# Q4 2021 QUARTERLY RESULTS PRESENTATION

MARCH 3, 2022

# ROB WILDEBOER
# EXECUTIVE CHAIRMAN

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Non-IFRS measures, some of which are referenced in this presentation, include “Adjusted Net Income (loss)”, “Adjusted Net Earnings (loss) per Share (on a basic an diluted basis”), “Adjusted Operating Income (loss)”, “Adjusted Operating Income (loss) Margin”, “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Adjusted EPS”, “Adjusted Earnings (loss) Per Share”, “Free Cash Flow” and “Net Debt”. Please refer to the Company’s previously filed annual and interim management discussion and analyses of operating results and financial position for a full reconciliation of IFRS to non-IFRS measures.

# ROB WILDEBOER
# EXECUTIVE CHAIRMAN

# REASONS TO BE POSITIVE

- Q4 2021 results were better than Q3 2021
- We are off to an even better start in 2022
- Results should continue to improve throughout the year as supply chain conditions normalize and volumes recover
- Launch activity is expected to normalize late this year, which should help margins
- We are addressing cost inflation through commercial negotiations with our customers

**We believe we are at the beginning of a multi-year cycle of strong sales and production growth**

# KEY HIGHLIGHTS OF 2021

- We celebrated out 20th anniversary as an auto parts manufacturer
- We continued to deliver industry-leading safety metrics with a TRIF of 1.37 – a 46% improvement over last year, and a 91% improvement since 2014
- We reached an agreement with our banking syndicate on covenant relief
- We increased our investment in NanoXplore
- We entered a 50/50 joint venture with NanoXPlore called VoltaXplore to develop graphene-enhanced Li-Ion batteries for electric vehicles
- We formally established our Martinrea Innovation Development (MiND) initiative

# PAT D'ERAMO
# PRESIDENT AND CEO

# ANOTHER CHALLENGING QUARTER, BUT BETTER THAN THE LAST; 2023 OUTLOOK INTACT

Results improved sequentially over Q3 2021 levels; chip-related OEM production shutdowns and customer “call-offs” continued in the quarter, but did improve slightly

Although improving, challenges remain, as we continue to face volume and cost headwinds, supply issues, and labour shortages, while in the midst of a heavy launch cycle

Sales and margins were both up quarter-over-quarter and are expected to improve as chip and other supply issues abate, volumes recover, and launch activity normalizes in the second half of 2022

Q1 2022 is expected to be notably better sequentially; our 2023 outlook remains intact, supported by our book of business and strong demand for vehicles

# STATUS OF OPERATIONS

## North America

- Volumes continue to be held back by semiconductor and other supply shortages, though production was more stable in Q4 2021 and improved further to start 2022.
- Cost inflation and labour shortages continue to weigh on operations, compounded by heavy launch activity.
- Improvement expected over the course of 2022, as supply conditions normalize, and volumes recover. Demand for vehicles remains strong.

## Europe

- Europe is facing similar volume headwinds and cost pressures as in North America, with higher energy costs being a significant headwind. Volumes are expected to improve throughout 2022 as supply conditions normalize.
- We continue to make progress on operating enhancements; this progress is currently being masked by supply headwinds and inflation.

## Asia

- China is also being impacted by the same volume and cost headwinds as in other regions, although to a lesser extent. Similar to North America and Europe, these headwinds are expected to abate over time.

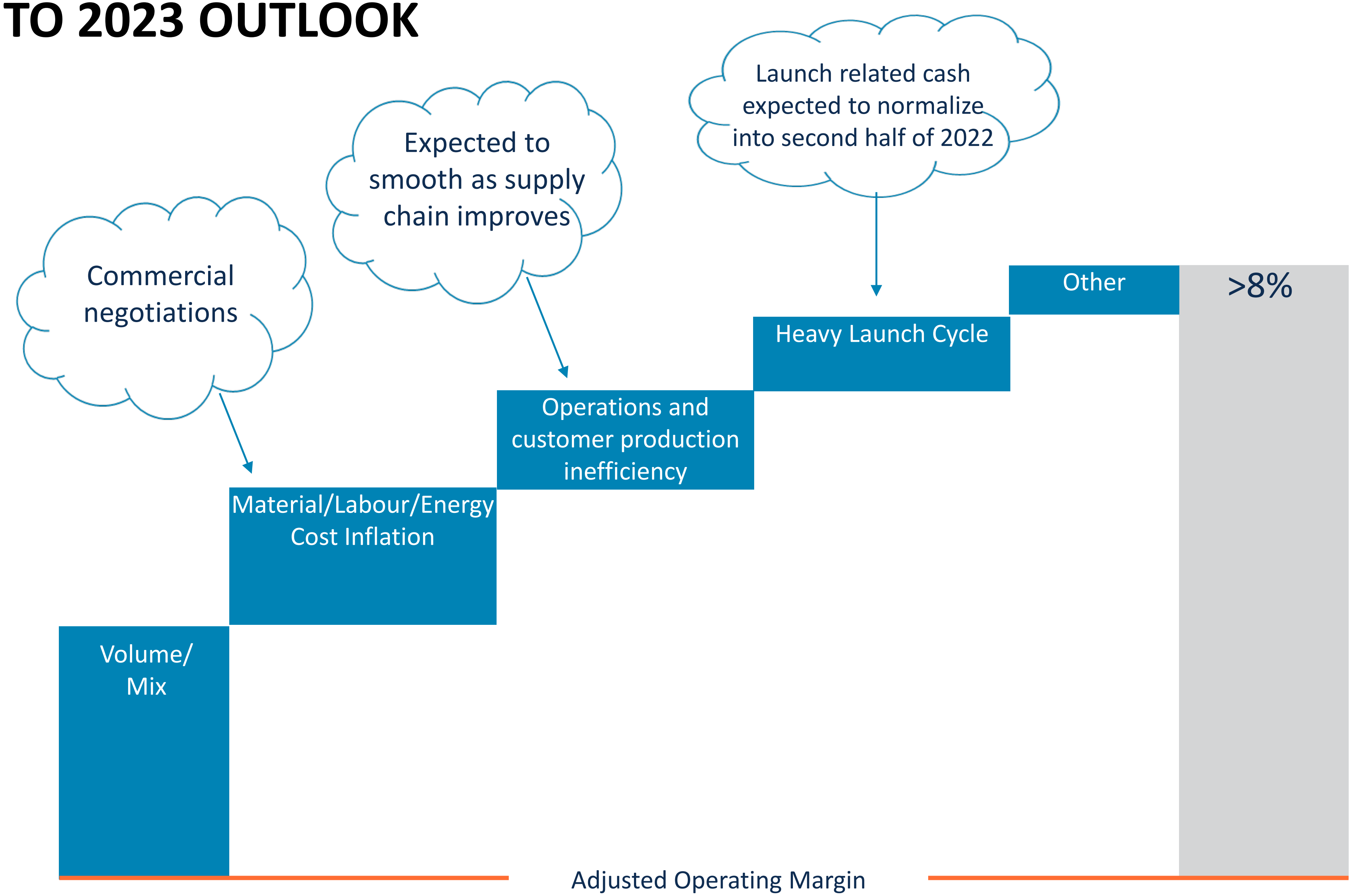
**A multi-year period of strong production growth is expected once supply pressures ease**

# QUARTERLY NEW BUSINESS AWARDS (2021 – 2024)

| Product Group | Customer | Annualized Sales | SOP |
|---|---|---|---|
| **Lightweight Structures**<br>*(Various Body and Chassis Structures)* | gm | **$50M** | **2022 - 2024** |
| **Propulsion Systems**<br>*(Fluids Systems)* | gm, Ford, DAIMLER, Tesla | **$35M** | **2022-2024** |
| **Flexible Manufacturing Group**<br>*(Suspension Module, Various Industrial Components)* | gm, John Deere, Thermo King, Lucid | **$15M** | **2022-2024** |

**New business awards since the beginning of 2021 now total approximately $300 million**

# PATH TO 2023 OUTLOOK




VoltaXplore

# EV Battery Joint Venture

# VOLTAXPLORE - TIMELINE

VoltaXplore

**2021**

Secure Demonstration facility

**Early 2022**

Commissioning and SOP of Demonstration facility

**Mid-2022**

Go/No Go Decision on 10 GWh facility (to be built in two phases)

**Mid-2024**

SOP of first phase of 10 GWh facility

# ADVANTAGES OF GRAPHENE-ENHANCED LI-ION BATTERIES

VoltaXplore

**BATTERY CAPACITY**

Graphene enables the use of silicon in anodes and improves energy density and driving range

**CHARGING SPEED**

High conductivity of graphene improves charging speed

**BATTERY LIFE**

Graphene-coated silicon spheres in anodes results in higher capacity retention

**BATTERY COST**

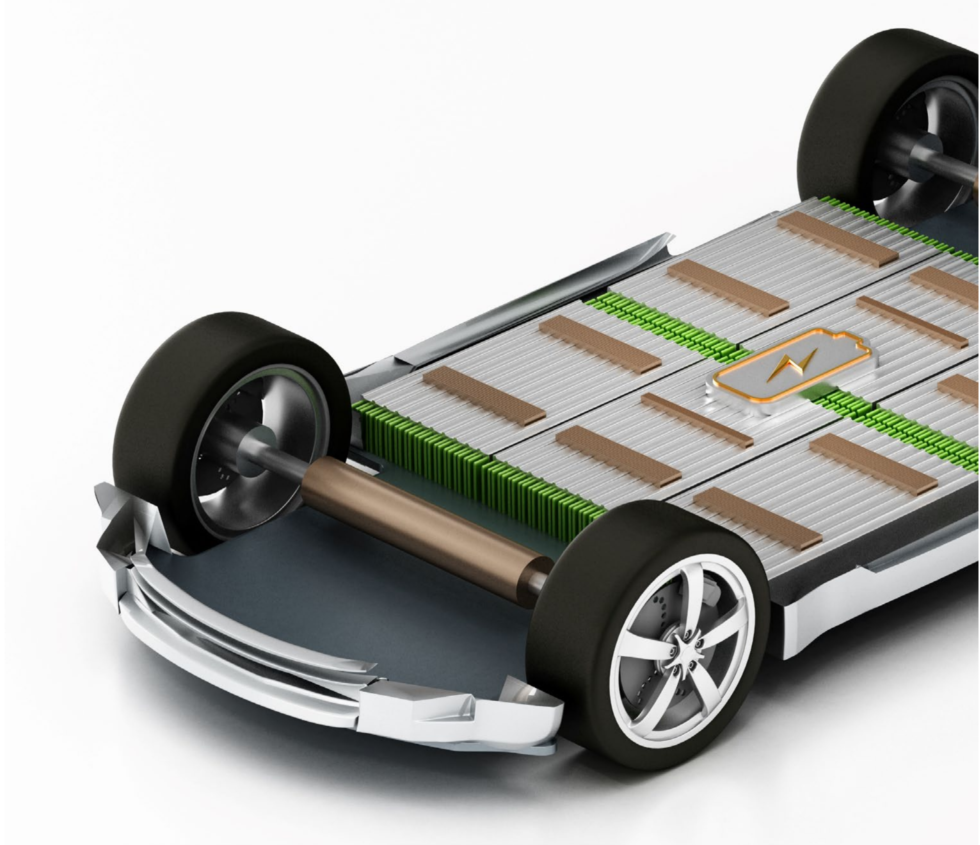
Targeting lower production cost

**IMPROVED SAFETY**

High thermal conductivity of Graphene provides greater temperature control, reducing the risk of fires

# VOLTAXPLORE – 2022 BATTERY DAY

- To be held at the VoltaXplore demonstration facility in Montreal
- Tour of demonstration facility
- Technical discussions and presentations with representatives from VoltaXplore including senior management



# FRED DI TOSTO
# CHIEF FINANCIAL OFFICER

# Q4 2021 RESULTS – YEAR-OVER-YEAR COMPARISON

Year-over-year, fourth quarter results were impacted by lower volumes due to semiconductor and other supply shortages, mix, cost inflation, certain operational inefficiencies, heavy launch activity, and lower COVID-related subsidies

| *In Canadian Dollars* | | |
|---|---|---|
| | **Q4 2021** | **Q4 2020** |
| **Production Sales** | **$849.9M** | **$982.3M** |
| Tooling Sales | $203.6M | $88.6M |
| Total Sales | $1,053.4M | $1,071.0M |
| Adjusted Operating Income (Loss) | ($2.9M) | $66.1M |
| **Adjusted Operating Income (Loss) %** | **(0.3%)** | **6.2%** |
| Adjusted EBITDA | $63.2M | $131.7M |
| Adjusted EBITDA % | 6.0% | 12.3% |
| **Adjusted EPS (Fully Diluted)** | **($0.12)** | **$0.55** |
| **Free Cash Flow** | **$21.1M** | **($2.6M)** |

# Q4 2021 RESULTS – SEQUENTIAL COMPARISON TO Q3 2021

Fourth quarter results improved sequentially; chip-related OEM production shutdowns and customer "call-offs" continued during the quarter, but did improve slightly

*In Canadian Dollars*

| | Q4 2021 | Q3 2021 |
|---|---|---|
| **Production Sales** | **$849.9M** | **$797.2M** |
| Tooling Sales | $203.6M | $51.3M |
| **Total Sales** | **$1,053.4M** | **$848.5M** |
| Adjusted Operating Income (Loss) | ($2.9M) | ($16.2M) |
| **Adjusted Operating Income (Loss) %** | **(0.3%)** | **(1.9%)** |
| **Adjusted EBITDA** | **$63.2M** | **$44.9M** |
| Adjusted EBITDA % | 6.0% | 5.3% |
| Adjusted EPS (Fully Diluted) | ($0.12) | ($0.21) |
| **Free Cash Flow** | **$21.1M** | **($41.6M)** |

Production sales up 6.6% on higher industry volumes

Total sales up 24.1%, impacted by a large increase in tooling sales

Incremental margin of 25% excluding the impact of tooling sales

Adjusted EBITDA up 41%

Positive Free Cash Flow, largely driven by a reduction in tooling-related working capital

# 2023 OUTLOOK INTACT*

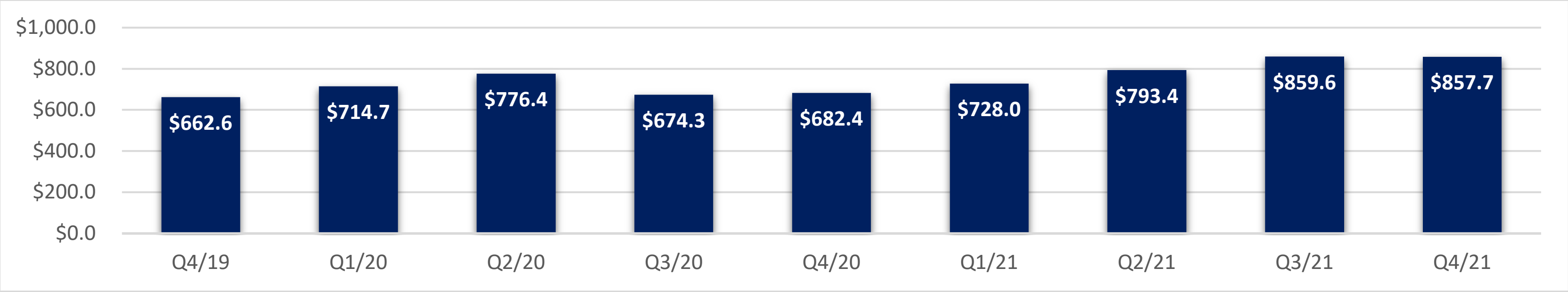
| | 2023F | 2021A |
|---|---|---|
| TOTAL SALES | $4.6-$4.8B | $3.78B |
| ADJUSTED OPERATING INCOME MARGIN | >8% | 1.8% |
| FREE CASH FLOW | >$200M | ($121.6M) |

KEY ASSUMPTIONS

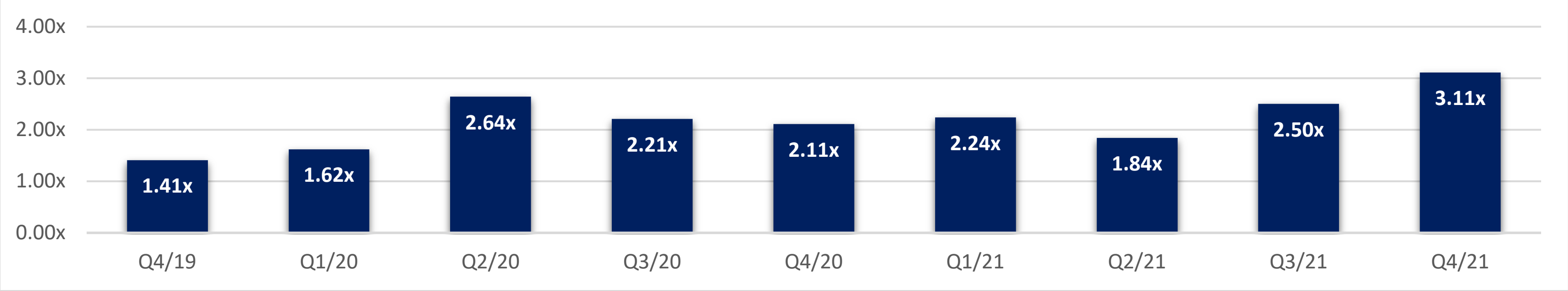
- Based on IHS volume projections
- Capex expected to normalize over the forecast period and approximate depreciation as a % of sales
- Outlook does not consider any contribution from potential acquisitions

# BALANCE SHEET*

## NET DEBT - Excluding IFRS-16 ($ Millions)




## NET DEBT TO LTM ADJUSTED EBITDA




Net Debt was essentially flat in the fourth quarter compared to Q3 2021. Net Debt to Adjusted EBITDA ended the quarter at 3.11x.

During the fourth quarter, and in light of the semiconductor shortage, we proactively amended our lending agreements with our banking syndicate to provide financial covenant flexibility.

Q3 2021 and Q4 2021 EBITDA will be ignored for the purpose of calculating our leverage ratio, with the remaining quarters pro-rated. Our maximum net debt to EBITDA covenant is also increased for the Q1 2022 – Q3 2022 periods.

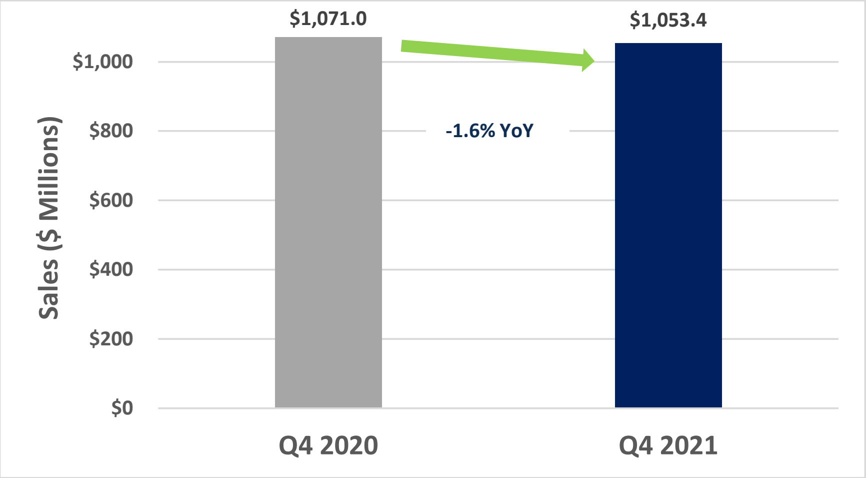
# ROB WILDEBOER
# EXECUTIVE CHAIRMAN

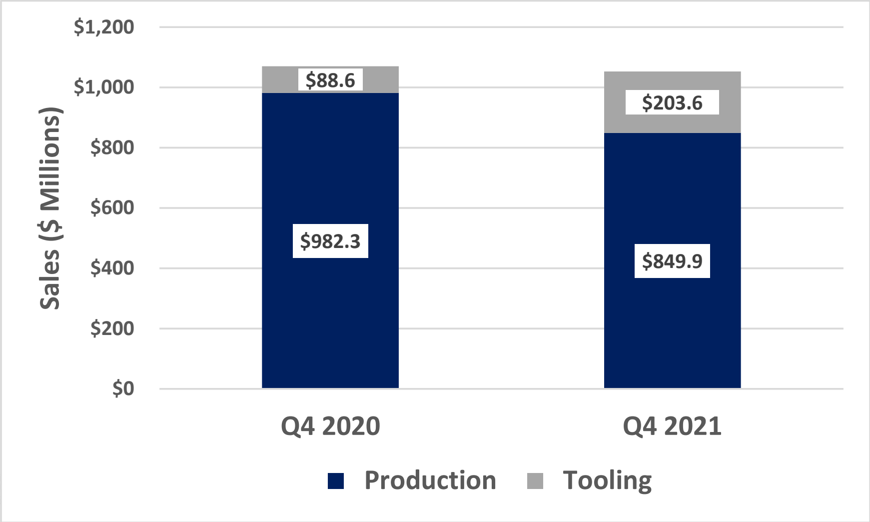
# THANK YOU

QUESTIONS?

# APPENDIX

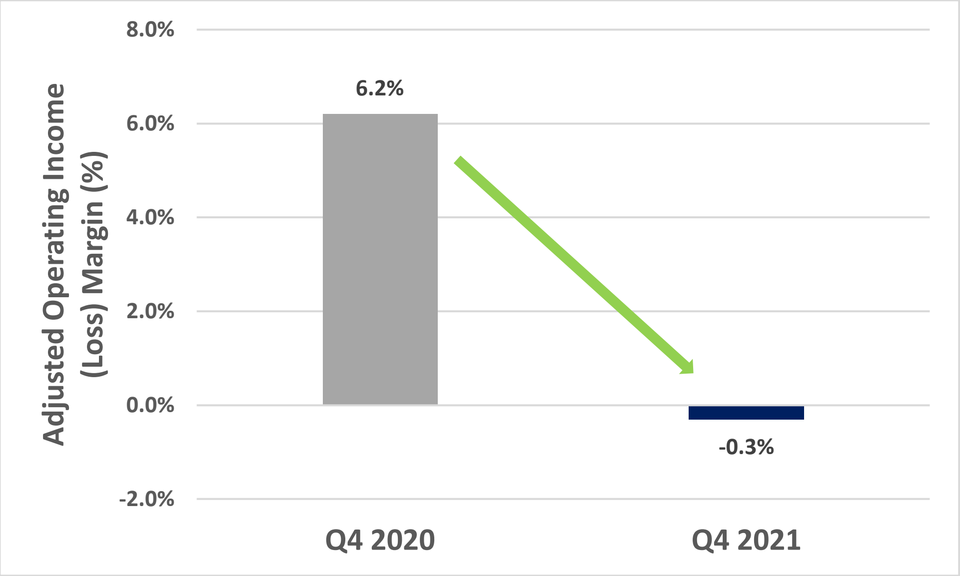
# Q4 2021 RESULTS - SALES



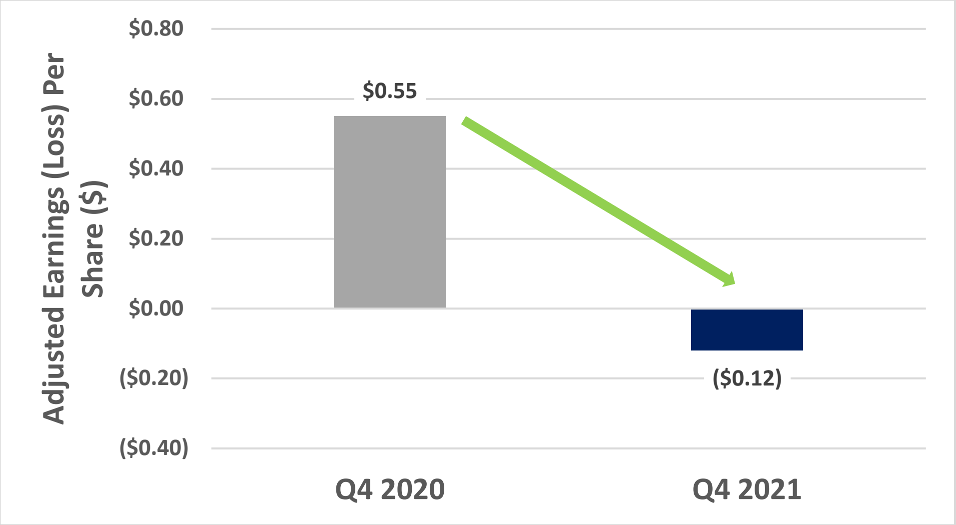

- Sales down 1.6% year-over-year
  - Production sales down 13.5%
  - Tooling sales up 129.8%
- Negative impact from
  - Lower industry production volumes due to the global shortage of semiconductor chips and other components
- Partially offset by
  - New business launches, including the new Jeep Grand Cherokee and Wagoneer, Ford Mustang Mach-E, and Ford D-35 engine block
  - Higher tooling sales

# Q4 2021 RESULTS - ADJUSTED OPERATING INCOME (LOSS) MARGIN



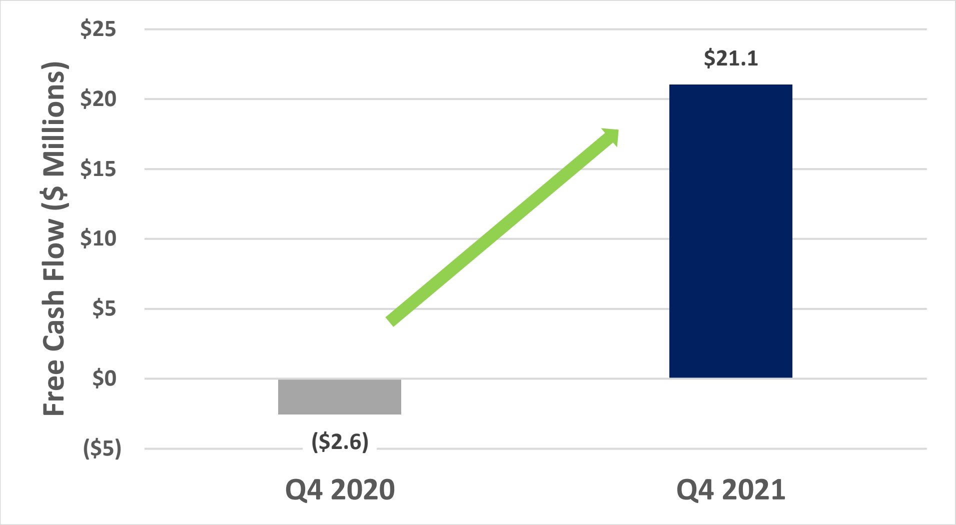

- Adjusted Operating Income (Loss) Margin was close to break even (-0.3%), a sharp year-over-year decline, driven by:
  - Lower industry production volumes
  - Negative sales mix
  - Weaker cost absorption given diminished ability to flex costs in an erratic production environment
  - Cost inflation in materials, labour, energy and other inputs
  - Certain other operational inefficiencies including substantial new business launch activity
  - Lower COVID-related subsidies
- While Europe generated a small loss, we continue to make progress on operational enhancements
- Rest of World margin was positive, but lower year-over-year, given lower industry volumes and launch-related costs during the quarter

# Q4 2021 RESULTS – ADJUSTED NET EARNINGS (LOSS) PER SHARE




- Adjusted EPS was a loss of $0.12 in the quarter, driven mainly by the factors impacting sales and margins described earlier

# Q4 2021 RESULTS - FREE CASH FLOW




- Free Cash Flow increased year-over-year, mainly reflecting a reduction in tooling-related working capital
- Cash capex was also lower year-over-year