



PRESS RELEASE

FOR IMMEDIATE RELEASE

May 13, 2020

MARTINREA INTERNATIONAL INC. REPORTS FIRST QUARTER RESULTS

Toronto, Ontario, May 13, 2020 – 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, 2020.

HIGHLIGHTS

- Total sales of \$872.7 million; production sales of \$822.5 million
- First quarter diluted net earnings per share of \$0.36
- First quarter diluted adjusted net earnings per share⁽¹⁾ of \$0.38
- Unfavourable impact of shutdowns related to COVID-19 in the quarter
- Quarterly free cash flow⁽¹⁾ of \$9.9 million
- Balance sheet ended the quarter strong; net debt⁽¹⁾:adjusted EBITDA⁽¹⁾ ratio (excluding impact of IFRS 16) of 1.62x
- Company has taken aggressive cash conservation measures
- Company has implemented detailed COVID-19 safety protocols
- Company has contributed to fighting COVID-19 with production of ventilator stands, PPE and volunteer efforts
- Share repurchases under normal course issuer bid suspended for now
- \$280 million of additional capacity added to revolving credit lines in April 2020
- New business awards of approximately \$35 million in annualized sales at mature volumes

OVERVIEW

Rob Wildeboer, Executive Chairman, stated: “Although this is our quarterly release, the past is not where our minds are focused these days, but on the present and future. While the quarter was challenging yet better than expected in some ways, we recognize that the COVID-19 pandemic has created unique challenges for all of us, and for Martinrea and our industry. We have seen an unprecedented shutdown of our industry, and most of our customers in North America, Brazil and Europe are either not operating or are just restarting some of their plants. We have been extremely focused as a management team and as a board of directors on the crisis and how we best deal with the shutdown of our business, its restart and our return to full production in future. Our management team, led by Pat, has daily meetings to deal with the closure and now focused on the best restart possible, and we have had weekly update meetings with our board members. Our focus throughout has been very proactive on safety measures, and we have developed a very robust set of safety protocols for our plants and offices. Our people have to be safe and feel safe. Furthermore, the well-being of our employees extends beyond just the COVID-19 threat of course. Our people need to have meaningful work and an ability to sustain themselves economically by coming to work. In that regard, we have been

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 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”. 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 first quarter ended March 31, 2020.

very involved in preparing ourselves and our industry for an expeditious, successful and safe restart. We are dealing with the COVID-19 pandemic with a sense of focus, dedication and resilience and, coming out of the crisis, we will continue to be a strong player in our industry.”

Pat D'Eramo, President and Chief Executive Officer, stated: “Our first quarter was in many ways a solid quarter despite the impact on sales of customer shutdowns in March due to the COVID-19 pandemic. Our fully diluted adjusted net earnings were \$0.38 cents per share, we generated an adjusted operating income margin of 5.8%, we had positive free cash flow in the quarter, we completed and financed the acquisition of operations from Metalsa, and our balance sheet ended the quarter strong. We remain well positioned to address the major challenges our company and our industry are facing. In terms of operations, we have restarted our operations in China, and we are in the process of restarting our operations elsewhere as our customers start to produce. While the ramp up is likely to be fairly slow at first, we expect it to build up over June and the second half of the year. We are extremely well positioned to return to production. Our restart in China has gone very well, and our industrial operations and some of our automotive operations have continued to work well over the past two months. One of the products our industrial team is making are ventilator stands for General Motors that have been well publicized. We developed and produced these products at an accelerated pace. We are very proud of the team’s efforts on this product. Our people have done an exceptional job on COVID safety processes, as they have for safety initiatives over the last few years, and we will remain world class in our approach to the safety of our people. We have decided to produce masks for Martinrea globally going forward. Operationally, we have been very focused on improving processes and strengthening our Company throughout the shutdown, and we believe that we will be stronger in the future because of it. Despite the shutdowns, we have won some new work in the past few weeks, and I am pleased to announce \$35 million in annualized sales at mature volumes including \$28 million in propulsion systems work for GM, Ford and Audi, and \$7 million in lightweight structures for Audi. I want to thank our leadership and their teams for their tremendous efforts and dedication, and outstanding performance, during this crisis.”

Fred Di Tosto, Chief Financial Officer, stated: “Total sales for the first quarter were \$872.7 million, and adjusted net earnings per share, on a diluted basis, was \$0.38 per share, both down year-over-year. The year-over-year decrease in financial results was largely due to overall lower industry volumes, driven predominantly by the COVID-19 pandemic and related shutdowns. Our focus since mid-March has been on responding to COVID-19. Our response has been measured, prudent and decisive with an emphasis on safety, cash conservation and enhancing liquidity. As disclosed previously, balance sheet preservation is a top priority for us, and we have taken measures to conserve cash. We temporarily suspended our share buyback program. We have aggressively flexed and reduced our cost base and eliminated most discretionary spending where possible. We have taken action on employee layoffs, and delay of capital and tooling spending where and when appropriate. There have been temporary salary reductions taken at all levels of the Company. The Company has also further enhanced its liquidity position by increasing our revolving credit facilities by another \$280 million. We have taken all these measures in order to prudently manage downside risk and we will continue to be prudent as the COVID-19 pandemic and its economic impact continue to evolve. With that said, we believe we entered the COVID-19 driven downturn with a strong balance sheet which will ultimately allow us to keep a long term focus on the business as we work our way through the challenges in front of us.”

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 first quarter ended March 31, 2020 (“MD&A”), the Company’s interim condensed consolidated financial statements for the first quarter ended March 31, 2020 (the “interim consolidated financial statements”) and the Company’s Annual Information Form for the year ended December 31, 2019, can be found at www.sedar.com.

Results of operations may include certain unusual and other 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.

RECENT DEVELOPMENTS

COVID-19 PANDEMIC AND IMPACT ON OUR BUSINESS

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic and recommended various containment and mitigation measures. Since then, extraordinary actions have been taken by public health and governmental authorities across the globe to contain the spread of COVID-19, including travel bans, social distancing, quarantines, stay-at-home orders and similar mandates for many businesses to curtail or cease normal operations.

As a result of the COVID-19 global pandemic, in the middle of March, the Company's OEM customers essentially idled their manufacturing operations in regions around the world, other than China, where manufacturing operations were suspended in January and February, but resumed in March. Martinrea, along with the rest of the automotive supply chain generally, followed its customers and also temporarily idled most of its manufacturing operations outside of China in March. This suspension of manufacturing operations and rapid dissipation of customer demand had a negative impact on the Company's financial results during the second half of March and continued into the second quarter. Although the potential magnitude and duration of the business and economic impacts of COVID-19 are uncertain, a phased restart of the Company's manufacturing facilities and dependent functions is currently expected to commence in May and June 2020, aligned with current OEM restart plans as OEMs prepare to begin producing vehicles again.

The Company's response to the COVID-19 pandemic has been measured, prudent and decisive with an emphasis on safety, cash conservation and enhancing liquidity. The health and safety of our employees, their families, our customers and our communities is, and will continue to be, our top priority. The Company has implemented, and is in the process of implementing, various protocols throughout its global footprint to ensure a safe work environment, including the use of personal protection equipment; reworking processes to provide social distancing; restricting access to facilities; enhancing cleaning and disinfecting protocols; using rotational remote work schedules, where possible; and restricting travel.

The Company has also taken actions to conserve cash by aggressively flexing and reducing its cost base and eliminating discretionary spending across its global footprint. These actions have included a significant number of temporary hourly and salaried employee layoffs, temporary reductions of salaried employee base wages of 20% (50% in the case of the Company's Executive Chairman, President and Chief Executive Officer, and Chief Financial Officer), the curtailment of non-production spending and the delay of capital and tooling spending where and when appropriate. The Company has also temporarily suspended the repurchase of common stock under its normal course issuer bid, the continuation of which is to be re-assessed at a later date.

As at March 31, 2020, the Company had total liquidity of \$300 million, including cash and cash equivalents and availability under the Company's revolving credit lines. On April 17, 2020, the Company further enhanced its liquidity position by exercising the accordion feature incorporated in its banking facility, which increased the revolving credit lines available to the Company by another \$280 million. The Company's banking facility also includes a \$300 million allowance for asset based financing that the Company can use for additional financing if required, of which \$236 million was available as at March 31, 2020. The Company also completed a forecast of cash flows and covenant compliance using available internal and external information.

As the COVID-19 pandemic and its economic impact continue to evolve, the Company will continue to respond in a measured, prudent and decisive manner with continued emphasis on health and safety, cash conservation and maintenance of its liquidity position. The financial impact to the Company will depend on the timing and extent to which overall industry sales volumes return.

The COVID-19 pandemic is expected to have an adverse effect on our business, results of operations, cash flows and financial position; however, the full impact cannot be determined at this time. The extent of the impact will depend on various factors, including the ultimate duration of the shutdowns, its impact on customers, the rate at which economic conditions, operations and demand for vehicles return to pre-COVID levels, any continued or future governmental orders or lock-downs due to this wave of COVID-19, or any future wave, and the potential for a recession in key markets due to the effect of the pandemic.

ACQUISITION

On March 2, 2020, the Company completed the acquisition of the structural components for passenger car operations of Metalsa S.A, de C.V ("Metalsa"). The Company acquired certain assets and liabilities in Mexico and 100% of the

outstanding shares of entities in the other jurisdictions. The operations acquired by the Company specialize in a wide variety of metal forming technologies, including chassis components such as cradles, control arms, and trailing arms; body components such as side rails, A and B pillars, door beams, wheel housing and bumpers; and several other components such as fuel tanks. The operations also have some leading edge technologies in multi-material joining further promoting Martinrea's lightweighting strategies. The acquisition adds six manufacturing facilities to the Martinrea footprint, including facilities in Germany, the United States, Mexico, South Africa, and two in China. The largest customers of the acquired business are Daimler, BMW, Volkswagen and Audi.

The preliminary purchase price for the transaction was US\$19.5 million (\$26.0 million), inclusive of working capital less cash on hand, and on a debt free basis. The preliminary purchase price is subject to certain adjustments post-closing to be finalized over the coming months.

The acquisition was accounted for using the acquisition method in accordance with IFRS 3, Business Combinations, with the results of operations consolidated with those of the Company effective March 2, 2020, and has contributed incremental sales of \$28.7 million and an operating loss of \$1.3 million for the three months ended March 31, 2020. As a result of the acquisition, year-over-year financial results may not be directly comparable.

OVERALL RESULTS

Results of operations may include certain unusual and other 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, 2020 and 2019. Refer to the Company's financial statements for the three months ended March 31, 2020 for a detailed account of the Company's performance for the periods presented in the table below.

	Three months ended March 31, 2020	Three months ended March 31, 2019	\$ Change	% Change
Sales	\$ 872,706	\$ 1,023,161	(150,455)	(14.7%)
Gross Margin	120,237	157,501	(37,264)	(23.7%)
Operating Income	49,205	83,463	(34,258)	(41.0%)
Net Income for the period	28,963	55,268	(26,305)	(47.6%)
Net Earnings per Share - Basic and Diluted	\$ 0.36	\$ 0.66	(0.30)	(45.5%)
<u>Non-IFRS Measures*</u>				
Adjusted Operating Income	\$ 50,752	\$ 83,463	(32,711)	(39.2%)
<i>% of Sales</i>	5.8%	8.2%		
Adjusted EBITDA	107,724	133,911	(26,187)	(19.6%)
<i>% of Sales</i>	12.3%	13.1%		
Adjusted Net Income	30,123	55,776	(25,653)	(46.0%)
Adjusted Net Earnings per Share - Basic and Diluted	\$ 0.38	\$ 0.67	(0.29)	(43.3%)

***Non-IFRS Measures**

The Company prepares its 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, 2020	Three months ended March 31, 2019
Net Income	\$ 28,963	\$ 55,268
Unusual and Other Items (after-tax)*	1,160	508
Adjusted Net Income	\$ 30,123	\$ 55,776

*Unusual and other items are explained in the "Adjustments to Net Income" section of this Press Release

	Three months ended March 31, 2020	Three months ended March 31, 2019
Net Income	\$ 28,963	\$ 55,268
Income tax expense	11,210	18,385
Other finance expense - excluding Unusual and Other Items*	(1,130)	(567)
Share of loss in associate	700	-
Finance expense	9,462	9,796
Unusual and Other Items (before-tax)*	1,547	581
Adjusted Operating Income	\$ 50,752	\$ 83,463
Depreciation of property, plant and equipment and right-of-use assets	53,854	46,894
Amortization of intangible assets	3,118	3,665
Loss (gain) on disposal of property, plant and equipment	-	(111)
Adjusted EBITDA	\$ 107,724	\$ 133,911

*Unusual and other items are explained in the "Adjustments to Net Income" section of this Press Release

SALES

Three months ended March 31, 2020 to three months ended March 31, 2019 comparison

	Three months ended March 31, 2020	Three months ended March 31, 2019	\$ Change	% Change
North America	\$ 687,528	\$ 811,137	(123,609)	(15.2%)
Europe	159,897	190,395	(30,498)	(16.0%)
Rest of the World	27,859	23,332	4,527	19.4%
Eliminations	(2,578)	(1,703)	(875)	51.4%
Total Sales	\$ 872,706	\$ 1,023,161	(150,455)	(14.7%)

The Company's consolidated sales for the first quarter of 2020 decreased by \$150.5 million or 14.7% to \$872.7 million as compared to \$1,023.2 million for the first quarter of 2019. The total decrease in sales was driven by year-over-year decreases in the North America and Europe operating segments, partially offset by an increase in the Rest of the World.

Sales for the first quarter of 2020 in the Company's North America operating segment decreased by \$123.6 million or 15.2% to \$687.5 million from \$811.1 million for the first quarter of 2019. The operations acquired from Metalsa, results for which were consolidated with those of the Company effective March 2, 2020, contributed \$7.4 million of year-over-year sales to the North America operating segment. Excluding the acquired operations, first quarter sales in North America decreased year-over-year by \$131.0 million or 16.2%. This decrease was due to overall lower industry volumes, primarily as a result of the early impacts of the COVID-19 pandemic; a decrease in tooling sales of \$39.4 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 2020 of approximately \$6.8 million as compared to the first quarter of 2019. These negative factors were partially offset by the launch of new programs during or subsequent to the first quarter of 2019, namely the next generation GM Silverado/Sierra pick-up truck.

Sales for the first quarter of 2020 in the Company's Europe operating segment decreased by \$30.5 million or 16.0% to \$159.9 million from \$190.4 million for the first quarter of 2019. The operations acquired from Metalsa, results for which were consolidated with those of the Company effective March 2, 2020, contributed \$15.3 million of year-over-year sales to the Europe operating segment. Excluding the acquired operations, first quarter sales in Europe decreased year-over-year by \$45.8 million or 24.1%. This decrease was due to overall lower industry volumes, largely as a result of the early impacts of the COVID-19 pandemic; lower year-over-year production related to certain light vehicle platforms, in particular with Daimler and Jaguar Land Rover, and including programs that ended production during or subsequent to the first quarter of 2019; an \$8.2 million decrease in tooling sales; and a \$6.3 million negative foreign exchange impact from the translation of Euro denominated production sales as compared to the first quarter of 2019. These negative factors were partially offset by the launch of new programs during or subsequent to the first quarter of 2019, including new aluminum engine blocks for Ford and Volvo, and an aluminum transmission for Volkswagen.

Sales for the first quarter of 2020 in the Company's Rest of the World operating segment increased by \$4.5 million or 19.4% to \$27.9 million from \$23.3 million in the first quarter of 2019. The operations acquired from Metalsa, results for which were consolidated with those of the Company effective March 2, 2020, contributed \$6.0 million of year-over-year sales to the Rest of the World operating segment. Excluding the acquired operations, first quarter sales in the Rest of the World decreased year-over-year by \$1.5 million or 6.5%. This decrease was largely driven by COVID-19 related disruption, and a \$1.3 million negative foreign exchange impact from the translation of foreign-denominated production sales as compared to the first quarter of 2019. These negative factors were partially offset by higher year-over-year production volumes on the Cadillac CT6 vehicle platform in China, and a \$1.9 million increase in tooling sales.

Overall tooling sales decreased by \$45.7 million to \$50.2 million for the first quarter of 2020 from \$95.9 million for the first quarter of 2019.

GROSS MARGIN

Three months ended March 31, 2020 to three months ended March 31, 2019 comparison

	Three months ended March 31, 2020	Three months ended March 31, 2019	\$ Change	% Change
Gross margin	\$ 120,237	\$ 157,501	(37,264)	(23.7%)
% of Sales	13.8%	15.4%		

The gross margin percentage for the first quarter of 2020 of 13.8% decreased as a percentage of sales by 1.6% as compared to the gross margin percentage for the first quarter of 2019 of 15.4%. The decrease in gross margin as a percentage of sales was generally due to overall lower sales volume, driven largely by the early impacts of the COVID-19 pandemic; operational inefficiencies and other costs at certain other facilities including upfront costs incurred in preparation of upcoming new programs and related to new business in the process of being launched; and a negative impact on overall margin from the operations acquired from Metalsa, results for which were consolidated with those of the Company effective March 2, 2020. Excluding the acquired operations, first quarter gross margin as a percentage of sales was 14.2%. These negative factors were partially offset by productivity and efficiency improvements at certain operating facilities; and a decrease in tooling sales which typically earn low margins for the Company.

ADJUSTMENTS TO NET INCOME

Adjusted Net Income excludes certain unusual and other items, as set out in the following tables 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, 2020 to three months ended March 31, 2019 comparison*

	Three months ended March 31, 2020 (a)	Three months ended March 31, 2019 (b)	(a)-(b) Change
NET INCOME (A)	\$28,963	\$55,268	(\$26,305)
Add Back - Unusual and Other Items:			
Transaction costs associated with the operations acquired from Metalsa (recorded as SG&A) (1)	1,547	-	1,547
Unrealized loss on derivative instruments (2)	-	581	(581)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	\$1,547	\$581	\$966
Tax impact of above items	(387)	(73)	(314)
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	\$1,160	\$508	\$652
ADJUSTED NET INCOME (A + B)	\$30,123	\$55,776	(\$25,653)
Number of Shares Outstanding - Basic ('000)	80,121	83,364	
Adjusted Basic Net Earnings Per Share	\$0.38	\$0.67	
Number of Shares Outstanding - Diluted ('000)	80,281	83,586	
Adjusted Diluted Net Earnings Per Share	\$0.38	\$0.67	

- **Transaction costs associated with the operations acquired from Metalsa (recorded as SG&A)**

On March 2, 2020, the Company completed the acquisition of the structural components for passenger car operations of Metalsa S.A, de C.V. The Company expensed \$1.5 million in transaction costs related to the acquisition during the first quarter of 2020, recorded in selling general and administrative expense.

- **Unrealized loss on derivative instruments**

Martinrea held warrants in NanoXplore Inc., a publicly listed graphene company on the TSX Venture Exchange under the ticker symbol GRA. The warrants represented derivative instruments and were fair valued at the end of each reporting period using the Black-Scholes-Merton valuation model, with the change in fair value recorded through profit or loss. Based on the fair value of the outstanding warrants as at March 31, 2019, an unrealized loss of \$0.6 million was recognized for the three months ended March 31, 2019, in other finance income (expense). This unrealized loss has been added back for Adjusted Net Income purposes. All outstanding remaining warrants in NanoXplore expired in March 2020 unexercised.

NET INCOME

Three months ended March 31, 2020 to three months ended March 31, 2019 comparison

	Three months ended		Three months ended		\$ Change	% Change
	March 31, 2020		March 31, 2019			
Net Income	\$	28,963	\$	55,268	(26,305)	(47.6%)
Adjusted Net Income	\$	30,123	\$	55,776	(25,653)	(46.0%)
Net Earnings per Share						
Basic and Diluted	\$	0.36	\$	0.66		
Adjusted Net Earnings per Share						
Basic and Diluted	\$	0.38	\$	0.67		

Net income, before adjustments, for the first quarter of 2020 decreased by \$26.3 million to \$29.0 million from \$55.3 million for the first quarter of 2019. Excluding unusual and other items as explained in Table A under “Adjustments to Net Income”, adjusted net income for the first quarter of 2020 decreased to \$30.1 million or \$0.38 per share, on a basic and diluted basis, from \$55.7 million or \$0.67 per share, on a basic and diluted basis, for the first quarter of 2019.

Adjusted Net Income for the first quarter of 2020, as compared to the first quarter of 2019, was negatively impacted by the following:

- lower gross profit on lower year-over-year sales volume, as previously explained, due largely to the early impacts of the COVID-19 pandemic;
- negative March results from the operations acquired from Metalsa, results for which were consolidated with those of the Company effective March 2, 2020;
- a year-over-year increase in depreciation expense as previously discussed;
- the Company’s share of loss of an associate in the amount of \$0.7 million; and
- a higher effective tax rate on adjusted income due generally to mix of earnings and the inclusion of results from the operations acquired from Metalsa effective March 2, 2020 (27.8% for the first quarter of 2020 compared to 24.9% for the first quarter of 2019).

These negative factors were partially offset by the following:

- a year-over-year decrease in SG&A expense as previously discussed; and
- a net foreign exchange gain of \$1.0 million for the first quarter of 2020 compared to a net foreign exchange gain of \$0.5 million for the first quarter of 2019.

ABOUT MARTINREA

Martinrea 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 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. 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. 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 Wednesday, May 13, 2020 at 5:30 p.m. (Toronto time) which can be accessed by dialing 416-340-2217 (international: 001-416-340-2217) or toll free 800-806-5484 (participant code 7624867#). Please call 10 minutes prior to the start of the conference call.

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

There will also be a rebroadcast of the call available by dialing 905-694-9451 (international: 001-905-694-9451) or toll free 800-408-3053 (conference id – 1749951#). The rebroadcast will be available until June 12, 2020.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This press release 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 as to the expected impact of or duration of the COVID-19 pandemic, or as a result of any current or future government actions, on the Company's financial position, its business and operations, on its employees, on the automotive industry, or on the business of any OEM or suppliers, the timing of and the expected restart and ramp up of operations, including OEM and supplier preparations to resume production; the Company's current and future strategy, priorities and response related to COVID-19, and the status of implementation; the expected economic impact resulting from COVID-19, the type of factors affecting the economic impact; the potential effects or issues relating to a prolonged pandemic or lockdown(s), including the financial impact on the Company, its business or operations and global impact, the growth of the Company, the intention to remain world class in safety; the intention to make masks, the strength of the Company, including post-COVID-19, the intention to maintain a strong balance sheet and pay down debt over time, program wins, the ramping up and launching of new programs and the expected financial impact of launches and other new programs, pursuit of its strategies (including investing in the business, strategic investments and acquisitions), the payment of dividends, the effects and impact of COVID-19, the ability to grow business and serve customers, the benefit of the assets acquired from Metalsa, the intention to purchase under the Normal Course Issuer Bid as well as other forward-looking statements. The words "continue", "expect", "anticipate", "estimate", "may", "will", "should", "views", "intend", "believe", "plan", "outlook" 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 (FX), timing of product launches and operational improvements during the period and current Board approved budgets. Certain forward-looking financial assumptions are presented as non-IFRS information, and we do not provide reconciliation to IFRS for such assumptions. 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 most recent Management Discussion and Analysis and Annual Information Form and other public filings which can found at www.sedar.com:

- North American and global economic and political conditions and epidemics or pandemics;
- the highly cyclical nature of the automotive industry and the industry's dependence on consumer spending and general economic conditions;
- the Company's dependence on a limited number of significant customers;
- financial viability of suppliers;
- the Company's reliance on critical suppliers and on suppliers for components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- competition;
- the increasing pressure on the Company to absorb costs related to product design and development, engineering, program management, prototypes, validation and tooling;
- increased pricing of raw materials and commodities;
- outsourcing and insourcing trends;
- the risk of increased costs associated with product warranty and recalls together with the associated liability;
- product development and technological change;
- the Company's ability to enhance operations and manufacturing techniques;
- dependence on key personnel;

- limited financial resources/uncertainty of future financing/banking;
- risks associated with the integration of acquisitions;
- risks associated with private or public investment in technology companies;
- the risks associated with joint ventures;
- costs associated with rationalization of production facilities;
- launch and operational costs;
- labour relations matters;
- trade restrictions;
- changes in governmental regulations or laws including any changes to trade;
- litigation and regulatory compliance and investigations;
- quote and pricing assumptions;
- currency risk;
- fluctuations in operating results;
- internal controls over financial reporting and disclosure controls and procedures;
- environmental regulation and climate change;
- the impact of climate, political, social and economic risks, natural disasters and pandemics in the countries in which we operate or sell to, or from which we source production;
- a shift away from technologies in which the Company is investing;
- competition with low cost countries;
- the Company's ability to shift its manufacturing footprint to take advantage of opportunities in emerging markets;
- risks of conducting business in foreign countries, including China, Brazil and other markets;
- potential tax exposures;
- a change in the Company's mix of earnings between jurisdictions with lower tax rates and those with higher tax rates, as well as the Company's ability to fully benefit from tax losses;
- under-funding of pension plans;
- the cost of post-employment benefits;
- impairment charges;
- cybersecurity threats;
- the potential volatility of the Company's share price; and
- dividends.

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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