PRESS RELEASE

FOR IMMEDIATE RELEASE
NOVEMBER 8, 2023

MARTINREA INTERNATIONAL INC. REPORTS RECORD QUARTERLY 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 third quarter ended September 30, 2023, and declared a quarterly cash dividend of $0.05 per share.

THIRD-QUARTER HIGHLIGHTS

- Total sales of $1,378.9 million, up 15.5% year-over-year, a new quarterly record for the Company.
- Diluted net earnings per share and Adjusted Net Earnings per Share(1) of $0.68.
- Operating Income Margin of 6.0%.
- Adjusted EBITDA(1) of $163.5 million, a new quarterly record for the Company.
- Free Cash Flow(1) of $79.2 million improved significantly compared to the first and second quarters; Free Cash Flow(1) is expected to be a record in 2023 on a full year basis.
- Net debt-to-Adjusted EBITDA(1) ratio, excluding the impact of IFRS 16, continues to strengthen and ended the quarter at 1.56x.
- New business awards of approximately $80 million in annualized sales at mature volumes; year-to-date new business awards now total $300 million in annualized sales at mature volumes.
- Quarterly cash dividend of $0.05 per share declared.

OVERVIEW

Pat D'Eramo, President and Chief Executive Officer, stated: "Our third quarter financial results were strong, and generally consistent with the prior quarter from a production sales and operating margin perspective. Adjusted EBITDA(1) continued at record levels and Free Cash Flow(1) was up nicely quarter over quarter. The third quarter saw United Auto Workers (UAW) employees at the Detroit 3 OEMs go on strike in multiple locations. The UAW has just recently reached tentative agreements with Ford, Stellantis, and General Motors. The strikes are over pending ratification of the tentative agreements, and production has already restarted, which is great news. In Canada, Unifor quickly reached agreements with the Canadian operations of the Detroit 3. While the strike did not have a significant impact on our third quarter performance, it will have somewhat more of an impact on our fourth quarter results. We have content on a number of vehicle platforms that were affected by the strike

[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, 2023 and in this press release.

including some spillover effects, most notably lower engine block production in some cases. We have managed the situation effectively, flexing our costs where appropriate. However, what production volumes will look like in the fourth quarter is a little unclear given the strike action as well as the unknown pace of the restart and ramp back up to more normal volume levels."

He added: "I am pleased to announce that we have been awarded new business representing $80 million in annualized sales at mature volumes, consisting of $70 million in Lightweight Structures and $10 million in Propulsion Systems for a number of products with various customers. Year to date, new business awards now total $300 million in annualized sales at mature volumes."

Fred Di Tosto, Chief Financial Officer, stated: "Sales for the third quarter, excluding tooling sales of $128.6 million, were $1,250.4 million, and Net Earnings per Share was $0.68. Third quarter Operating Income of $83.0 million was consistent quarter over quarter, and Adjusted EBITDA(1) of $163.5 million was a new quarterly record for the Company. As expected, third quarter Free Cash Flow(1) of $79.2 million was significantly higher quarter over quarter, reflecting positive working capital flows, and lower cash taxes. We continue to expect record Free Cash Flow(1) generation on a full year basis in 2023."

He continued: "Net Debt(1) declined by approximately $48 million quarter over quarter, to $889.2 million. Our Net Debt to Adjusted EBITDA(1) ratio (excluding the impact of IFRS 16) ended the quarter at 1.56x, down from 1.71x at the end of the second quarter of 2023. Our leverage ratio is now essentially at our long-term target of 1.5x or better, notwithstanding spending $20.8 million on share buybacks during the second and third quarters."

Rob Wildeboer, Executive Chairman, stated: "We are pleased with our operational and financial performance in the third quarter. We continue to perform at a high level, our balance sheet is in great shape, and we are executing on our capital allocation priorities. We continue to believe the automotive industry is stable, with volumes set to expand in the coming years, particularly in North America. The North American economy is in good shape, demand for vehicles continues to be high, vehicle inventories remain low, and pent-up demand exists. Interest rates in both Canada and the US have likely peaked or are close to peaking, and core inflation is coming down. On behalf of the executive management team, we would like to thank our people for their hard work in delivering another strong quarterly performance, as well as our shareholders and other stakeholders for their continued support."

RESULTS OF OPERATIONS

All amounts in this press release are in Canadian dollars, unless otherwise stated; and all tabular amounts are in thousands of Canadian dollars, except earnings per share and number of shares.

Additional information about the Company, including the Company's Management Discussion and Analysis of Operating Results and Financial Position for the three and nine months ended September 30, 2023 ("MD&A"), the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2022 can be found at www.sedarplus.ca.

OVERALL RESULTS

Results of operations may include certain items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Company results. In addition to 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, 2023 and 2022. Refer to the Company's interim financial statements for the three and nine months ended September 30, 2023 for a detailed account of the Company's performance for the periods presented in the tables below.

	Three months ended September 30, 2023	Three months ended September 30, 2022	$ Change	% Change
Sales	$ 1,378,938	$ 1,194,083	184,855	15.5%
Gross Margin	181,194	152,534	28,660	18.8%
Operating Income	83,015	61,627	21,388	34.7%
Net Income for the period	53,744	35,932	17,812	49.6%
Net Earnings per Share - Basic and Diluted	$ 0.68	$ 0.45	0.23	51.1%
Non-IFRS Measures*				
Adjusted Operating Income	$ 83,015	$ 69,730	13,285	19.1%
% of Sales	*6.0 %*	*5.8 %*		
Adjusted EBITDA	163,482	140,227	23,255	16.6%
% of Sales	*11.9 %*	*11.7 %*		
Adjusted Net Income	53,744	45,072	8,672	19.2%
Adjusted Net Earnings per Share - Basic and Diluted	$ 0.68	$ 0.56	0.12	21.4%

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	$ Change	% Change
Sales	$ 4,043,882	$ 3,462,996	580,886	16.8%
Gross Margin	522,169	400,759	121,410	30.3%
Operating Income	240,628	147,219	93,409	63.4%
Net Income for the period	151,815	86,611	65,204	75.3%
Net Earnings per Share - Basic and Diluted	$ 1.90	$ 1.08	0.82	75.9%
Non-IFRS Measures*				
Adjusted Operating Income	$ 240,628	$ 159,559	81,069	50.8%
% of Sales	*6.0 %*	*4.6 %*		
Adjusted EBITDA	476,598	366,898	109,700	29.9%
% of Sales	*11.8 %*	*10.6 %*		
Adjusted Net Income	147,241	95,385	51,856	54.4%
Adjusted Net Earnings per Share - Basic and Diluted	$ 1.84	$ 1.19	0.65	54.6%

***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", 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 September 30, 2023		Three months ended September 30, 2022
Net Income	$	53,744	$	35,932
Adjustments, after tax*		-		9,140
Adjusted Net Income	$	53,744	$	45,072

		Nine months ended September 30, 2023		Nine months ended September 30, 2022
Net Income	$	151,815	$	86,611
Adjustments, after tax*		(4,574)		8,774
Adjusted Net Income	$	147,241	$	95,385

**Adjustments are explained in the "Adjustments to Net Income" section of this press release*

		Three months ended September 30, 2023		Three months ended September 30, 2022
Net Income	$	53,744	$	35,932
Income tax expense		14,713		14,647
Other finance income		(7,418)		(5,038)
Share of loss of equity investments		600		1,043
Finance expense		21,376		15,043
Adjustments, before tax*		-		8,103
Adjusted Operating Income	$	83,015	$	69,730
Depreciation of property, plant and equipment and right-of-use assets		77,837		68,788
Amortization of development costs		2,488		2,817
Loss (gain) on disposal of property, plant and equipment		142		(1,108)
Adjusted EBITDA	$	163,482	$	140,227

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net Income	$ 151,815	$ 86,611
Income tax expense	38,422	31,774
Other finance income	(7,074)	(6,168)
Share of loss of equity investments	2,630	3,409
Finance expense	60,108	35,643
Adjustments, before tax*	(5,273)	8,290
Adjusted Operating Income	$ 240,628	$ 159,559
Depreciation of property, plant and equipment and right-of-use assets	228,041	200,393
Amortization of development costs	7,771	8,136
Loss (gain) on disposal of property, plant and equipment	158	(1,190)
Adjusted EBITDA	$ 476,598	$ 366,898

**Adjustments are explained in the "Adjustments to Net Income" section of this press release*

SALES

Three months ended September 30, 2023 to three months ended September 30, 2022 comparison

	Three months ended September 30, 2023	Three months ended September 30, 2022	$ Change	% Change
North America	$ 1,042,218	$ 887,372	154,846	17.4%
Europe	302,145	264,373	37,772	14.3%
Rest of the World	42,644	48,049	(5,405)	(11.2%)
Eliminations	(8,069)	(5,711)	(2,358)	(41.3%)
Total Sales	$ 1,378,938	$ 1,194,083	184,855	15.5%

The Company’s consolidated sales for the third quarter of 2023 increased by $184.9 million or 15.5% to $1,378.9 million as compared to $1,194.1 million for the third quarter of 2022. The total increase in sales was driven by year-over-year increases in the North America and Europe operating segments, partially offset by a year-over-year decrease in the Rest of the World.

Sales for the third quarter of 2023 in the Company’s North America operating segment increased by $154.8 million or 17.4% to $1,042.2 million from $887.4 million for the third quarter of 2022. The increase was due generally to the launch and ramp up of new programs during or subsequent to the third quarter of 2022, including Mercedes' new electric vehicle platform (EVA2), General Motors' new electric vehicle platform (BEV3), and a Toyota/Lexus SUV; overall higher third quarter OEM light vehicle production volumes, which increased in North America by approximately 9% year-over-year, primarily as a result of the industry-wide supply chain disruptions which impacted 2022 to a greater degree compared to 2023; 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 2023 of $29.8 million as compared to the third quarter of 2022; the impact of commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales; and an increase in tooling sales of

$56.7 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These positive factors were partially offset by lower year-over-year production volumes of certain light vehicle platforms including the Lucid Air and Ford Mustang Mach E. The UAW strike action, which began on September 15, 2023 at General Motors, Ford and Stellantis in the United States, had a relatively limited impact on production sales for third quarter of 2023 given the extent of the initial strike action, as well as timing of the labour disruption in proximity to the quarter-end.

Sales for the third quarter of 2023 in the Company's Europe operating segment increased by $37.8 million or 14.3% to $302.1 million from $264.4 million for the third quarter of 2022. The increase was due generally to overall higher third quarter OEM light vehicle production volumes, which increased in Europe by approximately 6% year-over-year, primarily as a result of the industry-wide supply chain disruptions which impacted 2022 to a greater degree compared to 2023; the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the third quarter of 2023 of $23.9 million as compared to the third quarter of 2022; the impact of commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales; and a $2.8 million increase in tooling sales. These positive factors were partially offset by lower year-over-year production volumes of certain platforms, including the Lucid Air, Mercedes' new electric vehicle platform (EVA2), and an engine block for Ford.

Sales for the third quarter of 2023 in the Company's Rest of the World operating segment decreased by $5.4 million or 11.2% to $42.6 million from $48.0 million in the third quarter of 2022. The decrease was largely driven by the lower year-over-year production volumes on Geely's new electric vehicle platform (PMA), and with Jaguar Land Rover; partially offset by the impact of commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales, and an increase in tooling sales of $2.6 million.

Overall tooling sales increased by $61.6 million (including outside segment sales eliminations) to $128.6 million for the third quarter of 2023 from $67.0 million for the third quarter of 2022.

Nine months ended September 30, 2023 to nine months ended September 30, 2022 comparison

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	$ Change	% Change
North America	$ 3,063,277	$ 2,573,796	489,481	19.0%
Europe	893,638	781,667	111,971	14.3%
Rest of the World	113,092	126,475	(13,383)	(10.6%)
Eliminations	(26,125)	(18,942)	(7,183)	(37.9%)
Total Sales	$ 4,043,882	$ 3,462,996	580,886	16.8%

The Company's consolidated sales for the nine months ended September 30, 2023 increased by $580.9 million or 16.8% to $4,043.9 million as compared to $3,463.0 million for the nine months ended September 30, 2022. The total increase in sales was driven by year-over-year increases in the North America and Europe operating segments, partially offset by a decrease in sales in the Rest of the World.

Sales for the nine months ended September 30, 2023 in the Company's North America operating segment increased by $489.5 million or 19.0% to $3,063.3 million from $2,573.8 million for the nine months ended September 30, 2022. The increase was due generally to the launch and ramp up of new programs, including Mercedes' new electric vehicle platform (EVA2), General Motors' new electric vehicle platform (BEV3), and a Toyota/Lexus SUV; overall higher OEM light vehicle production volumes during the period, which increased in North America by approximately 11% year-over-year, primarily as a result of the industry-wide supply chain disruptions which impacted 2022 to a greater degree compared to 2023; 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, 2023 of $129.9 million as compared to the corresponding period of 2022; the impact of material passthrough and commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales; and an increase in tooling sales of $116.6 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These positive factors were partially offset by lower year-over-year production volumes of certain light vehicle platforms including the Ford Mustang Mach E, Lucid Air and GM Equinox/Terrain. The UAW strike action, which began on September 15, 2023 at General Motors, Ford and Stellantis in the United States, had a relatively limited impact on production sales for the nine months ended September 30, 2023 given the extent of the initial strike action, as well as timing of the labour disruption in proximity to the end of the period.

Sales for the nine months ended September 30, 2023 in the Company's Europe operating segment increased by $112.0 million or 14.3% to $893.6 million from $781.7 million for the nine months ended September 30, 2022. The increase can be attributed to the launch and ramp up of new programs, including Mercedes' new electric vehicle platform (EVA2); overall higher OEM light vehicle production volumes during the first nine months of the year, which increased in Europe by approximately 14% year-over-year, primarily as a result of the industry-wide supply chain disruptions which impacted 2022 to a greater degree compared to 2023; the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the nine months ended September 30, 2023 of $42.2 million as compared to the corresponding period of 2022; the impact of material passthrough and commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales; and an increase in tooling sales of $1.8 million. These positive factors were partially offset by lower year-over year-production volumes of certain platforms, including the Lucid Air and an engine block for Ford.

Sales for the nine months ended September 30, 2023 in the Company's Rest of the World operating segment decreased by $13.4 million or 10.6% to $113.1 million from $126.5 million for the nine months ended September 30, 2022. The decrease was largely driven by lower year-over-year production volumes on Geely's new electric vehicle platform (PMA), and with Jaguar Land Rover; partially offset by the impact of commercial settlements (to partially offset inflationary cost increases and volume shortfalls) on customer pricing and sales, and an increase in tooling sales of $4.6 million.

Overall tooling sales increased by $122.0 million (including outside segment sales eliminations) to $302.8 million for the nine months ended September 30, 2023 from $180.8 million for the nine months ended September 30, 2022.

GROSS MARGIN

Three months ended September 30, 2023 to three months ended September 30, 2022 comparison

	Three months ended September 30, 2023	Three months ended September 30, 2022	$ Change	% Change
Gross margin	$ 181,194	$ 152,534	28,660	18.8 %
% of Sales	13.1 %	12.8 %		

The gross margin percentage for the third quarter of 2023 of 13.1% increased as a percentage of sales by 0.3% as compared to the gross margin percentage for the third quarter of 2022 of 12.8%. 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; and
- productivity and efficiency improvements at certain operating facilities.

These factors were partially offset by:

- operational inefficiencies at certain operating facilities; and
- a negative sales mix.

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

Gross margin for the third quarter of 2023 continued to be impacted by production inefficiencies related to the industry-wide supply chain disruptions driven by the unpredictability of customer production schedules, although the stability of OEM production volumes has improved year-over-year.

Nine months ended September 30, 2023 to nine months ended September 30, 2022 comparison

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	$ Change	% Change
Gross margin	$ 522,169	$ 400,759	121,410	30.3%
% of Sales	12.9%	11.6%		

The gross margin percentage for the nine months ended September 30, 2023 of 12.9% increased as a percentage of sales by 1.3% as compared to the gross margin percentage for the nine months ended September 30, 2022 of 11.6%. 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;
- 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;
- a negative sales mix; and
- the impact of material passthrough on customer pricing.

Gross margin for the nine months ended September 30, 2023 continued to be impacted by production inefficiencies related to the industry-wide supply chain disruptions driven by the unpredictability of customer production schedules, although the stability of OEM production volumes has improved 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 September 30, 2023 to three months ended September 30, 2022 comparison

	Three months ended September 30, 2023	Three months ended September 30, 2022	$ Change
NET INCOME	**$ 53,744**	**$ 35,932**	**$ 17,812**
Adjustments:			
Impairment of assets (3)	-	4,494	(4,494)
Restructuring costs (4)	-	3,609	(3,609)
ADJUSTMENTS, BEFORE TAX	**$ -**	**$ 8,103**	**$ (8,103)**
Tax impact of adjustments	-	(180)	180
Writedown of deferred tax asset (3)	-	1,217	(1,217)
ADJUSTMENTS, AFTER TAX	**$ -**	**$ 9,140**	**$ (9,140)**
ADJUSTED NET INCOME	**$ 53,744**	**$ 45,072**	**$ 8,672**
Number of Shares Outstanding – Basic (‘000)	79,327	80,387	
Adjusted Basic Net Earnings Per Share	$ 0.68	$ 0.56	
Number of Shares Outstanding – Diluted (‘000)	79,407	80,387	
Adjusted Diluted Net Earnings Per Share	$ 0.68	$ 0.56	

TABLE B

Nine months ended September 30, 2023 to nine months ended September 30, 2022 comparison

		Nine months ended September 30, 2023		Nine months ended September 30, 2022		$ Change
NET INCOME	**$**	**151,815**	**$**	**86,611**	**$**	**65,204**
Adjustments:						
Net gain on disposal of equity investments (1)		(5,273)		-		(5,273)
Gain on dilution of equity investments (2)		-		(4,050)		4,050
Impairment of assets (3)		-		4,494		(4,494)
Restructuring costs (4)		-		7,846		(7,846)
ADJUSTMENTS, BEFORE TAX	**$**	**(5,273)**	**$**	**8,290**	**$**	**(13,563)**
Tax impact of adjustments		699		(733)		1,432
Writedown of deferred tax asset (3)		-		1,217		(1,217)
ADJUSTMENTS, AFTER TAX	**$**	**(4,574)**	**$**	**8,774**	**$**	**(13,348)**
ADJUSTED NET INCOME	**$**	**147,241**	**$**	**95,385**	**$**	**51,856**
Number of Shares Outstanding – Basic (‘000)		79,933		80,376		
Adjusted Basic Net Earnings Per Share	$	1.84	$	1.19		
Number of Shares Outstanding – Diluted (‘000)		79,989		80,376		
Adjusted Diluted Net Earnings Per Share	$	1.84	$	1.19		

1) Net gain on disposal of equity investments

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

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

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

2) Gain on dilution of equity investments

As at December 31, 2021, the Company held 35,045,954 common shares of 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.

3) 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 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.

4) 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 well before the end of their expected life cycles.

NET INCOME

Three months ended September 30, 2023 to three months ended September 30, 2022 comparison

	Three months ended September 30, 2023	Three months ended September 30, 2022	$ Change	% Change
Net Income	$ 53,744	$ 35,932	17,812	49.6%
Adjusted Net Income	53,744	45,072	8,672	19.2%
Net Earnings per Share				
Basic and Diluted	$ 0.68	$ 0.45		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 0.68	$ 0.56		

Net Income, before adjustments, for the third quarter of 2023 increased by $17.8 million to $53.7 million or $0.68 per share, on a basic and diluted basis, from a Net Income of $35.9 million or $0.45 per share, on a basic and diluted basis, for the third quarter of 2022. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the third quarter of 2023 increased by $8.7 million to $53.7 million or $0.68 per share, on a basic and diluted basis, from $45.1 million or $0.56 per share, on a basic and diluted basis, for the third quarter of 2023.

Adjusted Net Income for the third quarter of 2023, as compared to the third quarter of 2022, was positively impacted by the following:

- higher gross margin on higher year-over-year sales volume as previously explained;

- a net foreign exchange gain of $7.1 million for the third quarter of 2023 compared to a gain of $5.0 million for the third quarter of 2022; and
- a lower effective tax rate (21.5% for the third quarter of 2023 compared to 23.2% for the third quarter of 2022).

These factors were partially offset by the following:

- a year-over-year increase in SG&A expense, as previously explained; and
- a $6.3 million year-over-year increase in finance expense as a result of increased borrowing rates on the Company's revolving bank debt.

Nine months ended September 30, 2023 to nine months ended September 30, 2022 comparison

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	$ Change	% Change
Net Income	$ 151,815	$ 86,611	65,204	75.3%
Adjusted Net Income	147,241	95,385	51,856	54.4%
Net Earnings per Share				
Basic and Diluted	$ 1.90	$ 1.08		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 1.84	$ 1.19		

Net Income, before adjustments, for the nine months ended September 30, 2023 increased by $65.2 million to $151.8 million or $1.90 per share, on a basic and diluted basis, from a Net Income of $86.6 million or $1.08 per share, on a basic and diluted basis, for the nine months ended September 30, 2022. Excluding the adjustments explained in Table B under "Adjustments to Net Income", Adjusted Net Income for the nine months ended September 30, 2023 increased by $51.9 million to $147.2 million or $1.84 per share on a basic and diluted basis, from $95.4 million or $1.19 per share, on a basic and diluted basis, for the nine months ended September 30, 2022.

Adjusted Net Income for the nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022, was positively impacted by the following:

- higher gross margin on higher year-over-year sales volume as previously explained; and
- a lower effective tax rate (20.4% for the nine months ended September 30, 2023 compared to 24.7% for the nine months ended September 30, 2022).

These factors were partially offset by the following:

- a year-over-year increase in SG&A expense, as previously explained; and
- a $24.5 million year-over-year increase in finance expense as a result of increased 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 December 31, 2023, on or about January 15, 2024.

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 59 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 LinkedIn, X and Facebook.

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Wednesday, November 8, 2023 at 6:00 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 8029740#. Please call 10 minutes prior to the start of the conference call.

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 – 5701857#). The rebroadcast will be available until December 4, 2023.

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 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, 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, its near and long-term potential growth and continued improvement in results, the strength, recovery and growth of the automotive industry and continuing challenges, including ongoing, or expectation for improvements in, supply chain issues or disruptions, inflation, interest rates, labour market conditions, the UAW strikes or inflation including any impact on the Company's financial position, its business and operations, on its employees, on the automotive industry, on the economy, on production volumes or on the business of any OEM or suppliers; production volatility, the ramping up and launching of new business; the continued investments in its business and technologies; the opportunity to increase sales; the ability to finance future capital expenditures, working capital, debt obligations and other commitments; intentions to purchase under the normal course issuer bid; the Company's views on its liquidity, operating cash flow and leverage ratios and ability to deal with present or future economic conditions, the potential for fluctuation of operating results, , the Company's views on its liquidity and operating cash flow and ability to deal with present or future economic conditions, the potential for fluctuation of operating results 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 AIF and MD&A for the year ended December 31, 2022, and other public filings which can be found at www.sedarplus.ca:

- North American and Global Economic and Political Conditions and Consumer Confidence;
- 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;
- COVID-19 Pandemic;
- Russian Invasion of Ukraine;
- Conflict between Israel and Hamas;
- Semiconductor Chip Shortages and Price Increases;
- Inflationary Pressures;
- Regional Energy Shortages;
- Dependence Upon Key Customers;
- Customer Consolidation and Cooperation;
- Emergence of Potentially Disruptive EV OEMs;
- Outsourcing and Insourcing Trends;
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions;
- Competition;
- Customer Pricing Pressures, Contractual Arrangements, Cost and Risk Absorption and Purchase Orders;
- Material and Commodity Prices and Volatility;
- Scrap Steel/Aluminum Price Volatility;
- Quote/Pricing Assumptions;
- Launch and Operational Costs and Cost Structure;
- Fluctuations in Operating Results;
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk;
- Product Development and Technological Change;
- A Shift Away from Technologies in Which the Company is Investing;
- Dependence Upon Key Personnel;
- Limited Financial Resources/Uncertainty of Future Financing/Banking;
- Cybersecurity Threats;
- Acquisitions;
- Joint Ventures;
- Private or Public Equity Investments in Technology Companies;
- Potential Tax Exposures;
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges;
- Labour Relations Matters;
- Trade Restrictions or Disputes;
- Changes in Laws and Governmental Regulations;
- Environmental Regulation and Climate Change;
- Litigation and Regulatory Compliance and Investigations;
- Risks of Conducting Business in Foreign Countries, Including China, Brazil and Other Growing Markets;
- Currency Risk;
- Internal Controls Over Financial Reporting and Disclosure Controls and Procedures;
- Loss of Use of Key Manufacturing Facilities;
- Intellectual Property;
- Availability of Consumer Credit or Cost of Borrowing;
- Evolving Business Risk Profile;
- Competition with Low Cost Countries;
- The Company’s Ability to Shift its Manufacturing Footprint to Take Advantage of Opportunities in Growing Markets;
- Change in the Company’s Mix of Earnings Between Jurisdictions with Lower Tax Rates and Those with Higher Tax Rates;
- Pension Plans and Other Post-Employment Benefits;
- Potential Volatility of Share Prices;
- Dividends; 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:

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