

# Q4 2020 Results + 2021 Outlook Call

February 19, 2021

# 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:

<b>Material Forward-Looking Statement</b>	<b>Material Potential Risks Related to Applicable Forward-Looking Statement</b>
Total Sales Segment Sales	<ul style="list-style-type: none"> <li>• Mandatory stay at home order to help contain COVID-19 spread could impact vehicle sales, vehicle production and our own production</li> <li>• Economic impact of COVID-19 on consumer confidence</li> <li>• Supply disruptions, including as a result of semiconductor chip shortage currently being experienced in the industry and constriction in the supply of certain types of steel</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>
Unconsolidated Sales	<ul style="list-style-type: none"> <li>• Same risks as for Total Sales and Segment Sales above, excluding "Concentration of sales with six customers"</li> <li>• Risks related to conducting business through joint ventures</li> <li>• Risks related to conducting business in foreign markets</li> </ul>
Adjusted EBIT Margin, including by Segment Net Income Attributable to Magna Free Cash Flow	<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 overtime, premium freight and expenses related to switching sub-suppliers</li> <li>• Price concessions</li> <li>• Tax risks</li> </ul>
Equity Income	<ul style="list-style-type: none"> <li>• Same risks as Unconsolidated Sales</li> <li>• Same risks as Adjusted EBIT Margin and Net Income Attributable to Magna</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 cyclicalities;
- 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;
- Emergence of potentially disruptive Electric Vehicle (EV) OEMs;
- 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 and applicable costs related to supply disruption mitigation initiatives, including as a result of the COVID-19 (Coronavirus) pandemic;
- climate change risks;
- attraction/retention of skilled labour;

## IT Security/Cybersecurity Risks

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

## Pricing Risks

- pricing risks between time of quote and start of production;
- price concessions, including as a result of the COVID-19 (Coronavirus) pandemic;
- commodity costs;
- 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

- 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 or made as a result of the COVID-19 (Coronavirus) 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.



- All amounts are in U.S. Dollars (unless otherwise noted)
- Appendix includes reconciliations between GAAP and normalized results (excluding Other Expense, net [Unusual Items])
- Today's discussion excludes the impact of Other Expense, net (Unusual Items)
- “Organic”, in the context of sales movements, means “excluding the impact of foreign exchange, acquisitions and divestitures”

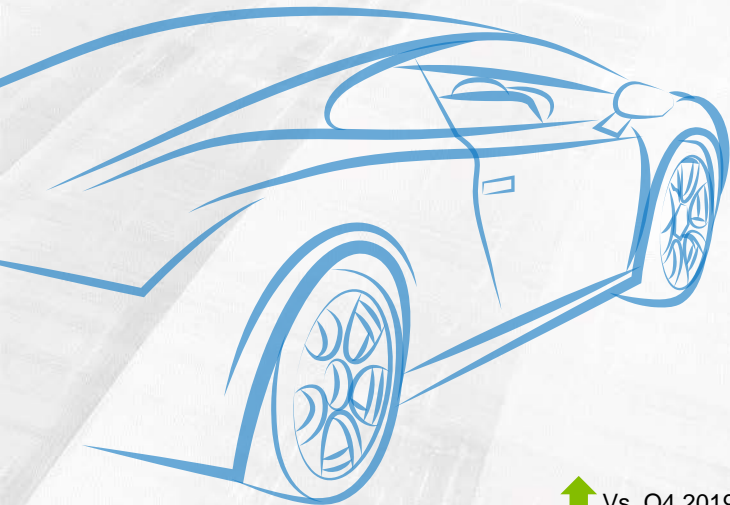
- 2020 highlights and Q4 2020 operating results
- 2021 outlook
- Financial strategy

# 2020 HIGHLIGHTS

# Q4 2020 Performance Overview



**WEIGHTED  
GoM<sup>1</sup>  
+6%**



↑ Vs. Q4 2019

## Consolidated Sales

**\$10.6B** ↑ 12%  
\$32.6B FY 2020

## Adjusted EBIT Margin

**10.4%** ↑ 410 bps  
5.1% FY 2020

## Adjusted Diluted EPS

**\$2.83** ↑ 101%  
\$3.95 FY 2020

## Free Cash Flow

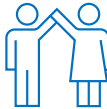
**\$1.7B** ↑ 55%  
\$1.9B FY 2020

<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

## People focus



Keeping our employees safe during COVID



Inspiring employee resilience – delivering operational excellence while navigating complexity due to COVID



Supporting our communities in the midst of a pandemic



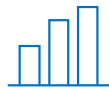
Named to Fortune’s “Most Admired Companies” and Forbes “Best Employers” list



## Operational Excellence



Restructuring program and other actions initiated to reduce cost structure by \$200M annually



Managed shutdown and ramp up of 300+ facilities through Smart Start playbook



97 customer recognition awards

## Sales growth



Strong sales growth recovery in H2 (5% YoY)



Continued sales GoM<sup>1</sup> in 2020: 4%



Achieved above market sales growth<sup>1</sup> across all key regions: North America, Europe, and Asia

<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

## Driving Innovation



Expanded collaboration ecosystem (Fisker, LG)



New business won in core innovation areas:

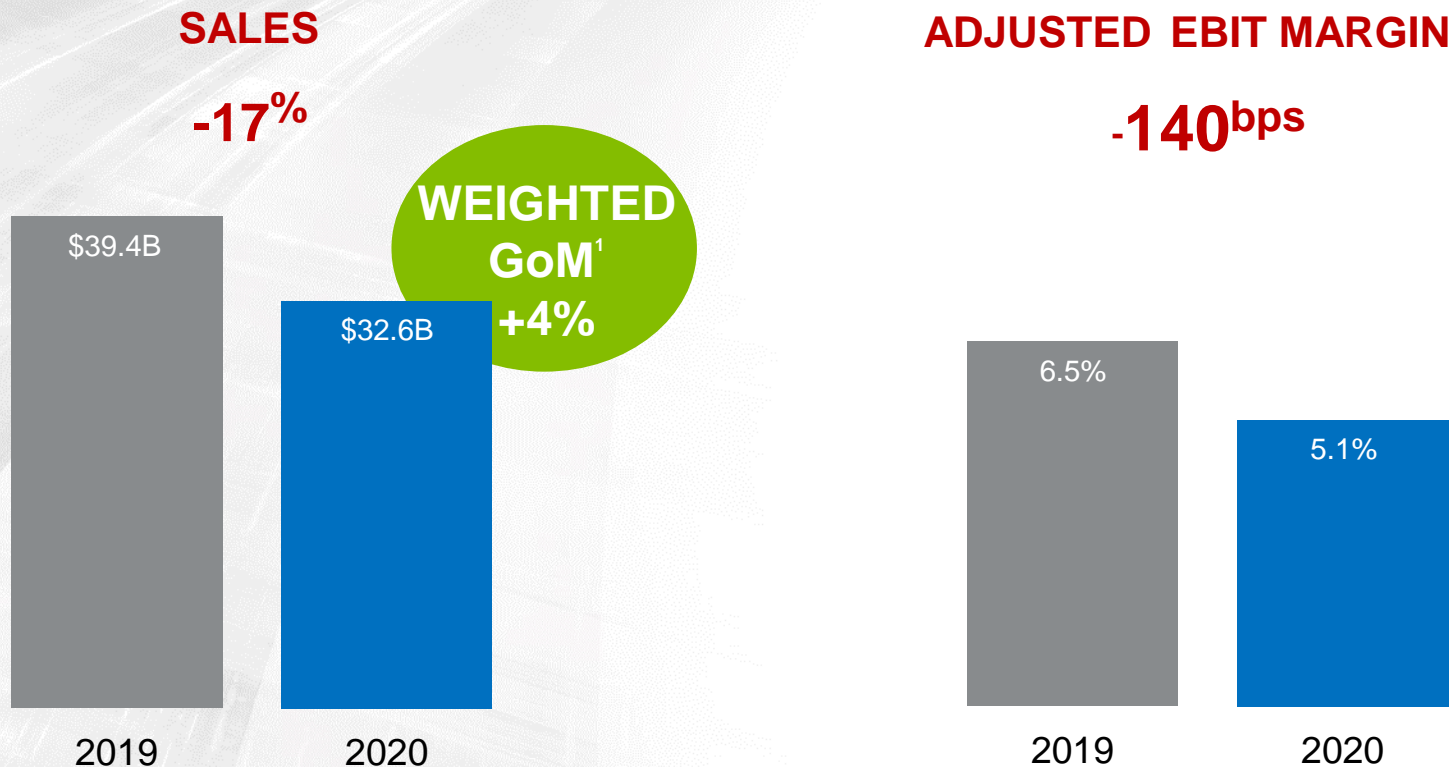
- EV Battery Tray
- CLEARVIEW™ Digital Vision System
- FREEFORM™ A-surface seat trim



PACE award for light-weighting solutions



Continued focus on innovation aligned with secular trends – Electrification, Autonomy, New Mobility



**Significant Impact from COVID-19**

<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



# H1 and H2 2020 Results

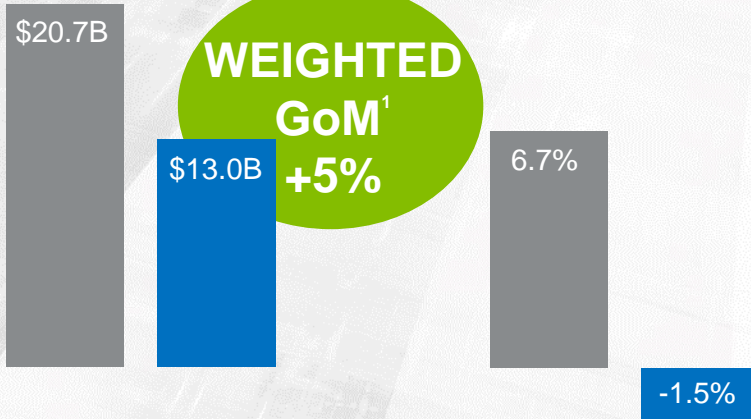


## H1

SALES

EBIT %

-37%



■ 2019

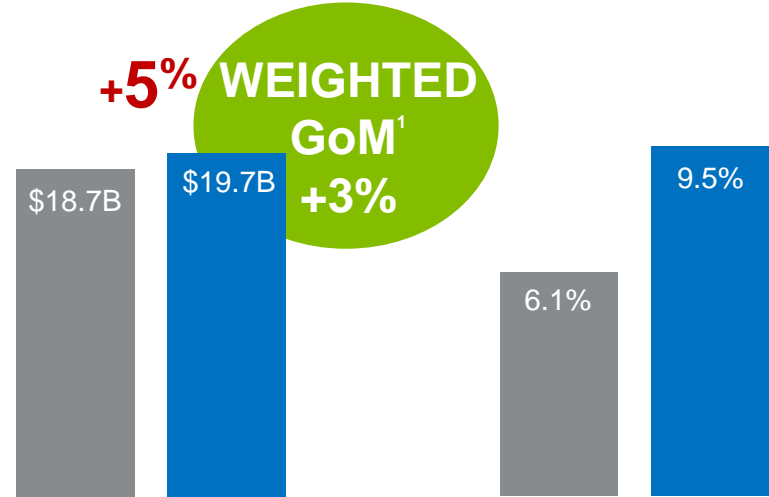
■ 2020

## H2

SALES

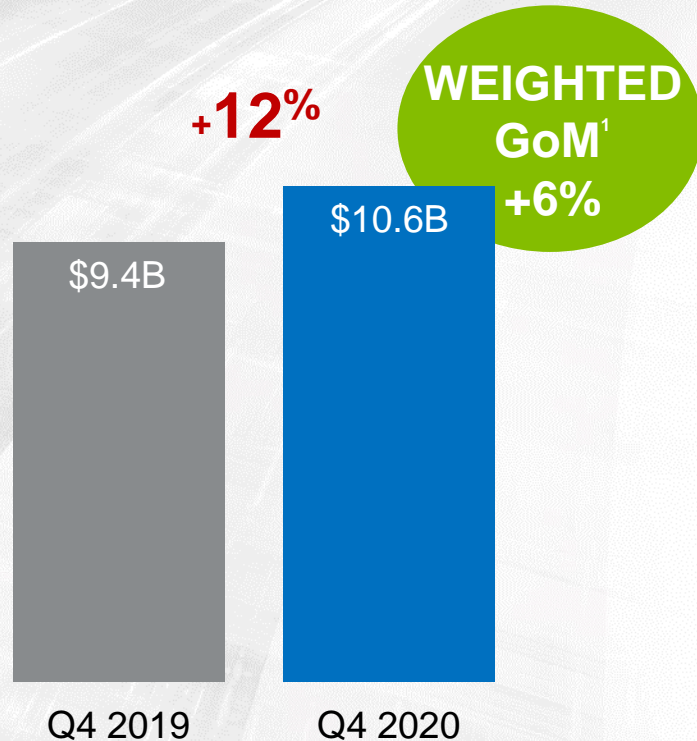
EBIT %

+5%



## Return to Strong Performance in H2

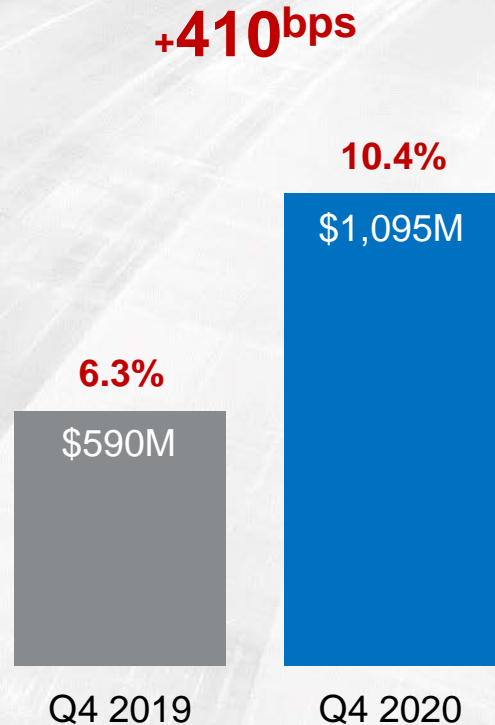
<sup>1</sup> Weighted Growth over Market (GoM) compares organic sales growth (%) to vehicle production change (%) after applying Magna geographic sales weighting, excluding Complete Vehicles, to regional production



## Key Factors:

- Launch of new programs (+)
- Labour strike at GM in Q4 '19 (+)
- Foreign currency translation (+)
- Global light vehicle production (+)
- Complete Vehicle assembly sales (+)
- End of production of certain programs (-)
- Net customer price concessions (-)

# Q4 2020 Adjusted EBIT Margin %



## Key Factors:

- Contribution on higher sales (+)
- Improved operational performance (+)
  - Cost savings and efficiencies realized
  - Benefits of restructuring
  - Improvements at underperforming facilities
- Labour strike at GM in Q4 '19 (+)
- Lower ADAS costs, including exit of Lyft partnership (+)
- Higher profit sharing and incentive compensation costs (-)

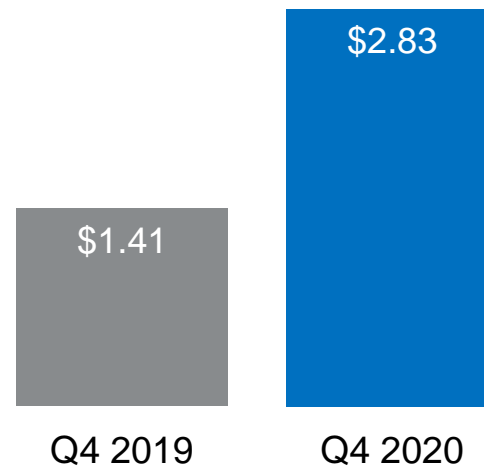
## ADJUSTED NET INCOME ATTRIBUTABLE TO MAGNA

**+97%**



## ADJUSTED DILUTED EPS

**+101%**







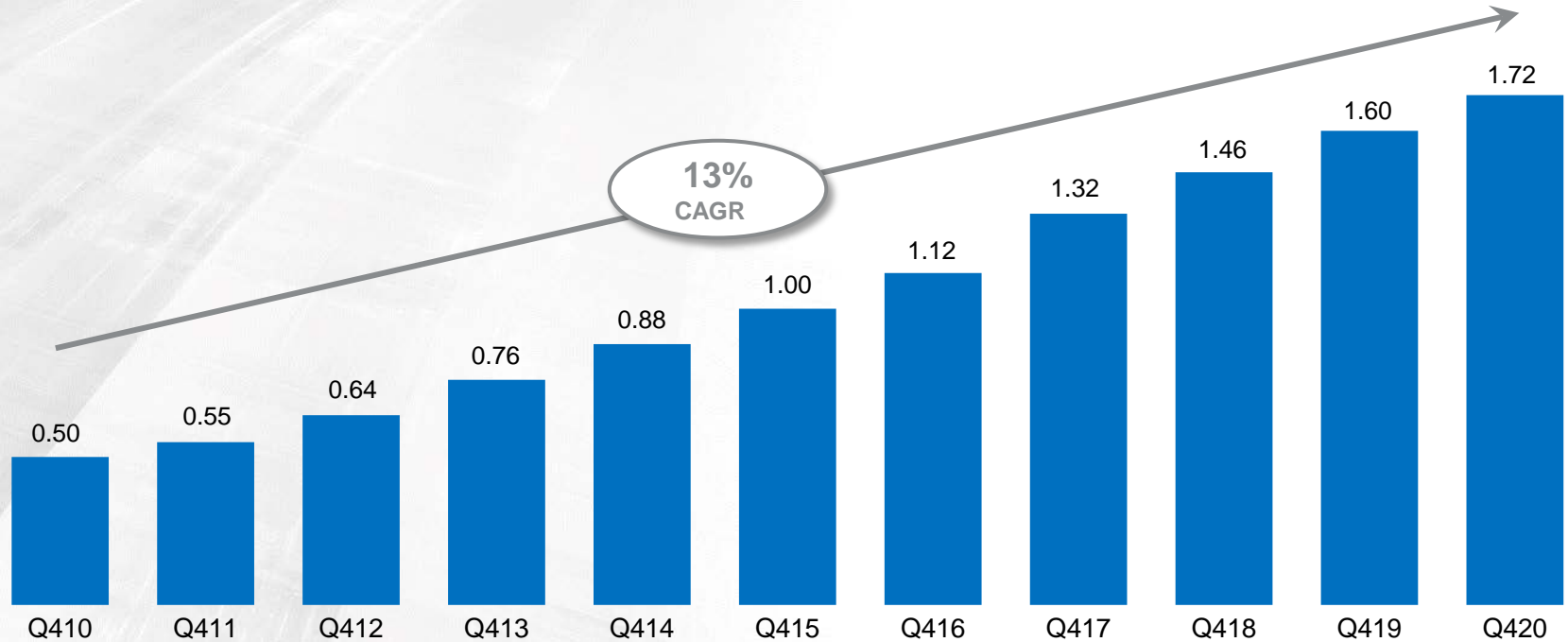
## Key Factors:

- Higher earnings
- \$186m increased cash from operating assets and liabilities

# Annualized Dividend<sup>1</sup>



(\$ per share)



**Increased Q4 Dividend for 11<sup>th</sup> Straight Year**

<sup>1</sup> Based on Q4 run rate

# 2021 OUTLOOK



## One Magna leveraging breadth of our capabilities



Product line leadership

Systems level approach

Building block technology strategy



## Disciplined execution and invest in innovation

Operational excellence enhances cash generation

Innovation spend with a focus on high-growth areas

Entrepreneurial spirit and manufacturing expertise

# Together Enable Magna's Unique Competitive Position





## Electrification

Enhanced e-Powertrain portfolio

Product range fills transition roadmap to EV

New EV business across all products



## Autonomy

Full ADAS capability

Complete system expertise

Program awards growing



## New Mobility

Expanded collaboration ecosystem

Leverage new business models

Enabling automakers and new entrants

**Magna Well Positioned for Car of the Future**

# Overview of 2021 Outlook

## SALES GROWTH

90+% sales in 2023 already booked

Growth across all segments

## MARGIN EXPANSION

World Class Manufacturing initiatives and restructuring benefits

Further driving EBIT margins to 8+% by 2023

## CONTINUED GROWTH INVESTMENTS

Average annual engineering spend of ~\$600M in megatrend areas

Capital spending stable at approximately 4% of sales

## STRONG FREE CASH FLOW

Generate \$5.5-6.0B over '21-'23

Continue to invest in the business and return capital to shareholders





## Automotive Light Vehicle Production

(millions of units)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2023</u>
North America	16.3	13.0	15.9	16.3
Europe	21.4	16.5	18.5	20.1
China	24.6	23.5	24.0	26.0

## U.S. Foreign Exchange Rates

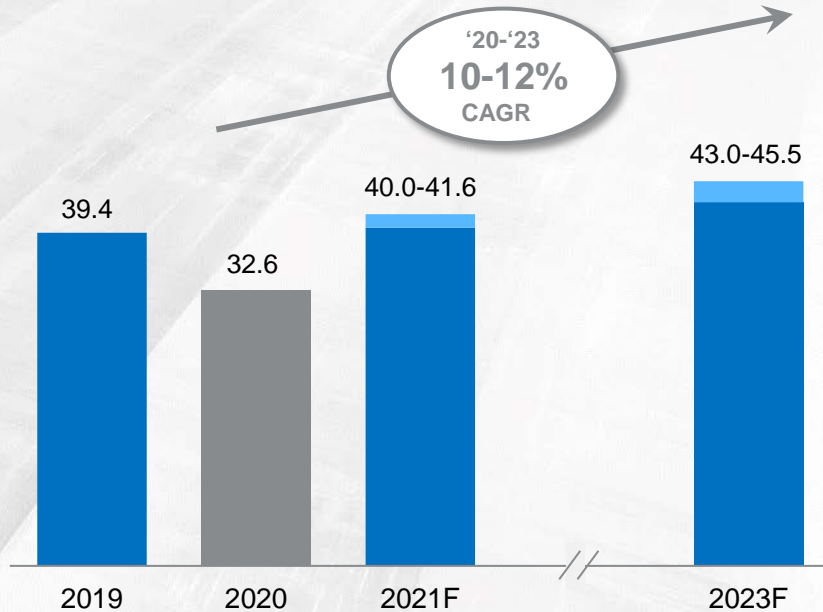
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2023</u>
Cdn	0.754	0.746	0.770	0.770
Euro	1.119	1.141	1.210	1.210
RMB	0.145	0.145	0.153	0.153

## Acquisitions/Divestitures

No material unannounced acquisitions/divestitures

# CONSOLIDATED OUTLOOK

(\$Billions)



Unweighted Global LV Production CAGR = 6%  
(Weighted Global LV Production CAGR = 7%)

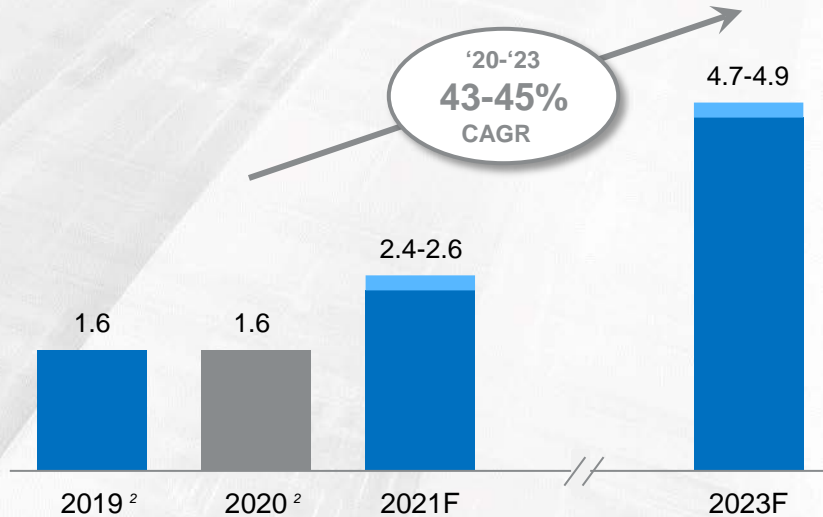
- Higher light vehicle production
- Content growth
  - New technologies
  - New facilities
  - Launches
- Consolidation of Getrag entities adds ~\$650m to '21 sales
- Positive impact of weaker U.S. dollar, M&A



# Unconsolidated Sales<sup>1</sup>



(\$Billions)



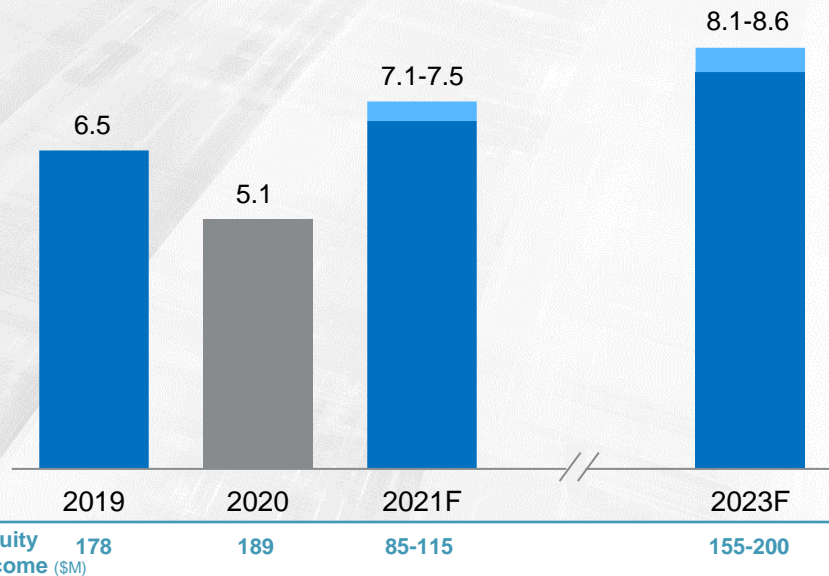
Unweighted Global LV Production CAGR = 6%  
(Weighted Global LV Production CAGR = 7%)

- Growth primarily driven by:
  - Complete vehicle sales (BJEV JV)
  - Integrated e-drives (HASCO JV)
  - E-mobility components (LG JV)

<sup>1</sup> Sales at 100% for our unconsolidated entities

<sup>2</sup> 2019 and 2020 excludes \$1.9 billion and \$1.4 billion, respectively, from Getrag JVs

# Consolidated Adjusted EBIT Margin %<sup>1</sup>



## 2019-2021

- World Class Manufacturing initiatives and restructuring benefits (+)
- Trending to more normalized level of ADAS engineering costs (+)
- Labour strike at GM in '19 (+)
- License income (+)
- Higher engineering costs for electrification and new mobility (-)
- Lower equity income (ex-Getrag) (-)
- Consolidation of Getrag entities (-)

## 2021-2023

- Contribution on higher sales (+)
- World Class Manufacturing initiatives and restructuring benefits (+)
- Higher equity income (+)
- License income (-)

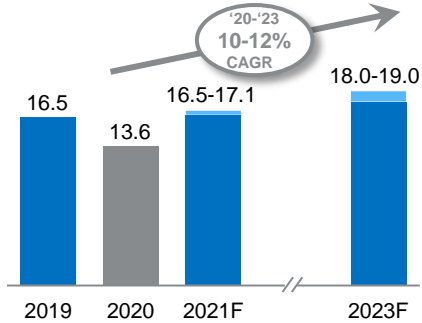
<sup>1</sup> Excluding other expense (income), net

# Segment Sales & Adjusted EBIT Margin %<sup>1</sup>

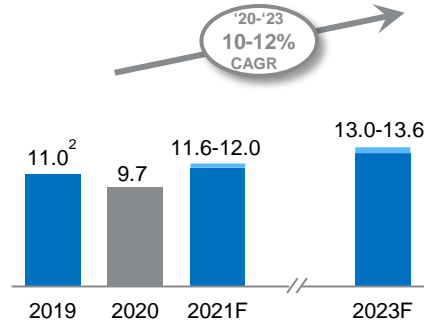


## SALES (\$B)

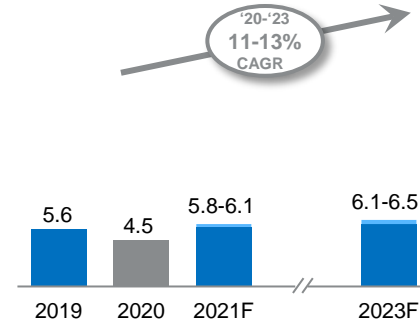
### BODY EXTERIORS & STRUCTURES



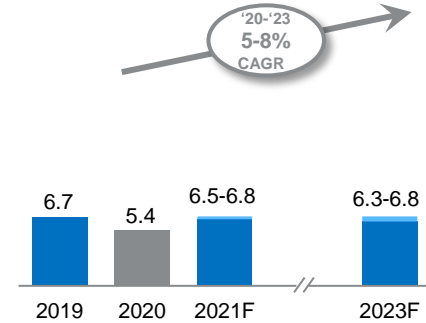
### POWER & VISION



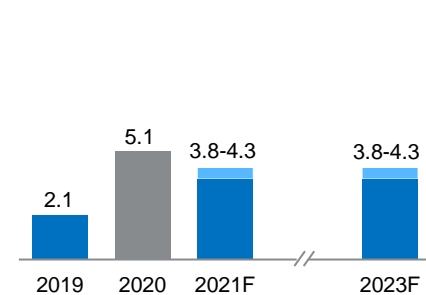
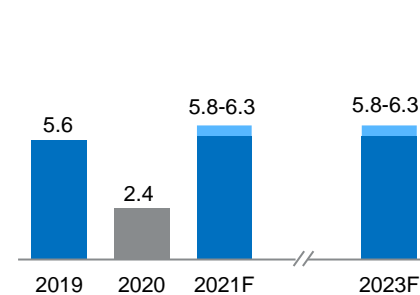
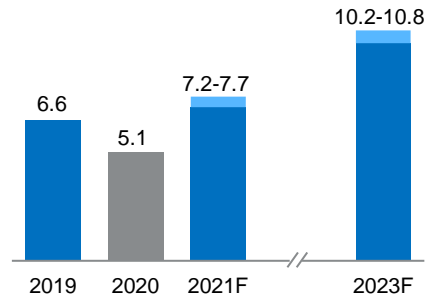
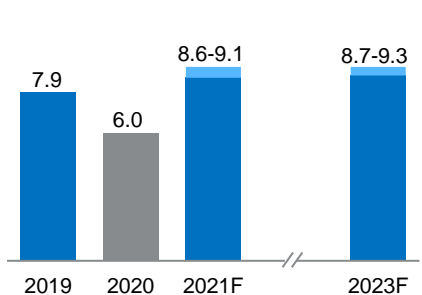
### SEATING SYSTEMS



### COMPLETE VEHICLES



## ADJUSTED EBIT MARGIN %



<sup>1</sup> Excluding other expense (income), net

<sup>2</sup> Excluding \$0.4B in sales of Fluid Pressure & Controls (FP&C) business unit sold at end of Q1, 2019

# FINANCIAL STRATEGY

## 1 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

## 2 Invest for Growth

- Organic and inorganic opportunities
- Innovation

## 3 Return Capital to Shareholders

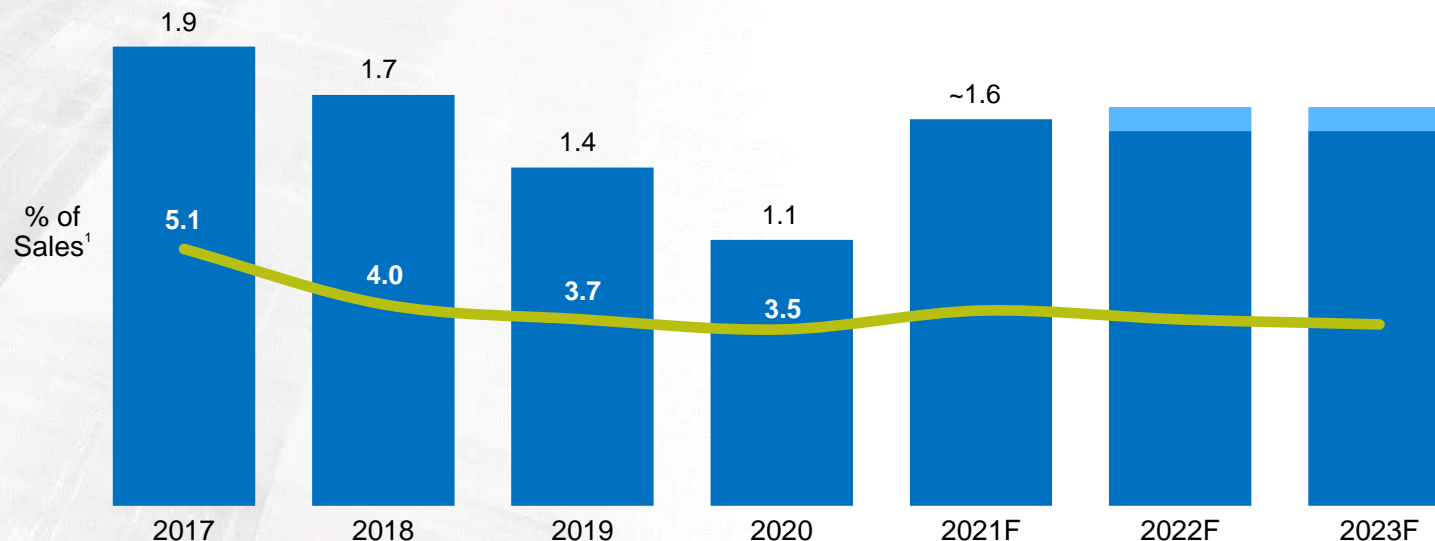
- Continued dividend growth over time
- Repurchase shares with excess cash



# Capital Spending



(\$Billions)



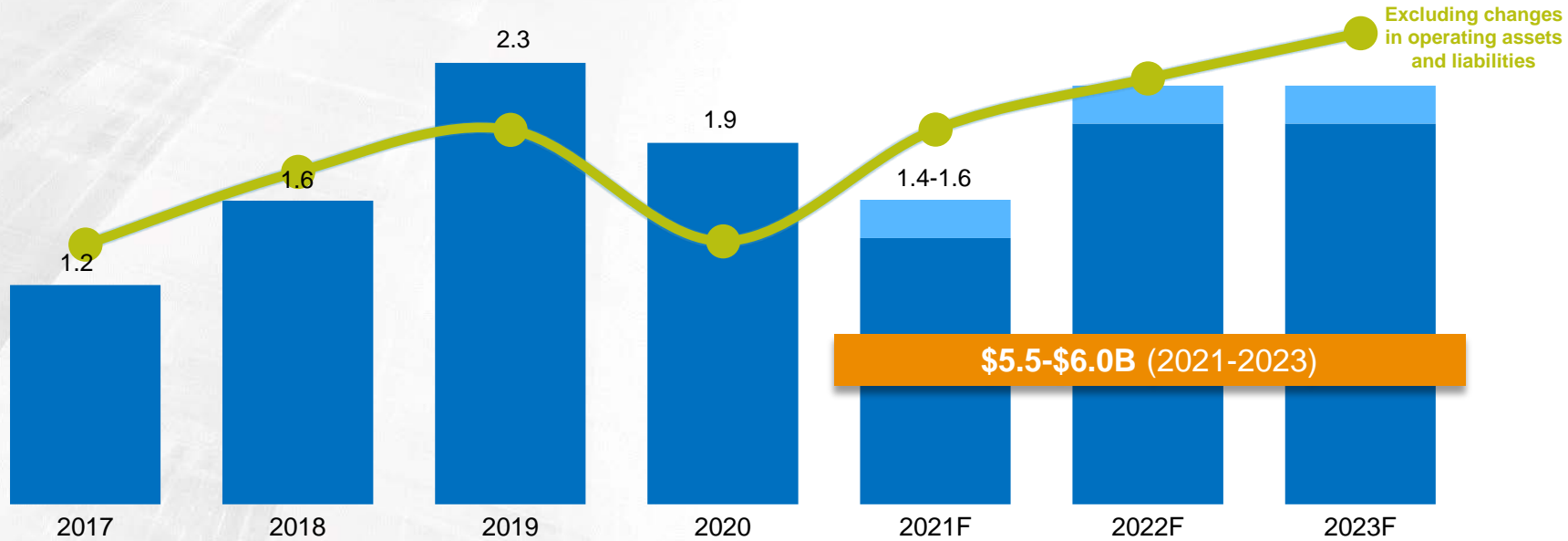
**Level Capital Spending Through Outlook Period**

<sup>1</sup> 2021 to 2023 are based on the level of business reflected in our sales outlook

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



(\$Billions)

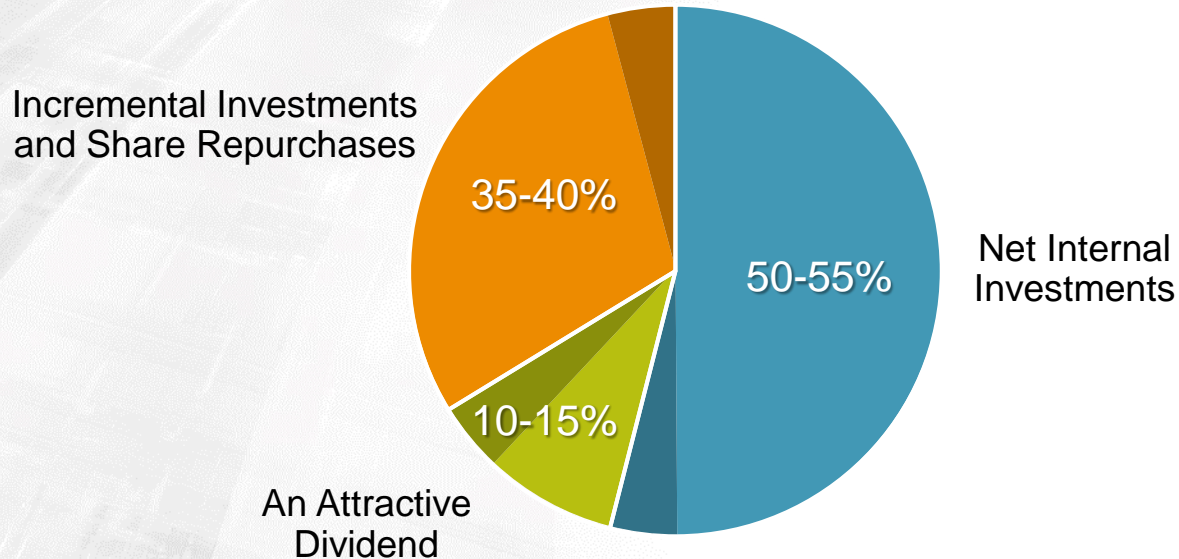


**\$5.5-\$6.0B (2021-2023)**

Excluding changes in operating assets and liabilities

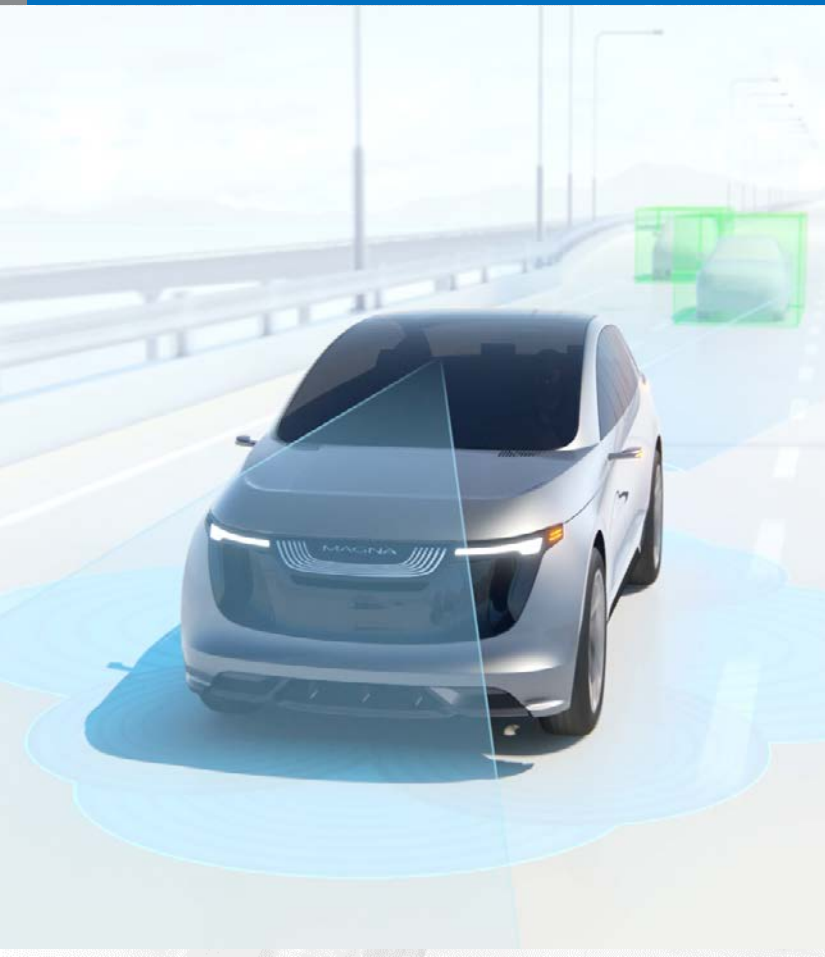
<sup>1</sup> Free Cash Flow is Cash from Operating Activities plus proceeds from normal course dispositions of fixed and other assets minus capital spending minus investment in other assets

# Projected Operating Cash Flow Uses 2021-2023



Plus debt capacity increases as EBITDA grows

**Significant Capacity To Invest For The Future**



Sales growth



Margin expansion



Strong free cash flow generation



Continued investment aligned to secular trends

# Q4 2020 RESULTS

## APPENDIX





# Sales Performance vs Market (by segment)



## Q4 2020 vs Q4 2019

	Reported	Organic <sup>1</sup>	Performance vs Unweighted Global Production	Performance vs Weighted Global Production
Body Exteriors & Structures	12%	10%	6%	7%
Power & Vision	17%	12%	8%	9%
Seating	(3%)	(2%)	(6%)	(5%)
Complete Vehicles	20%	12%	8%	9%
<b>TOTAL SALES</b>	<b>12%</b>	<b>9%</b>	<b>5%</b>	<b>6%</b>
<b>Unweighted Production Growth</b>	<b>4%</b>			
<b>Weighted Production Growth<sup>2</sup></b>	<b>3%</b>			

<sup>1</sup> Excluding acquisitions net of divestitures and FX movements

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

# Sales Performance vs Market (by segment)



## YTD 2020 vs YTD 2019

	Reported	Organic <sup>1</sup>	Performance vs Unweighted Global Production	Performance vs Weighted Global Production
Body Exteriors & Structures	(18%)	(18%)	(1%)	3%
Power & Vision	(14%)	(12%)	5%	9%
Seating	(20%)	(20%)	(3%)	1%
Complete Vehicles	(19%)	(21%)	(4%)	0%
<b>TOTAL SALES</b>	<b>(17%)</b>	<b>(17%)</b>	<b>0%</b>	<b>4%</b>

**Unweighted Production Growth (17%)**

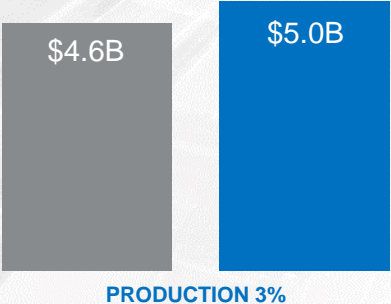
**Weighted Production Growth<sup>2</sup> (21%)**

<sup>1</sup> Excluding acquisitions net of divestitures and FX movements

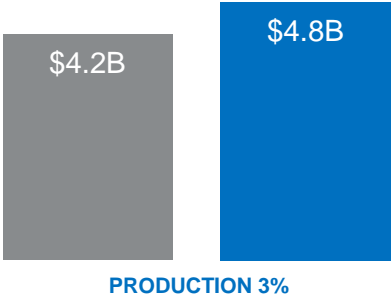
<sup>2</sup> Calculated by applying Magna geographic sales weighting, excluding Complete Vehicle sales, to regional production

## Q4 2020 vs Q4 2019

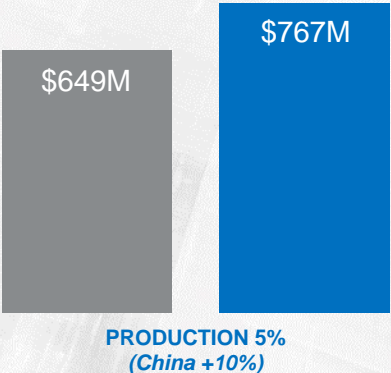
### NORTH AMERICA



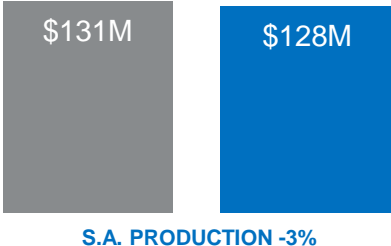
### EUROPE



### ASIA



### REST OF WORLD

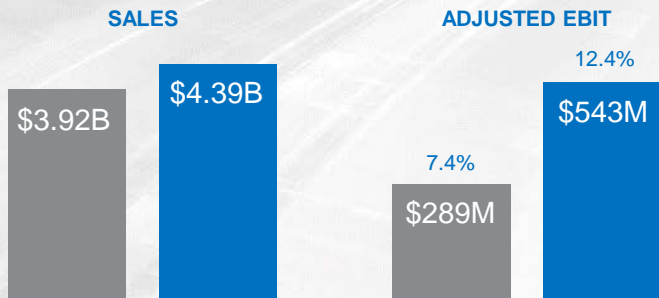


■ Q4 2019   ■ Q4 2020

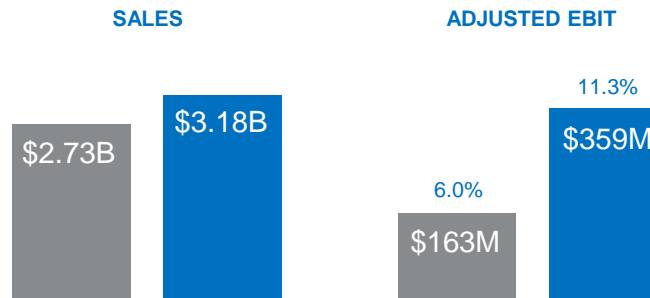
# Segment Sales and Adjusted EBIT Margin



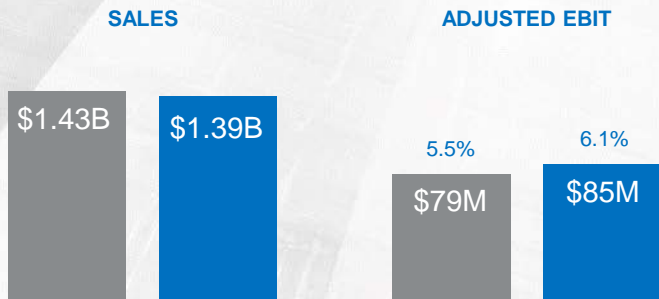
## BODY EXTERIORS & STRUCTURES



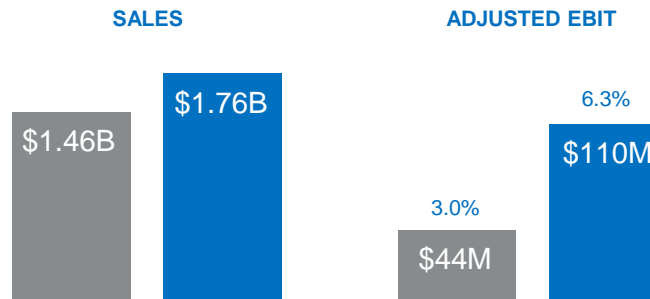
## POWER & VISION



## SEATING



## COMPLETE VEHICLES



■ Q4 2019 ■ Q4 2020

Higher Adjusted EBIT \$ and % in All Segments

# Segment Impact on Adjusted EBIT % of Sales



\$ MILLIONS

## Q4 2020 vs Q4 2019

	Sales	Adjusted EBIT	Adjusted EBIT as a Percentage of Sales
4 <sup>th</sup> Quarter of 2019	\$ 9,395	\$ 590	6.3%
Increase (Decrease) Related to:			
Body Exteriors & Structures	\$ 470	\$ 254	2.1%
Power & Vision	\$ 454	\$ 196	1.6%
Seating Systems	\$ (36)	\$ 6	0.1%
Complete Vehicles	\$ 298	\$ 66	0.5%
Corporate and Other	\$ (13)	\$ (17)	(0.2)%
<b>4<sup>th</sup> Quarter of 2020</b>	<b>\$ 10,568</b>	<b>\$ 1,095</b>	<b>10.4%</b>



# Q4 2020 Cash Flow



\$ MILLIONS

## Cash from Operations

Net Income + Non-Cash Items	\$	1,331
Changes in Non-Cash Operating Assets & Liabilities	\$	928
	\$	2,259

## Investment Activities

Fixed Assets	\$	(560)
Investments, Other Assets & Intangibles	\$	(98)
	\$	(658)
Proceeds from Disposition and Other	\$	69
<b>Free Cash Flow</b>	<b>\$</b>	<b>1,670</b>

Private Equity Investments	\$	(18)
Dividends Paid	\$	(115)

# Leverage Ratio



\$ MILLIONS

LTM EBITDA	\$ 3,042
Lease Adjustment	\$ 316
Other	\$ (10)
<b>Adjusted EBITDA</b>	<b>\$ 3,348</b>
Debt per Balance Sheet	\$ 4,102
Lease Liability per Balance Sheet	\$ 1,897
Other	\$ 237
<b>Adjusted Debt</b>	<b>\$ 6,236</b>
<b>Adjusted Debt / Adjusted EBITDA (Q4 2020)</b>	<b>1.86x</b>
<b>Adjusted Debt / Adjusted EBITDA (Q3 2020)</b>	<b>2.11x</b>

**Further Improved in Q4 2020**

# Q4 2020 Reconciliation of Reported Results



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

	Reported	Other Expense, Net	Excl. Other Expense, Net
Income Before Income Taxes	\$ 973	\$ 100	\$ 1,073
% of Sales	<b>9.2%</b>		<b>10.2%</b>
Income Tax Expense	\$ 223	\$ (13)	\$ 210
% of Pretax	<b>22.9%</b>		<b>19.6%</b>
Income Attributable to Non-Controlling Interests	\$ (12)	\$ 0	\$ (12)
Net Income Attributable to Magna	\$ 738	\$ 113	\$ 851
Earnings Per Share	\$ 2.45	\$ 0.38	\$ 2.83

# Q4 2019 Reconciliation of Reported Results



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

	Reported	Other Income, Net	Excl. Other Income, Net
Income Before Income Taxes	\$ 579	\$ (8)	\$ 571
% of Sales	<b>6.2%</b>		<b>6.1%</b>
Income Tax Expense	\$ 134	\$ (1)	\$ 133
% of Pretax	<b>23.1%</b>		<b>23.3%</b>
Income Attributable to Non-Controlling Interests	\$ (5)	\$ 0	\$ (5)
Net Income Attributable to Magna	\$ 440	\$ (7)	\$ 433
Earnings Per Share	\$ 1.43	\$ (0.02)	\$ 1.41

# 2021 OUTLOOK

## APPENDIX



\$Billions, unless otherwise noted	2021	2023
Sales:		
• Body Exteriors & Structures	16.5 – 17.1	18.0 – 19.0
• Power & Vision	11.6 – 12.0	13.0 – 13.6
• Seating Systems	5.8 – 6.1	6.1 – 6.5
• Complete Vehicles	6.5 – 6.8	6.3 – 6.8
Total Sales	40.0 – 41.6	43.0 – 45.5
Adjusted EBIT Margin % <sup>1</sup>	7.1% – 7.5%	8.1% – 8.6%
Equity Income	85M – 115M	155M – 200M
Interest Expense	~110M	
Income Tax Rate <sup>2</sup>	~23%	
Net Income Attributable to Magna <sup>3</sup>	2.1 – 2.3	
Capital Spending	~1.6	

<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

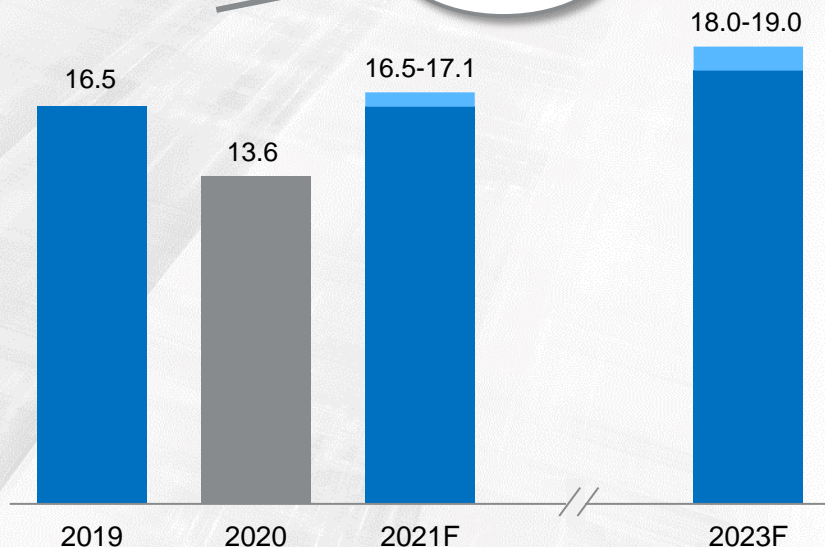
<sup>3</sup> Net Income Attributable to Magna represents Net Income excluding Other expense (income), net



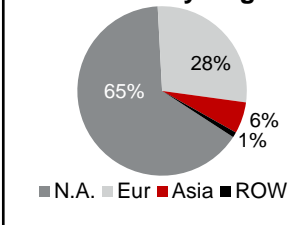
# REPORTING SEGMENTS

(\$Billions)

'20-'23  
**10-12%**  
 CAGR



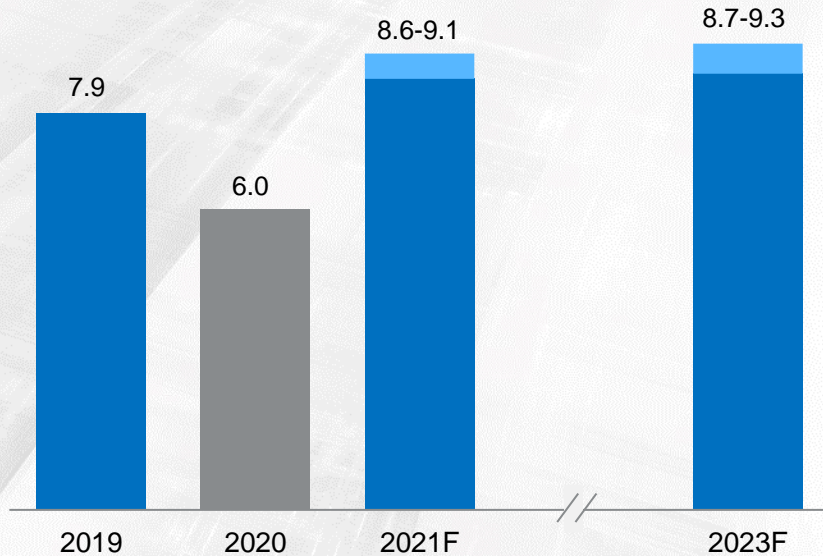
2021 Sales By Region



- Higher light vehicle production
- Lightweighting technologies continue to outgrow market
  - hot stamping, high pressure casting
  - composite liftgates
- Launch first battery frame in '22
- Continued strong growth in China
- Positive impact of weaker U.S. dollar

Unweighted Global LV Production CAGR = 6%  
 (Weighted Global LV Production CAGR = 7%)

(%)



Equity Income (\$M)	2019	2020	2021F	2023F
	3	0	0-5	15-20

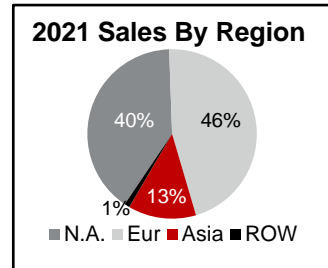
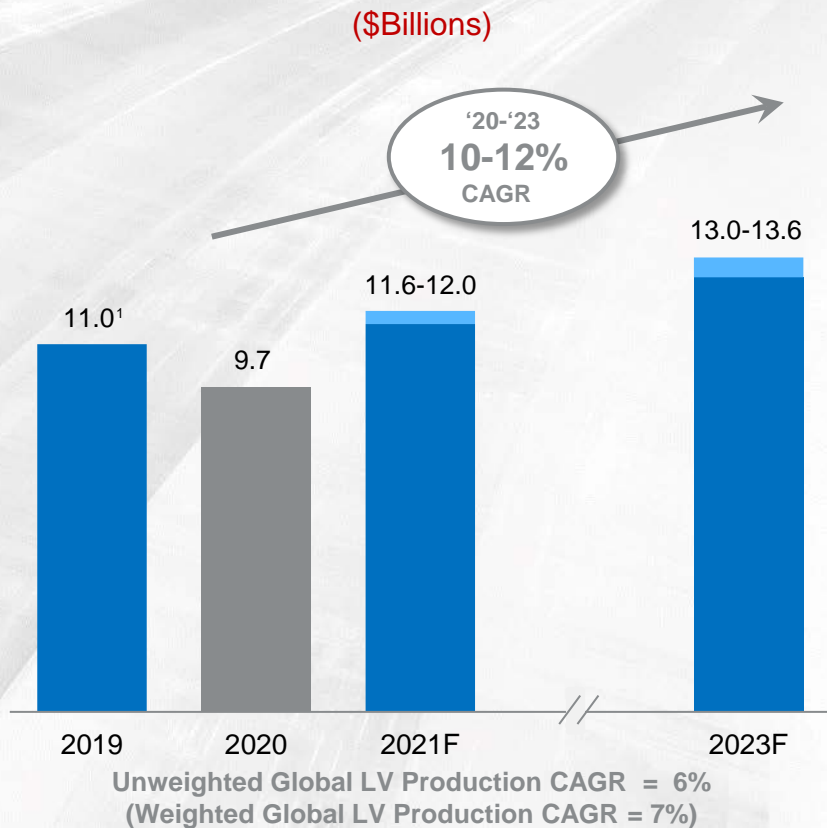
## 2019 to 2021

- World Class Manufacturing initiatives and restructuring benefits (+)
- Labour strike at GM in '19 (+)
- Lower tooling contribution (-)

## 2021 to 2023

- World Class Manufacturing initiatives (+)
- Higher equity income (+)

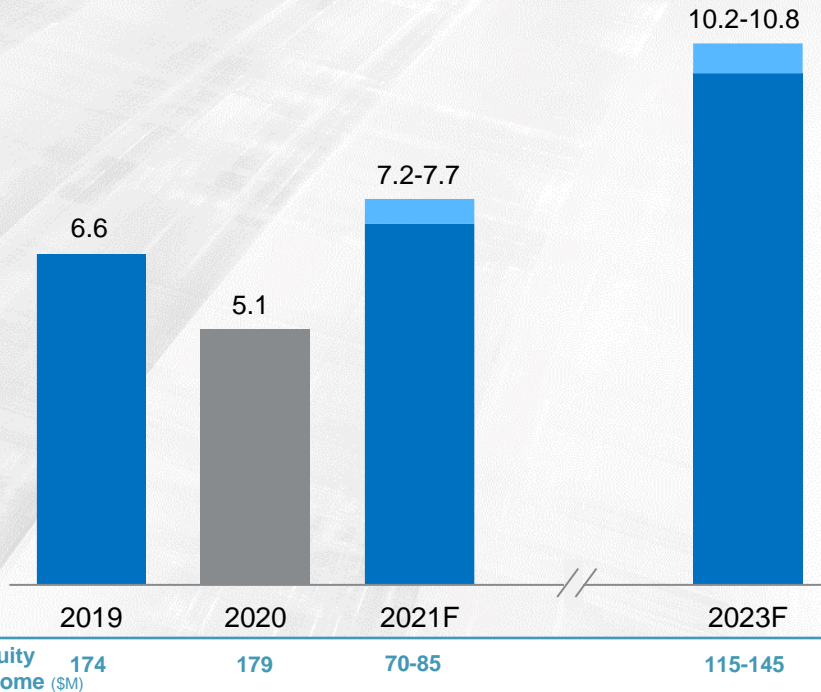
<sup>1</sup> Excluding other expense (income), net



- Higher light vehicle production
- Content growth
  - ADAS sales CAGR of 19-23% '20-'23
  - Hybrid DCT business launches late '21
  - Clearview launches '22
- Consolidation of Getrag entities adds ~\$650m to '21 sales
- Positive impact of weaker U.S. dollar

<sup>1</sup> Excluding \$0.4B in sales of Fluid Pressure & Controls (FP&C) business unit sold at end of Q1, 2019

(%)



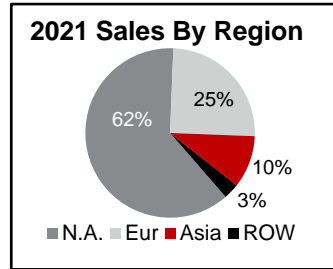
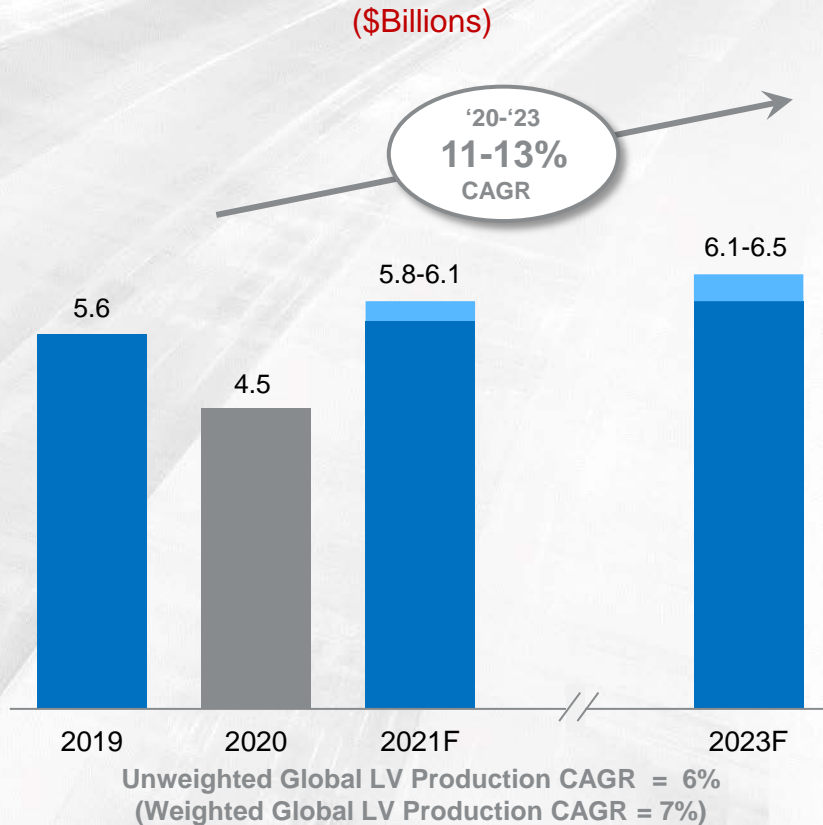
### 2019 to 2021

- Trending to more normalized level of ADAS engineering costs (+)
- World Class Manufacturing initiatives and restructuring benefits (+)
- Labour strike at GM in '19 (+)
- Lower equity income (ex. Getrag) (-)
- Higher engineering costs for electrification (-)
- Consolidation of Getrag entities (-)

### 2021 to 2023

- Contribution on higher sales (+)
- World Class Manufacturing initiatives and restructuring benefits (+)
- Higher equity income (+)
- Trending to more normalized level of ADAS engineering costs (+)
- New facility costs (-)

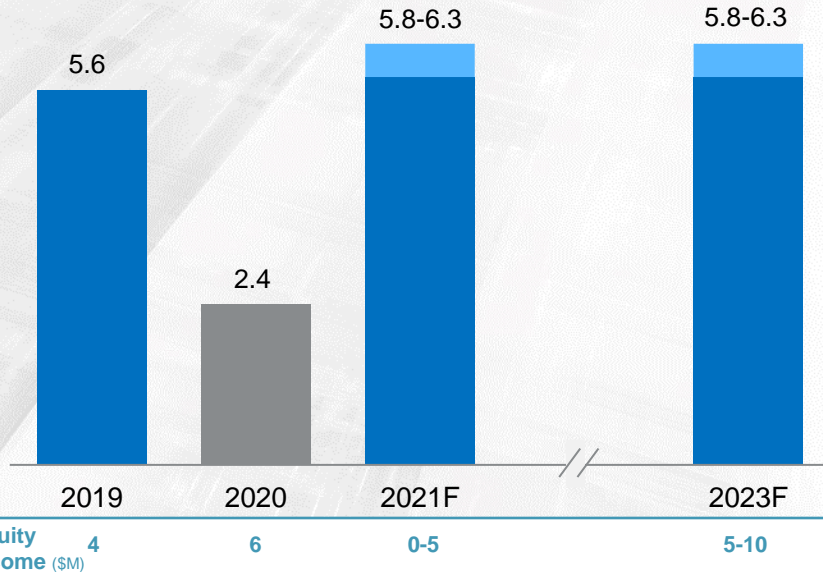
<sup>1</sup> Excluding other expense (income), net



- Higher light vehicle production
- Content growth
  - new programs
  - new technologies
- Acquisition of Hongli in China
- Positive impact of weaker U.S. dollar



(%)



## 2019 to 2021

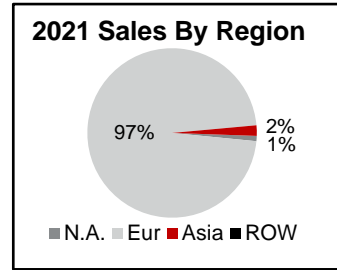
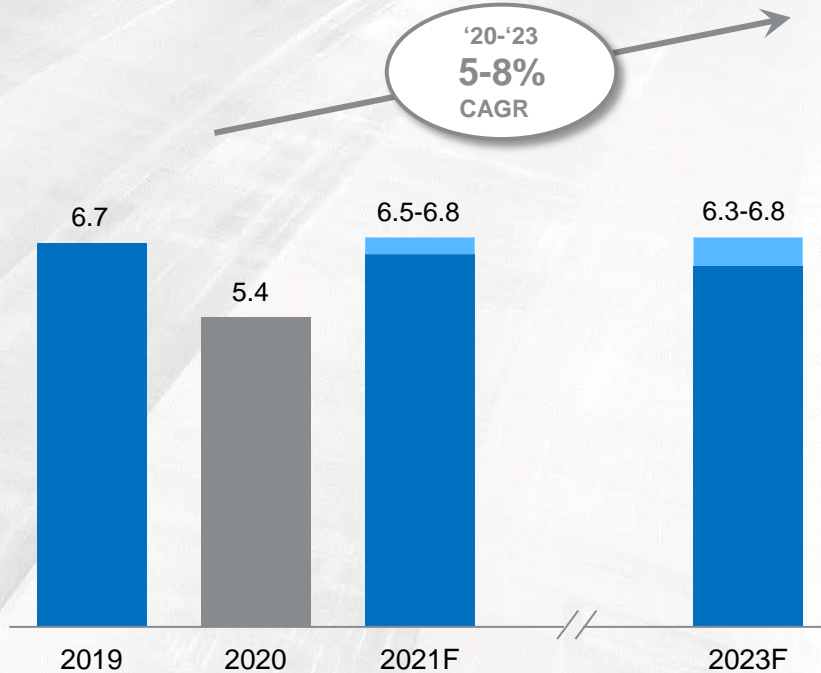
- World Class Manufacturing initiatives and restructuring benefits (+)
- Labour strike at GM in '19 (+)
- Higher launch costs (-)

## 2021 to 2023

- Stable margins

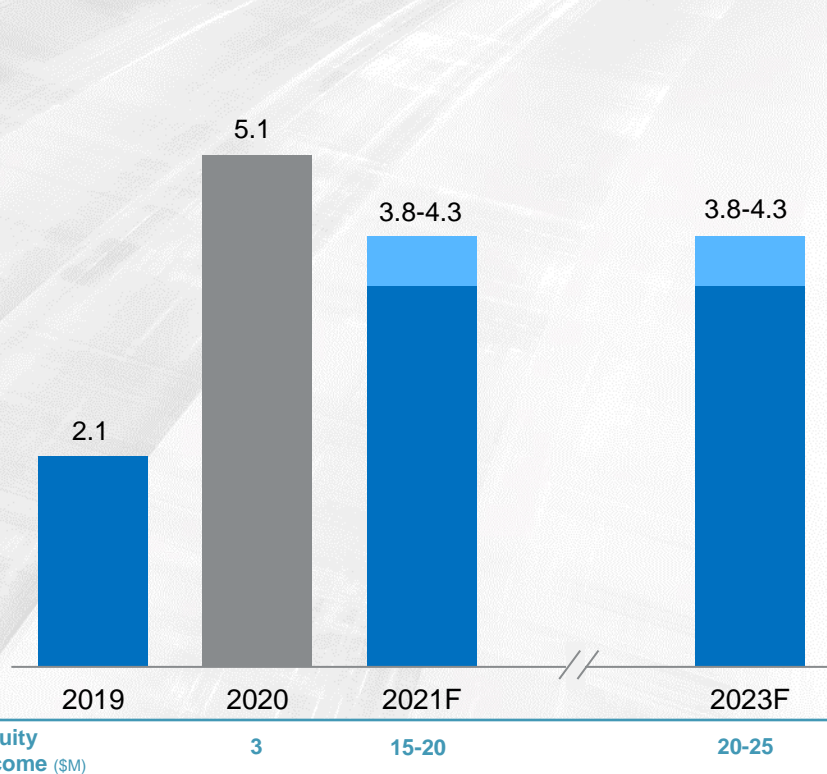
<sup>1</sup> Excluding other expense (income), net

(\$Billions)



- Higher vehicle assembly volumes
- Launching Fisker Ocean in late '22
  - Assumed basis of accounting: Value-added
- By '23, expect ~50% of vehicles assembled by Magna Steyr to be EV
- Positive impact of weaker U.S. dollar

(%)



### 2019 to 2021

- Benefits of restructuring and downsizing (+)
- License income (+)
- Impact of program mix (+)
- Equity income from manufacturing JV in China (+)

### 2021 to 2023

- Impact of program mix (+)
- Further equity income as JV volumes ramp up (+)
- License income (-)

<sup>1</sup> Excluding other expense (income), net



Jeep Grand Cherokee 3-Row



Ford Bronco



Chevrolet Bolt EUV



Toyota Tundra



Honda Civic



GMC Hummer





Skoda Enyaq



BMW 2 Series Active Tourer



Peugeot 308



Mercedes-Benz EQE



Volkswagen T7



BMW iX



Mercedes-Benz C-Class



Ford Mustang Mach E



Geely Emgrand GL



Audi A7 Sportback



Honda Civic