



May 9, 2024

Dear Fellow Shareholders,

Martinrea International Inc. (“Martinrea” or the “Company”) is pleased to announce its annual general meeting of the shareholders of Martinrea (the “Meeting”) to be held, in person, at 10:00 a.m. on Wednesday, June 12, 2024. We invite all shareholders to vote your shares.

We entered 2024 and approach our annual meeting with you with a spirit of continued confidence in our company, our people and our industry.

### **Culture**

2023 was a record year for Martinrea in many ways. We are very pleased with the progress made since our last Annual General Meeting.

Before we get to the financial numbers, which reflect solid and improving progress, let’s start with two very important numbers to us—our safety record and employee survey results. Both are mission critical for your leadership team and for our people. We believe that these numbers demonstrate the underlying health and resilience of our company and are a strong base of support for our financial performance.

First, safety results. We want and need to keep our people safe. We have been doing that increasingly well in all of our operations over the past decade. Our industry leading safety metrics continued to improve in 2023. Our Total Recordable Injury Frequency (TRIF) was 1.10, an improvement of 9% over last year. We have shown an 87% improvement over the last decade. A TRIF of 1.10 is less than half of the industry standard. Our company has not only grown organically over the past 20 years; we have also acquired a sizable number of troubled plants, where safety may not have been the first priority. We have a safety-first culture as a primary feature of our operations. Safety discussions occur daily in our plants. Director meetings have a safety presentation and report. Our people come first, and we have consistently demonstrated that. A safe plant generally means a better work environment for our people and generates positive impacts on employee satisfaction and profitability.

Second, our employee survey results from 2023 are very strong and improved over last year’s record positive results. We talk about culture a lot here at Martinrea, but if your employees don’t believe in it, talk is cheap.

Every year our people complete a detailed employee survey, administered by a third party expert, who performs similar surveys for many companies, including some of our competitors and customers. We are told that we are one of the best performing companies anywhere. Our employee surveys are voluntary, but over 15,000 responses were submitted from 56 locations in different product groups in 10 countries on 5 continents in multiple languages—an extraordinarily strong sample. We scored very well in every

category: the way we work (health and safety, work environment, teamwork and collaboration); supporting our people (communication, fair treatment, diversity and inclusion); value and recognition (compensation and incentives, career advancements, appreciation); and shaping the future (personal goals, performance feedback, growth and development). While we always strive to improve, here are answers to some critical questions:

- ❖ I fully understand my job role and responsibilities—95% agree
- ❖ Our location works to improve health and safety—89% agree
- ❖ I feel a sense of personal accomplishment at the end of the workday—82% agree
- ❖ I respect my plant General Manager—95% agree
- ❖ Martinrea prioritizes and encourages diversity—90% agree
- ❖ My direct supervisor treats me with dignity and respect—89% agree

To get this feedback you have to walk the talk. You have to care for your people.

We believe a happy, motivated, empowered, purpose-oriented workforce is the foundation of company success. As some commentators have written, happiness at work leads to success, not the other way around. We agree.

A strong thank you to our people.

We talk about our culture a lot at Martinrea. Our vision is essentially Making Lives Better by being the best we can be in all we do. Our mission is to take care of stakeholders - our people, customers, communities, lenders and shareholders. Our 10 Guiding Principles represent the way we approach our business. Our culture, depicted below, is a standard picture for us in all our internal and external presentations.

### MAKING LIVES BETTER



Living our vision is at the core of the future. Our culture, especially as we have cultivated it more and more over the past few years, is a sustainable competitive advantage. To us, the Golden Rule means treating people the way you want to be treated. We do this regardless of formulaic DEI programs or ESG mandates that may be popular one day and less popular the next. The Golden Rule covers dignity and respect, it

covers teamwork, it covers integrity and truth, it covers diversity, equity and inclusion, it covers ESG, it covers good leadership.

Our sustainability and success, we believe, comes down to culture.

Our leadership are the chief culture officers of the Company. Leadership is stewardship. Progress travels at the speed of trust.

## Highlights

Now, let's look at some of the other highlights of 2023 and year to date. Our predictions for 2023 made early last year held true for the most part. We did experience a UAW strike in the fall of 2023 that had some negative effects on second half numbers. We saw some major geopolitical headwinds, some expected such as the continuing Ukraine/Russia conflict with its challenges for Europe, and more trade issues involving China and some others, but also some unexpected, such as the situation in the Middle East. Despite these challenges, 2023 was a very good year and we are off to a good start in 2024.

Here are some of the highlights of 2023—a fuller description is found in our Annual Information Form, our 2023 Sustainability Report and our various year end releases, including our latest Investor Presentation:

- We generated a record level of adjusted EBITDA of \$616.7 million in 2023. This operating cash flow also translated into a record Free Cash Flow for our Company of approximately \$195.4 million, most of it generated in the second half of the year. Our first quarter numbers on both adjusted EBITDA and Free Cash Flow are up from the first quarter of 2023.
- We had record revenues of \$5.34 billion, an increase of 12.2% from 2022. We saw increased revenues from some of our key programs, but also launched a lot of new business over the last three years that is driving some of the growth. We have experienced huge revenue growth over that period, over a billion dollars annually. This increase alone would make the Top 100 List of Top Suppliers in the North American auto parts industry – according to Automotive News. First quarter of 2024 revenues were solid at \$1.32 billion.
- Our employees grew to approximately 19,000, up approximately 3.3% from 2022 relative to a year-over-year revenue increase of 12.2%.
- Year over year, Adjusted Operating Income Margin grew from 4.8% in 2022 to 5.6% in 2023, even with the UAW strike impact. We expect margins will continue to improve in 2024, and our first quarter Adjusted Operating Income Margin was 6%.
- Our 2023 fully diluted net earnings per share of \$2.22 (adjusted) or \$1.93 (unadjusted) was higher than the \$1.76 (adjusted) and \$1.65 (unadjusted) in 2022. First quarter 2024 adjusted results are also improved over last year.
- Our balance sheet improved year-over-year, ending 2023 with a net debt:adjusted ebitda ratio (excluding IFRS 16) of 1.4:1, the best it has been since before the pandemic, and comfortably within our target range of 1.5:1 or better. We intend to maintain a strong balance sheet.
- We returned capital to shareholders, maintaining our dividend and repurchasing approximately 2.3 million common shares under our normal course issuer bid (NCIB) in 2023, at a cost of approximately \$29.1 million. In 2024 to date, we repurchased approximately 1.35 million

common shares under the NCIB at a cost of approximately \$15.9 million and have renewed our NCIB for another year.

- Quality is important to us and our customers – and we won a number of quality awards in many of our plants again this year.
- We continued to invest in the business, given our backlog of new business. Having said that, capex returned to a more normal level in 2023, below depreciation and amortization expense for the year. We note that in the past four years we have spent over a billion and a quarter dollars on capex, the highest for a four year period in our history. The majority of this spend was to launch work we had won. We did not slow down our investment activity during the pandemic, and that is a primary reason we are coming out of it with significantly higher revenues.
- We do not believe in perfect launches – we believe in better ones each time – we had many good ones.
- We have significant content on the vehicles our customers are making – electric, hybrid or ICE; our portfolio is matching what the industry is making. Our lightweighting technologies are precisely what our industry needs regardless of propulsion type.
- We continue to utilize and invest in leading edge technologies, in our regular operations and through Martinrea Innovation Development (MiND). We have investments in graphene and graphene-enhanced batteries through our NanoXplore relationship, aluminum air battery technology through AlumaPower, materials for additive manufacturing through Equispheres and several other new technologies such as Effenco using ultracapacitor technology.
- We program and use our own software and have established a separate internal group, called MiNDCAN, to develop it, and sell it to interested third parties. MiNDCAN now has several external customers and is making good progress.
- We continue to drive sustainability initiatives at Martinrea, and we encourage you to read our 2023 Sustainability Report. A few highlights in addition to those noted above:
  - ✓ Carbon Reductions: Carbon intensity (carbon emissions relative to sales) has reduced by 32% since 2019 baseline.
  - ✓ Energy Reductions: Energy intensity (energy consumption relative to sales) has reduced by 23% since 2019 baseline.
  - ✓ Renewable Energy: Approximately 36% of our electricity usage globally is obtained through utility grids using varying percentages of renewable energy sources; we also installed onsite solar panels in several facilities to help power the facilities with renewable energy.
  - ✓ Long-Term Targets: In 2022, we set a target to reduce our carbon emissions by 35% by 2035 (without the use of carbon credits).
  - ✓ Diversity: Our CEO led Diversity Committee formed additional subcommittees to focus on mental health (MindsMatter), Women at Martinrea (W@M), Young Professionals (YoPro) and women in manufacturing. In 2023, Martinrea was recognized as the 2023 CADIA Impact Award Winner of Systemic Change and the

Winner of Leadership Commitment for advancing Diversity, Equity and Inclusion (DEI) goals and initiatives across the Company.

## **Governance**

Martinrea remains committed to having a strong and diverse board and management team to carry out our duties and responsibilities. We implemented a board diversity policy in 2015 and undertook a rigorous review of our skills matrix to make sure we assemble the right mix of skills, experience and good qualities, as described in our Circular. We have continued our diversity initiatives and upgrading our board skills consistently since then. We outline in our Circular the competencies and contributions of the independent directors nominated for re-election this year.

The Board made a commitment to have a minimum of 30% female directors by our 2023 shareholders meeting. Presently, one-third of our directors (and three of seven independent directors) are female.

We strive to attract diversity. Our diversity and inclusion policies are outlined in some detail in our Circular and in our Sustainability Report. We are very proud that our local operations around the world are generally managed and staffed by local people. They have the opportunity to progress in their plant, in their division and in the Company up to and including the executive level. Half our executive team are immigrants or children of immigrants, from multiple countries; 15% are women; and 23% are visible minorities.

We are a technology and innovation driven company, specializing in automotive parts. We also have an industrial group. Our directors as a group have significant expertise in this challenging industry, from a variety of perspectives. We address corporate strategy and risk oversight, which are critical aspects of our responsibility. Our Board members are dedicated, knowledgeable and all focused on the best interests of Martinrea. All directors serve on one or more committees. All directors are invited to and typically attend all committee meetings.

Our directors are fully engaged in regular meetings, but also in a broad range of activities listed in the proxy materials, ranging from industry events to facilities visits to conferences. In the past year, our ability to meet face to face, to travel, and to visit our facilities, has returned to pre-pandemic levels. We also hold many update sessions during the year. Directors typically receive company, industry or relevant macro economic or geopolitical information weekly. Our Board is informed, engaged and involved appropriately, and gives good insight and advice to management.

We conduct regular board assessments to review the effectiveness of our board, committees and directors.

All directors are paid an annual retainer, at least one-half of which is paid in DSUs, to build equity ownership.

In addition to the independent directors, Pat D'Eramo and I are nominees. Pat leads our team in developing and fulfilling our strategy, and driving operational excellence throughout the Company. I have been with Martinrea since it was formed. We are both proud to serve this Company and our people that work hard for us all every day.

## **Looking Ahead**

Martinrea continues to have a great future. I believe our industry is in good shape overall, with positive momentum for the next decade, especially in North America, where we have a very strong footprint. We

are dealing with challenges with a tremendous sense of focus and purpose. We will continue to be a leader in our industry.

We have a highly experienced and dedicated management team and a strong independent board of directors, dedicated to creating long term, sustainable shareholder value. On behalf of the Board, we would like to thank our shareholders for your ongoing support as we move forward together to building a stronger Martinrea.

Sincerely,

(SIGNED) "*Rob Wildeboer*"

Rob Wildeboer

**QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT:**



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1-877-452-7184**

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