PRESS RELEASE

FOR IMMEDIATE RELEASE
November 1, 2022

MARTINREA INTERNATIONAL INC. REPORTS RECORD THIRD-QUARTER REVENUES 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 third quarter ended September 30, 2022 and that it has declared a quarterly cash dividend of $0.05 per share.

THIRD QUARTER HIGHLIGHTS

- Total sales of $1,194.1 million, up 40.7% year-over-year, a quarterly record for the Company.
- Diluted net earnings per share of $0.45 and Adjusted Net Earnings per Share(1) of $0.56.
- Adjusted Operating Income Margin(1) of 5.8%.
- Adjusted EBITDA of $140.2 million, a quarterly record for the Company.
- Third quarter financial results demonstrated a solid improvement over the second quarter of 2022, reflecting higher margins and increased production sales.
- Third quarter financial results were much improved compared to the third quarter of 2021, as semiconductor and other supply shortages had a pronounced impact on prior-year volumes.
- 2023 is expected to be a strong year, with higher sales, margins, earnings and Free Cash Flow(1) compared to 2022.
- Net debt-to-Adjusted EBITDA(1) ratio continues to strengthen.
- Quarterly cash dividend of $0.05 declared.

OVERVIEW

Pat D'Eramo, President and Chief Executive Officer, stated: "Our third quarter financial results were a solid improvement over our second quarter performance, on better production sales and a higher Adjusted Operating Income Margin(1). Compared to last quarter, third quarter results benefitted from improved volume and mix, a reduction of launch related costs, and continued improvements in our Martinrea Operating System or lean activity. We also continue to make good progress on recovering inflationary costs through commercial negotiations with our customers. I am proud of the work our team has done here. These negotiations have a lot of layers and are never simple, but we have concluded several agreements on acceptable terms, and we expect to see additional progress as the year comes to an end."

He added: "Overall, our third quarter results were as expected, and we expect a strong finish to the year with good momentum into 2023. Having said that, we continue to face a challenging environment on several fronts. While we have seen a steady improvement in the

[1] The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures, included anywhere in this press release, include "Adjusted Net Income", "Adjusted Net Earnings per Share (on a basic and diluted basis)", "Adjusted Operating Income", "Adjusted EBITDA", "Free Cash Flow" and "Net Debt". The relevant IFRS financial measure, as applicable, and a reconciliation of certain non-IFRS financial measures to measures determined in accordance with IFRS are contained in the Company's Management Discussion and Analysis for the three and nine months ended September 30, 2022 and in this press release

production environment since last year, we continue to deal with supply-related disruptions from several of our customers. Inflationary cost pressures continue. Energy costs remain a significant headwind in our European business. Interest rates have risen and cut into our free cash flow. The good news is we continue to expect that 2023 will mark the beginning of a strong cycle for our business, with the majority of our plants running at full or near-full capacity."

Fred Di Tosto, Chief Financial Officer, stated: "Sales for the third quarter, excluding tooling sales of $67.0 million, were $1,127.1 million, and Adjusted Net Earnings per Share(1) was $0.56. Adjusted Operating Income(1) of $69.7 million and Adjusted EBITDA(1) of $140.2 million were much improved over the second quarter, up approximately 53% and 23% respectively. Adjusted EBITDA(1) was a quarterly record for the Company. Overall, a strong quarter in a challenging environment. Free Cash Flow(1) was $64.1 million, up sharply over the prior quarter, reflecting higher Adjusted EBITDA(1) and positive working capital flows. We expect Free Cash Flow(1) to be positive for the full year of 2022."

He continued: "Net Debt(1) was approximately flat quarter over quarter at $928.2 million. Net Debt would have actually decreased by greater than $40 million if not for foreign exchange translations. Recall that under our amended lending agreements with our banking syndicate that we announced earlier this year, Adjusted EBITDA(1) is ignored for the third and fourth quarters of 2021, with the remaining quarters in the trailing twelve-month period pro-rated when calculating Net Debt to Adjusted EBITDA(1) for covenant purposes. On this basis, our calculated Net Debt to Adjusted EBITDA(1) ratio under the revised terms was 2.17x in the third quarter, down from 2.38x in the second quarter. A comfortable level, and well below the covenant maximum. Our leverage ratio should naturally continue to improve in the coming quarters as we generate an increasing amount of Adjusted EBITDA(1) and Free Cash Flow(1), a portion of which we will use to pay down debt. In sum, our balance sheet is in good shape. We have strong relationships with our lenders, and we thank them for their continued support."

Rob Wildeboer, Executive Chairman, stated: "Our third quarter financial results were outstanding, with record sales, record Adjusted EBITDA(1), excellent Free Cash Flow(1) and solid net earnings. Quite the accomplishment, especially in the context of the challenging world in which we live. Headwinds remain, from continued production volatility and stubbornly high input costs. As such, we are updating our 2023 outlook. We now expect 2023 total sales to be between $4.8 and $5.0 billion, Adjusted Operating Income Margin(1) to be between 6%-7%, and Free Cash Flow(1) to be between $150-$200 million. Next year is shaping up to be the best year in our history, given anticipated volumes, from a sales, earnings and cash flow perspective. We don't have a crystal ball, and we know we live in a turbulent world, but we are confident that we will navigate our way through challenges as we have in the past. Challenges are often opportunities, and they make us better. We are very positive about our industry and our future."

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 nine months ended September 30, 2022 ("MD&A"), the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2021 can be found at www.sedar.com.

OVERALL RESULTS

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

The following tables set out certain highlights of the Company's performance for the three and nine months ended September 30, 2022 and 2021. Refer to the Company's interim financial statements for the three and nine months ended September 30, 2022 for a detailed account of the Company's performance for the periods presented in the tables below.

	Three months ended September 30, 2022	Three months ended September 30, 2021	$ Change	% Change
Sales	$ 1,194,083	$ 848,497	345,586	40.7%
Gross Margin	152,534	50,007	102,527	205.0%
Operating Income (Loss)	61,627	(16,234)	77,861	479.6%
Net Income (Loss) for the period	35,932	(17,120)	53,052	309.9%
Net Earnings (Loss) per Share - Basic and Diluted	$ 0.45	$ (0.21)	0.66	314.3%
Non-IFRS Measures*				
Adjusted Operating Income (Loss)	$ 69,730	$ (16,234)	85,964	529.5%
% of Sales	*5.8 %*	*(1.9) %*		
Adjusted EBITDA	140,227	44,898	95,329	212.3%
% of Sales	*11.7 %*	*5.3 %*		
Adjusted Net Income (Loss)	45,072	(17,120)	62,192	363.3%
Adjusted Net Earnings (Loss) per Share - Basic and Diluted	$ 0.56	$ (0.21)	0.77	366.7%

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	$ Change	% Change
Sales	$ 3,462,996	$ 2,730,513	732,483	26.8%
Gross Margin	400,759	282,592	118,167	41.8%
Operating Income	147,219	65,817	81,402	123.7%
Net Income for the period	86,611	45,533	41,078	90.2%
Net Earnings per Share - Basic and Diluted	$ 1.08	$ 0.57	0.51	89.5%
Non-IFRS Measures*				
Adjusted Operating Income	$ 159,559	$ 71,290	88,269	123.8%
% of Sales	*4.6 %*	*2.6 %*		
Adjusted EBITDA	366,898	254,331	112,567	44.3%
% of Sales	*10.6 %*	*9.3 %*		
Adjusted Net Income	95,385	42,537	52,848	124.2%
Adjusted Net Earnings per Share - Basic and Diluted	$ 1.19	$ 0.53	0.66	124.5%

*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 (Loss)", "Adjusted Net Earnings (Loss) per Share (on a basic and diluted basis)", "Adjusted Operating Income (Loss)", "Adjusted EBITDA", "Free Cash Flow", and "Net Debt".

The following tables provide a reconciliation of IFRS "Net Income (Loss)" to Non-IFRS "Adjusted Net Income (Loss)", "Adjusted Operating Income (Loss)" and "Adjusted EBITDA":

		Three months ended September 30, 2022		Three months ended September 30, 2021
Net Income (Loss)	$	35,932	$	(17,120)
Adjustments, after tax*		9,140		—
Adjusted Net Income (Loss)	$	45,072	$	(17,120)

		Nine months ended September 30, 2022		Nine months ended September 30, 2021
Net Income	$	86,611	$	45,533
Adjustments, after tax*		8,774		(2,996)
Adjusted Net Income	$	95,385	$	42,537

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

		Three months ended September 30, 2022		Three months ended September 30, 2021
Net Income (Loss)	$	35,932	$	(17,120)
Income tax expense (recovery)		14,647		(5,541)
Other finance income		(5,038)		(2,341)
Share of loss of equity investments		1,043		871
Finance expense		15,043		7,897
Adjustments, before tax*		8,103		—
Adjusted Operating Income (Loss)	$	69,730	$	(16,234)
Depreciation of property, plant and equipment and right-of-use assets		68,788		58,023
Amortization of development costs		2,817		3,011
Loss (gain) on disposal of property, plant and equipment		(1,108)		98
Adjusted EBITDA	$	140,227	$	44,898

		Nine months ended September 30, 2022		Nine months ended September 30, 2021
Net Income	$	86,611	$	45,533
Income tax expense		31,774		14,791
Other finance income		(6,168)		(13,691)
Share of loss of equity investments		3,409		2,780
Finance expense		35,643		24,204
Adjustments, before tax*		8,290		(2,327)
Adjusted Operating Income	$	159,559	$	71,290
Depreciation of property, plant and equipment and right-of-use assets		200,393		173,300
Amortization of development costs		8,136		9,577
Loss (gain) on disposal of property, plant and equipment		(1,190)		164
Adjusted EBITDA	$	366,898	$	254,331

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

SALES

Three months ended September 30, 2022 to three months ended September 30, 2021 comparison

	Three months ended September 30, 2022	Three months ended September 30, 2021	$ Change	% Change
North America	$ 887,372	$ 625,339	262,033	41.9%
Europe	264,373	195,786	68,587	35.0%
Rest of the World	48,049	34,697	13,352	38.5%
Eliminations	(5,711)	(7,325)	1,614	22.0%
Total Sales	$ 1,194,083	$ 848,497	345,586	40.7%

The Company's consolidated sales for the third quarter of 2022 increased by $345.6 million or 40.7% to $1,194.1 million as compared to $848.5 million for the third quarter of 2021. The total increase in sales was driven by year-over-year increases across all operating segments.

Sales for the third quarter of 2022 in the Company's North America operating segment increased by $262.0 million or 41.9% to $887.4 million from $625.3 million for the third quarter of 2021. The increase was due generally to the recovery in production volumes of certain light vehicle platforms that were disproportionately impacted by the industry-wide shortage of semiconductor chips during 2021; the launch and ramp up of new programs, including the new Jeep Grand Cherokee and Wagoneer, Nissan Pathfinder, Ford Mustang Mach E, Lucid Air, Tesla Model Y, and Mercedes' new electric vehicle platform (EVA2); the impact of foreign exchange on the translation of U.S. denominated production sales, which had a positive impact on overall sales for the third quarter of 2022 of $26.2 million as compared to the third quarter of 2021; the impact of material passthrough on customer pricing; and an increase in tooling sales of $5.4 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. Overall third quarter OEM light vehicle production volumes in North America increased by approximately 24% year-over-year, with the industry-wide shortage of semiconductor chips negatively impacting prior year volumes.

Sales for the third quarter of 2022 in the Company's Europe operating segment increased by $68.6 million or 35.0% to $264.4 million from $195.8 million for the third quarter of 2021. The increase was due to overall higher OEM light vehicle production volumes, which increased in Europe by approximately 20% year-over-year, primarily as a result of the industry-wide shortage of semiconductor chips during 2021; the launch and ramp up of new programs, including Mercedes' new electric vehicle platform (EVA2) and the Lucid Air; the impact of material passthrough on customer pricing; and a $9.2 million increase in tooling sales. These positive factors were partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a negative impact on overall sales for the third quarter of 2022 of $26.9 million as compared to the third quarter of 2021.

Sales for the third quarter of 2022 in the Company's Rest of the World operating segment increased by $13.4 million or 38.5% to $48.0 million from $34.7 million in the third quarter of 2021. The increase was largely driven by overall higher OEM light vehicle production volumes across several platforms; the launch and ramp up of new programs, namely with Geely; and a $0.8 million increase in tooling sales. These positive factors were partially offset by a $0.2 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to the third quarter of 2021.

Overall tooling sales increased by $15.7 million (including outside segment sales eliminations) to $67.0 million for the third quarter of 2022 from $51.3 million for the third quarter of 2021.

Nine months ended September 30, 2022 to nine months ended September 30, 2021 comparison

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	$ Change	% Change
North America	$ 2,573,796	$ 1,965,292	608,504	31.0%
Europe	781,667	660,831	120,836	18.3%
Rest of the World	126,475	125,766	709	0.6%
Eliminations	(18,942)	(21,376)	2,434	11.4%
Total Sales	$ 3,462,996	$ 2,730,513	732,483	26.8%

The Company’s consolidated sales for the nine months ended September 30, 2022 increased by $732.5 million or 26.8% to $3,463.0 million as compared to $2,730.5 million for the nine months ended September 30, 2021. Sales for the nine months ended September 30, 2022 increased across all operating segments.

Sales for the nine months ended September 30, 2022 in the Company’s North America operating segment increased by $608.5 million or 31.0% to $2,573.8 million from $1,965.3 million for the nine months ended September 30, 2021. The increase was due generally to the recovery in production volumes of certain light vehicle platforms that were disproportionately impacted by the industry-wide shortage of semiconductor chips during 2021; the launch and ramp up of new programs, including the new Jeep Grand Cherokee and Wagoneer, Nissan Pathfinder, Ford Mustang Mach E, Lucid Air, Tesla Model Y, and Mercedes' new electric vehicle platform (EVA2); 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 nine months ended September 30, 2022 of $39.8 million as compared to the corresponding period of 2021. These positive factors were partially offset by a decrease in tooling sales of $7.3 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer.

Sales for the nine months ended September 30, 2022 in the Company’s Europe operating segment increased by $120.8 million or 18.3% to $781.7 million from $660.8 million for the nine months ended September 30, 2021. The increase can be attributed to the recovery in production volumes of certain light vehicle platforms that were disproportionately impacted by the industry-wide shortage of semiconductor chips during 2021; the launch and ramp up of new programs including Mercedes' new electric vehicle platform (EVA2) and the Lucid Air; the impact of material passthrough on customer pricing; and a $19.0 million increase in tooling sales. These positive factors were partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a negative impact on overall sales for the nine months ended September 30, 2022 of $64.9 million as compared to the corresponding period of 2021.

Sales for the nine months ended September 30, 2022 in the Company’s Rest of the World operating segment increased by $0.7 million or 0.6% to $126.5 million from $125.8 million for the nine months ended September 30, 2021. The increase was largely driven by overall higher OEM light vehicle production volumes across several platforms; the launch and ramp up of new programs namely with Geely; and a $1.9 million positive foreign exchange impact from the translation of foreign denominated production sales as compared to the corresponding period of 2021.These positive factors were partially offset by a program that came with the operations acquired from Metalsa that ended production during or subsequent to the nine months ended September 30, 2021; and a decrease in tooling sales of $0.1 million.

Overall tooling sales increased by $10.5 million (including outside segment sales eliminations) to $180.8 million for the nine months ended September 30, 2022 from $170.3 million for the nine months ended September 30, 2021.

GROSS MARGIN

Three months ended September 30, 2022 to three months ended September 30, 2021 comparison

	Three months ended September 30, 2022	Three months ended September 30, 2021	$ Change	% Change
Gross margin	$ 152,534	$ 50,007	102,527	205.0 %
% of Sales	12.8 %	5.9 %		

The gross margin percentage for the third quarter of 2022 of 12.8% increased as a percentage of sales by 6.9% as compared to the gross margin percentage for the third quarter of 2021 of 5.9%. The increase in gross margin as a percentage of sales was generally due to:

- overall higher production sales volume and corresponding higher utilization of assets;
- a positive sales mix;
- favourable commercial settlements; and
- productivity and efficiency improvements at certain operating facilities.

These factors were partially offset by:

- higher labour, material and energy costs;
- operational inefficiencies at certain operating facilities including launch related costs and upfront costs incurred in preparation of upcoming new programs;
- the impact of material passthrough on customer pricing; and
- a decrease in COVID-related government subsidies.

Gross margin for the third quarter of 2022 continued to be impacted by production inefficiencies related to the semiconductor chip shortage and other supply chain disruptions driven by the unpredictability of customer production schedules.

Nine months ended September 30, 2022 to nine months ended September 30, 2021 comparison

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	$ Change	% Change
Gross margin	$ 400,759	$ 282,592	118,167	41.8 %
% of Sales	11.6 %	10.3 %		

The gross margin percentage for the nine months ended September 30, 2022 of 11.6% increased as a percentage of sales by 1.3% as compared to the gross margin percentage for the nine months ended September 30, 2021 of 10.3%. The increase in gross margin as a percentage of sales was generally due to:

- overall higher production sales volume and corresponding higher utilization of assets;
- a positive sales mix;
- favourable commercial settlements; and
- productivity and efficiency improvements at certain operating facilities.

These factors were partially offset by:

- higher labour, material and energy costs;
- operational inefficiencies at certain operating facilities including launch related costs and upfront costs incurred in preparation of upcoming new programs;
- the impact of material passthrough on customer pricing; and
- a decrease in COVID-related government subsidies.

Gross margin for the nine months ended September 30, 2022 continued to be impacted by production inefficiencies related to the semiconductor chip shortage and other supply chain disruptions driven by the unpredictability of customer production schedules.

ADJUSTMENTS TO NET INCOME (LOSS)

Adjusted Net Income (Loss) excludes certain items as set out in the following tables and described in the notes thereto. Management uses Adjusted Net Income (Loss) 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 September 30, 2022 to three months ended September 30, 2021 comparison

		Three months ended September 30, 2022		Three months ended September 30, 2021		$ Change
NET INCOME (LOSS)	**$**	**35,932**	**$**	**(17,120)**	**$**	**53,052**
Adjustments:						
Impairment of assets (1)		4,494		—		4,494
Restructuring costs (2)		3,609		—		3,609
ADJUSTMENTS, BEFORE TAX	**$**	**8,103**	**$**	**—**	**$**	**8,103**
Tax impact of adjustments		(180)		—		(180)
Writedown of deferred tax asset (1)		1,217		—		1,217
ADJUSTMENTS, AFTER TAX	**$**	**9,140**	**$**	**—**	**$**	**9,140**
ADJUSTED NET INCOME (LOSS)	**$**	**45,072**	**$**	**(17,120)**	**$**	**62,192**
Number of Shares Outstanding – Basic ('000)		80,387		80,354		
Adjusted Basic Net Earnings (Loss) Per Share	$	0.56	$	(0.21)		
Number of Shares Outstanding – Diluted ('000)		80,387		80,354		
Adjusted Diluted Net Earnings (Loss) Per Share	$	0.56	$	(0.21)		

TABLE B

Nine months ended September 30, 2022 to nine months ended September 30, 2021 comparison

		Nine months ended September 30, 2022		Nine months ended September 30, 2021		$ Change
NET INCOME	**$**	**86,611**	**$**	**45,533**	**$**	**41,078**
Adjustments:						
Impairment of assets (1)		4,494		—		4,494
Restructuring costs (2)		7,846		5,473		2,373
Gain on dilution of equity investments (3)		(4,050)		(7,800)		3,750
ADJUSTMENTS, BEFORE TAX	**$**	**8,290**	**$**	**(2,327)**	**$**	**10,617**
Tax impact of adjustments		(733)		(669)		(64)
Writedown of deferred tax asset (1)		1,217		—		1,217
ADJUSTMENTS, AFTER TAX	**$**	**8,774**	**$**	**(2,996)**	**$**	**11,770**
ADJUSTED NET INCOME	**$**	**95,385**	**$**	**42,537**	**$**	**52,848**
Number of Shares Outstanding – Basic ('000)		80,376		80,327		
Adjusted Basic Net Earnings Per Share	$	1.19	$	0.53		
Number of Shares Outstanding – Diluted ('000)		80,376		80,434		
Adjusted Diluted Net Earnings Per Share	$	1.19	$	0.53		

(1) Impairment of assets

During the third quarter of 2022, the Company recorded impairment charges on property, plant, equipment, right of use assets, and inventories totaling $4.5 million representing a writedown of the total assets of a Cash Generating Unit ("CGU") in China, comprised of two operating facilities originally acquired from Metalsa S.A in 2020, included in the Rest of the World operating segment. The impairment charges resulted from the cancellation of the OEM light vehicle platforms being serviced by the CGU before the end of their expected life cycles. This has led to a decision to close the facilities. The impairment charges were recorded where the carrying amount of the assets exceeded their estimated recoverable amounts. The decision to close the facilities also resulted in a writedown of deferred tax assets of $1.2 million.

(2) Restructuring costs

Additions to the restructuring provision during the three and nine months ended September 30, 2022 totaled $3.6 million and $7.8 million, respectively, and represent employee-related severance resulting from the rightsizing of operations in Canada and China related to the cancellation of certain OEM light vehicle platforms before the end of their expected life cycle.

Additions to the restructuring provision during the nine months ended September 30, 2021, totaled $5.5 million and represent employee-related severance resulting from the rightsizing of an operating facility in Germany.

(3) Gain on dilution of equity investments

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

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

NET INCOME (LOSS)

Three months ended September 30, 2022 to three months ended September 30, 2021 comparison

		Three months ended September 30, 2022		Three months ended September 30, 2021	$ Change	% Change
Net Income (Loss)	$	35,932	$	(17,120)	53,052	309.9%
Adjusted Net Income (Loss)		45,072	$	(17,120)	62,192	363.3%
Net Earnings (Loss) per Share						
Basic and Diluted	$	0.45	$	(0.21)		
Adjusted Net Earnings (Loss) per Share						
Basic and Diluted	$	0.56	$	(0.21)		

Net Income, before adjustments, for the third quarter of 2022 increased by $53.1 million to $35.9 million or $0.45 per share, on a basic and diluted basis, from a Net Loss of $17.1 million or $(0.21) per share, on a basic and diluted basis, for the third quarter of 2021. Excluding the adjustments explained in Table A under “Adjustments to Net Income (Loss)”, Adjusted Net Income for the third quarter of 2022 increased by $62.2 million to $45.1 million or $0.56 per share, on a basic and diluted basis, from an Adjusted Net Loss of $17.1 million or $(0.21) per share, on a basic and diluted basis, for the third quarter of 2021.

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

- higher gross profit margin on higher year-over-year sales volume as previously explained;
- a net foreign exchange gain of $5.0 million for the third quarter of 2022 compared to a gain of $2.4 million for the third quarter of 2021; and
- a lower effective tax rate on adjusted income (23.2% for the third quarter of 2022 compared to 24.5% for the third quarter of 2021).

These factors were partially offset by the following:

- a year-over-year increase in SG&A expense, as previously explained; and
- a $7.1 million year-over-year increase in finance expense as a result of increased debt levels and borrowing rates on the Company's revolving bank debt.

Nine months ended September 30, 2022 to nine months ended September 30, 2021 comparison

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	$ Change	% Change
Net Income	$ 86,611	$ 45,533	41,078	90.2%
Adjusted Net Income	95,385	$ 42,537	52,848	124.2%
Net Earnings per Share				
Basic and Diluted	$ 1.08	$ 0.57		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 1.19	$ 0.53		

Net Income, before adjustments, for the nine months ended September 30, 2022 increased by $41.1 million to $86.6 million or $1.08 per share, on a basic and diluted basis, from $45.5 million or $0.57 per share, on a basic and diluted basis, for the nine months ended September 30, 2021. Excluding the adjustments explained in Table B under "Adjustments to Net Income (Loss)", Adjusted Net Income for the nine months ended September 30, 2022 increased by $52.8 million to $95.4 million or $1.19 per share, on a basic and diluted basis, from $42.5 million or $0.53 per share, on a basic and diluted basis, for the nine months ended September 30, 2021.

Adjusted Net Income for the nine months ended September 30, 2022, as compared to the nine months ended September 30, 2021, was positively impacted by the following:

- higher gross profit margin on higher year-over-year sales volume as previously explained; and
- a lower effective tax rate on adjusted income (24.7% for the nine months ended September 30, 2022 compared to 26.7% for the nine months ended September 30, 2021).

These factors were partially offset by the following:

- a year-over-year increase in SG&A expense, as previously explained;
- an $11.4 million year-over-year increase in finance expense as a result of increased debt levels and borrowing rates on the Company's revolving bank debt;
- a net foreign exchange gain of $5.9 million for the nine months ended September 30, 2022 compared to a gain of $12.9 million for the nine months ended September 30, 2021; and
- a year-over-year increase in research and development costs.

DIVIDEND

A cash dividend of $0.05 per share has been declared by the Board of Directors payable to shareholders of record on December 31, 2022, on or about January 15, 2023.

ABOUT MARTINREA INTERNATIONAL INC.

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

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Tuesday, November 1, 2022 at 5:30 p.m. Eastern Time. To participate, please dial 416-641-6104 (Toronto area) or 800-952-5114 (toll free Canada and US) and enter participant code 8174433#. Please call 10 minutes prior to the start of the conference call.

The conference call will also be webcast live in listen-only mode and archived for twelve months. The webcast and accompanying presentation can be accessed online at https://www.martinrea.com/investor-relations/events-presentations/.

There will also be a rebroadcast of the call available by dialing 905-694-9451 or toll free 800-408-3053 (Conference ID – 8602412#). The rebroadcast will be available until December 4, 2022.

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

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

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

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

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

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

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

For further information, please contact:

Fred Di Tosto
Chief Financial Officer
Martinrea International Inc.
3210 Langstaff Road
Vaughan, Ontario L4K 5B2
Tel:	416-749-0314
Fax:	289-982-3001

Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2022	December 31, 2021
ASSETS			
Cash and cash equivalents		$ 158,505	$ 153,291
Trade and other receivables	2	851,896	634,184
Inventories	3	703,001	590,784
Prepaid expenses and deposits		35,091	23,892
Income taxes recoverable		1,532	18,609
TOTAL CURRENT ASSETS		1,750,025	1,420,760
Property, plant and equipment	4	1,898,297	1,727,914
Right-of-use assets	5	231,238	222,934
Deferred tax assets		175,057	138,612
Intangible assets		47,724	47,809
Investments	6	57,067	55,215
TOTAL NON-CURRENT ASSETS		2,409,383	2,192,484
TOTAL ASSETS		$ 4,159,408	$ 3,613,244
LIABILITIES			
Trade and other payables	8	$ 1,395,859	$ 1,110,350
Provisions	9	8,234	6,272
Income taxes payable		36,775	11,955
Current portion of long-term debt	10	16,195	20,173
Current portion of lease liabilities	11	41,907	39,322
TOTAL CURRENT LIABILITIES		1,498,970	1,188,072
Long-term debt	10	1,070,529	990,817
Lease liabilities	11	207,762	200,455
Pension and other post-retirement benefits		34,952	49,530
Deferred tax liabilities		21,845	14,595
TOTAL NON-CURRENT LIABILITIES		1,335,088	1,255,397
TOTAL LIABILITIES		2,834,058	2,443,469
EQUITY			
Capital stock	13	663,646	663,415
Contributed surplus		45,351	44,845
Accumulated other comprehensive income		120,101	51,207
Retained earnings		496,252	410,308
TOTAL EQUITY		1,325,350	1,169,775
TOTAL LIABILITIES AND EQUITY		$ 4,159,408	$ 3,613,244

Contingencies (note 19)

Subsequent event (note 19)

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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
SALES		$ 1,194,083	$ 848,497	$ 3,462,996	$ 2,730,513
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(976,910)	(744,245)	(2,873,617)	(2,286,154)
Depreciation of property, plant and equipment and right-of-use assets (production)		(64,639)	(54,245)	(188,620)	(161,767)
Total cost of sales		(1,041,549)	(798,490)	(3,062,237)	(2,447,921)
GROSS MARGIN		152,534	50,007	400,759	282,592
Research and development costs		(9,244)	(8,376)	(26,645)	(24,372)
Selling, general and administrative		(70,519)	(53,989)	(203,972)	(175,233)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(4,149)	(3,778)	(11,773)	(11,533)
Gain (loss) on disposal of property, plant and equipment		1,108	(98)	1,190	(164)
Impairment of assets	7	(4,494)	—	(4,494)	—
Restructuring costs	9	(3,609)	—	(7,846)	(5,473)
OPERATING INCOME (LOSS)		61,627	(16,234)	147,219	65,817
Share of loss of equity investments	6	(1,043)	(871)	(3,409)	(2,780)
Gain on dilution of equity investments	6	—	—	4,050	7,800
Finance expense	15	(15,043)	(7,897)	(35,643)	(24,204)
Other finance income	15	5,038	2,341	6,168	13,691
INCOME (LOSS) BEFORE INCOME TAXES		50,579	(22,661)	118,385	60,324
Income tax recovery (expense)	12	(14,647)	5,541	(31,774)	(14,791)
NET INCOME (LOSS) FOR THE PERIOD		$ 35,932	$ (17,120)	$ 86,611	$ 45,533
Basic earnings (loss) per share	14	$ 0.45	$ (0.21)	$ 1.08	$ 0.57
Diluted earnings (loss) per share	14	$ 0.45	$ (0.21)	$ 1.08	$ 0.57

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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
NET INCOME (LOSS) FOR THE PERIOD	$ 35,932	$ (17,120)	$ 86,611	$ 45,533
Other comprehensive income (loss), net of tax:				
Items that may be reclassified to net income (loss)				
Foreign currency translation differences for foreign operations	78,349	24,897	68,810	(37,469)
Cash flow hedging derivative and non-derivative financial instruments:				
Unrealized gain in fair value of financial instruments	—	—	—	892
Reclassification of gain to net income (loss)	—	(960)	—	(4,014)
Items that will not be reclassified to net income (loss)				
Share of other comprehensive income (loss) of equity investments (note 6)	(201)	108	84	183
Remeasurement of defined benefit plans	(673)	674	11,390	12,816
Other comprehensive income (loss), net of tax	77,475	24,719	80,284	(27,592)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 113,407	$ 7,599	$ 166,895	$ 17,941

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	Capital stock	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
BALANCE AT DECEMBER 31, 2020	$ 662,427	$ 43,860	$ 96,645	$ 372,792	$ 1,175,724
Net income for the period	—	—	—	45,533	45,533
Compensation expense related to stock options	—	934	—	—	934
Dividends ($0.15 per share)	—	—	—	(12,051)	(12,051)
Exercise of employee stock options	988	(239)	—	—	749
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	—	—	—	12,816	12,816
Foreign currency translation differences	—	—	(37,469)	—	(37,469)
Share of other comprehensive income of equity investments	—	—	183	—	183
Cash flow hedging derivative and non-derivative financial instruments:					
Unrealized gain in fair value of financial instruments	—	—	892	—	892
Reclassification of gain to net income	—	—	(4,014)	—	(4,014)
BALANCE AT SEPTEMBER 30, 2021	663,415	44,555	56,237	419,090	1,183,297
Net loss for the period	—	—	—	(9,653)	(9,653)
Compensation expense related to stock options	—	290	—	—	290
Dividends ($0.05 per share)	—	—	—	(4,019)	(4,019)
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	—	—	—	4,890	4,890
Foreign currency translation differences	—	—	(5,051)	—	(5,051)
Share of other comprehensive income of equity investments	—	—	21	—	21
BALANCE AT DECEMBER 31, 2021	663,415	44,845	51,207	410,308	1,169,775
Net income for the period	—	—	—	86,611	86,611
Compensation expense related to stock options	—	566	—	—	566
Dividends ($0.15 per share)	—	—	—	(12,057)	(12,057)
Exercise of employee stock options	231	(60)	—	—	171
Other comprehensive income net of tax					
Remeasurement of defined benefit plans	—	—	—	11,390	11,390
Foreign currency translation differences	—	—	68,810	—	68,810
Share of other comprehensive income of equity investments	—	—	84	—	84
BALANCE AT SEPTEMBER 30, 2022	$ 663,646	$ 45,351	$ 120,101	$ 496,252	$ 1,325,350

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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income (loss) for the period	$ 35,932	$ (17,120)	$ 86,611	$ 45,533
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	68,788	58,023	200,393	173,300
Amortization of development costs	2,817	3,011	8,136	9,577
Impairment of assets (note 7)	4,494	—	4,494	—
Unrealized loss (gain) on foreign exchange forward contracts	(848)	3,043	908	859
Finance expense	15,043	7,897	35,643	24,204
Income tax expense (recovery)	14,647	(5,541)	31,774	14,791
Loss (gain) on disposal of property, plant and equipment	(1,108)	98	(1,190)	164
Deferred and restricted share units expense (benefit)	2,093	(809)	2,638	(1,284)
Stock options expense	175	328	566	934
Share of loss of equity investments	1,043	871	3,409	2,780
Gain on dilution of equity investments	—	—	(4,050)	(7,800)
Pension and other post-retirement benefits expense	846	991	2,568	3,006
Contributions made to pension and other post-retirement benefits	(805)	(861)	(2,465)	(2,738)
	143,117	49,931	369,435	263,326
Changes in non-cash working capital items:				
Trade and other receivables	22,740	12,110	(179,959)	(103,178)
Inventories	(33,586)	(62,603)	(91,714)	(190,542)
Prepaid expenses and deposits	(4,066)	(2,271)	(9,916)	(6,620)
Trade, other payables and provisions	45,726	33,406	267,362	177,807
	173,931	30,573	355,208	140,793
Interest paid	(18,237)	(7,732)	(42,208)	(25,155)
Income taxes paid	(4,427)	(12,984)	(14,401)	(33,068)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 151,267	$ 9,857	$ 298,599	$ 82,570
FINANCING ACTIVITIES:				
Increase (Decrease) in long-term debt (net of deferred financing fees)	(172)	84,763	37,347	198,290
Repayment of long-term debt	(6,207)	(4,207)	(17,228)	(12,918)
Principal payments of lease liabilities	(10,488)	(8,303)	(30,811)	(25,305)
Dividends paid	(4,019)	(4,015)	(12,056)	(12,048)
Exercise of employee stock options	—	113	171	749
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	$ (20,886)	$ 68,351	$ (22,577)	$ 148,768
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (excluding capitalized interest)*	(84,174)	(45,153)	(257,288)	(210,954)
Capitalized development costs	(1,863)	(2,010)	(5,489)	(6,178)
Equity investments (note 6)	—	—	(1,000)	(8,036)
Proceeds on disposal of property, plant and equipment	1,730	707	2,146	846
NET CASH USED IN INVESTING ACTIVITIES	$ (84,307)	$ (46,456)	$ (261,631)	$ (224,322)
Effect of foreign exchange rate changes on cash and cash equivalents	(3,432)	(2,092)	(9,177)	(2,478)
INCREASE IN CASH AND CASH EQUIVALENTS	42,642	29,660	5,214	4,538
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	115,863	127,664	153,291	152,786
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 158,505	$ 157,324	$ 158,505	$ 157,324

*As at September 30, 2022, $97,990 (December 31, 2021 - $113,233) of purchases of property, plant and equipment remain unpaid and are recorded in trade and other payables.

See accompanying notes to the interim condensed consolidated financial statements.