PRESS RELEASE

FOR IMMEDIATE RELEASE
May 5, 2022

MARTINREA INTERNATIONAL INC. REPORTS FIRST-QUARTER RESULTS AND DECLARES DIVIDEND

Toronto, Ontario – Martinrea International Inc. (TSX : MRE), a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems, today announced the release of its financial results for the first quarter ended March 31, 2022 and that it has declared a quarterly cash dividend of $0.05 per share.

HIGHLIGHTS

- Total sales of $1,155.0 million, up 15.8% year-over-year; production sales of $1,102.4 million, up 19.3% year-over-year
- First quarter diluted net earnings per share and Adjusted Net Earnings per Share(1) of $0.31
- First quarter Adjusted EBITDA(1) of $112.4 million, up 2.3% year-over-year, and up 77.8% sequentially over Q4 2021
- First quarter results continued to be impacted by cost inflation, new program launches, and production disruptions
- Results were much improved sequentially over Q3 and Q4 of 2021, as we witnessed a lower level of semiconductor-related production shutdowns and customer call-offs during the quarter
- We remain confident in our 2023 outlook, including our expectation of over $200 million in Free Cash Flow(1)
- Our net-debt-to-Adjusted EBITDA(1) ratio was 3.31x. For bank covenant purposes, the net-debt-to-Adjusted EBITDA(1) ratio was 2.43x; this calculation excludes third and fourth quarter Adjusted EBITDA(1) with the remaining quarters pro-rated, as per our amended lending agreement with our banking syndicate
- Quarterly cash dividend of $0.05 declared

OVERVIEW

Pat D'Eramo, President and Chief Executive Officer, stated: "Our first-quarter performance was much improved over the third and fourth quarters of 2021. Volume and mix were more favourable to start the year, as we witnessed a lower level of semiconductor-related shutdowns and customer call-offs with key Martinrea programs, including the Chevrolet Equinox and Sierra and Silverado pickup truck platforms posting higher production numbers during the quarter. We continue to experience production disruptions with some customers, as well as persistent inflationary cost pressures, with rising energy prices in Europe being the most pervasive. We also continue to work through the heaviest period of

[1] The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures, included anywhere in this press release, include "Adjusted Net Income", "Adjusted Net Earnings per Share (on a basic and diluted basis)", "Adjusted Operating Income", "Adjusted EBITDA", "Free Cash Flow" and "Net Debt". The relevant IFRS financial measure, as applicable, and a reconciliation of certain non-IFRS financial measures to measures determined in accordance with IFRS are contained in the Company's Management Discussion and Analysis for the three months ended March 31, 2022 and in this press release.

new business launch activity in the Company's history. These factors continue to keep margins below their long-run potential – based on history, and on what we believe our operations can achieve. The good news is, we are off to a good start in 2022 as our first quarter performance demonstrates. While uncertainties persist, results in the back half of the year should demonstrate steady improvement over the first half, as supply chain conditions improve, inflationary costs either normalize or are recovered through commercial negotiations, or some combination thereof, and our launch activity recedes to normal levels. We believe this will set the stage for a multi-year period of strong production volumes, with our plants running at full capacity, as industry demand is unwavering. As such, we remain confident in our ability to meet our 2023 outlook, which calls for production sales (excluding tooling sales) of $4.6 to $4.8 billion, an Adjusted Operating Income Margin[(1)] exceeding 8%, and over $200 million in Free Cash Flow[(1)]."

Fred Di Tosto, Chief Financial Officer, stated: "Sales for the first quarter, excluding tooling sales of $52.6 million, were $1,102.4 million, and Adjusted Net Earnings per Share[(1)] was $0.31. Adjusted Operating Income of $44.3 million and Adjusted EBITDA of $112.4 million were generally consistent with year-ago levels, and up sharply over the third and fourth quarters of 2021. As expected, our results were much improved to start the year despite the fact that we continue to work through challenges, including supply chain-related production disruptions, input cost inflation, and higher than normal launch activity. Free Cash Flow[(1)] was negative during the quarter, reflecting the timing of working capital flows, which can be lumpy and unpredictable between quarters. Seasonality is also a factor, as we tend to harvest working capital in the fourth quarter while we tend to deploy it in the first quarter."

Rob Wildeboer, Executive Chairman, stated: "As we look at the current state of our industry, and the challenges we continue to face, including supply chain issues, erratic production schedules, cost inflation, and at a more macro level, geopolitical uncertainty with a major war in Ukraine, and the prospect of rising interest rates, we remind people of the resiliency our Company has demonstrated through past cycles. In our 20 years in the automotive parts industry, we lived through downturns brought about by the tragic events of September 11, 2001, the global financial crisis of 2008-2009, as well as the COVID-19 pandemic that resulted in the complete shutdown of our industry in early 2020, and its after-effects which continue to be felt today. In every case, we protected our balance sheet and employees, and emerged as a stronger company and a stronger competitor. Our resilience is a function of our entrepreneurial spirit, which encourages our people to think and act like owners with a stake in the business. It is a cornerstone of our culture along with Lean thinking and a Golden Rule philosophy of treating people the way we want to be treated. It is these principles that will enable us to navigate through the current set of challenges, as they have with all challenges we have faced in the past. And they are demonstrated by what I believe is a really solid start to the year."

RESULTS OF OPERATIONS

All amounts in this press release are in Canadian dollars, unless otherwise stated; and all tabular amounts are in thousands of Canadian dollars, except earnings per share and number of shares.

Additional information about the Company, including the Company's Management Discussion and Analysis of Operating Results and Financial Position for the three months ended March 31, 2022 ("MD&A"), the Company's interim condensed consolidated financial statements for the first quarter ended March 31, 2022 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2021 can be found at www.sedar.com.

OVERALL RESULTS

Results of operations may include certain items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Company results. In addition to International Financial Reporting Standards ("IFRS") measures, management uses non-IFRS measures in the Company's disclosures that it believes provide the most appropriate basis on which to evaluate the Company's results.

The following table sets out certain highlights of the Company's performance for the three months ended March 31, 2022 and 2021. Refer to the Company's interim financial statements for the three months ended March 31, 2022 for a detailed account of the Company's performance for the periods presented in the table below.

	Three months ended March 31, 2022	Three months ended March 31, 2021	$ Change	% Change
Sales	$ 1,155,038	$ 997,150	157,888	15.8%
Gross Margin	122,436	120,857	1,579	1.3%
Operating Income	40,049	47,430	(7,381)	(15.6%)
Net Income for the period	25,208	38,701	(13,493)	(34.9%)
Net Earnings per Share - Basic and Diluted	$ 0.31	$ 0.48	(0.17)	(35.4%)
Non-IFRS Measures*				
Adjusted Operating Income	$ 44,286	$ 48,459	(4,173)	(8.6%)
% of Sales	*3.8 %*	*4.9 %*		
Adjusted EBITDA	112,379	109,815	2,564	2.3%
% of Sales	*9.7 %*	*11.0 %*		
Adjusted Net Income	24,842	32,631	(7,789)	(23.9%)
Adjusted Net Earnings per Share - Basic and Diluted	$ 0.31	$ 0.41	(0.10)	(24.4%)

***Non-IFRS Measures**

The Company prepares its interim financial statements in accordance with IFRS. However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include "Adjusted Net Income", "Adjusted Net Earnings per Share (on a basic and diluted basis)", "Adjusted Operating Income", "Adjusted EBITDA", "Free Cash Flow", and "Net Debt".

The following tables provide a reconciliation of IFRS "Net Income" to Non-IFRS "Adjusted Net Income", "Adjusted Operating Income" and "Adjusted EBITDA".

	Three months ended March 31, 2022	Three months ended March 31, 2021
Net Income	$ 25,208	$ 38,701
Adjustments, after tax*	(366)	(6,070)
Adjusted Net Income	$ 24,842	$ 32,631

**Adjustments are explained in the "Adjustments to Net Income" section of this Press Release*

	Three months ended March 31, 2022	Three months ended March 31, 2021
Net Income	$ 25,208	$ 38,701
Income tax expense	8,220	12,954
Other finance expense (income)	316	(5,762)
Share of loss of equity investments	1,101	926
Finance expense	9,254	8,411
Adjustments, before tax*	187	(6,771)
Adjusted Operating Income	$ 44,286	$ 48,459
Depreciation of property, plant and equipment and right-of-use assets	65,372	58,058
Amortization of intangible assets	2,721	3,298
Adjusted EBITDA	$ 112,379	$ 109,815

**Adjustments are explained in the "Adjustments to Net Income" section of this Press Release*

SALES

Three months ended March 31, 2022 to three months ended March 31, 2021 comparison

	Three months ended March 31, 2022	Three months ended March 31, 2021	$ Change	% Change
North America	$ 859,700	$ 704,130	155,570	22.1%
Europe	261,462	254,069	7,393	2.9%
Rest of the World	39,753	46,513	(6,760)	(14.5%)
Eliminations	(5,877)	(7,562)	1,685	22.3%
Total Sales	$ 1,155,038	$ 997,150	157,888	15.8%

The Company's consolidated sales for the first quarter of 2022 increased by $157.9 million or 15.8% to $1,155.0 million as compared to $997.2 million for the first quarter of 2021. The total increase in sales was driven by year-over-year increases in the North America and Europe operating segments, partially offset by a year-over-year decrease in the Rest of the World.

Sales for the first quarter of 2022 in the Company's North America operating segment increased by $155.6 million or 22.1% to $859.7 million from $704.1 million for the first quarter of 2021. The increase was due generally to the recovery in production volumes of certain light vehicle platforms that were disproportionately impacted by the industry-wide shortage of semiconductor chips during 2021; and the launch and ramp up of new programs during or subsequent to the first quarter of 2021, including the new Jeep Grand Cherokee and Wagoneer, Nissan Pathfinder, Ford Mustang Mach E, and other pure electric vehicle platforms with Lucid Motors and Tesla. These positive factors were partially offset by a decrease in tooling sales of $22.9 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer; and the impact of foreign exchange on the translation of U.S. denominated production sales, which had a negative impact on overall sales for the first quarter of 2022 of $3.7 million as compared to the first quarter of 2021.

Sales for the first quarter of 2022 in the Company's Europe operating segment increased by $7.4 million or 2.9% to $261.5 million from $254.1 million for the first quarter of 2021. The increase can be attributed to the launch of new programs during or subsequent to the first quarter of 2021, mainly with Lucid Motors, Daimler, and Volvo; the impact of aluminum material passthrough on customer pricing; and a $2.7 million increase in tooling sales. These positive factors were partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a negative impact on overall sales for the first quarter of 2022 of $18.6 million as compared to the first quarter of 2021; and overall lower OEM light vehicle production volumes, which decreased in Europe by approximately 14% year-over-year, primarily as a result of the industry-wide shortage of semiconductor chips and other supply chain disruptions.

Sales for the first quarter of 2022 in the Company's Rest of the World operating segment decreased by $6.8 million or 14.5% to $39.8 million from $46.5 million in the first quarter of 2021. The decrease was largely driven by lower year-over-year production volumes, including a program that came with the operations acquired from Metalsa that ended production during or subsequent to the first quarter of 2021; and a $0.3 million decrease in tooling sales. These negative factors were partially offset by the launch of new programs during or subsequent to the first quarter of 2021, namely with Geely; and a $0.1 million positive foreign exchange impact from the translation of foreign denominated production sales as compared to the first quarter of 2021.

Overall tooling sales decreased by $20.5 million to $52.6 million for the first quarter of 2022 from $73.1 million for the first quarter of 2021.

GROSS MARGIN

Three months ended March 31, 2022 to three months ended March 31, 2021 comparison

	Three months ended March 31, 2022	Three months ended March 31, 2021	$ Change	% Change
Gross margin	$ 122,436	$ 120,857	1,579	1.3 %
% of Sales	10.6 %	12.1 %		

The gross margin percentage for the first quarter of 2022 of 10.6% decreased as a percentage of sales by 1.5% as compared to the gross margin percentage for the first quarter of 2021 of 12.1%. The decrease in gross margin as a percentage of sales was generally due to:

- higher labour, material and energy costs;
- operational inefficiencies at certain operating facilities including launch related costs and upfront costs incurred in preparation of upcoming new programs;
- production inefficiencies related to the semiconductor chip shortage driven by the unpredictability of customer production schedules; and
- a decrease in COVID-related government subsidies.

These factors were partially offset by:

- overall higher production sales volume and corresponding higher utilization of assets;
- favourable commercial settlements;
- productivity and efficiency improvements at certain operating facilities; and
- a decrease in tooling sales which typically earn low margins for the Company.

ADJUSTMENTS TO INCOME

Adjusted Net Income excludes certain items as set out in the following table and described in the notes thereto. Management uses Adjusted Net Income as a measurement of operating performance of the Company and believes that, in conjunction with IFRS measures, it provides useful information about the financial performance and condition of the Company.

TABLE A

Three months ended March 31, 2022 to three months ended March 31, 2021 comparison

	Three months ended March 31, 2022	Three months ended March 31, 2021	$ Change
NET INCOME	**$ 25,208**	**$ 38,701**	**$ (13,493)**
Adjustments:			
Restructuring costs (1)	4,237	1,029	3,208
Gain on dilution of equity investments (2)	(4,050)	(7,800)	3,750
ADJUSTMENTS, BEFORE TAX	**$ 187**	**$ (6,771)**	**$ 6,958**
Tax impact of above items	(553)	701	(1,254)
ADJUSTMENTS, AFTER TAX	**$ (366)**	**$ (6,070)**	**$ 5,704**
ADJUSTED NET INCOME	**$ 24,842**	**$ 32,631**	**$ (7,789)**
Number of Shares Outstanding – Basic (‘000)	80,367	80,296	
Adjusted Basic Net Earnings Per Share	$ 0.31	$ 0.41	
Number of Shares Outstanding – Diluted (‘000)	80,370	80,533	
Adjusted Diluted Net Earnings Per Share	$ 0.31	$ 0.41	

(1) Restructuring costs

Additions to the restructuring provision during the first quarter of 2022 totaled $4.2 million and represent employee-related severance resulting from the rightsizing of operations in Canada related to the cancellation of an OEM light vehicle platform well before the end of its expected life cycle.

Additions to the restructuring provision during the first quarter of 2021 totaled $1.0 million and represent employee-related severance resulting from the rightsizing of an operating facility in Germany.

(2) Gain on dilution of equity investments

As at December 31, 2021, the Company held 35,045,954 common shares of NanoXplore Inc. (“NanoXplore”) representing a 22.2% equity interest in NanoXplore (on a non-diluted basis). On February 24, 2022, NanoXplore closed a bought deal public offering of 6,522,000 common shares from treasury at a price of $4.60 per common share for aggregate gross proceeds of $30.0 million. Upon finalization of the transaction, the Company’s net ownership interest decreased to 21.2% from 22.2%. This dilution resulted in a deemed disposition of a portion of the Company’s ownership interest in NanoXplore, resulting in a gain on dilution of $4.1 million during the first quarter of 2022.

As at December 31, 2020, the Company held 34,045,954 common shares of NanoXplore representing a 23.3% equity interest in NanoXplore (on a non-diluted basis). On February 12, 2021, NanoXplore completed a public offering of 11,500,000 common shares for gross proceeds of $46.0 million. In a separate transaction on February 12, 2021, the Company purchased 1,000,000 common shares from NanoXplore's President and Chief Executive Officer for consideration of $4.0 million. Subsequent to these transactions, the Company's net ownership interest decreased to 22.2% from 23.3%. This dilution resulted in a deemed disposition of a portion of the Company’s ownership interest in NanoXplore, resulting in a gain on dilution of $7.8 million during the first quarter of 2021.

NET INCOME

Three months ended March 31, 2022 to three months ended March 31, 2021 comparison

		Three months ended March 31, 2022		Three months ended March 31, 2021	$ Change	% Change
Net Income	$	25,208	$	38,701	(13,493)	(34.9%)
Adjusted Net Income		24,842	$	32,631	(7,789)	(23.9%)
Net Earnings per Share						
Basic and Diluted	$	0.31	$	0.48		
Adjusted Net Earnings per Share						
Basic and Diluted	$	0.31	$	0.41		

Net Income, before adjustments, for the first quarter of 2022 decreased by $13.5 million to $25.2 million or $0.31 per share, on a basic and diluted basis, from a Net Income of $38.7 million or $0.48 per share, on a basic and diluted basis, for the first quarter of 2021. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the first quarter of 2022 decreased by $7.8 million to $24.8 million or $0.31 per share, on a basic and diluted basis, from $32.6 million or $0.41 per share, on a basic and diluted basis, for the first quarter of 2021.

Adjusted Net Income for the first quarter of 2022, as compared to the first quarter of 2021, was negatively impacted by the following:

- a net foreign exchange loss of $0.3 million for the first quarter of 2022 compared to a gain of $5.3 million for the first quarter of 2021;
- a year-over-year increase in SG&A expense, as previously discussed; and
- a year-over-year increase in research and development costs.

These factors were partially offset by a slightly higher gross margin on higher year-over-year sales volume, as previously explained.

DIVIDEND

A cash dividend of $0.05 per share has been declared by the Board of Directors payable to shareholders of record on June 30, 2022, on or about July 15, 2022.

ABOUT MARTINREA INTERNATIONAL INC.

Martinrea is a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems. Martinrea operates in 57 locations in Canada, the United States, Mexico, Brazil, Germany, Slovakia, Spain, China, South Africa and Japan. Martinrea's vision is making lives better by being the best supplier we can be in the products we make and the services we provide. For more information on Martinrea, please visit www.martinrea.com. Follow Martinrea on Twitter and Facebook.

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Thursday, May 5, 2022 at 5:30 p.m. Eastern Time. To participate, please dial 416-641-6104 (Toronto area) or 800-952-5114 (toll free Canada and US) and enter participant code 8174433#. Please call 10 minutes prior to the start of the conference call.

The webcast and accompanying presentation can be accessed at: https://www.martinrea.com/investor-relations/events-presentations/

There will also be a rebroadcast of the call available by dialing 905-694-9451 or toll free 800-408-3053 (Conference ID – 8602412#). The rebroadcast will be available until June 5, 2022.

If you have any teleconferencing questions, please call Ganesh Iyer at 416-749-0314.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This Press Release and the documents incorporated by reference therein contains forward-looking statements within the meaning of applicable Canadian securities laws including statements related to the growth or expectations of, improvements in, expansion of and/or guidance or outlook (including for 2022 and 2023) as to future results, revenue, sales, margin, gross margin, earnings, and earnings per share, adjusted earnings per share, free cash flow, volumes, adjusted net earnings per share, operating income margins, operating margins, adjusted operating income margins; the expected impact of or duration of the COVID-19 pandemic (including the related global semi-conductor chip shortage, and supply chain issues), the growth of the Company and pursuit of, and belief in, its strategies, its long-term potential growth and continued improvement in results; the strength, recovery and growth of the automotive industry and continuing challenges (including supply chain, energy, inflation, erratic production schedules), and the payment of dividends as well as other forward-looking statements. The words “continue”, “expect”, “anticipate”, “estimate”, “may”, “will”, “should”, “views”, “intend”, “believe”, “plan” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, such as expected sales and industry production estimates, current foreign exchange rates, timing of product launches and operational improvement during the period, and current Board approved budgets. Many factors could cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, some of which are discussed in detail in the Company’s Annual Information Form for the year ended December 31, 2021, the Company’s MD&A for the year ended December 31, 2021 and other public filings which can be found at www.sedar.com:

- North American and Global Economic and Political Conditions and Consumer Confidence;
- The highly cyclical nature of the automotive industry and the industry’s dependence on consumer spending and general economic conditions;
- Automotive Industry Risks;
- Pandemics and Epidemics (including the ongoing COVID-19 Pandemic), Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest, and Other Outbreaks;
- Dependence Upon Key Customers;
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions;
- Competition;
- Cost and Risk Absorption and Purchase Orders, including the increasing pressure on the Company to absorb costs related to product design and development, engineering, program management, prototypes, validation and tooling;
- Quote/Pricing Assumptions;
- Increased pricing of raw materials and commodities;
- Launch and Operational Costs and Cost Structure;
- Material Prices and Volatility;
- Fluctuations in Operating Results;
- Outsourcing and Insourcing Trends;
- Product Warranty, Recall, Product Liability and Liability Risk;
- Product Development and Technological Change;
- A Shift Away from Technologies in Which the Company is Investing;
- Dependence Upon Key Personnel;
- Limited Financial Resources/Uncertainty of Future Financing/Banking;
- Cybersecurity Threats;
- Acquisitions;
- Potential Tax Exposures;
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges;
- Labour Relations Matters;
- Trade Restrictions;

- Changes in Laws and Governmental Regulations;
- Environmental Regulation and Climate Change;
- Litigation and Regulatory Compliance and Investigations;
- Risks of conducting business in foreign countries, including China, Brazil and other growing markets;
- Currency Risk – Hedging;
- Currency Risk - Competitiveness in Certain Jurisdictions;
- Internal Controls Over Financial Reporting and Disclosure Controls and Procedures;
- Loss of Use of Key Manufacturing Facilities;
- Intellectual Property;
- Availability of Consumer Credit or Cost of Borrowing;
- Competition with Low Cost Countries;
- The Company's ability to shift its manufacturing footprint to take advantage of opportunities in growing markets;
- Change in the Company's mix of earnings between jurisdictions with lower tax rates and those with higher tax rates;
- Pension Plans and other post employment benefits;
- Potential Volatility of Share Prices;
- Dividends;
- Private or Public Equity Investments in Technology Companies;
- Joint Ventures; and
- Lease Obligations.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The common shares of Martinrea trade on The Toronto Stock Exchange under the symbol "MRE".

For further information, please contact:

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Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note		March 31, 2022		December 31, 2021
ASSETS					
Cash and cash equivalents		$	96,336	$	153,291
Trade and other receivables	2		815,378		634,184
Inventories	3		604,879		590,784
Prepaid expenses and deposits			27,296		23,892
Income taxes recoverable			7,585		18,609
TOTAL CURRENT ASSETS			1,551,474		1,420,760
Property, plant and equipment	4		1,713,920		1,727,914
Right-of-use assets	5		230,468		222,934
Deferred tax assets			140,217		138,612
Intangible assets	6		45,772		47,809
Investments	7		59,270		55,215
TOTAL NON-CURRENT ASSETS			2,189,647		2,192,484
TOTAL ASSETS		$	3,741,121	$	3,613,244
LIABILITIES					
Trade and other payables		$	1,224,016	$	1,110,350
Provisions	8		9,619		6,272
Income taxes payable			12,854		11,955
Current portion of long-term debt	9		18,510		20,173
Current portion of lease liabilities	10		39,172		39,322
TOTAL CURRENT LIABILITIES			1,304,171		1,188,072
Long-term debt	9		999,880		990,817
Lease liabilities	10		209,691		200,455
Pension and other post-retirement benefits			39,386		49,530
Deferred tax liabilities			15,185		14,595
TOTAL NON-CURRENT LIABILITIES			1,264,142		1,255,397
TOTAL LIABILITIES			2,568,313		2,443,469
EQUITY					
Capital stock	12		663,415		663,415
Contributed surplus			45,041		44,845
Accumulated other comprehensive income			23,748		51,207
Retained earnings			440,604		410,308
TOTAL EQUITY			1,172,808		1,169,775
TOTAL LIABILITIES AND EQUITY		$	3,741,121	$	3,613,244

Contingencies (note 18)

See accompanying notes to the interim condensed consolidated financial statements.

On behalf of the Board:

"Robert Wildeboer"	Director
"Terry Lyons"	Director

Martinrea International Inc.

Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	Three months ended March 31, 2022	Three months ended March 31, 2021
SALES		$ 1,155,038	$ 997,150
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use		(970,945)	(822,074)
Depreciation of property, plant and equipment and right-of-use assets (production)		(61,657)	(54,219)
Total cost of sales		(1,032,602)	(876,293)
GROSS MARGIN		122,436	120,857
Research and development costs		(9,112)	(7,809)
Selling, general and administrative		(65,323)	(60,750)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(3,715)	(3,839)
Restructuring costs	8	(4,237)	(1,029)
OPERATING INCOME		40,049	47,430
Share of loss of equity investments	7	(1,101)	(926)
Gain on dilution of equity investments	7	4,050	7,800
Finance expense	14	(9,254)	(8,411)
Other finance income (expense)	14	(316)	5,762
INCOME BEFORE INCOME TAXES		33,428	51,655
Income tax expense	11	(8,220)	(12,954)
NET INCOME FOR THE PERIOD		$ 25,208	$ 38,701
Basic earnings per share	13	$ 0.31	$ 0.48
Diluted earnings per share	13	$ 0.31	$ 0.48

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)

		Three months ended March 31, 2022		Three months ended March 31, 2021
NET INCOME FOR THE PERIOD	$	25,208	$	38,701
Other comprehensive income (loss), net of tax:				
Items that may be reclassified to net income				
Foreign currency translation differences for foreign operations		(27,438)		(36,357)
Cash flow hedging derivative and non-derivative financial instruments:				
Unrealized gain in fair value of financial instruments		—		892
Reclassification of gain to net income		—		(269)
Items that will not be reclassified to net income				
Share of other comprehensive income (loss) of equity investments (note 7)		(21)		8
Remeasurement of defined benefit plans		9,106		8,556
Other comprehensive loss, net of tax		(18,353)		(27,170)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$	6,855	$	11,531

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	Capital stock	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
BALANCE AT DECEMBER 31, 2020	$ 662,427	$ 43,860	$ 96,645	$ 372,792	$ 1,175,724
Net income for the period	—	—	—	38,701	38,701
Compensation expense related to stock options	—	340	—	—	340
Dividends ($0.05 per share)	—	—	—	(4,015)	(4,015)
Exercise of employee stock options	103	(29)	—	—	74
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	—	—	—	8,556	8,556
Foreign currency translation differences	—	—	(36,357)	—	(36,357)
Share of other comprehensive income of equity investments	—	—	8	—	8
Cash flow hedging derivative and non-derivative financial instruments:					
Unrealized gain in fair value of financial instruments	—	—	892	—	892
Reclassification of gain to net income	—	—	(269)	—	(269)
BALANCE AT MARCH 31, 2021	662,530	44,171	60,919	416,034	1,183,654
Net loss for the period	—	—	—	(2,821)	(2,821)
Compensation expense related to stock options	—	884	—	—	884
Dividends ($0.15 per share)	—	—	—	(12,055)	(12,055)
Exercise of employee stock options	885	(210)	—	—	675
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	—	—	—	9,150	9,150
Foreign currency translation differences	—	—	(6,163)	—	(6,163)
Share of other comprehensive income of equity investments	—	—	196	—	196
Cash flow hedging derivative and non-derivative financial instruments:					
Reclassification of gain to net loss	—	—	(3,745)	—	(3,745)
BALANCE AT DECEMBER 31, 2021	663,415	44,845	51,207	410,308	1,169,775
Net income for the period	—	—	—	25,208	25,208
Compensation expense related to stock options	—	196	—	—	196
Dividends ($0.05 per share)	—	—	—	(4,018)	(4,018)
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	—	—	—	9,106	9,106
Foreign currency translation differences	—	—	(27,438)	—	(27,438)
Share of other comprehensive loss of equity investments	—	—	(21)	—	(21)
BALANCE AT MARCH 31, 2022	$ 663,415	$ 45,041	$ 23,748	$ 440,604	$ 1,172,808

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)

		Three months ended March 31, 2022		Three months ended March 31, 2021
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income for the period	$	25,208	$	38,701
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets		65,372		58,058
Amortization of development costs		2,721		3,298
Unrealized gain on foreign exchange forward contracts		(837)		(744)
Finance expense		9,254		8,411
Income tax expense		8,220		12,954
Deferred and restricted share units benefit		(1,087)		(1,707)
Stock options expense		196		340
Share of loss of equity investments		1,101		926
Gain on dilution of equity investments		(4,050)		(7,800)
Pension and other post-retirement benefits expense		868		1,015
Contributions made to pension and other post-retirement benefits		(1,365)		(938)
		105,601		112,514
Changes in non-cash working capital items:				
Trade and other receivables		(190,412)		(84,801)
Inventories		(23,182)		(47,996)
Prepaid expenses and deposits		(3,649)		(2,339)
Trade, other payables and provisions		153,605		99,859
		41,963		77,237
Interest paid		(9,959)		(9,176)
Income taxes paid		(2,011)		(10,646)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	29,993	$	57,415
FINANCING ACTIVITIES:				
Increase in long-term debt (net of deferred financing fees)		20,000		50,976
Repayment of long-term debt		(5,359)		(4,540)
Principal payments of lease liabilities		(8,494)		(8,593)
Dividends paid		(4,018)		(4,015)
Exercise of employee stock options		—		74
NET CASH PROVIDED BY FINANCING ACTIVITIES	$	2,129	$	33,902
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (excluding capitalized interest)*		(87,544)		(90,811)
Capitalized development costs		(1,339)		(2,557)
Equity investments (note 7)		(1,000)		(4,000)
NET CASH USED IN INVESTING ACTIVITIES	$	(89,883)	$	(97,368)
Effect of foreign exchange rate changes on cash and cash equivalents		806		(1,387)
DECREASE IN CASH AND CASH EQUIVALENTS		(56,955)		(7,438)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		153,291		152,786
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	96,336	$	145,348

*As at March 31, 2022, $92,289 (December 31, 2021 - $113,233) of purchases of property, plant and equipment remain unpaid and are recorded in trade and other payables.

See accompanying notes to the interim condensed consolidated financial statements.