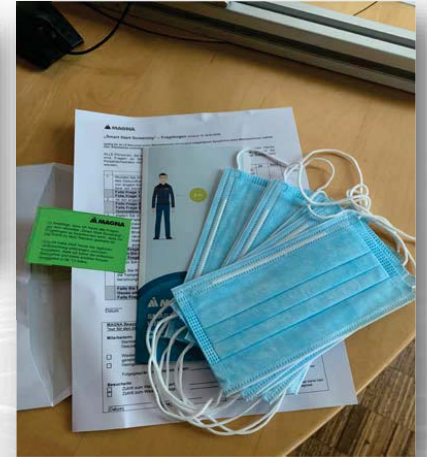
- Magna COVID-19 Update
- Q2 2020 Update
- 2020 Outlook
- Financial Strategy
- Positioning for the Future

MAGNA COVID-19 UPDATE

Restart of Operations



- Health and safety of employees remains our top priority
- Reintegrating employees back into plants and offices
- Following established protocols, assessment tools & guidance documents



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Update on Restart of Production



- China and North America
 - Capacity getting close to levels anticipated at beginning of the year for this timeframe
- Europe
 - Capacity levels a little bit behind China and North America
 - Softer demand environment
- Program delays and cancellations
 - Not expected to have significant impact to our business over next couple of years
- Supply base
 - Continue to track a number of suppliers
 - Mitigation plans in place
 - To this point, no major issues impacting our operations

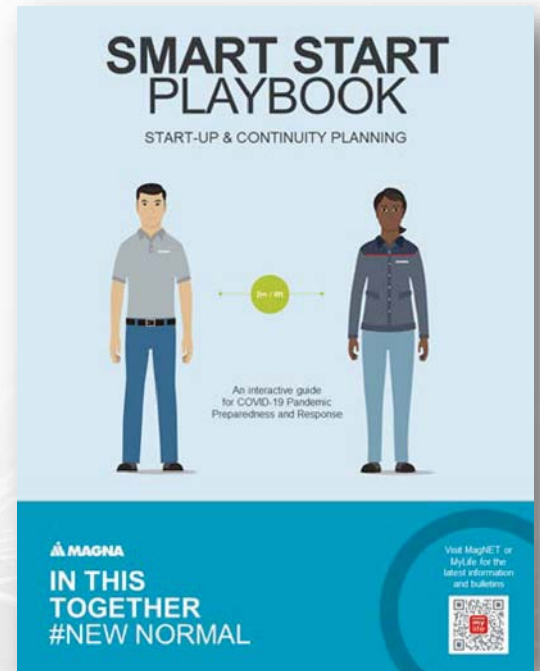


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Advancing Our Protocols



- Smart Start Playbook provided an excellent framework for managing a “new normal”
- Production ramped up without significant disruption to production efficiency
- Team of varying backgrounds developed recommendations:
 - How our global operations could be adjusted to stay prepared
 - Over and above our current playbook
 - Incorporated into our regular operating procedures and policies



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Q2 2020 UPDATE

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Q2-2020 Vehicle Production



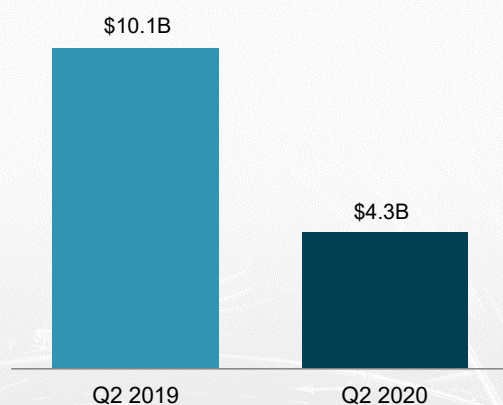
<u>Region</u>	<u>YOY Change in Production</u>
North America	- 70%
Europe	- 59%
China	+ 3%
Global	- 42%

Estimated COVID-19 Impact on Magna's 2Q20 Results:

Total Sales	~\$5.5 billion
EBIT	~\$1.2 billion
Decremental Margin	~22%

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Q2 2020 Total Sales



Key Factors:

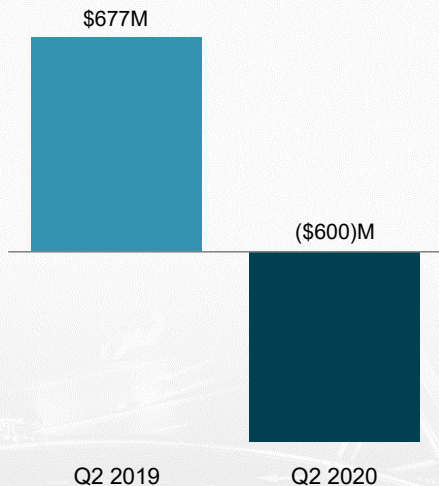
- Impact of COVID-19 pandemic ~\$5.5B (-)
- End of production of certain programs (-)
- Foreign exchange translation (-)
- Net customer price concessions (-)

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Q2 2020 Adjusted EBIT



ADJUSTED EBIT
-\$1.3B



Key Factors:

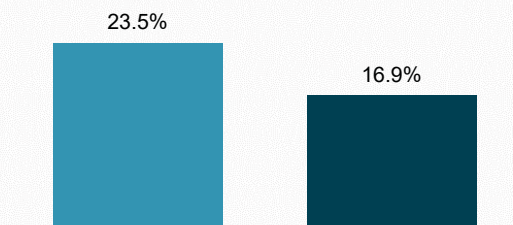
- COVID-19 ~\$1.2B (-)
- Lower tooling contribution (-)
- Higher engineering costs in our ADAS business including retroactive social tax costs (-)
- Net provisions for customer claims (-)
- Net warranty costs (-)
- Lower spending associated with electrification, autonomy, and R&D (+)
- Favourable mix within Complete Vehicle assembly programs (+)
- Benefit of a cost cutting initiative in Complete Vehicles (+)

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Q2 2020 Financial Highlights

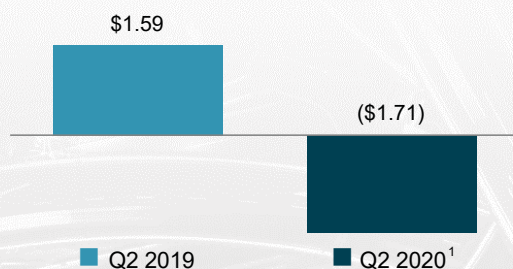


Adjusted Effective Tax Rate



- Increase in losses not benefitted in Europe

Adjusted Diluted EPS



- Lower Adjusted EBIT due to significant decline in sales (-)
- Lower effective income tax recovery rate (-)
- Lower share count (-)

¹ Assuming a tax rate of ~24.5% when we last provided an outlook in February, we estimate our adjusted diluted EPS was negatively impacted by approximately \$0.15

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Q2 2020 Segment Results (incl. COVID-19 Impact)



(\$Millions, unless otherwise noted)

BODY EXT. & STRUCTURES	Q2 2019	Q2 2020
Sales	4,243	1,623
Adjusted EBIT	341	(315)
Adjusted EBIT %	8.0%	(19.4)%
COVID-19 - Sales - Decremental margin		~2,650 >20%

POWER & VISION	Q2 2019	Q2 2020
Sales	2,808	1,298
Adjusted EBIT	201	(226)
Adjusted EBIT %	7.2%	(17.4)%
COVID-19 - Sales - Decremental margin		~1,450 >20%

SEATING	Q2 2019	Q2 2020
Sales	1,452	524
Adjusted EBIT	83	(84)
Adjusted EBIT %	5.7%	(16.0)%
COVID-19 - Sales - Decremental margin		~1,000 ~20%

COMPLETE VEHICLES	Q2 2019	Q2 2020
Sales	1,802	933
Adjusted EBIT	43	44
Adjusted EBIT %	2.4%	4.7%
COVID-19 - Sales - Decremental margin		~400 <10%

¹ It is difficult to determine with a high degree of accuracy the value of sales lost as well as the impact to EBIT specifically as a result of our customers' production suspensions and volume reductions attributable to the COVID-19 pandemic. However, based on our expectations at the beginning of the year, we estimate that reduced volumes in Q2 resulted in lost sales of approximately \$5.5 billion and that Adjusted EBIT was negatively impacted by approximately \$1.2 billion.

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Q2 2020 Cash Flow



(\$Millions)

Cash from Operations

Net Loss + Non-Cash Items	\$ (298)
Changes in Non-Cash Operating Assets & Liabilities	\$ (934)
	<u>\$ (1,232)</u>

Investment Activities

Fixed Assets	\$ (169)
Investments, Other Assets & Intangibles	\$ (72)
	<u>\$ (241)</u>
Proceeds from Disposition and Other	\$ 11
Free Cash Flow	<u><u>\$ (1,462)</u></u>

Dividends Paid	\$ (116)
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FINANCIAL STRATEGY

Capital Allocation Principles Unchanged

1 Maintain Strong Balance Sheet

- Preserve liquidity and high investment grade credit ratings
- Maintain flexibility to invest for growth

2 Invest for Growth

- Organic opportunities (disciplined capital spending)
- Innovation
- Acquisitions that fit product strategy

3 Return Capital to Shareholders

- Board approved Q2 2020 dividend
- Stopped share repurchases given ongoing uncertainty

Ongoing focus on Free Cash Flow Generation and ROIC

Strong Liquidity Position



(\$Millions, unless otherwise noted)

Available Operating & Term Lines of Credit	\$ 3,490
Cash & Cash Equivalents	\$ 648
Total Available Liquidity (6/30/20)	\$ 4,138

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Adjusted Debt to Adjusted EBITDA



(\$Millions, unless otherwise noted)

	Q2 2020
LTM EBITDA	\$ 2,311
Lease Adjustment	\$ 316
Other	\$ (10)
Adjusted EBITDA	\$ 2,617
Debt per Balance Sheet	\$ 4,109
Lease Liability per Balance Sheet	\$ 1,798
Other	\$ 237
Adjusted Debt	\$ 6,144
Adjusted Debt / Adjusted EBITDA	2.35x

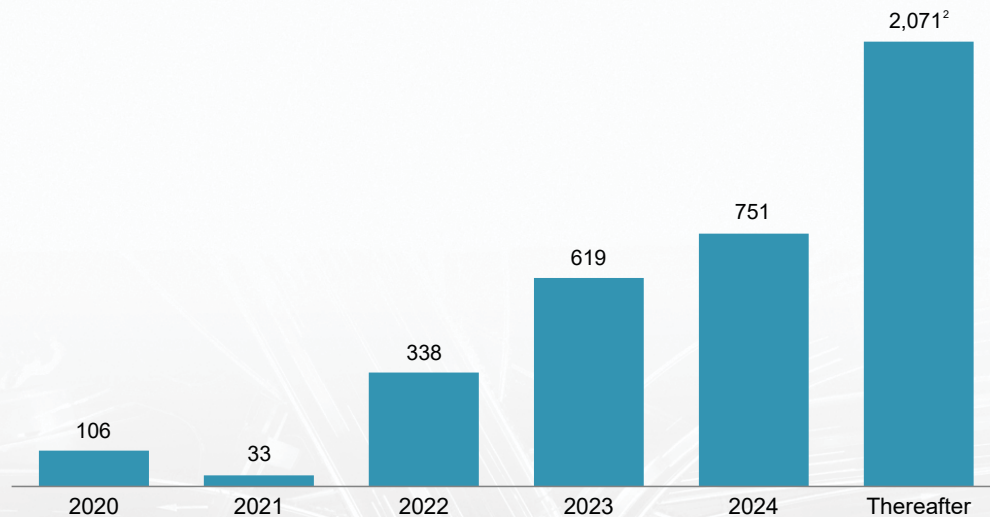
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No Significant Debt Repayments Until 2022



Estimated Future LTD Principal Repayments¹

(\$Millions)



¹ As of December 31st, 2019 and excludes operating leases

² Pro-forma including completed offering in June, 2020 of \$750M of 10-year senior unsecured notes

Proven Track Record of Returning Capital to Shareholders



2017-2019



Returned ~\$429M in 2020

2020 Outlook¹



(\$Billions, unless otherwise noted)

	August 2020
Total Sales	\$30.0 - \$32.0
EBIT Margin %	2.9% - 3.3%
Interest Expense	~\$90M
Tax Rate	~30%
Capital Spending	~\$1.4

¹ In this outlook we have assumed no material unannounced acquisitions or divestitures or other significant transactions. In addition, there is increased uncertainty related to our outlook above as a result of elevated risks associated with consumer demand, as well as continuing COVID-19 risks to various aspects of our business and the automotive industry, as discussed in our MD&A for the second quarter of 2020, our Annual Information Form / Form 40-F dated March 27, 2020 and subsequent filings.

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2020 Outlook YOY Implications for 2nd Half



	Implied H2 2020	H2 2019	Change
LIGHT VEHICLE PRODUCTION:			
North America	7.4M	7.8M	↓ 5%
Europe	8.9M	10.0M	↓ 10%
Global	39.6M	44.7M	↓ 11%
KEY FINANCIALS:			
Total Sales	17.05B – 19.05B	18.7B	↓9% – ↑2%
EBIT	~1.05B – ~1.25B	1.15B	
Free Cash Flow	1.3B – 1.5B	1.45B	
Decremental Margin	< 20%		

Solid Outlook the Result of Actions Taken Across Magna

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POSITIONING FOR THE FUTURE

Continue to Monitor Ongoing and Potential New Trends



Electrification



Lightweighting



Autonomy



Smart Mobility

Magna Well Positioned to Remain a Leader in Mobility

Smart Access



Reconfigurable Seating

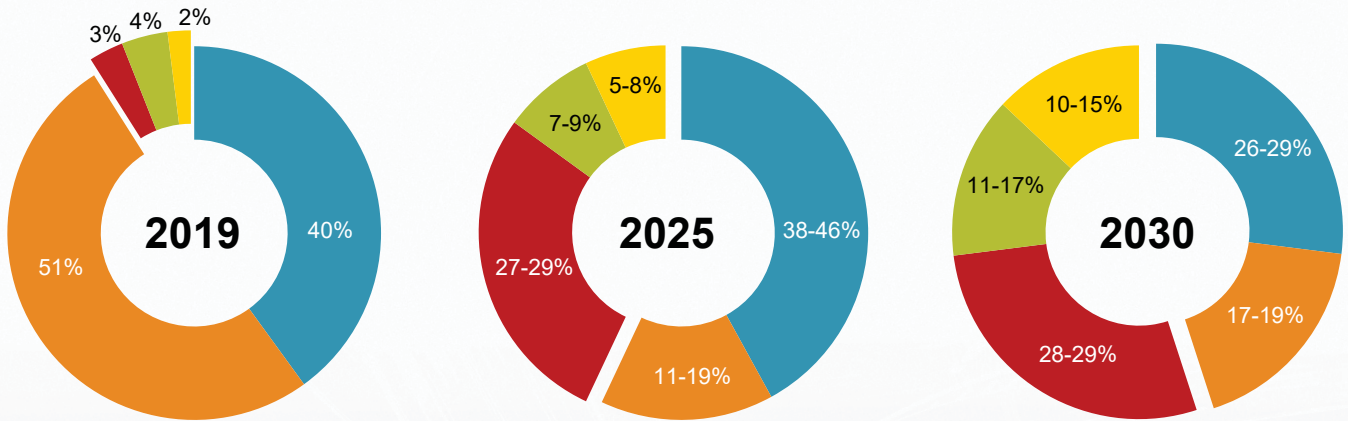


Battery Frames





Powertrain Electrification is Growing...

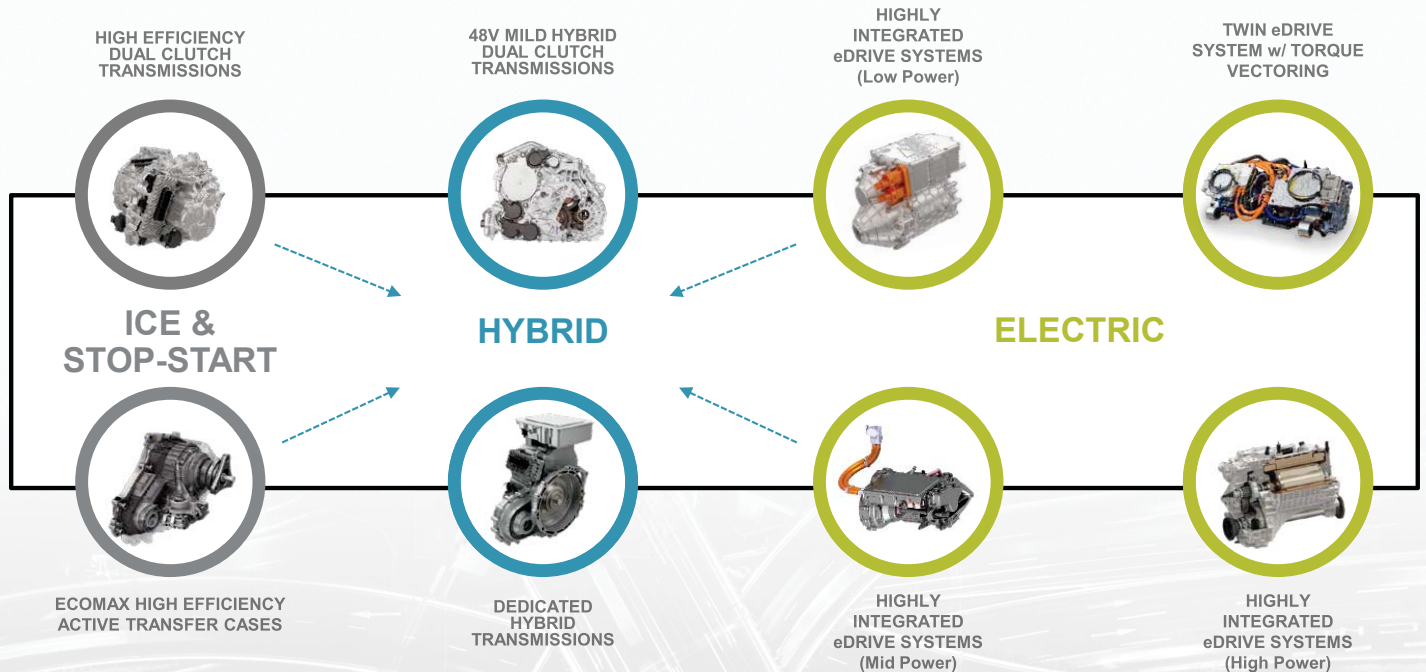


- eMobility Market
- Internal Combustion Engine (ICE)
 - Micro Hybrid: ICE with 12V start/stop functionality & regeneration capability
 - Mild Hybrid: ICE with 48V start/stop functionality, regeneration & boosting capability
 - PHEV/HEV: ICE with high voltage eMachine, full electric driving, external charging
 - EV: No ICE; battery or fuel cell electric vehicle

Source: Magna OEM Fleet Analysis December 2019



Positioned for Powertrain Electrification



Significant Booked eMobility Contracts



Positioned to Help Reduce Vehicle Weight



- Broadest offering of lightweight design and manufacturing solutions
- Ability to support OEMs with comprehensive engineering for product and process design
- Strong know-how in joining multi-materials
- Global footprint allows us to win, support and launch either regional or global programs

Hot Stamping



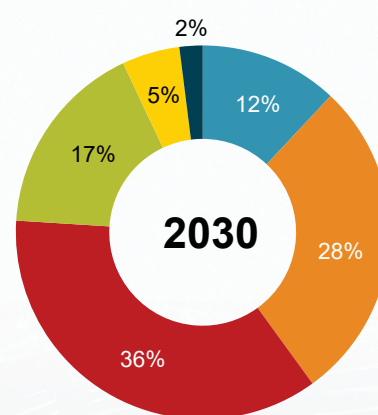
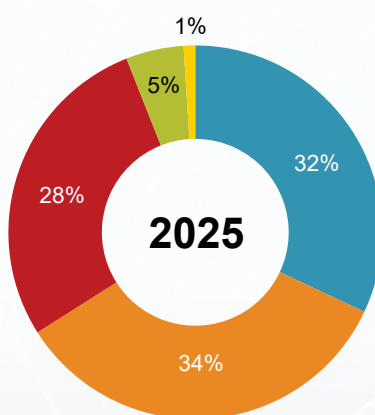
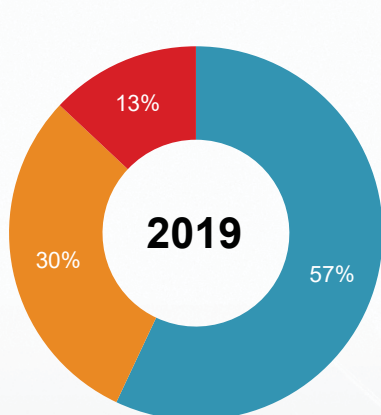
Casting



Composite Liftgates



Autonomy Will Continue to Proliferate



■ Level 0
 ■ Level 1
 ■ Level 2
 ■ Level 3
 ■ Level 4
 ■ Level 5



Magna's ADAS Hardware Building Blocks



Front Camera



Single and Multi Camera



Ultrasonic Sensors



Radar



LiDAR



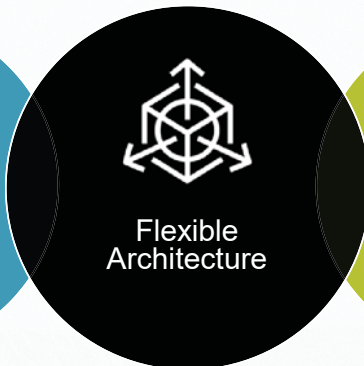
Domain Controller



Positioned for Smart Mobility



Consumer Focused Vehicles



Flexible Architecture



Mobility Vehicles Providing Services



Body & Structure



Powertrain



Seating



ADAS/Electronics/
Mechanics

Complete Vehicle Design, Engineering and Assembly

- Implementing right-sizing actions to align with updated mid-term expectations
- Strong liquidity position
- Continuing to invest for the future
- Well positioned for future mobility



APPENDIX

NORTH AMERICA New Launches Ramping Up



Ford Escape



Mercedes-Benz GLE Coupe



Ford Maverick



Cadillac Escalade



Ford Mustang Mach E

● Body ● Power & Vision ● Seating

EUROPE New Launches Ramping Up



Volkswagen Caddy



BMW 2-Series



Porsche Taycan Cross Turismo



Mercedes-Benz GLA



Volkswagen ID.4

● Body ● Power & Vision ● Seating



Mercedes-Benz GLB



Ford Explorer



BMW X2



Cadillac CT4



Geely 05



Chevy Blazer

● Body
 ● Power & Vision
 ● Seating

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Executive Leadership Announcement

- Sherif Marakby has joined Magna as Executive Vice President of Research and Development
 - Will manage all aspects of innovation and new product development strategy
 - 30 years of experience in automotive and technology industries
 - Extensive experience in electrification
 - Previously served as President & CEO of Ford Autonomous Vehicles LLC
 - Served on the Board of Directors for Argo AI
 - Spent time with Uber as Vice President of Global Vehicle Programs



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GM Supplier of the Year Awards



Mirrors



Truck Frames



Driveline Systems

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Supplier of the Year Awards



Fascias



Seat Systems



FREEFORM™ Innovation

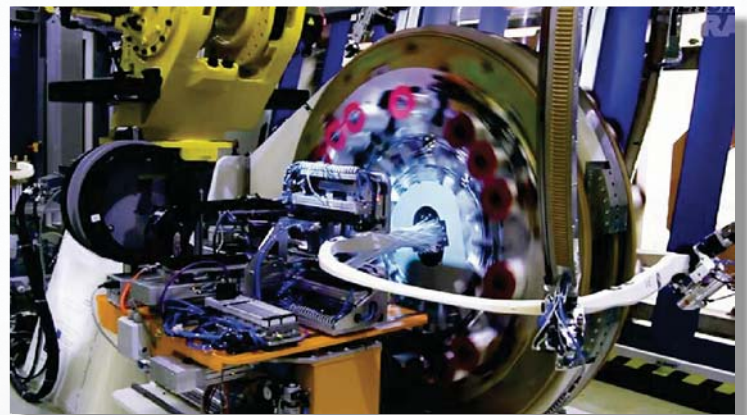


Most Ever for a Supplier in a Single Year

PACE Award for Composite Liftgate



- Lightweight solution debuted on the 2020 Toyota Supra
- Space frame reinforcement solution enables 10% mass reduction and is first application in the automotive industry
- Expect significant growth in liftgates going forward



Q2 2020 Sales Performance vs Market



	Reported	Organic ¹	Unweighted Performance vs Global Production	Weighted Performance vs Global Production
Body Exteriors & Structures	(62%)	(61%)	(19%)	(2%)
Power & Vision	(54%)	(53%)	(11%)	6%
Seating	(64%)	(63%)	(21%)	(4%)
Complete Vehicles	(48%)	(47%)	(5%)	12%
TOTAL SALES	(58%)	(57%)	(15%)	2%
Unweighted Production Growth	(42%)			
Weighted Production Growth²	(59%)			

¹ Excluding acquisitions net of divestitures and FX movements

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

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YTD Sales Performance vs Market



	Reported	Organic ¹	Unweighted Performance vs Global Production	Weighted Performance vs Global Production
Body Exteriors & Structures	(38%)	(37%)	(4%)	2%
Power & Vision	(35%)	(28%)	+5%	11%
Seating	(38%)	(38%)	(5%)	1%
Complete Vehicles	(40%)	(38%)	(5%)	1%
TOTAL SALES	(37%)	(35%)	(2%)	4%
Unweighted Production Growth	(33%)			
Weighted Production Growth²	(39%)			

¹ Excluding acquisitions net of divestitures and FX movements

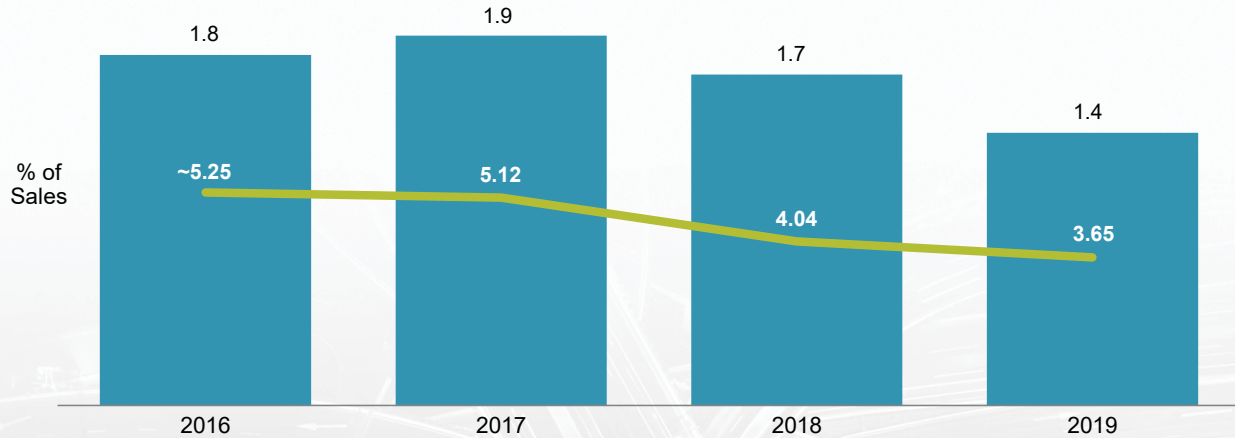
² Calculated by applying Magna geographic sales weighting, excluding Complete Vehicle sales, to regional production

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Disciplined Capital Spending Profile



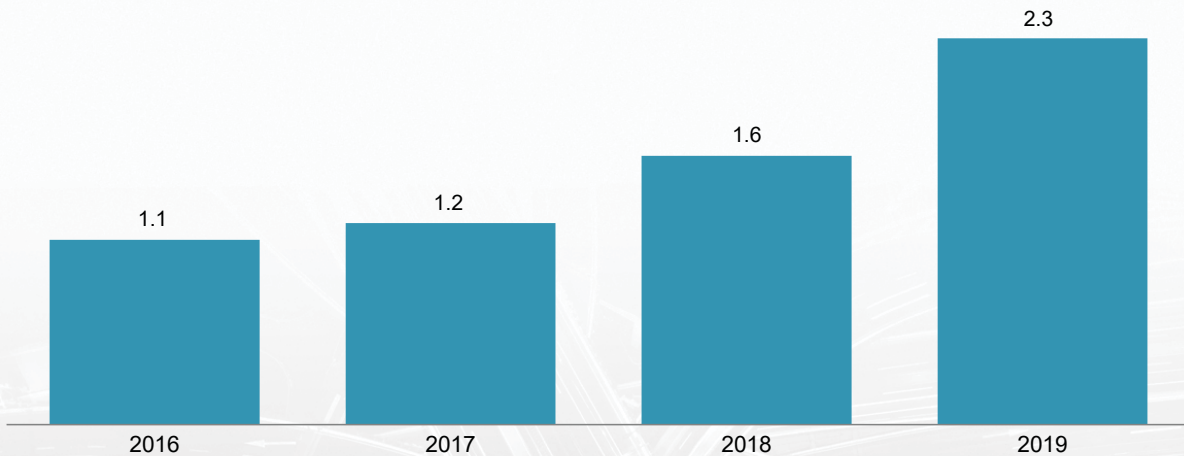
Capital Spending (\$Billions)



Strong Free Cash Flow Generation



Free Cash Flow¹ (\$Billions)

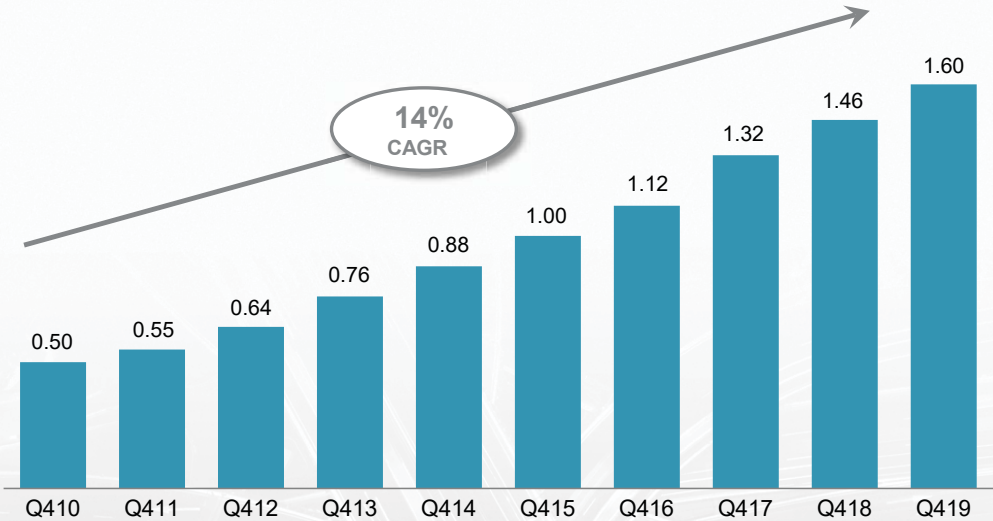


¹ Free Cash Flow is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

Long History of Increasing Dividend



Annualized Dividend¹
(\$ per share)



¹ Based on Q4 run rate