

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**OF OPERATING RESULTS AND FINANCIAL POSITION**

**For the three months ended March 31, 2026**

The following management discussion and analysis ("MD&A") was prepared as of April 30, 2026 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 ("interim financial statements") as well as the Company's audited consolidated financial statements and MD&A for the year ended December 31, 2025 together with the notes thereto. All amounts in this MD&A 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 Annual Information Form ("AIF") dated March 5, 2026 for the year ended December 31, 2025, can be found at [www.sedarplus.ca](http://www.sedarplus.ca).

**OVERVIEW**

Martinrea International Inc. (TSX: MRE) ("Martinrea" or the "Company") is a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems. As at April 30, 2026, Martinrea employed approximately 16,000 skilled and motivated people in 57 locations (including sales and engineering centres) in Canada, the United States, Mexico, Brazil, Germany, Spain, South Africa, Slovakia, China, and Japan.

Martinrea's vision is to make people's lives better by being the best supplier we can be in the products we make and the services we provide. The Company's mission is to make people's lives better by: delivering outstanding quality products and services to our customers; providing meaningful opportunity, job satisfaction, and job security for our people; providing superior long-term investment returns to our stakeholders; and being positive contributors to our communities.

**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 Accounting 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, 2026 and 2025. Refer to the Company's interim financial statements for the three months ended March 31, 2026 for a detailed account of the Company's performance for the periods presented in the table below.

	<b>Three months ended March 31, 2026</b>	<b>Three months ended March 31, 2025</b>	<b>\$ Change</b>	<b>% Change</b>
Sales	\$ 1,125,429	\$ 1,168,231	(42,802)	(3.7%)
Gross Margin	149,228	151,599	(2,371)	(1.6%)
Operating Income	55,426	45,105	10,321	22.9%
Net Income for the period	27,854	17,474	10,380	59.4%
Net Earnings per Share - Basic and Diluted	\$ 0.39	\$ 0.24	0.15	62.5%
<b><u>Non-IFRS Measures*</u></b>				
Adjusted Operating Income	\$ 61,622	\$ 61,942	(320)	(0.5%)
<i>% of Sales</i>	5.5 %	5.3 %		
Adjusted EBITDA	137,730	140,921	(3,191)	(2.3%)
<i>% of Sales</i>	12.2 %	12.1 %		
Adjusted Net Income	32,469	29,520	2,949	10.0%
Adjusted Net Earnings per Share - Basic and Diluted	\$ 0.45	\$ 0.41	0.04	9.8%

## \*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", "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, 2026	Three months ended March 31, 2025
Net Income	\$ 27,854	\$ 17,474
Adjustments, after tax*	4,615	12,046
Adjusted Net Income	\$ 32,469	\$ 29,520

\*Adjustments are explained in the "Adjustments to Net Income" section of this MD&A

	Three months ended March 31, 2026	Three months ended March 31, 2025
Net Income	\$ 27,854	\$ 17,474
Income tax expense	11,833	7,915
Other finance expense	942	2,231
Share of loss of equity investments	986	797
Finance expense	13,811	16,688
Adjustments, before tax*	6,196	16,837
Adjusted Operating Income	\$ 61,622	\$ 61,942
Depreciation of property, plant and equipment and right-of-use assets	73,888	77,135
Amortization of development costs	2,194	1,795
Loss on disposal of property, plant and equipment	26	49
Adjusted EBITDA	\$ 137,730	\$ 140,921

\*Adjustments are explained in the "Adjustments to Net Income" section of this MD&A

## SALES

### Three months ended March 31, 2026 to three months ended March 31, 2025 comparison

	Three months ended March 31, 2026	Three months ended March 31, 2025	\$ Change	% Change
North America	\$ 847,966	\$ 885,060	(37,094)	(4.2%)
Europe	252,268	255,338	(3,070)	(1.2%)
Rest of the World	29,055	33,749	(4,694)	(13.9%)
Eliminations	(3,860)	(5,916)	2,056	34.8%
Total Sales	\$ 1,125,429	\$ 1,168,231	(42,802)	(3.7%)

The Company's consolidated sales for the first quarter of 2026 decreased by \$42.8 million or 3.7% to \$1,125.4 million as compared to \$1,168.2 million for the first quarter of 2025. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the first quarter of 2026 in the Company's North America operating segment decreased by \$37.1 million or 4.2% to \$848.0 million from \$885.1 million for the first quarter of 2025. The operations acquired from Lyseon North America Inc., results for which were

consolidated with those of the Company effective October 20, 2025, contributed \$15.3 million of year-over-year sales to the North America operating segment. Excluding the acquired operations, first quarter sales in North America decreased by \$52.4 million or 5.9%. The decrease was due to programs that ended production during or subsequent to the first quarter of 2025, specifically the Ford Escape; lower year-over-year OEM production volumes on certain light vehicle platforms, including General Motors' electric vehicle platforms (BEV3/BET), General Motors' large pick-up truck and SUV platforms, the Lucid Air, the Ford Mustang Mach E, and Mercedes' electric vehicle platform (EVA2); 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 2026 of \$26.5 million. These negative factors were partially offset by higher year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, General Motors' Equinox/Terrain, Nissan Pathfinder and Rogue, and a transmission for the ZF Group; the launch and ramp up of new programs, including Volvo's new electric vehicle platform (EX90), and General Motors' new electric vehicle platform (Chevrolet Bolt); and an increase in tooling sales of \$8.8 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. Overall first quarter industry-wide OEM light vehicle production volumes in North America decreased by approximately 2% year-over-year.

Sales for the first quarter of 2026 in the Company's Europe operating segment decreased by \$3.1 million or 1.2% to \$252.3 million from \$255.3 million for the first quarter of 2025. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including the Lucid Air, Volkswagen's new electric vehicle platform (PPE), an aluminum engine block for Mercedes, Jaguar Land Rover, Mercedes' electric vehicle platform (EVA2), and a transmission for the ZF Group; and a decrease in tooling sales of \$3.8 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 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 2026 of \$19.1 million; and higher year-over-year OEM production volumes on certain platforms, including an aluminum engine block for Ford. Overall first quarter industry-wide OEM light vehicle production volumes in Europe decreased by approximately 1% year-over-year.

Sales for the first quarter of 2026 in the Company's Rest of the World operating segment decreased by \$4.7 million or 13.9% to \$29.1 million from \$33.7 million for the first quarter of 2025. The decrease was largely driven by a decrease in tooling sales of \$5.2 million, and lower year-over-year production volumes with Mercedes, BMW, and General Motors; partially offset by higher year-over-year production volumes with Jaguar Land Rover.

Overall tooling sales increased by \$0.6 million (including outside segment sales eliminations) to \$43.2 million for the first quarter of 2026 from \$42.6 million for the first quarter of 2025.

## **GROSS MARGIN**

### ***Three months ended March 31, 2026 to three months ended March 31, 2025 comparison***

	<b>Three months ended March 31, 2026</b>	<b>Three months ended March 31, 2025</b>	<b>\$ Change</b>	<b>% Change</b>
Gross margin	\$ 149,228	\$ 151,599	(2,371)	(1.6%)
% of Sales	13.3%	13.0%		

The gross margin percentage for the first quarter of 2026 of 13.3% increased as a percentage of sales by 0.3% as compared to the gross margin percentage for the first quarter of 2025 of 13.0%. 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
- lower year-over-year depreciation expense due to impairment charges recorded during the fourth quarter of 2025.

These factors were partially offset by:

- overall lower production sales volume and corresponding contribution; and
- operational inefficiencies at certain other operating facilities.

## **SELLING, GENERAL & ADMINISTRATIVE ("SG&A")**

### ***Three months ended March 31, 2026 to three months ended March 31, 2025 comparison***

	<b>Three months ended March 31, 2026</b>	<b>Three months ended March 31, 2025</b>	<b>\$ Change</b>	<b>% Change</b>
Selling, general & administrative	\$ 72,207	\$ 75,275	(3,068)	(4.1%)
% of Sales	6.4%	6.4%		

SG&A expense for the first quarter of 2026 decreased by \$3.1 million to \$72.2 million as compared to SG&A expense for the first quarter of 2025 of \$75.3 million. The decrease in SG&A expense can largely be attributed to overall lower employee levels and related costs as compared to the first quarter of 2025; partially offset by an increase in equity-based compensation expense related to deferred, restricted, and performance share units.

SG&A expense as a percentage of sales for the first quarter of 2026 was the same as the first quarter of 2025 primarily as a result of lower year-over-year sales.

## **DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT ("PP&E"), RIGHT-OF-USE ASSETS AND AMORTIZATION OF INTANGIBLE ASSETS**

### ***Three months ended March 31, 2026 to three months ended March 31, 2025 comparison***

	<b>Three months ended March 31, 2026</b>	<b>Three months ended March 31, 2025</b>	<b>\$ Change</b>	<b>% Change</b>
Depreciation of PP&E and right-of-use assets (production)	\$ 69,736	\$ 73,363	(3,627)	(4.9%)
Depreciation of PP&E and right-of-use assets (non-production)	4,152	3,772	380	10.1%
Amortization of development costs	2,194	1,795	399	22.2%
Total depreciation and amortization	\$ 76,082	\$ 78,930	(2,848)	(3.6%)

Total depreciation and amortization expense for the first quarter of 2026 decreased by \$2.8 million to \$76.1 million as compared to \$78.9 million for the first quarter of 2025. The decrease in depreciation and amortization expense was primarily due to impairment charges recorded during the fourth quarter of 2025, partially offset by additional depreciation on PP&E assets relating to new and replacement business that commenced during or subsequent to the first quarter of 2025.

Total depreciation and amortization expense as a percentage of sales of 6.8% for the first quarter of 2026 was the same as the first quarter of 2025 due mainly to lower overall sales volume.

## **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, 2026 to three months ended March 31, 2025 comparison**

	Three months ended March 31, 2026	Three months ended March 31, 2025	\$ Change
<b>NET INCOME</b>	<b>\$ 27,854</b>	<b>\$ 17,474</b>	<b>\$ 10,380</b>
Adjustments:			
Restructuring costs (1)	6,196	16,837	(10,641)
<b>ADJUSTMENTS, BEFORE TAX</b>	<b>\$ 6,196</b>	<b>\$ 16,837</b>	<b>\$ (10,641)</b>
Tax impact of adjustments	(1,581)	(4,791)	3,210
<b>ADJUSTMENTS, AFTER TAX</b>	<b>\$ 4,615</b>	<b>\$ 12,046</b>	<b>\$ (7,431)</b>
<b>ADJUSTED NET INCOME</b>	<b>\$ 32,469</b>	<b>\$ 29,520</b>	<b>\$ 2,949</b>
Number of Shares Outstanding – Basic ('000)	71,787	72,788	
Adjusted Basic Net Earnings Per Share	\$ 0.45	\$ 0.41	
Number of Shares Outstanding – Diluted ('000)	71,787	72,788	
Adjusted Diluted Net Earnings Per Share	\$ 0.45	\$ 0.41	

**(1) Restructuring costs**

Additions to the restructuring provision during the first quarter of 2026 totalled \$6.2 million and represent employee-related severance resulting from the rightsizing of certain operations in North America (\$5.6 million), and Europe (\$0.6 million).

Additions to the restructuring provision during the first quarter of 2025 totalled \$16.8 million and represent employee-related severance resulting from the rightsizing of certain operations in Europe (\$12.8 million), and North America (\$4.0 million).

**NET INCOME****Three months ended March 31, 2026 to three months ended March 31, 2025 comparison**

	Three months ended March 31, 2026	Three months ended March 31, 2025	\$ Change	% Change
Net Income	\$ 27,854	\$ 17,474	10,380	59.4%
Adjusted Net Income	32,469	29,520	2,949	10.0%
Net Earnings per Share				
Basic and Diluted	\$ 0.39	\$ 0.24		
Adjusted Net Earnings per Share				
Basic and Diluted	\$ 0.45	\$ 0.41		

Net Income, before adjustments, for the first quarter of 2026 increased by \$10.4 million to \$27.9 million or \$0.39 per share, on a basic and diluted basis, from Net Income of \$17.5 million or \$0.24 per share, on a basic and diluted basis, for the first quarter of 2025. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the first quarter of 2026 increased by \$2.9 million to \$32.5 million or \$0.45 per share on a basic and diluted basis, from \$29.5 million or \$0.41 per share, on a basic and diluted basis, for the first quarter of 2025.

Adjusted Net Income for the first quarter of 2026, as compared to the first quarter of 2025, was positively impacted by the following:

- a year-over-year decrease in SG&A expense, as previously explained;
- a \$2.9 million year-over-year decrease in finance expense as a result of decreased debt levels and borrowing rates on the Company's revolving bank debt;
- a net foreign exchange loss of \$0.6 million for the first quarter of 2026 compared to a loss of \$2.1 million for the first quarter of 2025; and
- a lower effective tax rate (29.2% for the first quarter of 2026 compared to 30.1% for the first quarter of 2025).

These factors were partially offset by lower gross margin from lower year-over-year sales volume.

## **ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**

### ***Three months ended March 31, 2026 to three months ended March 31, 2025 comparison***

	Three months ended		Three months ended		\$ Change	% Change
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025		
Additions to PP&E	\$	41,575	\$	34,247	7,328	21.4%

Additions to PP&E increased by \$7.3 million to \$41.6 million or 3.7% of sales for the first quarter of 2026 compared to \$34.2 million or 2.9% of sales for the first quarter of 2025. General timing of expenditures makes quarterly additions to PP&E quite volatile by nature. Capital additions for the three months ended March 31, 2026 and 2025 include new program capital and incremental investments required in equipment related to customer-driven engineering changes on new program launches. The Company continues to make investments in the business including in various sales and margin growth projects and in new and replacement business in all its various product offerings, while continuing to apply a measured and prudent approach to capital investment.

## **SEGMENT ANALYSIS**

The Company defines its operating segments as components of its business where separate financial information is available and routinely evaluated by the Company's chief operating decision maker, which is the Chief Executive Officer. Given the differences between the regions in which the Company operates, Martinrea's operations are segmented and aggregated on a geographic basis among North America, Europe and the Rest of the World. The Company measures segment operating performance based on operating income (loss).

### ***Three months ended March 31, 2026 to three months ended March 31, 2025 comparison***

	SALES		OPERATING INCOME (LOSS)*	
	Three months ended March 31, 2026	Three months ended March 31, 2025	Three months ended March 31, 2026	Three months ended March 31, 2025
North America	\$ 847,966	\$ 885,060	\$ 63,402	\$ 61,664
Europe	252,268	255,338	(2,117)	(1,737)
Rest of the World	29,055	33,749	337	2,015
Eliminations	(3,860)	(5,916)	-	-
Adjusted Operating Income			\$ 61,622	\$ 61,942
Adjustments*			(6,196)	(16,837)
Total	\$ 1,125,429	\$ 1,168,231	\$ 55,426	\$ 45,105

\*Operating Income (Loss) for the operating segments has been adjusted for certain items as explained in Table A under "Adjustments to Net Income". Of the \$6.2 million adjustment for the first quarter of 2026, \$5.6 million was recognized in North America and \$0.6 million in Europe. Of the \$16.8 million adjustment for the first quarter of 2025, \$4.0 million was recognized in North America and \$12.8 million in Europe.

## **North America**

Adjusted Operating Income in North America increased by \$1.7 million to \$63.4 million or 7.5% of sales for the first quarter of 2026 from \$61.7 million or 7.0% of sales for the first quarter of 2025. The increase in Adjusted Operating Income as a percentage of sales was generally due to productivity and efficiency improvements at certain operating facilities and other improvements; and higher year-over-year favourable commercial settlements. These positive factors were partially offset by the negative impact on margins from lower year-over-year production sales; and operational inefficiencies at certain other operating facilities.

## Europe

Adjusted Operating Loss in Europe increased by \$0.4 million to a loss of \$2.1 million or (0.8%) of sales for the first quarter of 2026 from a loss of \$1.7 million or (0.7%) of sales for the first quarter of 2025. The increase in Adjusted Operating Loss was generally due to lower commercial settlements; partially offset by lower year-over-year depreciation expense due to impairment charges recorded during the fourth quarter of 2025.

## Rest of the World

Adjusted Operating Income in the Rest of the World decreased by \$1.7 million to \$0.3 million or 1.2% of sales for the first quarter of 2026 from \$2.0 million or 6.0% of sales for the first quarter of 2025 due to lower commercial settlements.

## SUMMARY OF QUARTERLY RESULTS

(unaudited)

	2026	2025				2024		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales	\$1,125,429	\$1,187,284	\$1,190,801	\$1,275,535	\$1,168,231	\$1,150,928	\$1,237,493	\$1,301,793
Gross Margin	149,228	140,955	169,972	184,535	151,599	129,040	163,350	183,630
Operating Income (Loss)	55,426	12,546	62,485	72,338	45,105	(90,411)	65,879	76,208
Adjusted Operating Income	61,622	55,066	64,996	86,104	61,942	40,069	65,879	81,563
Net Income (Loss) for the period	27,854	15,658	35,762	38,091	17,474	(133,332)	14,157	40,979
Adjusted Net Income (Loss)	32,469	48,323	37,730	47,755	29,520	(15,596)	14,157	44,383
Basic and Diluted Net Earnings (Loss) per Share	0.39	0.22	0.49	0.52	0.24	(1.82)	0.19	0.54
Adjusted Basic and Diluted Net Earnings (Loss) per Share	0.45	0.67	0.52	0.66	0.41	(0.21)	0.19	0.58

## LIQUIDITY AND CAPITAL RESOURCES

On February 27, 2026, the Company's banking facility was amended to extend its maturity and enhance certain provisions of the facility. The primary terms of the amended banking facility, with now a syndicate of twelve banks (up from ten), include the following:

- unchanged financial covenants, including a maximum net debt to trailing twelve months EBITDA ratio of 3.0x (excluding the impact of IFRS 16, Leases);
- available non-amortizing term loan of \$200 million (down from \$250 million) at variable interest rates;
- available revolving credit lines of \$400 million (up from \$350 million) and US \$520 million (similar to the previous facility);
- available asset based financing capacity of \$300 million, similar to the previous facility;
- accordion feature which provides the Company with the ability to increase the revolving credit facility by up to US \$400 million, up from US \$300 million;
- pricing terms at market rates, similar to the previous facility;
- a maturity date extended to February 2030 (from February 2027); and
- no mandatory principal repayment provisions for the revolving credit lines, including the new non-amortizing term loan, similar to the previous facility.

On March 27, 2024, Martinrea entered into an accounts receivable program agreement to sell up to \$100 million in trade receivables without recourse and on an uncommitted basis, subject to predetermined limits for certain customers. Under the agreement, the receivables are sold on a fully serviced basis, so that the Company continues to administer the collection of such receivables. As at March 31, 2026, \$51.3 million (US \$36.9 million) (December 31, 2025 - \$33.6 million or US \$24.5 million) of receivables were sold under the program, of which \$10.8 million (US \$7.8 million) (December 31, 2025 - \$9.4 million or US \$6.9 million) was held back from the sale proceeds, to be settled when the funds are received from the customers, in accordance with the provisions of the program, with the net proceeds being used primarily to support the Company's supply base.

As at March 31, 2026, the Company had drawn US \$271 million (December 31, 2025 - US \$256 million) on the U.S. revolving credit line, \$320 million (December 31, 2025 - \$210 million) on the Canadian revolving credit line, and \$200 million (December 31, 2025 - \$250 million) on the Canadian non-amortizing term loan. As at March 31, 2026, the Company had total liquidity of \$548 million, including cash and cash equivalents and availability under the Company's banking facility. In addition, the Company's credit facility includes a \$300 million allowance for asset based financing that the Company can use for additional financing, of which approximately \$244 million was available as at March 31, 2026. At March 31, 2026, the weighted average effective interest rate of the banking facility was 4.8% (December 31, 2025 - 4.9%). The facility requires the maintenance of certain financial ratios with which the Company was in compliance as at March 31, 2026.

The principal sources of liquidity available for the Company's future cash requirements are expected to be cash flow from operations, cash and cash equivalents, borrowings from its revolving credit lines, and asset based financing. Management believes that the Company's overall liquidity and operating cash flow will be sufficient to meet the Company's anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments. The Company's ability to fund its anticipated cash requirements, and to comply with financial covenants under the Company's banking facility, depend on the Company's future operating performance and cash flows and many factors outside of its control, including the cost of material, energy and other input costs, the state of the overall automotive industry and financial and economic conditions, including the impact of supply chain disruptions, and other factors.

**Debt leverage ratios:**

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Excluding the impact of IFRS 16:</b>					
Long-term debt	\$ 948,317	\$ 868,809	\$ 911,056	\$ 952,381	\$ 1,013,485
Less: Cash and cash equivalents	(129,626)	(174,144)	(142,987)	(160,030)	(148,548)
Net Debt	\$ 818,691	\$ 694,665	\$ 768,069	\$ 792,351	\$ 864,937
Trailing 12-month Adjusted EBITDA	\$ 510,493	\$ 515,055	\$ 512,106	\$ 526,652	\$ 527,971
Net Debt to Adjusted EBITDA ratio	1.60x	1.35x	1.50x	1.50x	1.64x

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Including the impact of IFRS 16:</b>					
Long-term debt	\$ 948,317	\$ 868,809	\$ 911,056	\$ 952,381	\$ 1,013,485
Lease liabilities	243,929	251,156	241,624	225,382	241,920
	1,192,246	1,119,965	1,152,680	1,177,763	1,255,405
Less: Cash and cash equivalents	(129,626)	(174,144)	(142,987)	(160,030)	(148,548)
Net Debt	\$ 1,062,620	\$ 945,821	\$ 1,009,693	\$ 1,017,733	\$ 1,106,857
Trailing 12-month Adjusted EBITDA	\$ 579,553	\$ 582,744	\$ 578,367	\$ 592,096	\$ 592,849
Net Debt to Adjusted EBITDA ratio	1.83x	1.62x	1.75x	1.72x	1.87x

The following table provides a reconciliation of Trailing 12-month Adjusted EBITDA including the impact of IFRS 16 to Trailing 12-month Adjusted EBITDA excluding the impact of IFRS 16.

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Trailing 12-month Adjusted EBITDA - including the impact of IFRS 16	\$ 579,553	\$ 582,744	\$ 578,367	\$ 592,096	\$ 592,849
Principal payments of lease liabilities	(58,110)	(56,889)	(55,665)	(54,706)	(54,105)
Interest on lease liabilities	(10,950)	(10,800)	(10,596)	(10,738)	(10,773)
Trailing 12-month Adjusted EBITDA - excluding the impact of IFRS 16	\$ 510,493	\$ 515,055	\$ 512,106	\$ 526,652	\$ 527,971

The Company's Net Debt (excluding the impact of IFRS 16) increased by \$124.0 million during the first quarter of 2026 to \$818.7 million from \$694.7 million at the end of the fourth quarter of 2025 due largely to negative Free Cash Flow (after IFRS 16 lease payments) during the quarter, cash restructuring costs of \$10.0 million, foreign exchange translation, and \$3.6 million in dividends paid during the quarter. The Company's Net Debt to Adjusted EBITDA ratio (excluding the impact of IFRS 16) increased to 1.60x from 1.35x at the end of the fourth quarter of 2025, due largely to the quarter-over-quarter increase in net debt.

The Company was in compliance with its debt covenants as at March 31, 2026. The Company's debt covenants are based on leverage ratios excluding the impact of IFRS 16.

### **Dividends**

In the second quarter of 2013, Martinrea's Board of Directors (the "Board") approved, for the first time, a dividend to be paid to all holders of Martinrea common shares. Annual dividends were \$0.12 per share, paid in four quarterly payments of \$0.03 per share. The first quarterly dividend payment of \$0.03 per share was paid on July 11, 2013; with successive quarterly dividends paid thereafter.

In 2018, in view of the Company's financial performance, and its future outlook and cash needs at the time, the Board decided to increase the annual dividends by 50% to \$0.18 per share, to be paid in four quarterly payments of \$0.045 per share, commencing with the release of the first quarter results of 2018. The first such increased dividend was paid on July 15, 2018.

On March 5, 2020, in view of the Company's financial performance, and its future outlook and cash needs at that time, the Board decided to increase the annual dividends by another 11% to \$0.20 per share, to be paid in four quarterly payments of \$0.05 per share commencing at the beginning of 2020. The first such increased quarterly dividend was paid on April 14, 2020, and continues to this date. The Company maintained its dividend throughout the COVID-19 pandemic, semiconductor chip shortage, EV volume shortfalls, rapidly changing trade policies, including tariffs or threatened tariffs between the United States, Canada and Mexico, and other supply chain disruptions. The Board will assess future dividend payment levels from time to time, in light of market conditions, the current supply chain situation, the Company's financial performance and anticipated needs at that time.

## Cash flow

	Three months ended March 31, 2026	Three months ended March 31, 2025	\$ Change	% Change
Cash provided by operations before changes in non-cash working capital items	\$ 129,690	\$ 118,506	11,184	9.4%
Change in non-cash working capital items	(88,427)	(46,100)	(42,327)	(91.8%)
	41,263	72,406	(31,143)	(43.0%)
Interest paid	(14,616)	(18,117)	3,501	19.3%
Income taxes paid	(29,729)	(25,873)	(3,856)	(14.9%)
Cash provided by (used in) operating activities	(3,082)	28,416	(31,498)	(110.8%)
Cash provided by financing activities	43,837	17,629	26,208	148.7%
Cash used in investing activities	(44,037)	(64,913)	20,876	32.2%
Effect of foreign exchange rate changes on cash and cash equivalents	2,445	(535)	2,980	557.0%
Decrease in cash and cash equivalents	\$ (837)	\$ (19,403)	18,566	95.7%

Cash used in operating activities during the first quarter of 2026 was \$3.1 million, compared to cash provided by operating activities of \$28.4 million in the first quarter of 2025. The components for the first quarter of 2026 primarily include the following:

- cash provided by operations before changes in non-cash working capital items of \$129.7 million;
- working capital use of cash of \$88.4 million comprised of an increase in trade and other receivables of \$108.6 million, an increase in inventories of \$11.2 million and an increase in prepaid expenses and deposits of \$2.1 million; partially offset by an increase in trade, other payables and provisions of \$33.5 million;
- income taxes paid of \$29.7 million; and
- interest paid of \$14.6 million.

Cash provided by financing activities during the first quarter of 2026 was \$43.8 million, compared to \$17.6 million in the first quarter of 2025. The components for the first quarter of 2026 primarily include the following:

- a \$73.6 million net increase in long-term debt; partially offset by
- principal payments of lease liabilities of \$15.3 million;
- repurchase of common shares under the normal course issuer bid ("NCIB") (as described in note 11 of the interim financial statements) of \$10.8 million; and
- \$3.6 million in dividends paid.

Cash used in investing activities during the first quarter of 2026 was \$44.0 million, compared to \$64.9 million in the first quarter of 2025. The components for the first quarter of 2026 primarily include the following:

- cash additions to PP&E of \$43.4 million; and
- capitalized development costs relating to upcoming new program launches of \$0.6 million.

Taking into account the opening cash balance of \$130.5 million at the beginning of the first quarter of 2026, and the activities described above, the cash and cash equivalents balance at March 31, 2026 was \$129.6 million.

## Free Cash Flow

	Three months ended March 31, 2026	Three months ended March 31, 2025	\$ Change
Adjusted EBITDA	\$ 137,730	\$ 140,921	(3,191)
Add (deduct):			
Change in non-cash working capital items	(88,427)	(46,100)	(42,327)
Remove impact of restructuring provision	3,825	(12,408)	16,233
Purchase of property, plant and equipment (excluding capitalized interest)	(43,447)	(62,230)	18,783
Cash proceeds on disposal of property, plant and equipment	83	36	47
Capitalized development costs	(625)	(1,660)	1,035
Interest paid	(14,616)	(18,117)	3,501
Income taxes paid	(29,729)	(25,873)	(3,856)
Free Cash Flow	\$ (35,206)	\$ (25,431)	(9,775)
Principal payments of IFRS 16 lease liabilities	(15,320)	(14,099)	(1,221)
Free Cash Flow (after IFRS 16 lease payments)	\$ (50,526)	\$ (39,530)	(10,996)

Free Cash Flow for the first quarter of 2026 decreased year-over-year due largely to an increase in cash used in non-cash working capital, net of the change in the restructuring provision which is included in working capital, higher income taxes paid, and lower Adjusted EBITDA; partially offset by a decrease in cash purchases of property, plant and equipment, and lower interest paid on long-term debt.

Tooling-related working capital accounts, including inventory, trade and other receivables, and trade and other payables on a net basis, amounted to (\$5.4) million as at March 31, 2026, an increase from (\$21.5) million as at December 31, 2025 and a decrease from (\$4.7) million as at March 31, 2025.

Reconciliation of IFRS "Cash provided by (used in) operating activities" to Non-IFRS "Free Cash Flow", and "Free Cash Flow (after IFRS 16 lease payments)" for the three months ended March 31, 2026 and 2025:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Cash provided by (used in) operating activities	\$ (3,082)	\$ 28,416
Add (deduct):		
Purchase of property, plant and equipment (excluding capitalized interest)	(43,447)	(62,230)
Cash proceeds on disposal of property, plant and equipment	83	36
Capitalized development costs	(625)	(1,660)
Restructuring costs	6,196	16,837
Remove impact of restructuring provision	3,825	(12,408)
Unrealized gain (loss) on foreign exchange contracts	(106)	452
Deferred and restricted share units benefit	1,081	3,086
Stock options expense	(100)	(177)
Pension and other post-employment benefit expense	(545)	(603)
Contributions made to pension and other post-retirement benefits	572	589
Net unrealized foreign exchange loss and other expense	942	2,231
Free Cash Flow	\$ (35,206)	\$ (25,431)
Principal payments of IFRS 16 lease liabilities	(15,320)	(14,099)
Free Cash Flow (after IFRS 16 lease payments)	\$ (50,526)	\$ (39,530)

## RISKS AND UNCERTAINTIES AND TRENDS

The reader is referred to the detailed discussion on "Automotive Industry Highlights and Trends" and "Risk Factors" as outlined in the AIF available through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) which are incorporated herein by reference. The disclosure in this MD&A and, in particular under "Recent Developments" supplements those risk factors described in the AIF.

## **RECENT DEVELOPMENTS**

### **Trade restrictions or disputes**

The global growth of the automotive industry has been aided by the free movement of goods, services, people and capital through bilateral and regional trade agreements, particularly in North America and Europe. The introduction of measures which impede free trade, including new or increased tariffs and other trade barriers, could have a material adverse effect on the Company's operations and profitability, and the automotive industry. The imposition of tariffs and countervailing restrictions and/or retaliatory tariffs between the United States and Canada and Mexico, and with other countries, such as China, is a fluid and rapidly evolving situation. Current international trade disputes or trade wars could, among other things, reduce demand for and production of vehicles including impeding our ability to sell products to customers located in the United States, disrupt global supply chains including the Company's ability to procure inputs and equipment for its operations, distort commodity pricing, impact the profitability of the Company or its suppliers and/or customers and their financial stability, impair the ability of automotive suppliers and vehicle manufacturers to make efficient long-term investment decisions, create volatility in relative foreign exchange rates, and contribute to stock market volatility or result in a shutdown of the automotive industry.

In addition, one of the most material risks stemming from trade disruptions is the potential shutdown of vehicle production, either at our own facilities or at OEM assembly plants. The automotive industry relies heavily on just-in-time delivery systems and tightly synchronized supply chains. Any delay or blockage in the movement of goods - whether due to tariffs, regulatory inspections, border slowdowns, or retaliatory trade actions - can result in halted production lines, missed delivery windows, and increased operating costs. A prolonged disruption could lead to cascading effects throughout the supply chain, including inventory shortages, contractual penalties, and strained relationships with OEM customers. Furthermore, some OEMs may relocate production to different OEM assembly plants because of tariffs, which may impact production at one or more of the Company's facilities.

The Company's products may also be subject to tariffs that do not apply to automotive suppliers based in other countries which could result in changes to our customer base and disrupt our usual sales process. Any disruption to current trade practices could have a material impact on the Company's ability to market its products and procure inputs for its operations.

### **Supply chain issues**

The Company has seen a recovery in overall production volumes and improved production stability. However, ongoing supply chain disruptions could continue to negatively impact the global automotive supply chain and OEM light vehicle production, especially within the current tariff environment. Despite these improvements, some OEM customers are still taking measures to address these disruptions, such as unplanned shutdowns of production lines and plants, reductions in vehicle production plans, and changes to their product mix.

Late in the third quarter of 2025, a significant event occurred when a major U.S. aluminum supplier experienced a fire at its facility, which supplies a large portion of the aluminum sheet used in the automotive industry. This incident led to some production interruptions for several OEMs. Some of the Company's programs are affected by this supply chain disruption.

Addressing Tier 2 and 3 supply chain issues can sometimes lead to the incurrence of premium costs. As a result, OEM responses to these disruptions have caused several consequences for Tier 1 suppliers like Martinrea, including lower sales, production inefficiencies due to unexpected stops and restarts of production lines based on OEMs' production priorities, and premium costs to expedite shipments.

### **Geopolitical conflicts and energy price volatility**

Ongoing geopolitical conflicts, including the conflict in the Middle East, have contributed to increased volatility in global energy markets, particularly oil and fuel prices. Escalations or further instability in the region could disrupt global energy supply routes, increase transportation and logistics costs, and contribute to broader inflationary pressures.

Elevated or volatile fuel and energy prices may adversely affect the Company's operations and financial results in several ways, including by increasing the cost of inbound materials and outbound logistics, raising utility and operating costs at manufacturing facilities, and impacting the cost structures of the Company's suppliers. While the Company seeks to mitigate certain cost increases

through commercial arrangements with customers and operational efficiencies, there can be no assurance that such costs can be fully recovered or mitigated in a timely manner.

In addition, sustained increases in fuel and energy costs may impact consumer demand for certain vehicle categories and influence OEM production volumes, product mix decisions, and the timing of customer programs. Any resulting reduction in global light vehicle production, changes in platform demand, or delays in customer launches could adversely affect the Company's sales, margins, and operating results.

The situation remains fluid and unpredictable, and further developments related to geopolitical conflicts or energy market disruptions could have a material adverse effect on the Company, the automotive industry, or global economic conditions.

Any of these factors could have an adverse effect on the Company's business and operational results.

Significant industry trends, the Company's business strategy and all other major risks the Company faces are discussed further in "Description of the Business and Trends" and "Risk Factors" in the Company's AIF available through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **DISCLOSURE OF OUTSTANDING SHARE DATA**

As at April 30, 2026, the Company had 70,893,671 common shares outstanding. The Company's common shares constitute its only class of voting securities. As at April 30, 2026, options to acquire 1,995,000 common shares were outstanding.

On May 23, 2025, the Company renewed the NCIB receiving approval from the Toronto Stock Exchange to acquire for cancellation up to an additional 7,110,571 common shares of the Company. The renewed bid commenced on May 27, 2025 and spans a 12-month period.

During 2025, the Company purchased for cancellation an aggregate of 778,698 common shares for an aggregate purchase price of \$8.2 million resulting in a reduction to capital stock of \$6.4 million and a decrease to retained earnings of \$1.7 million. The shares were purchased and cancelled directly under the NCIB.

During the first quarter of 2026, the Company purchased for cancellation an aggregate of 1,115,479 common shares for an aggregate purchase price of \$10.8 million resulting in a reduction to capital stock of \$9.2 million and a decrease to retained earnings of \$1.6 million. The shares were purchased and cancelled directly under the NCIB.

### **CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET FINANCING**

During the three months ended March 31, 2026, there has been no material change in the table of contractual obligations specified in the Company's MD&A for the fiscal year ended December 31, 2025.

#### **Guarantees**

The Company has negotiated tool financing facilities that provide direct financing for specific programs. The tool financing program involves a third party that provides tooling suppliers with financing subject to a Company guarantee. Payments from the third party to the tooling supplier are approved by the Company prior to the funds being advanced. The amounts loaned to tooling suppliers through this financing arrangement do not appear on the Company's balance sheet unless the sale on the corresponding tooling project has been recognized, at which point a tooling trade payable on the project is recorded. At March 31, 2026, the amount of the off-balance sheet program financing was \$4.5 million (December 31, 2025 - \$9.8 million) representing the maximum amount of undiscounted future payments the Company could be required to make under the guarantee. The Company would be required to perform under the guarantee in cases where a tooling supplier could not meet its obligation to the third party. Since the amount advanced to the tooling supplier is required to be repaid generally when the Company receives reimbursement from the final customer, and at this point the Company will in turn repay the tooling supplier, the Company views the likelihood of a tooling supplier default as remote. Moreover, if such an instance were to occur, the Company would obtain the tool inventory as collateral. The term of the guarantee will vary from program to program, but typically ranges up to twenty-four months.

## **Financial Instruments**

The Company's foreign exchange risk management includes the use of foreign currency forward contracts to fix the exchange rates on certain foreign currency exposures. It is the Company's policy to not utilize financial instruments for trading or speculative purposes.

At March 31, 2026, the Company had committed to the following foreign exchange contracts:

### **Foreign exchange forward contracts not accounted for as hedges and fair valued through profit or loss**

<b>Currency - Buy/Sell</b>	<b>For U.S. dollars</b>		<b>For Canadian dollars</b>		<b>Maximum period in months</b>
	<b>Amount of U.S. dollars</b>	<b>Weighted average exchange rates</b>	<b>Amount of CAD</b>	<b>Weighted average exchange rates</b>	
Buy Mexican Peso	\$ 2,139	\$ 16.3591	\$ -	\$ -	1
Sell Euro	-	-	3,263	1.6315	1
Sell Chinese Yuan	5,000	0.1466	-	-	1
Sell Brazilian Real	3,000	0.1911	-	-	1

The aggregate value of these forward contracts as at March 31, 2026 was a pre-tax loss of \$0.1 million and was recorded in trade and other payables (December 31, 2025 - pre-tax gain of \$0.8 million recorded in trade and other receivables).

## **DISPOSAL OF A SUBSIDIARY**

On February 5, 2026, the Company entered into an agreement to sell one of its plants in China for CNY ¥8.0 million (\$1.6 million). The transaction is expected to close in the second quarter of 2026 subject to various closing conditions, including government approval in China and, as such, there can be no assurance that the transaction will ultimately be consummated.

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There have been no changes in the Company's internal controls over financial reporting during the most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## **FORWARD-LOOKING INFORMATION**

### **Special Note Regarding Forward-Looking Statements**

This MD&A and the documents incorporated by reference therein contains forward-looking statements within the meaning of applicable Canadian securities laws, including, but not limited to, statements related to the outlook and growth of the automotive industry, the future investments in leading edge technology, opportunities to increase sales, expand the customer base and growth of the Company and pursuit of and belief in its strategies, the impact and duration of supply chain issues, global trade and tariff issues, geopolitical conflicts and energy price volatility, and other statements under Recent Developments, including potential impact on the business, the Company's ability to be a consistent Free Cash Flow generator and its belief in the sufficiency of its liquidity of operating cash flow to meet its needs and other related statements, the execution of the Company's strategy. 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, which are discussed in greater detail in the Company's AIF and this MD&A for the year ended December 31, 2025 and other public filings which can be found at [www.sedarplus.ca](http://www.sedarplus.ca):

- North American and Global Economic and Political Conditions (including war) and Consumer Confidence
- Automotive Industry Risks
- Trade Restrictions or Disputes

- Changes in Laws and Governmental Regulations
- Dependence Upon Key Customers
- Pandemics and Epidemics, Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest or War, and Other Outbreaks
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions (Material Availability or Disruption)
- Semiconductor Chip Shortages and Price Increases
- Inflationary Pressures
- Regional Energy Shortages
- Russia and Ukraine War and Middle East War
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs
- Outsourcing and Insourcing Trends
- Competition
- Customer Pricing Pressures, Contractual Arrangements, Cost and Risk Absorption and Purchase Orders
- Potential Volatility of Share Prices
- Fluctuations in Operating Results
- Material and Commodity Prices and Volatility
- Scrap Steel/Aluminum Price Volatility
- Quote/Pricing Assumptions
- Launch Costs, Operational Costs and Issues and Cost Structure
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges
- Return on Capital Investment
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk
- Product Development and Technological Change (Including Artificial Intelligence and Electrification)
- Cybersecurity Threats
- A Shift Away from Technologies in Which the Company is Investing
- Dependence Upon Key Personnel
- Limited Financial Resources/Uncertainty of Future Financing/Banking
- Acquisitions
- Joint Ventures
- Private or Public Equity Investments in Technology Companies
- Potential Tax Exposures
- Labour Relations Matters
- Sustainability (ESG) Regulation, Including Environmental Regulation and Climate Change and Human Rights and Supply Chain Issues
- Litigation and Regulatory Compliance and Investigations
- Anti-Trust and Competition Law Enforcement
- Risks of Conducting Business in Foreign Countries, Including China, Brazil, Mexico 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
- 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.