PRESS RELEASE

FOR IMMEDIATE RELEASE
NOVEMBER 12, 2024

MARTINREA INTERNATIONAL INC. REPORTS SOLID THIRD 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 third quarter ended September 30, 2024, and declared a quarterly cash dividend of $0.05 per share.

HIGHLIGHTS

- Third quarter total sales of $1,237.5 million, production sales of $1,167.3 million.
- Third quarter Adjusted EBITDA(1) of $154.1 million, 12.5% of total sales.
- Third quarter Operating Income Margin of 5.3%; Adjusted Operating Income Margin(1) was 5.9% for the nine months ended September 30, 2024.
- Third quarter Free Cash Flow(1) (excluding principal payments of IFRS-16 lease liabilities) was $57.0 million; Free Cash Flow(1) was $107.4 million for the nine months ended September 30, 2024, a notable improvement over $75.5 million generated in the nine months ended September 30, 2023.
- Third quarter diluted net earnings per share of $0.19 or $0.44 per share at a normalized effective tax rate after adjusting for unusual foreign exchange movements between the Mexican Peso against the U.S. dollar. These foreign exchange movements are non-cash in nature, do not impact cash taxes and tend to balance out over time (refer to "Overall Results" section for further details).
- Net Debt-to-Adjusted EBITDA(1) ratio, excluding the impact of IFRS 16, ended the third quarter at 1.46x.
- New business awards of approximately $35 million in annualized sales at mature volumes.
- Quarterly cash dividend of $0.05 per share declared.

OVERVIEW

Pat D'Eramo, Chief Executive Officer, stated: "Our third quarter financial results were solid, and met our internal expectations based on the lower level of industry production volumes in the quarter. Our Free Cash Flow(1) was strong, and our Adjusted EBITDA(1) was solid, with Adjusted EBITDA Margin(1) up year over year. Operationally, we are executing well. We continue to drive efficiency gains and cost savings through our Martinrea Operating System. In addition, we continue to make good progress in commercial negotiations with our customers, obtaining compensation for volume shortfalls on electric vehicle programs and lingering inflationary costs. We are experiencing some further production volume shortfalls in the fourth quarter as OEMs adjust inventories on a number of platforms, some of which are big programs for us. We have been impacted by OEM production shutdowns, often with little to no advance warning, which makes it challenging to properly flex costs. The

[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 nine months ended September 30, 2024 and in this press release.

impact is being felt across all powertrain types, not just electric vehicles. While this will impact our financial performance in the fourth quarter, we expect production volumes to improve beginning in the first quarter of 2025, as inventories adjust. Interest rates, which are coming down in both the U.S. and Canada, with further cuts expected, should help to improve vehicle affordability, which in turn, should lead to higher sales for suppliers."

He continued: "I am pleased to announce that we have been awarded new business representing $35 million in annualized sales at mature volumes, consisting of $30 million in Lightweight Structures with multiple customers including International Motors (formerly Navistar), BMW, and Nissan, and $5 million in Propulsion Systems, with Audi."

Peter Cirulis, Chief Financial Officer, stated: "We are pleased with our financial performance in the third quarter. We are driving a healthy level of Free Cash Flow(1) from the business, and our balance sheet is in great shape. Sales for the third quarter, excluding tooling sales of $70.2 million, were $1,167.3 million. Third quarter Adjusted EBITDA was $154.1 million, and Adjusted EBITDA Margin of 12.5% was up 60 basis points year over year. Free Cash Flow(1) (excluding principal payments of IFRS-16 lease liabilities) was $57.0 million in the third quarter, and $107.4 million on a year-to-date basis, a big improvement over the $75.5 million generated in the comparable 2023 period, driven in part by lower capex. On a full year basis, we project that we will come in at the high end of our 2024 Free Cash Flow(1) outlook range of $100 million to $150 million, excluding lease payments, and potentially even better."

He continued: "Net Debt(1) (excluding IFRS-16 lease liabilities) declined by approximately $32 million quarter over quarter, to $820.1 million, reflecting the Free Cash Flow(1) profile for the quarter. Approximately $9.5 million was spent during the quarter, repurchasing approximately 826,000 shares through our normal course issuer bid. Our-Net-Debt-to-Adjusted EBITDA(1) ratio (excluding the impact of IFRS 16) ended the quarter at 1.46x, in line with our target leverage ratio of 1.5x or better."

Rob Wildeboer, Executive Chairman, stated: "We are executing well operationally and financially, and allocating capital with a view to maximizing returns for our stakeholders. We have previously mentioned that capital allocation would be balanced between share buybacks and debt reduction. Both are important priorities for us, and we have demonstrated disciplined execution on both fronts, including during the third quarter. In the past year and a half, since our net debt hit an all-time high of $956 million, we have paid down $136 million in debt, repurchased 6.5 million common shares, equal to 8% of shares outstanding, and reduced our Net-Debt-to-Adjusted EBITDA(1) ratio from 1.90x to 1.46x. We believe consistent Free Cash Flow(1) generation is the path to a higher valuation. On behalf of the executive management team, we would like to thank our people for their hard work in delivering a solid 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, 2024 ("MD&A"), the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2023 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 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, 2024 and 2023. Refer to the Company's interim financial statements for the three and nine months ended September 30, 2024 for a detailed account of the Company's performance for the periods presented in the tables below.

	Three months ended September 30, 2024	Three months ended September 30, 2023	$ Change	% Change
Sales	$ 1,237,493	$ 1,378,938	(141,445)	(10.3%)
Gross Margin	163,350	181,194	(17,844)	(9.8%)
Operating Income	65,879	83,015	(17,136)	(20.6%)
Net Income for the period	14,157	53,744	(39,587)	(73.7%)
Net Earnings per Share - Basic and Diluted	$ 0.19	$ 0.68	(0.49)	(72.1%)
Non-IFRS Measures**				
Adjusted Operating Income	$ 65,879	$ 83,015	(17,136)	(20.6%)
% of Sales	*5.3 %*	*6.0 %*		
Adjusted EBITDA	154,129	163,482	(9,353)	(5.7%)
% of Sales	*12.5 %*	*11.9 %*		
Adjusted Net Income*	14,157	53,744	(39,587)	(73.7%)
Adjusted Net Earnings per Share - Basic and Diluted*	$ 0.19	$ 0.68	(0.49)	(72.1%)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change	% Change
Sales	$ 3,863,199	$ 4,043,882	(180,683)	(4.5%)
Gross Margin	519,517	522,169	(2,652)	(0.5%)
Operating Income	215,019	240,628	(25,609)	(10.6%)
Net Income for the period	98,786	151,815	(53,029)	(34.9%)
Net Earnings per Share - Basic and Diluted	$ 1.30	$ 1.90	(0.60)	(31.6%)
Non-IFRS Measures**				
Adjusted Operating Income	$ 226,629	$ 240,628	(13,999)	(5.8%)
% of Sales	*5.9 %*	*6.0 %*		
Adjusted EBITDA	483,098	476,598	6,500	1.4%
% of Sales	*12.5 %*	*11.8 %*		
Adjusted Net Income*	106,637	147,241	(40,604)	(27.6%)
Adjusted Net Earnings per Share - Basic and Diluted*	$ 1.40	$ 1.84	(0.44)	(23.9%)

*Adjusted Net Income and Adjusted Net Earnings per Share for the three and nine months ended September 30, 2024 were negatively impacted by an unusually high effective tax rate. This was driven primarily by the magnitude and pace of the depreciation of the Mexican Peso against the U.S. dollar, which is the functional currency of the Company's Mexican operations. In situations where the local and functional currencies differ, IFRS, contrary to US GAAP, requires the tax value of assets and liabilities denominated in local currency to be revalued to the operations' functional currency at the reporting date, with the related foreign exchange movements impacting the tax expense for the period. These foreign exchange movements are non-cash in nature, do not impact cash taxes and tend to balance out over time. Including this, and other foreign exchange related items, the effective tax rate for the nine months ended September 30, 2024 was 38.8%. Excluding these foreign exchange items, the effective tax rate would have been 31.0%, which is more reflective of a typical tax rate for the Company. Using a tax rate of 31.0%, Adjusted Net Earnings per Share would have been $0.44 for the three months ended September 30, 2024, and $1.47 for the nine months ended September 30, 2024.

****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 September 30, 2024	Three months ended September 30, 2023
Net Income	$ 14,157	$ 53,744
Adjustments, after tax*	-	-
Adjusted Net Income	$ 14,157	$ 53,744

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net Income	$ 98,786	$ 151,815
Adjustments, after tax*	7,851	(4,574)
Adjusted Net Income	$ 106,637	$ 147,241

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

	Three months ended September 30, 2024	Three months ended September 30, 2023
Net Income	$ 14,157	$ 53,744
Income tax expense	33,276	14,713
Other finance income	(1,084)	(7,418)
Share of loss of equity investments	690	600
Finance expense	18,840	21,376
Adjustments, before tax*	-	-
Adjusted Operating Income	$ 65,879	$ 83,015
Depreciation of property, plant and equipment and right-of-use assets	84,904	77,837
Amortization of development costs	3,084	2,488
Loss on disposal of property, plant and equipment	262	142
Adjusted EBITDA	$ 154,129	$ 163,482

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net Income	$ 98,786	$ 151,815
Income tax expense	63,725	38,422
Other finance income	(8,140)	(7,074)
Share of loss of equity investments	2,147	2,630
Finance expense	58,501	60,108
Adjustments, before tax*	11,610	(5,273)
Adjusted Operating Income	$ 226,629	$ 240,628
Depreciation of property, plant and equipment and right-of-use assets	246,808	228,041
Amortization of development costs	8,172	7,771
Loss on disposal of property, plant and equipment	1,489	158
Adjusted EBITDA	$ 483,098	$ 476,598

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

SALES

Three months ended September 30, 2024 to three months ended September 30, 2023 comparison

	Three months ended September 30, 2024	Three months ended September 30, 2023	$ Change	% Change
North America	$ 960,256	$ 1,042,218	(81,962)	(7.9%)
Europe	250,499	302,145	(51,646)	(17.1%)
Rest of the World	33,638	42,644	(9,006)	(21.1%)
Eliminations	(6,900)	(8,069)	1,169	14.5%
Total Sales	$ 1,237,493	$ 1,378,938	(141,445)	(10.3%)

The Company's consolidated sales for the third quarter of 2024 decreased by $141.4 million or 10.3% to $1,237.5 million as compared to $1,378.9 million for the third quarter of 2023. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the third quarter of 2024 in the Company's North America operating segment decreased by $82.0 million or 7.9% to $960.3 million from $1,042.2 million for the third quarter of 2023. The decrease was due to a decrease in tooling sales of $47.5 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer; programs that ended production during or subsequent to the third quarter of 2023, specifically the Ford Edge, Dodge Charger/Challenger, and Chevrolet Bolt; and lower year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, an engine block for Stellantis, and the Ford Mustang Mach E. These negative factors were partially offset by the launch and ramp up of new programs during or subsequent to the third quarter of 2023, including General Motors' new electric vehicle platforms (BEV3/BET), and the Toyota Tacoma; higher year-over-year OEM production volumes on certain other light vehicle platforms, including General Motors' large pick-up truck and SUV platform, and the Ford Maverick; 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 third quarter of 2024 of $21.1 million. Overall third quarter industry-wide OEM light vehicle production volumes in North America decreased by approximately 5% year-over-year.

Sales for the third quarter of 2024 in the Company's Europe operating segment decreased by $51.6 million or 17.1% to $250.5 million from $302.1 million for the third quarter of 2023. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including aluminum engine blocks for Ford and Mercedes, and the Mercedes' new electric vehicle platform (EVA2); programs that ended production during or subsequent to the third quarter of 2023, specifically the BMW Mini; and a decrease in tooling sales of $8.8 million, which are typically dependent of the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by higher year-over-year OEM production volumes on certain platforms, including the Lucid Air, and an aluminum engine block for Jaguar Land Rover; and 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 2024 of $4.8 million. Overall third quarter industry-wide OEM light vehicle production volumes in Europe decreased by approximately 6% year-over-year.

Sales for the third quarter of 2024 in the Company's Rest of the World operating segment decreased by $9.0 million or 21.1% to $33.6 million from $42.6 million in the third quarter of 2023. The decrease was largely driven by programs that came with the operations acquired from Metalsa in China that ended production during or subsequent to the third quarter of 2023, lower year-over-year production volumes on the Cadillac CT6 vehicle platform in China, and a decrease in tooling sales of $2.0 million; partially offset by the launch and ramp up of new programs, specifically the BMW 5-series in China.

Overall tooling sales decreased by $58.3 million (including outside segment sales eliminations) to $70.2 million for the third quarter of 2024 from $128.6 million for the third quarter of 2023.

Nine months ended September 30, 2024 to nine months ended September 30, 2023 comparison

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change	% Change
North America	$ 2,908,778	$ 3,063,277	(154,499)	(5.0%)
Europe	871,469	893,638	(22,169)	(2.5%)
Rest of the World	102,600	113,092	(10,492)	(9.3%)
Eliminations	(19,648)	(26,125)	6,477	24.8%
Total Sales	$ 3,863,199	$ 4,043,882	(180,683)	(4.5%)

The Company’s consolidated sales for the nine months ended September 30, 2024 decreased by $180.7 million or 4.5% to $3,863.2 million as compared to $4,043.9 million for the nine months ended September 30, 2023. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the nine months ended September 30, 2024 in the Company’s North America operating segment decreased by $154.5 million or 5.0% to $2,908.8 million from $3,063.3 million for the nine months ended September 30, 2023. The decrease was due generally to a decrease in tooling sales of $154.2 million which are typically dependent on the timing of tooling construction and final acceptance by the customer; programs that ended production during or subsequent to the corresponding period of 2023, specifically the Dodge Charger/Challenger, the Ford Edge, and Chevrolet Bolt; and lower year-over-year OEM production volumes on certain platforms, including an engine block for Stellantis, the Jeep Grand Cherokee and Wagoneer, the Ford Mustang Mach E, and Mercedes' new electric vehicle platform (EVA2). These negative factors were partially offset by 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 of certain light vehicle platforms including the Ford Escape and Maverick, and General Motors' large pick-up truck and SUV platform; 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, 2024 of $26.1 million.

Sales for the nine months ended September 30, 2024 in the Company’s Europe operating segment decreased by $22.2 million or 2.5% to $871.5 million from $893.6 million for the nine months ended September 30, 2023. The decrease was due to programs that ended production during or subsequent to the corresponding period of 2023, specifically the BMW Mini; and lower year-over-year production volumes of certain other light vehicle platforms, including the Mercedes' new electric vehicle platform (EVA2) and aluminum engine blocks for Ford and Mercedes. These negative factors were partially offset by higher year-over-year OEM production volumes on certain platforms, including an aluminum engine block for Jaguar Land Rover; an increase in tooling sales of $21.0 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer; and the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the nine months ended September 30, 2024 of $9.9 million.

Sales for the nine months ended September 30, 2024 in the Company’s Rest of the World operating segment decreased by $10.5 million or 9.3% to $102.6 million from $113.1 million for the nine months ended September 30, 2023. The decrease was largely driven by programs that came with the operations acquired from Metalsa in China that ended production during or subsequent to the nine months ended September 30, 2023, and lower year-over-year production volumes on the Cadillac CT6 vehicle platform in China; partially offset by the launch and ramp up of new programs, specifically the BMW 5-series in China, and an increase in tooling sales of $4.0 million.

Overall tooling sales decreased by $128.1 million (including outside segment sales eliminations) to $174.7 million for the nine months ended September 30, 2024 from $302.8 million for the nine months ended September 30, 2023.

GROSS MARGIN

Three months ended September 30, 2024 to three months ended September 30, 2023 comparison

	Three months ended September 30, 2024	Three months ended September 30, 2023	$ Change	% Change
Gross margin	$ 163,350	$ 181,194	(17,844)	(9.8%)
% of Sales	13.2 %	13.1 %		

The gross margin percentage for the third quarter of 2024 of 13.2% increased slightly as a percentage of sales as compared to the gross margin percentage for the third quarter of 2023 of 13.1% due to:

- productivity and efficiency improvements at certain operating facilities and other improvements; and
- a decrease in tooling sales which typically earn low margin for the Company.

These factors were essentially offset by:

- overall lower production sales volume and corresponding contribution;
- operational inefficiencies at certain operating facilities; and
- a negative sales mix, including additional depreciation expense from recent new program investments.

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.

Nine months ended September 30, 2024 to nine months ended September 30, 2023 comparison

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change	% Change
Gross margin	$ 519,517	$ 522,169	(2,652)	(0.5%)
% of Sales	13.4%	12.9%		

The gross margin percentage for the nine months ended September 30, 2024 of 13.4% increased as a percentage of sales by 0.5% as compared to the gross margin percentage for the nine months ended September 30, 2023 of 12.9%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities and other improvements; and
- a decrease in tooling sales which typically earn low margin for the Company.

These factors were partially offset by:

- operational inefficiencies at certain other operating facilities;
- overall lower production sales volume and corresponding contribution;
- an unfavourable impact from a year-over-year change in foreign exchange rates in Mexico; and
- a negative sales mix, including additional depreciation expense from recent new program investments.

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 September 30, 2024 to three months ended September 30, 2023 comparison

No adjustments were noted during the three months ended September 30, 2024 and 2023.

TABLE B

Nine months ended September 30, 2024 to nine months ended September 30, 2023 comparison

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change
NET INCOME	**$ 98,786**	**$ 151,815**	**$ (53,029)**
Adjustments:			
Restructuring costs (1)	11,610	-	11,610
Net gain on disposal of equity investments (2)	-	(5,273)	5,273
ADJUSTMENTS, BEFORE TAX	**$ 11,610**	**$ (5,273)**	**$ 16,883**
Tax impact of adjustments	(3,759)	699	(4,458)
ADJUSTMENTS, AFTER TAX	**$ 7,851**	**$ (4,574)**	**$ 12,425**
ADJUSTED NET INCOME	**$ 106,637**	**$ 147,241**	**$ (40,604)**
Number of Shares Outstanding – Basic (‘000)	76,191	79,933	
Adjusted Basic Net Earnings Per Share	$ 1.40	$ 1.84	
Number of Shares Outstanding – Diluted (‘000)	76,194	79,989	
Adjusted Diluted Net Earnings Per Share	$ 1.40	$ 1.84	

(1) Restructuring costs

Additions to the restructuring provision during the nine months ended September 30, 2024 totaled $11.6 million and represent employee-related severance resulting from the rightsizing of certain operations in Germany, Mexico, Canada, and the United States.

(2) 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%.

NET INCOME

Three months ended September 30, 2024 to three months ended September 30, 2023 comparison

	Three months ended September 30, 2024	Three months ended September 30, 2023	$ Change	% Change
Net Income	$ 14,157	$ 53,744	(39,587)	(73.7%)
Net Earnings per Share				
Basic and Diluted	$ 0.19	$ 0.68		

Net Income for the third quarter of 2024 decreased by $39.6 million to $14.2 million or $0.19 per share, on a basic and diluted basis, from Net Income of $53.7 million or $0.68 per share, on a basic and diluted basis, for the third quarter of 2023.

Net Income for the third quarter of 2024, as compared to the third quarter of 2023, was negatively impacted by the following:

- lower gross margin from lower year-over-year sales volume;
- a net foreign exchange gain of $1.3 million for the third quarter of 2024 compared to a gain of $7.1 million for the third quarter of 2023; and
- a higher effective tax rate (70.2% for the third quarter of 2024 compared to 21.5% for the third quarter of 2023) driven primarily by the IFRS accounting treatment of the rapid depreciation of the Mexican Peso against the U.S. dollar that does not impact cash.

These factors were partially offset by the following:

- a year-over-year decrease in SG&A expense, as previously explained; and
- a $2.5 million year-over-year decrease in finance expense as a result of lower borrowing rates on the Company's revolving bank debt.

Nine months ended September 30, 2024 to nine months ended September 30, 2023 comparison

	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change	% Change
Net Income	$ 98,786	$ 151,815	(53,029)	(34.9%)
Adjusted Net Income	106,637	147,241	(40,604)	(27.6%)
Net Earnings per Share				
Basic and Diluted	$ 1.30	$ 1.90		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 1.40	$ 1.84		

Net Income, before adjustments, for the nine months ended September 30, 2024 decreased by $53.0 million to $98.8 million or $1.30 per share, on a basic and diluted basis, from Net Income of $151.8 million or $1.90 per share, on a basic and diluted basis, for the nine months ended September 30, 2023. Excluding the adjustments explained in Table B under “Adjustments to Net Income”, Adjusted Net Income for the nine months ended September 30, 2024 decreased by $40.6 million to $106.6 million or $1.40 per share on a basic and diluted basis, from $147.2 million or $1.84 per share on a basic and diluted basis, for the nine months ended September 30, 2023.

Adjusted Net Income for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023, was negatively impacted by the following:

- a year-over-year increase in SG&A expense, as previously explained;
- a $3.8 million year-over-year increase in research and development costs driven generally by increased new product and process development activity;
- lower gross margin on lower year-over-year sales volume;
- a $1.5 million loss on the disposal of property, plant and equipment for the nine months ended September 30, 2024; and
- a higher effective tax rate (38.8% for the nine months ended September 30, 2024 compared to 20.4% for the nine months ended September 30, 2023) driven primarily by the IFRS accounting treatment of the rapid depreciation of the Mexican Peso against the U.S. dollar that does not impact cash.

These factors were partially offset by the following:

- a net foreign exchange gain of $8.1 million for the nine months ended September 30, 2024 compared to a gain of $6.5 million for the nine months ended September 30, 2023; and
- a $1.6 million year-over-year decrease in finance expense as a result of lower borrowing rates on the Company's revolving bank debt.

Adjusted Net Income and Adjusted Net Earnings per Share for the three and nine months ended September 30, 2024 were negatively impacted by an unusually high effective tax rate. This was driven primarily by the magnitude and pace of the depreciation of the Mexican Peso against the U.S. dollar, which is the functional currency of the Company's Mexican operations. In situations where the local and functional currencies differ, IFRS, contrary to US GAAP, requires the tax value of assets and liabilities denominated in local currency to be revalued to the operations' functional currency at the reporting date, with the related foreign exchange movements impacting the tax expense for the period. These foreign exchange movements are non-cash in nature, do not impact cash taxes and tend to balance out over time. Including this, and other foreign exchange related items, the effective tax rate for the nine months ended September 30, 2024 was 38.8%. Excluding these foreign exchange items, the effective tax rate would have been 31.0%, which is more reflective of a typical tax rate for the Company. Using a tax rate of 31.0%, Adjusted Net Earnings per Share would have been $0.44 for the three months ended September 30, 2024, and $1.47 for the nine months ended September 30, 2024.

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, 2024, on or about January 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, November 12, 2024 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 1624622#. 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 – 9076430#). The rebroadcast will be available until December 14, 2024 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 2024) 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), improvements in interest rates, tax rates, supply constraints, inflation and labour, 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, capital allocation strategies, contemplated purchases under the NCIB, 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, 2023, and other public filings which can be found at www.sedarplus.ca:

- North American and Global Economic and Political Conditions (including war) and Consumer Confidence
- Automotive Industry Risks
- Pandemics and Epidemics, Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest or War, and Other Outbreaks
- Russia and Ukraine War and Hamas-Israel War
- 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
- 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:

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