



PRESS RELEASE

FOR IMMEDIATE RELEASE

AUGUST 12, 2025

MARTINREA INTERNATIONAL INC. REPORTS SECOND 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 second quarter ended June 30, 2025, and declared a quarterly cash dividend of \$0.05 per share.

SECOND-QUARTER HIGHLIGHTS

- Total sales of \$1,275.5 million, production sales of \$1,199.2 million.
- Diluted net earnings per share of \$0.52 and Adjusted Net Earnings per Share⁽¹⁾ of \$0.66.
- Adjusted EBITDA⁽¹⁾ of \$165.4 million, 13.0% of total sales.
- Adjusted Operating Income Margin⁽¹⁾ of 6.8%, up 50 basis points year over year, and 150 basis points over the first quarter of 2025.
- Free Cash Flow⁽¹⁾ (excluding principal payments of IFRS 16 lease liabilities) was \$72.0 million, up almost 40% year over year.
- Net Debt-to-Adjusted EBITDA⁽¹⁾ ratio, excluding the impact of IFRS 16, ended the second quarter at 1.50x, down from 1.64x in the first quarter of 2025 and at our target of 1.50x or better.
- New business awards of approximately \$40 million in annualized sales at mature volumes.
- Quarterly cash dividend of \$0.05 per share declared.

OVERVIEW

Pat D'Eramo, Chief Executive Officer, stated: "We are very pleased with our performance in the second quarter. Margins were notably higher compared to the first quarter, reflecting continued progress. Vehicle production volumes increased quarter over quarter, as inventories returned to a more normal level. We continue to execute well and are driving results through operating improvements and efficiencies, cost reductions, and ongoing investments in machine learning and other innovations that are enhancing productivity. On the trade front, USMCA-compliant auto parts are exempt from tariffs, which is positive for us and our industry. We have tariffs on some product that we get from our Tier 2 suppliers and from parts affected by steel and aluminum tariffs but, overall, our exposure is manageable. Given operational improvements, actions we are taking with our previously announced SG&A improvement program, and anticipated recoveries from customers, we expect to offset a substantial portion of the impact. As such, we are maintaining our 2025 outlook, which calls for total sales of \$4.8 to \$5.1 billion, Adjusted Operating Income Margin⁽¹⁾ of 5.3% to 5.8%, and Free Cash Flow⁽¹⁾ of \$125 to \$175 million."

¹ The Company prepares its financial statements in accordance with IFRS Accounting Standards ("IFRS"). However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures, included anywhere in this press release, include "Adjusted Net Income", "Adjusted Net Earnings per Share (on a basic and diluted basis)", "Adjusted Operating Income", "Adjusted EBITDA", "Free Cash Flow", "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 and six months ended June 30, 2025 and in this press release.

He continued: "I am pleased to announce that we have been awarded new business representing approximately \$40 million in annualized sales at mature volumes, consisting of \$18 million in Lightweight Structures with Stellantis and other customers, and \$22 million in our Flexible Manufacturing Group with Volkswagen's new Scout Motors division, and Volvo Truck. New business awards over the last four quarters total \$175 million in annualized sales at mature volumes."

Peter Cirulis, Chief Financial Officer, stated: "Overall, we are pleased with our financial performance in the second quarter and first half of 2025. We are in good shape operationally and doing well managing what is in our control. Sales for the second quarter, excluding tooling sales of \$76.3 million, were \$1,199.2 million. Adjusted Operating Income⁽¹⁾ was \$86.1 million, and Adjusted Operating Income Margin⁽¹⁾ of 6.8% was up 50 basis points year over year and 150 basis points over the first quarter of 2025. Free Cash Flow⁽¹⁾ (excluding principal payments of IFRS 16 lease liabilities) was \$72.0 million, up almost 40% year over year, mainly reflecting positive working capital flows. We are confident in our ability to meet our 2025 outlook, particularly on Free Cash Flow⁽¹⁾, which is likely to come in at the high end of the range or better, given opportunities we are seeing to reduce capital expenditures and optimize working capital. We said we would become a consistently solid Free Cash Flow⁽¹⁾ generator, and we are proving that to be the case.

Rob Wildeboer, Executive Chairman, stated: "We are pleased with our second quarter results, which demonstrate that we are exceptional operators. We invested in the business in the second quarter, and paid down debt, which brought our Net Debt-to-Adjusted EBITDA⁽¹⁾ ratio to our target of 1.50x or better. While we are encouraged by the latest developments on trade, particularly as it relates to tariff exemption for USMCA-compliant auto parts, we will wait to see how the tariff discussion and overall macro environment unfolds over the coming months before committing to further share buybacks. In the meantime, we are prioritizing balance sheet strength and debt repayment. On behalf of the executive management team, we would like to thank our people for their hard work and flexibility in these dynamic times, as well as our shareholders and other stakeholders for their ongoing 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 and six months ended June 30, 2025 ("MD&A"), the Company's interim condensed consolidated financial statements for the three and six months ended June 30, 2025 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2024 can be found on the Company's profile 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 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 tables set out certain highlights of the Company's performance for the three and six months ended June 30, 2025 and 2024. Refer to the Company's interim financial statements for the three and six months ended June 30, 2025 for a detailed account of the Company's performance for the periods presented in the tables below.

	Three months ended June 30, 2025	Three months ended June 30, 2024	\$ Change	% Change
Sales	\$ 1,275,535	\$ 1,301,793	(26,258)	(2.0%)
Gross Margin	184,535	183,630	905	0.5%
Operating Income	72,338	76,208	(3,870)	(5.1%)
Net Income for the period	38,091	40,979	(2,888)	(7.0%)
Net Earnings per Share - Basic and Diluted	\$ 0.52	\$ 0.54	(0.02)	(3.7%)
<u>Non-IFRS Measures*</u>				
Adjusted Operating Income	\$ 86,104	\$ 81,563	4,541	5.6%
% of Sales	6.8 %	6.3 %		
Adjusted EBITDA	165,386	166,139	(753)	(0.5%)
% of Sales	13.0 %	12.8 %		
Adjusted Net Income	47,755	44,383	3,372	7.6%
Adjusted Net Earnings per Share - Basic and Diluted	\$ 0.66	\$ 0.58	0.08	13.8%

	Six months ended June 30, 2025	Six months ended June 30, 2024	\$ Change	% Change
Sales	\$ 2,443,766	\$ 2,625,706	(181,940)	(6.9%)
Gross Margin	336,134	356,167	(20,033)	(5.6%)
Operating Income	117,443	149,140	(31,697)	(21.3%)
Net Income for the period	55,565	84,629	(29,064)	(34.3%)
Net Earnings per Share - Basic and Diluted	\$ 0.76	\$ 1.10	(0.34)	(30.9%)
<u>Non-IFRS Measures*</u>				
Adjusted Operating Income	\$ 148,046	\$ 160,750	(12,704)	(7.9%)
% of Sales	6.1 %	6.1 %		
Adjusted EBITDA	306,307	328,969	(22,662)	(6.9%)
% of Sales	12.5 %	12.5 %		
Adjusted Net Income	77,275	92,480	(15,205)	(16.4%)
Adjusted Net Earnings per Share - Basic and Diluted	\$ 1.06	\$ 1.20	(0.14)	(11.7%)

***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 June 30, 2025	Three months ended June 30, 2024
Net Income	\$ 38,091	\$ 40,979
Adjustments, after tax*	9,664	3,404
Adjusted Net Income	\$ 47,755	\$ 44,383

	Six months ended June 30, 2025	Six months ended June 30, 2024
Net Income	\$ 55,565	\$ 84,629
Adjustments, after tax*	21,710	7,851
Adjusted Net Income	\$ 77,275	\$ 92,480

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
Net Income	\$ 38,091	\$ 40,979
Income tax expense	15,204	16,531
Other finance expense (income)	1,745	(1,613)
Share of loss of equity investments	538	823
Finance expense	16,760	19,488
Adjustments, before tax*	13,766	5,355
Adjusted Operating Income	\$ 86,104	\$ 81,563
Depreciation of property, plant and equipment and right-of-use assets	77,182	80,867
Amortization of development costs	2,014	2,594
Loss on disposal of property, plant and equipment	86	1,115
Adjusted EBITDA	\$ 165,386	\$ 166,139

	Six months ended June 30, 2025	Six months ended June 30, 2024
Net Income	\$ 55,565	\$ 84,629
Income tax expense	23,119	30,449
Other finance expense (income)	3,976	(7,056)
Share of loss of equity investments	1,335	1,457
Finance expense	33,448	39,661
Adjustments, before tax*	30,603	11,610
Adjusted Operating Income	\$ 148,046	\$ 160,750
Depreciation of property, plant and equipment and right-of-use assets	154,317	161,904
Amortization of development costs	3,809	5,088
Loss on disposal of property, plant and equipment	135	1,227
Adjusted EBITDA	\$ 306,307	\$ 328,969

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

SALES

Three months ended June 30, 2025 to three months ended June 30, 2024 comparison

	Three months ended June 30, 2025	Three months ended June 30, 2024	\$ Change	% Change
North America	\$ 980,361	\$ 984,579	(4,218)	(0.4%)
Europe	268,667	286,960	(18,293)	(6.4%)
Rest of the World	31,818	37,200	(5,382)	(14.5%)
Eliminations	(5,311)	(6,946)	1,635	23.5%
Total Sales	\$ 1,275,535	\$ 1,301,793	(26,258)	(2.0%)

The Company's consolidated sales for the second quarter of 2025 decreased by \$26.3 million or 2.0% to \$1,275.5 million as compared to \$1,301.8 million for the second quarter of 2024. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the second quarter of 2025 in the Company's North America operating segment decreased by \$4.2 million or 0.4% to \$980.4 million from \$984.6 million for the second quarter of 2024. The decrease was due to lower year-over-year OEM production volumes on certain light vehicle platforms, including the Jeep Grand Cherokee and Wagoneer, the Ford Escape and Maverick, and Nissan Pathfinder and Rogue; and programs that ended production during or subsequent to the second quarter of 2024, specifically the Chevrolet Malibu, an aluminum engine block for Stellantis, and the Ford Edge. These negative factors were partially offset by an increase in tooling sales of \$48.3 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer; higher year-over-year production volumes of certain platforms including the Ford Mustang Mach E, General Motors' Equinox/Terrain, General Motors' large pick-up truck and SUV platforms, Mercedes' electric vehicle platform (EVA2), a transmission for the ZF Group, and the Lucid Air; the launch and ramp up of new programs during or subsequent to the second quarter of 2024, including General Motors' new electric vehicle platforms (BEV3/BET), and the Toyota Tacoma; and the impact of foreign exchange on the translation of U.S. denominated production sales, which had a positive impact on overall sales for the second quarter of 2025 of \$25.7 million. Overall second quarter industry-wide OEM light vehicle production volumes in North America decreased by approximately 3% year-over-year.

Sales for the second quarter of 2025 in the Company's Europe operating segment decreased by \$18.3 million or 6.4% to \$268.7 million from \$287.0 million for the second quarter of 2024. The decrease was due to a decrease in tooling sales of \$9.7 million, which are typically dependent of the timing of tooling construction and final acceptance by the customer; lower year-over-year OEM production volumes on certain platforms, including aluminum engine blocks for Ford and Mercedes, the Mercedes' electric vehicle platform (EVA2), and Jaguar Land Rover; and programs that ended production during or subsequent to the second quarter of 2024, specifically the BMW Mini. These negative factors were partially offset by the launch and ramp up of new programs during or subsequent to the second quarter of 2024, including Volkswagen's new electric vehicle platform (PPE), and a transmission for Audi; higher year-over-year OEM production volumes on certain platforms, including a transmission for the ZF Group, and the Lucid Air; and the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the second quarter of 2025 of \$13.8 million. Overall second quarter industry-wide OEM light vehicle production volumes in Europe decreased by approximately 2% year-over-year.

Sales for the second quarter of 2025 in the Company's Rest of the World operating segment decreased by \$5.4 million or 14.5% to \$31.8 million from \$37.2 million in the second quarter of 2024. The decrease was largely driven by lower year-over-year production volumes with Jaguar Land Rover and BMW in China, and a decrease in tooling sales of \$1.5 million.

Overall tooling sales increased by \$38.2 million (including outside segment sales eliminations) to \$76.3 million for the second quarter of 2025 from \$38.1 million for the second quarter of 2024.

Six months ended June 30, 2025 to six months ended June 30, 2024 comparison

	Six months ended June 30, 2025	Six months ended June 30, 2024	\$ Change	% Change
North America	\$ 1,865,421	\$ 1,948,522	(83,101)	(4.3%)
Europe	524,005	620,970	(96,965)	(15.6%)
Rest of the World	65,567	68,962	(3,395)	(4.9%)
Eliminations	(11,227)	(12,748)	1,521	11.9%
Total Sales	\$ 2,443,766	\$ 2,625,706	(181,940)	(6.9%)

The Company's consolidated sales for the six months ended June 30, 2025 decreased by \$181.9 million or 6.9% to \$2,443.8 million as compared to \$2,625.7 million for the six months ended June 30, 2024. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the six months ended June 30, 2025 in the Company's North America operating segment decreased by \$83.1 million or 4.3% to \$1,865.4 million from \$1,948.5 million for the six months ended June 30, 2024. The decrease was due generally to lower year-over-year OEM production volumes on certain light vehicle platforms, including the Jeep Grand Cherokee and Wagoneer, the Ford Escape and Maverick, Nissan Pathfinder and Rogue, General Motors' large pick-up truck and SUV

platforms, and Mercedes' electric vehicle platform (EVA2); and programs that ended production during or subsequent to the corresponding period of 2024, specifically the Chevrolet Malibu, the Ford Edge, and an aluminum engine block for Stellantis. These negative factors were partially offset by the impact of foreign exchange on the translation of U.S. denominated production sales, which had a positive impact on overall sales for the six months ended June 30, 2025 of \$71.0 million; the launch and ramp up of new programs, including General Motors' new electric vehicle platforms (BEV3/BET), and the Toyota Tacoma; higher year-over-year production volumes on certain platforms, including Ford Mustang Mach E, the Lucid Air, General Motors' Equinox/Terrain, and a transmission for the ZF Group; and an increase in tooling sales of \$58.3 million which are typically dependent on the timing of tooling construction and final acceptance by the customer. Overall industry-wide OEM light vehicle production volumes during the six months ended June 30, 2025 decreased in North America by approximately 4% year-over-year.

Sales for the six months ended June 30, 2025 in the Company's Europe operating segment decreased by \$97.0 million or 15.6% to \$524.0 million from \$621.0 million for the six months ended June 30, 2024. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including aluminum engine blocks for Ford and Mercedes, the Mercedes' electric vehicle platform (EVA2), and Jaguar Land Rover; programs that ended production during or subsequent to the corresponding period of 2024, specifically the BMW Mini; and a decrease in tooling sales of \$41.9 million which are typically dependent on 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, including Volkswagen's new electric vehicle platform (PPE), and a transmission for Audi; higher year-over-year production volumes of certain platforms including the Lucid Air, and a transmission for the ZF Group; and the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the six months ended June 30, 2025 of \$18.1 million. Overall industry-wide OEM light vehicle production volumes during the six months ended June 30, 2025 decreased in Europe by approximately 3% year-over-year.

Sales for the six months ended June 30, 2025 in the Company's Rest of the World operating segment decreased by \$3.4 million or 4.9% to \$65.6 million from \$69.0 million for the six months ended June 30, 2024. The decrease was largely driven by a decrease in tooling sales of \$2.6 million, and lower year-over-year production volumes with Jaguar Land Rover and Mercedes.

Overall tooling sales increased by \$14.4 million (including outside segment sales eliminations) to \$118.9 million for the six months ended June 30, 2025 from \$104.5 million for the six months ended June 30, 2024.

GROSS MARGIN

Three months ended June 30, 2025 to three months ended June 30, 2024 comparison

	Three months ended June 30, 2025	Three months ended June 30, 2024	\$ Change	% Change
Gross margin	\$ 184,535	\$ 183,630	905	0.5%
% of Sales	14.5 %	14.1 %		

The gross margin percentage for the second quarter of 2025 of 14.5% increased as a percentage of sales by 0.4% as compared to the gross margin percentage for the second quarter of 2024 of 14.1%. 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; partially offset by an increase in tooling sales which typically earn low margin for the Company, and operational inefficiencies at certain other operating facilities.

Six months ended June 30, 2025 to six months ended June 30, 2024 comparison

	Six months ended June 30, 2025	Six months ended June 30, 2024	\$ Change	% Change
Gross margin	\$ 336,134	\$ 356,167	(20,033)	(5.6%)
% of Sales	13.8%	13.6%		

The gross margin percentage for the six months ended June 30, 2025 of 13.8% increased as a percentage of sales by 0.2% as compared to the gross margin percentage for the six months ended June 30, 2024 of 13.6%. 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; partially offset by:

- overall lower production sales volume and corresponding contribution;
- an increase in tooling sales which typically earn low margin for the Company; and
- operational inefficiencies at certain other operating facilities.

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

ADJUSTMENTS TO NET INCOME

Adjusted Net Income excludes certain 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 June 30, 2025 to three months ended June 30, 2024 comparison

	Three months ended June 30, 2025	Three months ended June 30, 2024	\$ Change
NET INCOME	\$ 38,091	\$ 40,979	\$ (2,888)
Adjustments:			
Restructuring costs (1)	13,766	5,355	8,411
ADJUSTMENTS, BEFORE TAX	\$ 13,766	\$ 5,355	\$ 8,411
Tax impact of adjustments	(4,102)	(1,951)	(2,151)
ADJUSTMENTS, AFTER TAX	\$ 9,664	\$ 3,404	\$ 6,260
ADJUSTED NET INCOME	\$ 47,755	\$ 44,383	\$ 3,372
Number of Shares Outstanding – Basic ('000)	72,788	76,060	
Adjusted Basic Net Earnings Per Share	\$ 0.66	\$ 0.58	
Number of Shares Outstanding – Diluted ('000)	72,788	76,062	
Adjusted Diluted Net Earnings Per Share	\$ 0.66	\$ 0.58	

TABLE B**Six months ended June 30, 2025 to six months ended June 30, 2024 comparison**

	Six months ended June 30, 2025	Six months ended June 30, 2024	\$ Change
NET INCOME	\$ 55,565	\$ 84,629	\$ (29,064)
Adjustments:			
Restructuring costs (1)	30,603	11,610	18,993
ADJUSTMENTS, BEFORE TAX	\$ 30,603	\$ 11,610	\$ 18,993
Tax impact of adjustments	(8,893)	(3,759)	(5,134)
ADJUSTMENTS, AFTER TAX	\$ 21,710	\$ 7,851	\$ 13,859
ADJUSTED NET INCOME	\$ 77,275	\$ 92,480	\$ (15,205)
Number of Shares Outstanding – Basic ('000)	72,788	76,984	
Adjusted Basic Net Earnings Per Share	\$ 1.06	\$ 1.20	
Number of Shares Outstanding – Diluted ('000)	72,788	77,005	
Adjusted Diluted Net Earnings Per Share	\$ 1.06	\$ 1.20	

(1) Restructuring costs

Additions to the restructuring provision during the three and six months ended June 30, 2025 totalled \$13.8 million and \$30.6 million, respectively, and represent employee-related severance resulting from the rightsizing of certain operations in Germany, Canada, Mexico, and the United States.

Additions to the restructuring provision during the three and six months ended June 30, 2024 totalled \$5.4 million and \$11.6 million, respectively, and represent employee-related severance resulting from the rightsizing of certain operations in Germany, Mexico Canada, and the United States.

NET INCOME**Three months ended June 30, 2025 to three months ended June 30, 2024 comparison**

	Three months ended June 30, 2025	Three months ended June 30, 2024	\$ Change	% Change
Net Income	\$ 38,091	\$ 40,979	(2,888)	(7.0%)
Adjusted Net Income	47,755	44,383	3,372	7.6%
Net Earnings per Share				
Basic and Diluted	\$ 0.52	\$ 0.54		
Adjusted Net Earnings per Share				
Basic and Diluted	\$ 0.66	\$ 0.58		

Net Income, before adjustments, for the second quarter of 2025 decreased by \$2.9 million to \$38.1 million or \$0.52 per share, on a basic and diluted basis, from Net Income of \$41.0 million or \$0.54 per share, on a basic and diluted basis, for the second quarter of 2024. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the second quarter of 2025 increased by \$3.4 million to \$47.8 million or \$0.66 per share, on a basic and diluted basis, from \$44.4 million or \$0.58 per share, on a basic and diluted basis, for the second quarter of 2024.

Adjusted Net Income for the second quarter of 2025, as compared to the second quarter of 2024, was positively impacted by the following:

- a year-over-year decrease in SG&A expense, as previously explained;
- a \$2.7 million year-over-year decrease in finance expense as a result of decreased debt levels and lower borrowing rates on the Company's revolving bank debt; and
- a lower effective tax rate (28.8% for the second quarter of 2025 compared to 29.4% for the second quarter of 2024).

These factors were partially offset by the following:

- a net foreign exchange loss of \$1.7 million for the second quarter of 2025 compared to a gain of \$1.9 million for the second quarter of 2024; and
- a \$1.2 million year-over-year increase in research and development costs driven generally by increased new product and process development activity.

Six months ended June 30, 2025 to six months ended June 30, 2024 comparison

	Six months ended June 30, 2025	Six months ended June 30, 2024	\$ Change	% Change
Net Income	\$ 55,565	\$ 84,629	(29,064)	(34.3%)
Adjusted Net Income	77,275	92,480	(15,205)	(16.4%)
Net Earnings per Share				
Basic and Diluted	\$ 0.76	\$ 1.10		
Adjusted Net Earnings per Share				
Basic and Diluted	\$ 1.06	\$ 1.20		

Net Income, before adjustments, for the six months ended June 30, 2025 decreased by \$29.1 million to \$55.6 million or \$0.76 per share, on a basic and diluted basis, from Net Income of \$84.6 million or \$1.10 per share, on a basic and diluted basis, for the six months ended June 30, 2024. Excluding the adjustments explained in Table B under "Adjustments to Net Income", Adjusted Net Income for the six months ended June 30, 2025 decreased by \$15.2 million to \$77.3 million or \$1.06 per share on a basic and diluted basis, from \$92.5 million or \$1.20 per share on a basic and diluted basis, for the six months ended June 30, 2024.

Adjusted Net Income for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was negatively impacted by the following:

- lower gross margin from lower year-over-year sales volume;
- a net foreign exchange loss of \$3.9 million for the six months ended June 30, 2025 compared to a gain of \$6.8 million for the six months ended June 30, 2024; and
- a higher effective tax rate (29.3% for the six months ended June 30, 2025 compared to 27.0% for the six months ended June 30, 2024).

These factors were partially offset by the following:

- a year-over-year decrease in SG&A expense, as previously explained; and
- a \$6.2 million year-over-year decrease in finance expense as a result of decreased debt levels and lower borrowing rates on the Company's revolving bank debt.

DIVIDEND

A cash dividend of \$0.05 per share has been declared by the Board of Directors payable to shareholders of record on September 30, 2025, on or about October 15, 2025.

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 Tuesday, August 12, 2025 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 8079440#. 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 – 2150717#). The rebroadcast will be available until September 12, 2025 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 2025) 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, the impact of and/or uncertainty of tariffs and trade issues in the Company's business and its industry, 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, 2024 and other public filings which can be found on the Company's profile at 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
- Russia and Ukraine War and Middle East Tensions
- Inflationary Pressures
- Regional Energy Shortages
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs

- Outsourcing and Insourcing Trends
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions (Material Availability or Disruption)
- Semiconductor Chip Shortages and Price Increases
- 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
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk
- Product Development and Technological Change (Including Artificial Intelligence and Electrification)
- 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
- 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
- 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.

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

For further information, please contact:

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Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note	June 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		\$ 160,030	\$ 167,951
Trade and other receivables	2	765,424	613,505
Inventories	3	474,994	508,231
Prepaid expenses and deposits		35,628	33,599
Income taxes recoverable		17,221	12,784
TOTAL CURRENT ASSETS		1,453,297	1,336,070
Property, plant and equipment	4	1,855,017	1,949,004
Right-of-use assets	5	200,776	215,802
Deferred tax assets		210,435	199,512
Intangible assets		39,062	37,535
Investments	6	65,165	65,378
Pension assets		18,599	17,493
TOTAL NON-CURRENT ASSETS		2,389,054	2,484,724
TOTAL ASSETS		\$ 3,842,351	\$ 3,820,794
LIABILITIES			
Trade and other payables		\$ 1,078,395	\$ 1,024,716
Provisions	7	27,632	6,862
Income taxes payable		10,387	25,332
Current portion of long-term debt	8	14,869	10,445
Current portion of lease liabilities	9	54,673	54,235
TOTAL CURRENT LIABILITIES		1,185,956	1,121,590
Long-term debt	8	937,512	970,969
Lease liabilities	9	170,709	189,176
Pension and other post-retirement benefits		40,368	40,384
Deferred tax liabilities		34,843	31,653
TOTAL NON-CURRENT LIABILITIES		1,183,432	1,232,182
TOTAL LIABILITIES		2,369,388	2,353,772
EQUITY			
Capital stock	11	601,188	601,188
Contributed surplus		46,406	46,052
Accumulated other comprehensive income		167,216	210,821
Retained earnings		658,153	608,961
TOTAL EQUITY		1,472,963	1,467,022
TOTAL LIABILITIES AND EQUITY		\$ 3,842,351	\$ 3,820,794

Contingencies (note 16)

See accompanying notes to the interim condensed consolidated financial statements.

On behalf of the Board:

"Robert Wildeboer"	Director
"Terry Lyons"	Director

Martinrea International Inc.

Interim Condensed Consolidated Statements of Operations

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

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Six Months ended June 30, 2025	Six Months ended June 30, 2024
SALES		\$ 1,275,535	\$ 1,301,793	\$ 2,443,766	\$ 2,625,706
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(1,017,671)	(1,041,483)	(1,960,940)	(2,115,892)
Depreciation of property, plant and equipment and right-of-use assets (production)		(73,329)	(76,680)	(146,692)	(153,647)
Total cost of sales		(1,091,000)	(1,118,163)	(2,107,632)	(2,269,539)
GROSS MARGIN		184,535	183,630	336,134	356,167
Research and development costs		(11,401)	(10,208)	(21,962)	(21,185)
Selling, general and administrative		(83,091)	(86,557)	(158,366)	(164,748)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(3,853)	(4,187)	(7,625)	(8,257)
Loss on disposal of property, plant and equipment		(86)	(1,115)	(135)	(1,227)
Restructuring costs	7	(13,766)	(5,355)	(30,603)	(11,610)
OPERATING INCOME		72,338	76,208	117,443	149,140
Share of loss of equity investments	6	(538)	(823)	(1,335)	(1,457)
Finance expense	13	(16,760)	(19,488)	(33,448)	(39,661)
Other finance income (expense)	13	(1,745)	1,613	(3,976)	7,056
INCOME BEFORE INCOME TAXES		53,295	57,510	78,684	115,078
Income tax expense	10	(15,204)	(16,531)	(23,119)	(30,449)
NET INCOME FOR THE PERIOD		\$ 38,091	\$ 40,979	\$ 55,565	\$ 84,629
Basic earnings per share	12	\$ 0.52	\$ 0.54	\$ 0.76	\$ 1.10
Diluted earnings per share	12	\$ 0.52	\$ 0.54	\$ 0.76	\$ 1.10

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six Months ended June 30, 2025	Six Months ended June 30, 2024
NET INCOME FOR THE PERIOD	\$ 38,091	\$ 40,979	\$ 55,565	\$ 84,629
Other comprehensive income (loss), net of tax:				
Items that may be reclassified to net income				
Foreign currency translation differences for foreign operations	(43,989)	14,287	(43,494)	45,678
Items that will not be reclassified to net income				
Share of other comprehensive income (loss) of equity investments (note 6)	37	(27)	(111)	(39)
Remeasurement of defined benefit plans	285	(108)	906	(1,136)
Other comprehensive income (loss), net of tax	(43,667)	14,152	(42,699)	44,503
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ (5,576)	\$ 55,131	\$ 12,866	\$ 129,132

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	Capital stock	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
BALANCE AT DECEMBER 31, 2023	\$ 645,256	\$ 45,903	\$ 95,753	\$ 678,269	\$ 1,465,181
Net income for the period	-	-	-	84,629	84,629
Compensation expense related to stock options	-	84	-	-	84
Dividends (\$0.10 per share)	-	-	-	(7,582)	(7,582)
Exercise of employee stock options	350	(80)	-	-	270
Repurchase of common shares (note 11)	(27,684)	-	-	(12,700)	(40,384)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	(1,136)	(1,136)
Foreign currency translation differences	-	-	45,678	-	45,678
Share of other comprehensive loss of equity investments	-	-	(39)	-	(39)
BALANCE AT JUNE 30, 2024	617,922	45,907	141,392	741,480	1,546,701
Net loss for the period	-	-	-	(119,175)	(119,175)
Compensation expense related to stock options	-	145	-	-	145
Dividends (\$0.10 per share)	-	-	-	(7,339)	(7,339)
Exercise of employee stock options	-	-	-	-	-
Repurchase of common shares (note 11)	(16,734)	-	-	(5,379)	(22,113)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	(626)	(626)
Foreign currency translation differences	-	-	69,406	-	69,406
Share of other comprehensive income of equity investments	-	-	23	-	23
BALANCE AT DECEMBER 31, 2024	601,188	46,052	210,821	608,961	1,467,022
Net income for the period	-	-	-	55,565	55,565
Compensation expense related to stock options	-	354	-	-	354
Dividends (\$0.10 per share)	-	-	-	(7,279)	(7,279)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	906	906
Foreign currency translation differences	-	-	(43,494)	-	(43,494)
Share of other comprehensive loss of equity investments	-	-	(111)	-	(111)
BALANCE AT JUNE 30, 2025	\$ 601,188	\$ 46,406	\$ 167,216	\$ 658,153	\$ 1,472,963

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six Months ended June 30, 2025	Six Months ended June 30, 2024
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income for the period	\$ 38,091	\$ 40,979	\$ 55,565	\$ 84,629
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	77,182	80,867	154,317	161,904
Amortization of development costs	2,014	2,594	3,809	5,088
Unrealized loss (gain) on foreign exchange forward contracts	(222)	4,265	(674)	3,469
Finance expense	16,760	19,488	33,448	39,661
Income tax expense	15,204	16,531	23,119	30,449
Loss on disposal of property, plant and equipment	86	1,115	135	1,227
Deferred and restricted share units expense	5,213	3,552	2,127	3,368
Stock options expense	177	42	354	84
Share of loss of equity investments	538	823	1,335	1,457
Pension and other post-retirement benefits expense	612	567	1,215	1,131
Contributions made to pension and other post-retirement benefits	(575)	(600)	(1,164)	(1,168)
	155,080	170,223	273,586	331,299
Changes in non-cash working capital items:				
Trade and other receivables	(50,757)	33,376	(166,439)	(84,836)
Inventories	36,812	(14,869)	24,722	3,738
Prepaid expenses and deposits	(6,525)	(1,046)	(2,686)	937
Trade, other payables and provisions	44,980	(32,995)	122,813	(11,599)
	179,590	154,689	251,996	239,539
Interest paid	(18,511)	(22,789)	(36,628)	(43,467)
Income taxes paid	(28,580)	(23,566)	(54,453)	(48,684)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 132,499	\$ 108,334	\$ 160,915	\$ 147,388
FINANCING ACTIVITIES:				
Increase (decrease) in long-term debt (net of deferred financing fees)	(31,886)	(1,523)	6,628	47,941
Equipment loan repayments	(4,701)	(1,860)	(7,848)	(4,570)
Principal payments of lease liabilities	(14,033)	(13,432)	(28,132)	(25,756)
Dividends paid	(3,640)	(3,839)	(7,279)	(7,746)
Exercise of employee stock options	-	270	-	270
Repurchase of common shares	-	(24,012)	-	(39,922)
NET CASH USED IN FINANCING ACTIVITIES	\$ (54,260)	\$ (44,396)	\$ (36,631)	\$ (29,783)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (excluding capitalized interest)*	(59,374)	(52,594)	(121,604)	(110,867)
Capitalized development costs	(4,937)	(2,099)	(6,597)	(3,144)
Increase in investments	(190)	-	(1,249)	(8,130)
Proceeds on disposal of property, plant and equipment	614	211	650	1,189
NET CASH USED IN INVESTING ACTIVITIES	\$ (63,887)	\$ (54,482)	\$ (128,800)	\$ (120,952)
Effect of foreign exchange rate changes on cash and cash equivalents	(2,870)	(1,712)	(3,405)	(2,019)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,482	7,744	(7,921)	(5,366)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	148,548	173,694	167,951	186,804
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 160,030	\$ 181,438	\$ 160,030	\$ 181,438

*As at June 30, 2025, \$35,663 (December 31, 2024 - \$78,547) of purchases of property, plant and equipment remain unpaid and are recorded in trade and other payables.

See accompanying notes to the interim condensed consolidated financial statements.