PRESS RELEASE

FOR IMMEDIATE RELEASE
November 8, 2018

MARTINREA INTERNATIONAL INC. REPORTS RECORD THIRD QUARTER RESULTS AND ANNOUNCES DIVIDEND

Toronto, Ontario – Martinrea International Inc. (TSX : MRE), a leader in the development and production of quality metal parts, assemblies and modules and fluid management systems and complex aluminum products focused primarily on the automotive sector, announced today the release of its financial results for the third quarter ended September 30, 2018 and a quarterly dividend.

HIGHLIGHTS

- Sixteenth consecutive quarter with record year-over-year adjusted earnings
- Total sales of $851 million; production sales of $803 million
- Record third quarter net income of $36.4 million, or $0.42 per share
- Record third quarter adjusted net income(1) of $37.2 million, or $0.43 per share
- Record third quarter adjusted EBITDA(1) of $103.7 million
- Quarterly adjusted operating income(1) (6.9%) and adjusted EBITDA(1) (12.2%) margins increase substantially year-over-year
- Balance sheet continues to strengthen; quarter end net debt:adjusted EBITDA(1) ratio very strong improving to 1.35:1
- New business awards of approximately $40 million in annualized sales
- Quarterly cash dividend of $0.045 declared
- $9 million in share repurchases in the third quarter

OVERVIEW

Pat D'Eramo, President and Chief Executive Officer, stated: "We are pleased with a record third quarter in terms of earnings and margin performance, despite some volume headwinds, some modest tariff effects and foreign exchange losses during the quarter. We continue to strengthen as a company, and that is demonstrated in improved metrics. We had some new business wins in the quarter totalling $40 million in annualized sales at peak volume, including $18 million in new fluids product with Ford, Geely and JMC starting in 2021, and $22 million in new aluminum work, a camshaft for Scania starting in 2021 and a battery housing for Samsung starting in 2020. This brings us to almost $600 million in new business wins in 2018 to date, making this our best year ever in terms of announcing organic growth in sales, giving us a solid pipeline for the future. The new business involves work with a wide variety of customers, reflecting that we are becoming a solutions supplier to more than just our traditional customers, which also is a great platform for future growth. This year should be a record year for us, and next year is shaping up to be better still."

Fred Di Tosto, Chief Financial Officer, stated: "Sales for the third quarter, excluding tooling sales of $48 million, were $803 million, at the lower end of our previously announced sales guidance range, as certain platforms had lower than expected volumes. In the quarter, our adjusted net earnings per share, on a basic and diluted basis, was $0.43 per share, within our quarterly guidance range but at the lower end due to a $2.1 million foreign exchange loss recognized during the quarter representing approximately $0.02 per share. Quarterly adjusted operating income and adjusted EBITDA margins increased significantly year-over-year. Operating income margin for the quarter hit 6.9%. Our balance sheet continues to strengthen as well ending the quarter at a net debt to adjusted EBITDA ratio of 1.35:1. We anticipate a strong end to 2018, with fourth quarter production sales projected to be in the range of $820 to $860 million, and adjusted net earnings per share in the range of $0.49 to $0.53, great results despite launch activity, some continued anticipated softness in OEM volumes on certain platforms and some tariff effects from the U.S. and Canadian tariffs on steel and aluminum."

Rob Wildeboer, Executive Chairman, stated: "We intend to maintain a strong balance sheet over time, and pay down debt as appropriate, while investing in our business, and that is what we have been doing. As previously indicated, we did receive approval for a normal course issuer bid and did purchase some of our shares for cancellation in the third quarter. Frankly, they represented a very good investment, given our performance and our prospects. We intend to continue to buy back some shares at these price levels, while balancing our other potential uses for our capital. I want to thank our people for their commitment and performance which has allowed us to generate the results to support an increased dividend and some stock buybacks this year. We also are pleased with the USMCA agreement announced at the end of the third quarter. While the USMCA is yet to be ratified, we are supportive of the automotive provisions that have been negotiated, which in our view will support a continued strong North American automotive industry and supply base. We were very well positioned to benefit from NAFTA, and we remain very well positioned to benefit from the USMCA. We are also supportive of the eventual removal of the steel and aluminum tariffs imposed by the three member countries of the USMCA on each other, which are hurting some of our customers and suppliers, and which have a relatively modest impact on our profitability, and we will continue to advocate accordingly."

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 third quarter ended September 30, 2018 ("MD&A"), the Company's interim condensed consolidated financial statements for the third quarter ended September 30, 2018 (the "interim consolidated financial statements") and the Company's Annual Information Form for the year ended December 31, 2017, can be found at www.sedar.com.

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

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

OVERALL RESULTS

The following tables set out certain highlights of the Company's performance for the three and nine months ended September 30, 2018 and 2017. Refer to the Company's interim consolidated financial statements for the three and nine months ended September 30, 2018 for a detailed account of the Company's performance for the periods presented in the tables below.

		Three months ended September 30, 2018		Three months ended September 30, 2017	$ Change	% Change
Sales	$	851,136	$	838,535	12,601	1.5%
Gross Margin		127,130		113,418	13,712	12.1%
Operating Income		58,449		50,106	8,343	16.7%
Net Income for the period		36,381		36,022	359	1.0%
Net Income Attributable to Equity Holders of the Company	$	36,381	$	36,229	152	0.4%
Net Earnings per Share - Basic and Diluted	$	0.42	$	0.42	-	-
Non-IFRS Measures*						
Adjusted Operating Income	$	58,449	$	51,873	6,576	12.7%
% of Sales		*6.9%*		*6.2%*		
Adjusted EBITDA		103,744		92,409	11,335	12.3%
% of Sales		*12.2%*		*11.0%*		
Adjusted Net Income Attributable to Equity Holders of the Company		37,169		36,263	906	2.5%
Adjusted Net Earnings per Share - Basic and Diluted	$	0.43	$	0.42	0.01	2.4%

		Nine months ended September 30, 2018		Nine months ended September 30, 2017	$ Change	% Change
Sales	$	2,736,746	$	2,811,857	(75,111)	(2.7%)
Gross Margin		421,594		360,559	61,035	16.9%
Operating Income		218,565		179,097	39,468	22.0%
Net Income for the period		148,067		126,900	21,167	16.7%
Net Income Attributable to Equity Holders of the Company	$	148,067	$	127,177	20,890	16.4%
Net Earnings per Share - Basic	$	1.71	$	1.47	0.24	16.3%
Net Earnings per Share - Diluted	$	1.70	$	1.47	0.23	15.6%
Non-IFRS Measures*						
Adjusted Operating Income	$	218,565	$	175,166	43,399	24.8%
% of Sales		*8.0%*		*6.2%*		
Adjusted EBITDA		349,438		295,663	53,775	18.2%
% of Sales		*12.8%*		*10.5%*		
Adjusted Net Income Attributable to Equity Holders of the Company		149,326		122,340	26,986	22.1%
Adjusted Net Earnings per Share - Basic	$	1.72	$	1.41	0.31	22.0%
Adjusted Net Earnings per Share - Diluted	$	1.71	$	1.41	0.30	21.5%

***Non-IFRS Measures**

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”). However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company’s performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include “Adjusted Net Income”, “Adjusted Net Earnings per Share (on a basic and diluted basis)”, “Adjusted Operating Income” and "Adjusted EBITDA”.

The following tables provide a reconciliation of IFRS “Net Income Attributable to Equity Holders of the Company” to Non-IFRS “Adjusted Net Income Attributable to Equity Holders of the Company”, “Adjusted Operating Income” and “Adjusted EBITDA”.

	Three months ended September 30, 2018	Three months ended September 30, 2017
Net Income Attributable to Equity Holders of the Company	$ 36,381	$ 36,229
Unusual and Other Items (after-tax)*	788	34
Adjusted Net Income Attributable to Equity Holders of the Company	$ 37,169	$ 36,263

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net Income Attributable to Equity Holders of the Company	$ 148,067	$ 127,177
Unusual and Other Items (after-tax)*	1,259	(4,837)
Adjusted Net Income Attributable to Equity Holders of the Company	$ 149,326	$ 122,340

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

	Three months ended September 30, 2018	Three months ended September 30, 2017
Net Income Attributable to Equity Holders of the Company	$ 36,381	$ 36,229
Non-controlling interest	-	(207)
Income tax expense	12,236	10,348
Other finance expense (income) - excluding Unusual and Other Items*	1,994	(340)
Finance expense	6,937	5,451
Unusual and Other Items (before-tax)*	901	392
Adjusted Operating Income	$ 58,449	$ 51,873
Depreciation of property, plant and equipment	41,787	36,873
Amortization of intangible assets	3,349	3,897
Loss (gain) on disposal of property, plant and equipment	159	(234)
Adjusted EBITDA	$ 103,744	$ 92,409

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Net Income Attributable to Equity Holders of the Company	$ 148,067	$ 127,177
Non-controlling interest	-	(277)
Income tax expense	48,254	37,863
Other finance expense (income) - excluding Unusual and Other Items*	460	(1,083)
Finance expense	20,345	16,792
Unusual and Other Items (before-tax)*	1,439	(5,306)
Adjusted Operating Income	$ 218,565	$ 175,166
Depreciation of property, plant and equipment	120,345	109,401
Amortization of intangible assets	10,159	11,623
Loss (gain) on disposal of property, plant and equipment	369	(527)
Adjusted EBITDA	$ 349,438	$ 295,663

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

SALES

Three months ended September 30, 2018 to three months ended September 30, 2017 comparison

	Three months ended September 30, 2018	Three months ended September 30, 2017	$ Change	% Change
North America	$ 648,649	$ 646,895	1,754	0.3%
Europe	171,902	165,140	6,762	4.1%
Rest of the World	33,542	30,319	3,223	10.6%
Eliminations	(2,957)	(3,819)	862	22.6%
Total Sales	$ 851,136	$ 838,535	12,601	1.5%

The Company’s consolidated sales for the third quarter of 2018 increased by $12.6 million or 1.5% to $851.1 million as compared to $838.5 million for the third quarter of 2017. Sales increased year-over-year across all operating segments.

Sales for the third quarter of 2018 in the Company’s North America operating segment increased by $1.8 million or 0.3% to $648.6 million from $646.9 million for the third quarter of 2017. The increase was due to the launch of new programs during or subsequent to the third quarter of 2017, including the next generation GM Equinox/Terrain and SiIverado/Sierra pick-up truck; 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 2018 of approximately $10.4 million as compared to the third quarter of 2017; and an increase in tooling sales of $6.0 million, which are typically dependant 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 on certain light-vehicle platforms including the Ford Escape, Ford Fusion, Chrysler 300/Challenger/Charger, and programs that ended production during or subsequent to the third quarter of 2017 such as the previous versions of the GM Equinox/Terrain and Silverado/Sierra pick-up truck.

Sales for the third quarter of 2018 in the Company's Europe operating segment increased by $6.8 million or 4.1% to $171.9 million from $165.1 million for the third quarter of 2017. The increase can be attributed to the launch of new programs during or subsequent to the third quarter of 2017, including a 2.0L aluminum engine block for Ford and the ramp up of new aluminum structural components work and the new V8 AMG engine block for Daimler; a $4.3 million positive foreign exchange impact from the translation of Euro denominated production sales as compared to the third quarter of 2017; and a $1.4 million increase in tooling sales. These positive factors were partially offset by lower year-over-year production volumes on certain Jaguar Landrover platforms and the Ford Mondeo in Europe.

Sales for the third quarter of 2018 in the Company's Rest of the World operating segment increased by $3.2 million or 10.6% to $33.5 million from $30.3 million in the third quarter of 2017. The increase was due to a $2.0 million increase in tooling sales, higher year-over-year production sales in the Company's operating facility in Brazil, and the launch of new aluminum structural components work for Jaguar Landrover in China, which began to ramp up in the first quarter of 2018; partially offset by a $1.9 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to the third quarter of 2017 and lower year-over-year production volumes on the Ford Mondeo in China.

Overall tooling sales increased by $9.4 million to $48.0 million for the third quarter of 2018 from $38.6 million for the third quarter of 2017.

Nine months ended September 30, 2018 to nine months ended September 30, 2017 comparison

	Nine months ended September 30, 2018	Nine months ended September 30, 2017	$ Change	% Change
North America	$ 2,091,651	$ 2,238,933	(147,282)	(6.6%)
Europe	546,328	493,080	53,248	10.8%
Rest of the World	107,751	90,163	17,588	19.5%
Eliminations	(8,984)	(10,319)	1,335	(12.9%)
Total Sales	$ 2,736,746	$ 2,811,857	(75,111)	(2.7%)

The Company's consolidated sales for the nine months ended September 30, 2018 decreased by $75.1 million or 2.7% to $2,736.7 million as compared to $2,811.9 million for the nine months ended September 30, 2017. The total decrease in sales was driven by a decrease in the North America operating segment, partially offset by year-over-year increases in sales in Europe and the Rest of the World.

Sales for the nine months ended September 30, 2018 in the Company's North America operating segment decreased by $147.3 million or 6.6% to $2,091.7 million from $2,238.9 million for the nine months ended September 30, 2017. The decrease was due to lower year-over-year production volumes on certain light-vehicle platforms including the Ford Escape, Ford Fusion, Chevrolet Malibu, Chrysler 300/Challenger/Charger, and programs that ended production during or subsequent to the nine months ended September 30, 2017 such as the previous versions of the GM Equinox/Terrain and Silverado/Sierra pick-up truck; the impact of foreign exchange on the translation of U.S. denominated production sales, which had a negative impact on overall sales for the nine months ended September 30, 2018 of approximately $44.0 million as compared to the corresponding period of 2017; and overall lower year-over-year production volumes resulting from unplanned OEM shutdowns during the second quarter of 2018 because of a fire at an industry-wide supplier of magnesium components which disrupted the automotive supply chain and, as a result, production levels of various vehicle platforms at Ford, FCA, GM, Daimler and BMW for a period of time during the month of May. These negative factors were partially offset by the launch of new programs during or subsequent to the nine months ended September 30, 2017, including the next generation GM Equinox/Terrain and Silverado/Sierra pick-up truck, and an increase in tooling sales of $20.5 million, which are typically dependant on the timing of tooling construction and final acceptance by the customer.

Sales for the nine months ended September 30, 2018 in the Company's Europe operating segment increased by $53.2 million or 10.8% to $546.3 million from $493.1 million for the nine months ended September 30 2017. The increase can be attributed to the launch of new programs during or subsequent to the nine months ended September 30, 2017, including a 2.0L aluminum engine block for Ford and the ramp up of new aluminum structural components work and the new V8 AMG engine block for Daimler; 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, 2018 of $28.5 million as compared to the corresponding period of 2017; and a $9.2 million increase in tooling sales. These positive factors were partially offset by lower year-over-year production volumes on certain Jaguar Landrover platforms and the Ford Mondeo in Europe.

Sales for the nine months ended September 30, 2018 in the Company's Rest of the World operating segment increased by $17.6 million or 19.5% to $107.8 million from $90.2 million for the nine months ended September 30, 2017. The increase was due to an $11.0 million increase in tooling sales, higher year-over-year production sales in the Company's operating facility in Brazil, and the launch of new aluminum structural components work for Jaguar Landrover in China, which began to ramp up in the first quarter of 2018; partially offset by a $3.4 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to corresponding period of 2017 and lower year-over-year production volumes on the Ford Mondeo in China.

Overall tooling sales increased by $41.9 million to $184.0 million for the nine months ended September 30, 2018 from $142.1 million for the nine months ended September 30, 2017.

GROSS MARGIN

Three months ended September 30, 2018 to three months ended September 30, 2017 comparison

	Three months ended September 30, 2018	Three months ended September 30, 2017	$ Change	% Change
Gross margin	$ 127,130	$ 113,418	13,712	12.1%
% of Sales	14.9%	13.5%		

The gross margin percentage for the third quarter of 2018 of 14.9% increased as a percentage of sales by 1.4% as compared to the gross margin percentage for the third quarter of 2017 of 13.5%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities; and
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the third quarter of 2017.

These positive factors were partially offset by operational inefficiencies and other costs at certain other facilities, including upfront costs incurred in preparation of upcoming new programs and related new business in the process of being launched, and higher tariffs on steel.

Nine months ended September 30, 2018 to nine months ended September 30, 2017 comparison

	Nine months ended September 30, 2018	Nine months ended September 30, 2017	$ Change	% Change
Gross margin	$ 421,594	$ 360,559	61,035	16.9%
% of Sales	15.4%	12.8%		

The gross margin percentage for the nine months ended September 30, 2018 of 15.4% increased as a percentage of sales by 2.6% as compared to the gross margin percentage for the nine months ended September 30, 2017 of 12.8%. Consistent with the year-over-year increase in the third quarter of 2018 as explained above, the increase in gross margin for the nine months ended September 30, 2018, as a percentage of sales, was generally due to:

- productivity and efficiency improvements at certain operating facilities; and
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the nine months ended September 30, 2017.

These positive factors were partially offset by operational inefficiencies and other costs at certain other facilities, including upfront costs incurred in preparation of upcoming new programs and related new business in the process of being launched; higher tariffs on steel; and an increase in tooling sales which typically earn low margins for the Company.

ADJUSTMENTS TO NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Adjusted Net Income excludes certain unusual and other items, as set out in the following tables and described in the notes thereto. Management uses Adjusted Net Income as a measurement of operating performance of the Company and believes that, in conjunction with IFRS measures, it provides useful information about the financial performance and condition of the Company.

TABLE A

Three months ended September 30, 2018 to three months ended September 30, 2017 comparison

	For the three months ended September 30, 2018 (a)	For the three months ended September 30, 2017 (b)	(a)-(b) Change
NET INCOME (A)	**$36,381**	**$36,229**	**$152**
Add Back - Unusual and Other Items:			
Unrealized loss (gain) on derivative instruments (2)	901	(1,375)	2,276
Executive separation agreement (3)	-	1,767	(1,767)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**$901**	**$392**	**$509**
Tax impact of above items	(113)	(358)	245
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX(B)	**$788**	**$34**	**$754**
ADJUSTED NET INCOME (A + B)	**$37,169**	**$36,263**	**$906**
Number of Shares Outstanding - Basic ('000)	86,685	86,512	
Adjusted Basic Net Earnings Per Share	$0.43	$0.42	
Number of Shares Outstanding - Diluted ('000)	87,096	86,794	
Adjusted Diluted Net Earnings Per Share	$0.43	$0.42	

TABLE B

Nine months ended September 30, 2018 to nine months ended September 30, 2017

	For the nine months ended September 30, 2018 (a)	For the nine months ended September 30, 2017 (b)	(a)-(b) Change
NET INCOME (A)	**$148,067**	**$127,177**	**$20,890**
Add Back - Unusual and Other Items:			
Gain on sale of land and building (1)	-	(5,698)	5,698
Unrealized loss (gain) on derivative instruments (2)	1,439	(1,375)	2,814
Executive separation agreement (3)	-	1,767	(1,767)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**$1,439**	**($5,306)**	**$6,745**
Tax impact of above items	(180)	469	(649)
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX(B)	**$1,259**	**($4,837)**	**$6,096**
ADJUSTED NET INCOME (A + B)	**$149,326**	**$122,340**	**$26,986**
Number of Shares Outstanding - Basic ('000)	86,790	86,505	
Adjusted Basic Net Earnings Per Share	$1.72	$1.41	
Number of Shares Outstanding - Diluted ('000)	87,360	86,739	
Adjusted Diluted Net Earnings Per Share	$1.71	$1.41	

(1) Gain on sale of land and building

During the first quarter of 2017, in connection with the relocation of an existing operation to another manufacturing facility, a building owned by the Company in Mississauga, Ontario was sold on an "as-is, where-is" basis. The building was sold for proceeds of $9.9 million (net of closing costs of $0.4 million) resulting in a pre-tax gain of $5.7 million.

(2) Unrealized loss (gain) on derivative instruments

In the third quarter of 2017, the Company acquired 5,500,000 common shares in NanoXplore Inc. ("NanoXplore"), a publicly listed company on the TSX Venture Exchange trading under the ticker symbol GRA, for a total of $2.5 million through a private placement offering (the investment is further described in note 6 of the interim condensed consolidated financial statements and later on in the MD&A under the section "Investments"). As part of the transaction to acquire the common shares, the Company also received warrants entitling the Company to acquire up to an additional 2,750,000 common shares in NanoXplore at a price of $0.70 per share for a period of up to two years after issuance.

During the first quarter of 2018, the Company acquired an additional 411,800 common shares in NanoXplore for a total of $0.7 million through another private placement offering. As part of the transaction to acquire the additional common shares, the Company also received warrants entitling the Company to acquire up to an additional 205,900 common shares in NanoXplore at a price of $2.30 per share for a period of up to two years after issuance.

The warrants in NanoXplore represent derivative instruments and are fair valued at the end of each reporting period with the change in fair value recorded through profit or loss. As at September 30, 2018, the warrants had a fair value of $2.7 million. Based on the fair value of the warrants as at September 30, 2018, an unrealized loss of $0.9 million was recognized in the third quarter of 2018 and an unrealized gain of $1.4 million was recognized for the nine months ended September 30, 2018. As at September 30, 2017, the warrants had a fair value of $1.7 million which resulted in an unrealized gain of $1.4 million for the third quarter of 2017. The unrealized loss (gain) is recorded in other finance income (expense) and has been added back for Adjusted Net Income purposes.

(3) Executive separation agreement

During the third quarter of 2017, David Rashid ceased to be an Executive Vice President of Operations of the Company. The costs added back for Adjusted Net Income purposes represents Mr. Rashid's termination benefits (included in SG&A expense) as set out in his employment contract payable over a twelve-month period.

NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Three months ended September 30, 2018 to three months ended September 30, 2017 comparison

		Three months ended September 30, 2018		Three months ended September 30, 2017	$ Change	% Change
Net Income	$	36,381	$	36,229	152	0.4%
Adjusted Net Income	$	37,169	$	36,263	906	2.5%
Net Earnings per Share						
Basic and Diluted	$	0.42	$	0.42		
Adjusted Net Earnings per Share						
Basic and Diluted	$	0.43	$	0.42		

Net income, before adjustments, for the third quarter of 2018 increased by $0.2 million to $36.4 million from $36.2 million for the third quarter of 2017. Excluding the unusual and other items recognized during the third quarter of 2018 and 2017, as explained in Table A under "Adjustments to Net Income", net income for the third quarter of 2018 increased to $37.2 million or $0.43 per share, on a basic and diluted basis, from $36.2 million or $0.42 per share, on a basic and diluted basis, for the third quarter of 2017.

Adjusted Net Income for the third quarter of 2018, as compared to the third quarter of 2017, was positively impacted by the following:

- higher gross profit on increased year-over-year sales as previously explained;
- productivity and efficiency improvements at certain operating facilities; and
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the third quarter of 2017.

These positive factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities including higher tariffs on steel;
- a year-over-year increase in SG&A expense as previously discussed;
- a year-over-year increase in depreciation expense as previously discussed;
- a year-over-year increase in finance expense on the Company's revolving bank debt as a result of increased borrowing rates;
- a net unrealized foreign exchange loss of $2.1 million for the third quarter of 2018 compared to a net unrealized foreign exchange gain of $0.2 million for the third quarter of 2017; and
- a higher effective tax rate on adjusted income due generally to the mix of earnings (24.9% for the third quarter of 2018 compared to 22.9% for the third quarter of 2017).

Nine months ended September 30, 2018 to nine months ended September 30, 2017 comparison

		Nine months ended September 30, 2018		Nine months ended September 30, 2017	$ Change	% Change
Net Income	$	148,067	$	127,177	20,890	16.4%
Adjusted Net Income	$	149,326	$	122,340	26,986	22.1%
Net Earnings per Share						
Basic	$	1.71	$	1.47		
Diluted	$	1.70	$	1.47		
Adjusted Net Earnings per Share						
Basic	$	1.72	$	1.41		
Diluted	$	1.71	$	1.41		

Net Income, before adjustments, for the nine months ended September 30, 2018 increased by $20.9 million to $148.1 million from $127.2 million for the nine months ended September 30, 2017 largely as a result of the increase in the Company's gross margin, as previously discussed, and the impact of the unusual and other items incurred during the nine months ended September 30, 2018 and 2017 as explained in Table B under "Adjustments to Net Income". Excluding these unusual and other items, net income for the nine months ended September 30, 2018 increased to $149.3 million or $1.71 per share, on a basic basis, and $1.70 on a diluted basis, from $122.3 million or $1.41 per share, on a basic and diluted basis, for the nine months ended September 30, 2017.

Adjusted Net Income for the nine months ended September 30, 2018, as compared to the nine months ended September 30, 2017, was positively impacted by the following:

- higher gross profit despite an overall decrease in year-over-year sales as previously explained;
- productivity and efficiency improvements at certain operating facilities; and
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to nine months ended September 30, 2017.

These positive factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities including higher tariffs on steel;
- a year-over-year increase in SG&A as previously discussed;
- a year-over-year increase in depreciation expense as previously discussed;
- a year-over-year increase in finance expense on the Company's revolving bank debt as a result of increased borrowing rates;
- a net unrealized foreign exchange loss of $0.7 million for the nine months ended September 30, 2018 compared to a net unrealized foreign exchange gain of $0.8 million for the nine months ended September 30, 2017; and
- a higher effective tax rate on adjusted income due generally to the mix of earnings (24.5% for the nine months ended September 30, 2018 compared to 23.5% for the nine months ended September 30, 2017).

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Three months ended September 30, 2018 to three months ended September 30, 2017 comparison

		Three months ended September 30, 2018		Three months ended September 30, 2017	$ Change	% Change
Additions to PP&E	$	62,591	$	56,373	6,218	11.0%

Additions to PP&E increased by $6.2 million to $62.6 million or 7.4% of sales in the third quarter of 2018 from $56.4 million or 6.7% of sales in the third quarter of 2017 due in large part to the timing of expenditures. The Company continues to make investments in the business, including in both new and replacement business, as the Company's global footprint expands and as it executes on its growing backlog of new business in all its various product offerings.

Nine months ended September 30, 2018 to nine months ended September 30, 2017 comparison

	Nine months ended September 30, 2018	Nine months ended September 30, 2017	$ Change	% Change
Additions to PP&E	$ 182,502	$ 168,105	14,397	8.6%

Additions to PP&E increased by $14.4 million year-over-year to $182.5 million or 6.7% of sales for the nine months ended September 30, 2018 compared to $168.1 million or 6.0% of sales for the nine months ended September 30, 2017 generally due to the timing of expenditures. As explained above, the Company continues to make investments in the business, including in both new and replacement business, as the Company's global footprint expands and as it executes on its growing backlog of new business in all its various product offerings.

DIVIDEND

A cash dividend of $0.045 per share has been declared by the Board of Directors payable to shareholders of record on December 31, 2018, on or about January 15, 2019.

ABOUT MARTINREA

Martinrea currently employs approximately 15,000 skilled and motivated people in 45 operating divisions in Canada, the United States, Mexico, Brazil, Germany, Slovakia, Spain and China.

Martinrea's vision: making lives better by being the best supplier we can be in the products we make and the services we provide. The Company's mission is to make people's lives better by delivering: outstanding quality products and services to our customers; meaningful opportunity, job satisfaction and job security to our people through competitiveness and prudent growth; superior long term investment returns to our stakeholders; and positive contributions to our communities as good corporate citizens.

CONFERENCE CALL DETAILS

A conference call to discuss those results will be held on Friday, November 9, 2018 at 8:00am. (Toronto time) which can be accessed by dialing (416) 340-2218 or toll free (800) 377-0758. Please call 10 minutes prior to the start of the conference call.

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

There will also be a rebroadcast of the call available by dialing (905) 694-9451 or toll free (800) 408-3053 (conference id - 8453232#). The rebroadcast will be available until November 27, 2018.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws including statements related to the growth or expectations of, improvements in, expansion of and/or guidance or outlook as to future revenue, sales, gross margin, earnings, and earnings per share (including as adjusted), or operating income margins, strength of the Company, the intention to maintain a strong balance sheet and pay down debt over time, program wins, expected volumes, the ramping up and launching of new programs and the financial impact of launches, pursuit of its strategies, the intention to purchase shares under the normal course issuer bid, the payment of dividends, statements regarding the USMCA and tariffs, as well as other forward-looking statements. The words “continue”, “expect”, “anticipate”, “estimate”, “may”, “will”, “should”, “views”, “intend”, “believe”, “plan”, “outlook” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, such as expected sales and industry production estimates, current foreign exchange rates (FX), timing of product launches and operational improvements during the period and current Board approved budgets.

Certain forward-looking financial assumptions are presented as non-IFRS information, and we do not provide reconciliation to IFRS for such assumptions. Many factors could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, some of which are discussed in detail in the Company's Annual Information Form and other public filings which can found at www.sedar.com:

- North American and global economic and political conditions;
- the highly cyclical nature of the automotive industry and the industry's dependence on consumer spending and general economic conditions;
- the Company's dependence on a limited number of significant customers;
- financial viability of suppliers;
- the Company's reliance on critical suppliers and on suppliers for components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- Competition;
- the increasing pressure on the Company to absorb costs related to product design and development, engineering, program management, prototypes, validation and tooling;
- increased pricing of raw materials;
- outsourcing and insourcing trends;
- the risk of increased costs associated with product warranty and recalls together with the associated liability;
- the Company's ability to enhance operations and manufacturing techniques;
- dependence on key personnel;
- limited financial resources;
- risks associated with the integration of acquisitions;
- costs associated with rationalization of production facilities;
- launch costs;
- the potential volatility of the Company's share price;
- changes in governmental regulations or laws including any changes to the North American Free Trade Agreement;
- labour disputes;
- litigation;
- currency risk;
- fluctuations in operating results;
- internal controls over financial reporting and disclosure controls and procedures;
- environmental regulation;
- a shift away from technologies in which the Company is investing;
- competition with low cost countries;
- the Company's ability to shift its manufacturing footprint to take advantage of opportunities in emerging markets;
- risks of conducting business in foreign countries, including China, Brazil and other growing markets;
- potential tax exposure;
- a change in the Company's mix of earnings between jurisdictions with lower tax rates and those with higher tax rates, as well as under-funding of pensions plans;
- the cost of post-employment benefits;
- impairment charges;
- cybersecurity threats; and
- dividends.

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

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

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