PRESS RELEASE

FOR IMMEDIATE RELEASE
MAY 2, 2024

MARTINREA INTERNATIONAL INC. REPORTS STRONG 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, 2024, and declared a quarterly cash dividend of $0.05 per share.

FIRST-QUARTER HIGHLIGHTS

- Total sales of $1,323.9 million, up 1.5% year-over-year.
- Diluted net earnings per share of $0.56 and Adjusted Net Earnings per Share[(1)] of $0.62.
- Adjusted Operating Income Margin[(1)] of 6.0%.
- Adjusted EBITDA[(1)] of $162.8 million.
- First-quarter results improved significantly quarter over quarter.
- Free Cash Flow[(1)] (excluding principal payments of IFRS-16 lease liabilities) was ($1.4) million, inclusive of a normal seasonal build in non-cash working capital, a significant improvement over ($31.5) million generated in the first quarter of 2023.
- Net debt-to-Adjusted EBITDA[(1)] ratio, excluding the impact of IFRS 16, ended the quarter at 1.51x.
- New business awards of approximately $30 million in annualized sales at mature volumes; the Company was also awarded replacement business worth $150 million in annualized sales at mature volumes with various customers.
- Quarterly cash dividend of $0.05 per share declared.

OVERVIEW

Pat D'Eramo, Chief Executive Officer, stated: "Our first quarter financial results were solid, and a notable improvement over the prior quarter as we bounced back from the disruptions caused by the UAW strike and Tier 2 supplier issue we faced in the fourth quarter. We continue to perform at a high level operationally. Industry headwinds from supply shortages, inflationary cost pressures, and tight labour market conditions continue to improve, vehicle production volumes had a good start to the year despite the slower-than-expected ramp-up in electric vehicle platforms across the industry, and a number of our core platforms experienced growth in production volumes quarter over quarter. Commercial negotiations aimed at offsetting

[1] The Company prepares its financial statements in accordance with IFRS Accounting Standards. 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", "Free Cash-Flow (after IFRS 16 lease payments)" 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, 2024 and in this press release.

inflationary cost pressures and volume shortfalls on certain programs continue, and I am happy with the progress our team is making on this front."

He added: "I am pleased to announce that we have been awarded new business representing $30 million in annualized sales at mature volumes, consisting of $20 million in Lightweight Structures and $10 million in Propulsion Systems. In addition, we were awarded replacement business in both Lightweight Structures and Propulsion Systems worth approximately $150 million in annualized sales at mature volumes with a variety of customers."

Fred Di Tosto, President and Chief Financial Officer, stated: "We are pleased with our operational and financial performance in the first quarter. Adjusted EBITDA(1) of $162.8 million was near record levels, and Adjusted Operating Income Margin(1) of 6.0% returned to a level consistent with where we were prior to the disruptions from the UAW strike and Tier 2 supplier issue that impacted the fourth quarter. Sales for the first quarter, excluding tooling sales of $66.4 million, were $1,257.5 million, and diluted net earnings per share and Adjusted Net Earnings per Share(1) were $0.56 and $0.62 respectively. Free Cash Flow(1) (excluding principal payments of IFRS-16 lease liabilities) of ($1.4) million improved significantly year over year. We expect another solid year of Free Cash Flow(1) in 2024, with the bulk of it being generated in the back half of the year, similar to 2023."

He continued: "Net Debt(1) (excluding IFRS-16 lease liabilities) increased by approximately $74 million quarter over quarter, to $856.5 million, reflecting our Free Cash Flow(1) profile for the quarter, as well as funding an investment in Equispheres Inc., cash restructuring costs, our regular dividend payment, and significant share buyback activity during the quarter. Our Net Debt to Adjusted EBITDA(1) ratio (excluding the impact of IFRS 16) ended the quarter at 1.51x, inline with our long-term target range of 1.5x or better."

Rob Wildeboer, Executive Chairman, stated: "As Pat and Fred outlined, we continue to perform well operationally, our balance sheet is in great shape, and we are executing on our capital allocation priorities. We repurchased 1,353,500 shares for cancellation under our normal course issuer bid (NCIB) during the quarter at a cost of $15.9 million. We have renewed our NCIB for another year, and our intention is to continue to buy back stock at these price levels. We also funded an investment in Equispheres Inc. for $8.0 million. Equispheres is a leading-edge company developing innovative technologies for the production of advanced materials, including high-performance aluminum powder for additive manufacturing applications. Our relationship with Equispheres is expected to enable us to introduce increasingly complex and sophisticated products to our customers, thereby advancing our Project BreakThrough strategy. On behalf of the executive management team, we would like to thank our people for their hard work in delivering a solid quarterly performance, as well as our shareholders and other stakeholders for their continued support."

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, 2024 ("MD&A"), the Company's interim condensed consolidated financial statements for the three months ended March 31, 2024 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2023 can be found at www.sedarplus.ca.

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 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, 2024 and 2023. Refer to the Company's interim financial statements for the three months ended March 31, 2024 for a detailed account of the Company's performance for the periods presented in the table below.

	Three months ended March 31, 2024	Three months ended March 31, 2023	$ Change	% Change
Sales	$ 1,323,913	$ 1,303,889	20,024	1.5%
Gross Margin	172,537	167,386	5,151	3.1%
Operating Income	72,932	75,177	(2,245)	(3.0%)
Net Income for the period	43,650	48,171	(4,521)	(9.4%)
Net Earnings per Share - Basic and Diluted	$ 0.56	$ 0.60	(0.04)	(6.7%)
Non-IFRS Measures*				
Adjusted Operating Income	$ 79,187	$ 75,177	4,010	5.3%
% of Sales	*6.0 %*	*5.8 %*		
Adjusted EBITDA	162,830	152,504	10,326	6.8%
% of Sales	*12.3 %*	*11.7 %*		
Adjusted Net Income	48,097	43,597	4,500	10.3%
Adjusted Net Earnings per Share - Basic and Diluted	$ 0.62	$ 0.54	0.08	14.8%

***Non-IFRS Measures**

The Company prepares its interim financial statements in accordance with IFRS Accounting Standards. 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", "Free Cash Flow (after IFRS 16 lease payments)", 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, 2024	Three months ended March 31, 2023
Net Income	$ 43,650	$ 48,171
Adjustments, after tax*	4,447	(4,574)
Adjusted Net Income	$ 48,097	$ 43,597

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Net Income	$ 43,650	$ 48,171
Income tax expense	13,918	12,079
Other finance income	(5,443)	(224)
Share of loss of equity investments	634	1,378
Finance expense	20,173	19,046
Adjustments, before tax*	6,255	(5,273)
Adjusted Operating Income	$ 79,187	$ 75,177
Depreciation of property, plant and equipment and right-of-use assets	81,037	74,672
Amortization of development costs	2,494	2,613
Loss on disposal of property, plant and equipment	112	42
Adjusted EBITDA	$ 162,830	$ 152,504

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

SALES

Three months ended March 31, 2024 to three months ended March 31, 2023 comparison

	Three months ended March 31, 2024	Three months ended March 31, 2023	$ Change	% Change
North America	$ 963,943	$ 973,992	(10,049)	(1.0%)
Europe	334,010	303,470	30,540	10.1%
Rest of the World	31,762	33,882	(2,120)	(6.3%)
Eliminations	(5,802)	(7,455)	1,653	22.2%
Total Sales	$ 1,323,913	$ 1,303,889	20,024	1.5%

The Company's consolidated sales for the first quarter of 2024 increased by $20.0 million or 1.5% to $1,323.9 million as compared to $1,303.9 million for the first quarter of 2023. The total increase in sales was driven by a year-over-year increase in the Europe operating segment, partially offset by year-over-year decreases in North America and the Rest of the World.

Sales for the first quarter of 2024 in the Company's North America operating segment decreased by $10.0 million or 1.0% to $963.9 million from $974.0 million for the first quarter of 2023. The decrease was due to lower year-over-year OEM production volumes on certain light vehicle platforms, including the Ford Mustang Mach E, General Motors' Equinox/Terrain, and Mercedes' new electric vehicle platform (EVA2); programs that ended production during or subsequent to the first quarter of 2023, specifically the Dodge Charger/Challenger and Chevrolet Bolt; and a decrease in tooling sales of $33.0 million, which are typically dependent of the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by the launch and ramp up of new programs during or subsequent to the first quarter of 2023, including General Motors' new electric vehicle platform (BEV3), a Toyota/Lexus SUV, and a transmission for the ZF Group; and higher year-over-year OEM production volumes on certain other light vehicle platforms, including the Ford Escape and General Motors' large pick-up truck and SUV platform. Overall first quarter industry-wide OEM light vehicle production volumes in North America increased by approximately 1% year-over-year.

Sales for the first quarter of 2024 in the Company's Europe operating segment increased by $30.5 million or 10.1% to $334.0 million from $303.5 million for the first quarter of 2023. The increase was due to an increase in tooling sales of $30.8 million, which are typically dependent of the timing of tooling construction and final acceptance by the customer; higher year-over-year OEM production volumes on certain platforms, including aluminum engine blocks for Jaguar Land Rover, Mercedes and Ford; and the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the first quarter of 2024 of $5.0 million. These positive factors were partially offset by lower year-over-year production volumes of certain other light vehicle platforms, including the Mercedes' new electric vehicle platform (EVA2) and Lucid Air. Overall industry-wide first quarter OEM light vehicle production volumes in Europe decreased by approximately 3% year-over-year.

Sales for the first quarter of 2024 in the Company's Rest of the World operating segment decreased by $2.1 million or 6.3% to $31.8 million from $33.9 million for the first quarter of 2023. The decrease was largely driven by programs that came with the operations acquired from Metalsa in China that ended production during or subsequent to the first quarter of 2023; partially offset by the launch and ramp up of new programs during or subsequent to the first quarter of 2023, specifically the BMW 5-series in China, and an increase in tooling sales of $4.2 million.

Overall tooling sales increased by $2.1 million (including outside segment sales eliminations) to $66.4 million for the first quarter of 2024 from $64.3 million for the first quarter of 2023.

GROSS MARGIN

Three months ended March 31, 2024 to three months ended March 31, 2023 comparison

	Three months ended March 31, 2024	Three months ended March 31, 2023	$ Change	% Change
Gross margin	$ 172,537	$ 167,386	5,151	3.1%
% of Sales	13.0%	12.8%		

The gross margin percentage for the first quarter of 2024 of 13.0% increased as a percentage of sales by 0.2% as compared to the gross margin percentage for the first quarter of 2023 of 12.8%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities and other improvements; and
- contribution from overall higher production sales volume.

These factors were partially offset by:

- a negative sales mix, including additional depreciation expense from recent new program investments;
- an unfavourable impact from a year-over-year change in foreign exchange rates in Mexico; and
- operational inefficiencies at certain operating facilities.

Overall market related inflationary pressures on labour, material and energy costs, along with offsetting commercial settlements, were generally stable for the quarter on a year-over-year basis.

ADJUSTMENTS TO NET 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, 2024 to three months ended March 31, 2023 comparison

		Three months ended March 31, 2024		Three months ended March 31, 2023		$ Change
NET INCOME	**$**	**43,650**	**$**	**48,171**	**$**	**(4,521)**
Adjustments:						
Restructuring costs (1)		6,255		-		6,255
Net gain on disposal of equity investments (2)		-		(5,273)		5,273
ADJUSTMENTS, BEFORE TAX	**$**	**6,255**	**$**	**(5,273)**	**$**	**11,528**
Tax impact of adjustments		(1,808)		699		(2,507)
ADJUSTMENTS, AFTER TAX	**$**	**4,447**	**$**	**(4,574)**	**$**	**9,021**
ADJUSTED NET INCOME	**$**	**48,097**	**$**	**43,597**	**$**	**4,500**
Number of Shares Outstanding – Basic (‘000)		77,900		80,387		
Adjusted Basic Net Earnings Per Share	$	0.62	$	0.54		
Number of Shares Outstanding – Diluted (‘000)		77,960		80,445		
Adjusted Diluted Net Earnings Per Share	$	0.62	$	0.54		

(1) Restructuring costs

Additions to the restructuring provision during the first quarter of 2024 totaled $6.3 million, and represent employee-related severance resulting from the rightsizing of certain operations in Mexico ($2.8 million), Germany ($1.7 million), Canada ($1.2 million), and the United States ($0.6 million).

(2) Net gain on disposal of equity investments

On March 24, 2023, Martinrea sold its equity interest in VoltaXplore Inc. ("VoltaXplore) to NanoXplore Inc. ("NanoXplore") for 3,420,406 common shares of NanoXplore at $2.92 per share representing an aggregate consideration of $10.0 million. The sale transaction resulted in a gain on disposal of equity investments during the first quarter of 2023 as follows:

Gross gain (Total consideration of $10.0 million less book value of investment)	$	6,821
Less: gain attributable to indirect retained interest		(1,548)
Net gain on disposal of equity investments	$	5,273

Subsequent to this transaction, the Company no longer holds a direct equity interest in VoltaXplore while its equity ownership interest in NanoXplore increased from 21.1% to 22.7%.

NET INCOME

Three months ended March 31, 2024 to three months ended March 31, 2023 comparison

		Three months ended March 31, 2024		Three months ended March 31, 2023	$ Change	% Change
Net Income	$	43,650	$	48,171	(4,521)	(9.4%)
Adjusted Net Income		48,097		43,597	4,500	10.3%
Net Earnings per Share						
Basic and Diluted	$	0.56	$	0.60		
Adjusted Net Earnings per Share						
Basic and Diluted	$	0.62	$	0.54		

Net Income, before adjustments, for the first quarter of 2024 decreased by $4.5 million to $43.7 million or $0.56 per share, on a basic and diluted basis, from Net Income of $48.2 million or $0.60 per share, on a basic and diluted basis, for the first quarter of 2023. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the first quarter of 2024 increased by $4.5 million to $48.1 million or $0.62 per share on a basic and diluted basis, from $43.6 million or $0.54 per share, on a basic and diluted basis, for the first quarter of 2023.

Adjusted Net Income for the first quarter of 2024, as compared to the first quarter of 2023, was positively impacted by the following:

- higher gross margin as previously explained; and
- a net foreign exchange gain of $4.9 million for the first quarter of 2024 compared to a gain of $0.1 million for the first quarter of 2023.

These factors were partially offset by the following:

- a $1.7 million year-over-year increase in research and development costs driven generally by increased new product and process development activity;
- a $1.1 million year-over-year increase in finance expense as a result of increased borrowing rates on the Company's revolving bank debt; and
- a higher effective tax rate (24.6% for the first quarter of 2024 compared to 20.7% for the first quarter of 2023).

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, 2024, on or about July 15, 2024.

ABOUT MARTINREA

Martinrea International Inc. is a leader in the development and production of quality metal parts, assemblies and modules, fluid management systems, and complex aluminum products focused primarily on the automotive sector. Martinrea currently operates in 56 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 X and Facebook.

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Thursday, May 2, 2024 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 1012992#. Please call 10 minutes prior to the start of the conference call.

The conference call will also be webcast live in listen-only mode and archived for twelve months. 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 – 3168089#). The rebroadcast will be available until June 3, 2024 at 5:00 p.m.

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 those related to the Company's expectations as to, or its views or beliefs in or on, the impact of, or duration of, or factors affecting, or expected response to or growth of, improvements in, expansion of and/or guidance or outlook (including for 2024) 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, leverage ratios, net debt to adjusted EBITDA(1), debt repayment, Adjusted EBITDA(1), capex levels, working capital levels, cash tax levels, progress on commercial negotiations, the growth of the Company and pursuit of, and belief in, its strategies, the strength, recovery and growth of the automotive industry and continuing challenges, contemplated purchases under the NCIB, expectation of the benefit of the Equispheres investment, 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 AIF and MD&A for the year ended December 31, 2023, and other public filings which can be found at www.sedarplus.ca:

- North American and Global Economic and Political Conditions (including war) and Consumer Confidence
- Automotive Industry Risks
- Pandemics and Epidemics, Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest or War, and Other Outbreaks
- Russia and Ukraine War and Hamas-Israel War
- Semiconductor Chip Shortages and Price Increases
- Inflationary Pressures
- Regional Energy Shortages
- Dependence Upon Key Customers
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs
- Outsourcing and Insourcing Trends
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions
- Competition
- Customer Pricing Pressures, Contractual Arrangements, Cost and Risk Absorption and Purchase Orders
- Material and Commodity Prices and Volatility
- Scrap Steel/Aluminum Price Volatility
- Quote/Pricing Assumptions

- Launch and Operational Costs and Cost Structure
- Fluctuations in Operating Results
- Product Warranty, Repair/Replacement Costs, 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
- Joint Ventures
- Private or Public Equity Investments in Technology Companies
- Potential Tax Exposures
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges
- Labour Relations Matters
- Trade Restrictions or Disputes
- 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
- 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
- Evolving Business Risk Profile
- 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
- 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".

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