PRESS RELEASE

FOR IMMEDIATE RELEASE
MARCH 6, 2025

MARTINREA INTERNATIONAL INC. REPORTS YEAR END AND FOURTH QUARTER RESULTS AND ANNOUNCES 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 fourth quarter and year ended December 31, 2024, and declared a quarterly cash dividend of $0.05 per share.

HIGHLIGHTS

Full Year 2024:

- Total sales of $5,014.1 million, production sales of $4,737.1 million.
- Adjusted EBITDA(1) of $614.8 million, 12.3% of total sales.
- Adjusted Operating Income Margin(1) of 5.3%.
- Free Cash Flow(1) (excluding principal payments of IFRS-16 lease liabilities) of $183.8 million; Free Cash Flow(1) continues to trend near record levels for the Company.
- Diluted net loss per share of ($0.46) and Adjusted Net Earnings per Share(1) of $1.20 or $1.79 at a normalized effective tax rate after adjusting for unusual foreign exchange movements between the Mexican peso and 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 IFRS 16 impact) ended the year at 1.47x, below the Company's target of 1.5x or better.
- Repurchased 5.4 million shares under our normal course issuer bid.
- Improved safety performance with a Total Recordable Injury Frequency (TRIF) of 0.99, a 10% improvement over 2023 and an 88% improvement since 2014.

Fourth Quarter 2024:

- Total sales of $1,150.9 million, production sales of $1,048.6 million.
- Adjusted EBITDA(1) of $131.7 million 11.4% of total sales.
- Adjusted Operating Income Margin(1) of 3.5%.
- Free Cash Flow(1) (excluding principal payments of IFRS-16 lease liabilities) of $76.4 million.

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[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 (Loss)", "Adjusted Net Earnings (Loss) 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 year ending December 31, 2024 and in this press release.

- Diluted net loss per share of ($1.82) and Adjusted Net Loss per Share[1] of ($0.21). Adjusted Net Earnings per Share[1] would have been $0.19 at a normalized effective tax rate adjusting for unusual non-cash foreign exchange movements related to the depreciation of the Mexican peso against the U.S. dollar.
- Fourth quarter financial results were impacted by lost sales due to an OEM vehicle inventory correction which was most pronounced among the Detroit 3 OEMs, particularly Stellantis.
- New business awards of approximately $40 million in annualized sales at mature volumes.
- Quarterly cash dividend of $0.05 per share declared.
- Impairment charges totalling $129.4 million recognized during the quarter, mainly related to slower-than-expected production volumes on electric vehicle platforms.

OVERVIEW

Pat D'Eramo, Chief Executive Officer, stated: "Our Company had some notable achievements in 2024. We continued to generate Free Cash Flow[1] at near-record levels, and maintained a strong balance sheet while returning significant capital to shareholders through share buybacks. Our safety record continued to improve, with a Total Recordable Injury Frequency of 0.99 – a 10% improvement over 2023, and notably better than the industry average of approximately 3.0. We won a number of quality awards from our customers. We invested in technology, including moving forward with machine learning installations across the enterprise which are expected to provide significant benefits in terms of safety, efficiency, and quality."

He continued: "Our fourth-quarter results were impacted by OEM vehicle inventory corrections which were most pronounced among the Detroit 3 OEMs, particularly Stellantis. While this correction continues to some extent in the first quarter, we expect to see better production volumes moving forward. As previously discussed, electric vehicle sales have been slow to ramp up, which has resulted in margin pressure across the automotive parts industry. Given this dynamic, as well as other market challenges in both Europe and China, our strategy moving forward will be to focus on growth opportunities in North America, while maintaining our presence in Europe and working with local partners in China to minimize our footprint. We will further restructure our operations in Germany in 2025 and look at consolidation opportunities at other facilities that are underutilized due to the low EV volumes. We are also announcing an enterprise-wide project to reduce our annual SG&A expenses by $50 million."

Peter Cirulis, Chief Financial Officer, stated: "We are pleased with our Free Cash Flow[1] performance during 2024, which came in at $183.8 million (excluding principal payments of IFRS 16 lease liabilities), close to the record of $195.4 million set in 2023, and well above the high end of our 2024 outlook range of $100-$150 million. Our continuous drive to find efficiencies by reusing flexible capital, as well as some program extensions that require less capital, contributed to the strong performance. Our Net Debt-to-Adjusted EBITDA[1] ratio (excluding IFRS 16 impact) ended the year at 1.47x, below the Company's target of 1.5x or better. This includes spending $61.3 million to repurchase approximately 5.4 million shares through our normal course issuer bid in 2024. Looking at the fourth quarter, sales, excluding tooling sales of $102.3 million, were $1,048.6 million. While Adjusted Operating Income Margin[1] of 3.5% was down year over year on lower sales as a result of the OEM vehicle inventory correction, our Adjusted EBITDA Margin[1] of 11.4%, up 60 basis points year over year, is a testament to our strong operating performance.

He added: "I am also pleased to announce that we have been awarded new business representing $40 million in annualized sales at mature volumes, consisting of approximately $35 million in Lightweight Structures with Toyota, and $5 million in Propulsion Systems with General Motors. Over the last four quarters, we have been awarded new business worth approximately $230 million in annualized sales at mature volumes."

Rob Wildeboer, Executive Chairman, stated: "As we look forward into 2025, we expect our results to improve over the fourth quarter. Most industry forecasters are currently calling for slightly lower vehicle production volumes in 2025, partly due to the continuation of the OEM vehicle inventory correction in the first quarter, as well as continued softness in EV production volumes. Bearing this in mind, our 2025 outlook calls for total sales of $4.8-$5.1 billion. We expect Adjusted Operating Income Margin[1] to fall within a range of 5.3% to 5.8%, an increase over 2024. We also expect another strong year of Free Cash Flow[1], in the range of $125-$175 million (excluding principal payments of IFRS 16 lease liabilities). Please note that this outlook excludes any potential impact from tariffs or other trade policies in the U.S. or other countries. Overall, we continue to perform at a high level, and the actions we are taking in 2025 are expected to drive better results in the years ahead. To our shareholders and all our stakeholders, thank you for your 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 year ended December 31, 2024 ("MD&A"), the Company's audited consolidated financial statements for the year ended December 31, 2024 (the "audited consolidated financial statements") and the Company's Annual Information Form for the year ended December 31, 2024 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 Accounting 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 months and years ended December 31, 2024 and 2023. Refer to the Company's consolidated financial statements for the year ended December 31, 2024 for a detailed account of the Company's performance for the periods presented in the tables below.

		Year ended December 31, 2024		Year ended December 31, 2023	$ Change	% Change
Sales	$	5,014,127	$	5,340,003	(325,876)	(6.1%)
Gross Margin		648,557		675,397	(26,840)	(4.0%)
Operating Income		124,608		269,114	(144,506)	(53.7%)
Net Income (Loss) for the period		(34,546)		153,665	(188,211)	(122.5%)
Net Earnings (Loss) per Share - Basic and Diluted	$	(0.46)	$	1.93	(2.39)	(123.8%)
Non-IFRS Measures **						
Adjusted Operating Income	$	266,698	$	297,275	(30,577)	(10.3%)
% of Sales		*5.3 %*		*5.6 %*		
Adjusted EBITDA		614,758		616,678	(1,920)	(0.3%)
% of Sales		*12.3 %*		*11.5 %*		
Adjusted Net Income*		91,041		176,492	(85,451)	(48.4%)
Adjusted Net Earnings per Share - Basic*	$	1.21	$	2.22	(1.01)	(45.5%)
Adjusted Net Earnings per Share - Diluted*	$	1.20	$	2.22	(1.02)	(45.9%)

	Three months ended December 31, 2024	Three months ended December 31, 2023	$ Change	% Change
Sales	$ 1,150,928	$ 1,296,121	(145,193)	(11.2%)
Cost of sales (excluding depreciation)	(937,527)	(1,065,338)	127,811	12.0%
Depreciation of property, plant and equipment and right-of-use assets (production)	(84,361)	(77,555)	(6,806)	(8.8%)
Gross Margin	129,040	153,228	(24,188)	(15.8%)
Research and development costs	(10,194)	(9,754)	(440)	(4.5%)
Selling, general and administrative	(74,445)	(83,476)	9,031	10.8%
Depreciation of property, plant and equipment and right-of-use assets (non-production)	(4,310)	(4,548)	238	5.2%
Gain (loss) on disposal of property, plant and equipment	(22)	1,197	(1,219)	(101.8%)
Restructuring costs	(1,034)	(27,266)	26,232	96.2%
Impairment of assets	(129,446)	(895)	(128,551)	(14,363.2%)
Operating Income (Loss)	$ (90,411)	$ 28,486	(118,897)	(417.4%)
Share of loss of equity investments	(757)	(930)	173	18.6%
Finance expense	(17,513)	(20,215)	2,702	13.4%
Other finance expense	(1,227)	(421)	(806)	(191.4%)
Income (Loss) before taxes	$ (109,908)	$ 6,920	(116,828)	(1,688.3%)
Income tax expense	(23,424)	(5,070)	(18,354)	(362.0%)
Net Income (Loss) for the period	(133,332)	1,850	(135,182)	(7,307.1%)
Net Earnings (Loss) per Share - Basic and Diluted	$ (1.82)	$ 0.02	(1.84)	(9,200.0%)
Non-IFRS Measures**				
Adjusted Operating Income	$ 40,069	$ 56,647	(16,578)	(29.3%)
% of Sales	*3.5 %*	*4.4 %*		
Adjusted EBITDA	131,660	140,080	(8,420)	(6.0%)
% of Sales	*11.4 %*	*10.8 %*		
Adjusted Net Income (Loss)*	(15,596)	29,251	(44,847)	(153.3%)
Adjusted Net Earnings (Loss) per Share - Basic and Diluted*	$ (0.21)	$ 0.37	(0.58)	(156.8%)

*Adjusted Net Income (Loss) and Adjusted Net Earnings (Loss) per Share for the three months and year ended December 31, 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 year ended December 31, 2024 was 53.2%. Excluding these foreign exchange items, the effective tax rate would have been 30.6%, which is more reflective of a typical tax rate for the Company. Using a tax rate of 30.6%, Adjusted Net Earnings per Share would have been $0.19 for the three months ended December 31, 2024, and $1.79 for the year ended December 31, 2024.

****Non-IFRS Measures**

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

	Three months ended December 31, 2024	Three months ended December 31, 2023
Net Income (Loss)	$ (133,332)	$ 1,850
Adjustments, after tax*	117,736	27,401
Adjusted Net Income (Loss)	$ (15,596)	$ 29,251

	Year ended December 31, 2024	Year ended December 31, 2023
Net Income (Loss)	$ (34,546)	$ 153,665
Adjustments, after tax*	125,587	22,827
Adjusted Net Income	$ 91,041	$ 176,492

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

	Three months ended December 31, 2024	Three months ended December 31, 2023
Net Income (Loss)	$ (133,332)	$ 1,850
Income tax expense	23,424	5,070
Other finance expense	1,227	421
Share of loss of equity investments	757	930
Finance expense	17,513	20,215
Adjustments, before tax*	130,480	28,161
Adjusted Operating Income	$ 40,069	$ 56,647
Depreciation of property, plant and equipment and right-of-use assets	88,671	82,103
Amortization of development costs	2,898	2,527
Loss (gain) on disposal of property, plant and equipment	22	(1,197)
Adjusted EBITDA	$ 131,660	$ 140,080

	Year ended December 31, 2024	Year ended December 31, 2023
Net Income (Loss)	$ (34,546)	$ 153,665
Income tax expense	87,149	43,492
Other finance income	(6,913)	(6,653)
Share of loss of equity investments	2,904	3,560
Finance expense	76,014	80,323
Adjustments, before tax*	142,090	22,888
Adjusted Operating Income	$ 266,698	$ 297,275
Depreciation of property, plant and equipment and right-of-use assets	335,479	310,144
Amortization of development costs	11,070	10,298
Loss (gain) on disposal of property, plant and equipment	1,511	(1,039)
Adjusted EBITDA	$ 614,758	$ 616,678

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

SALES

Three months ended December 31, 2024 to three months ended December 31, 2023 comparison

	Three months ended December 31, 2024	Three months ended December 31, 2023	$ Change	% Change
North America	$ 881,043	$ 959,464	(78,421)	(8.2%)
Europe	243,554	311,034	(67,480)	(21.7%)
Rest of the World	31,855	34,467	(2,612)	(7.6%)
Eliminations	(5,524)	(8,844)	3,320	37.5%
Total Sales	$ 1,150,928	$ 1,296,121	(145,193)	(11.2%)

The Company's consolidated sales for the fourth quarter of 2024 decreased by $145.2 million or 11.2% to $1,150.9 million as compared to $1,296.1 million for the fourth quarter of 2023. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the fourth quarter of 2024 in the Company's North America operating segment decreased by $78.4 million or 8.2% to $881.0 million from $959.5 million for the fourth quarter of 2023. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, Mercedes' new electric vehicle platform (EVA2), and a transmission for the ZF Group; programs that ended production during or subsequent to the fourth quarter of 2023, specifically the Ford Edge, Dodge Charger/Challenger, Chevrolet Bolt, and an aluminum engine block for Stellantis; and a decrease in tooling sales of $15.8 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by the launch and ramp up of new programs during or subsequent to the fourth 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 platforms, including General Motors' Equinox/Terrain, the Ford Mustang Mach E, and an engine block for Ford; 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 fourth quarter of 2024 of $3.0 million. Overall fourth quarter industry-wide OEM light vehicle production volumes in North America decreased by approximately 3% year-over-year.

Sales for the fourth quarter of 2024 in the Company's Europe operating segment decreased by $67.5 million or 21.7% to $243.6 million from $311.0 million for the fourth 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, the Mercedes' new electric vehicle platform (EVA2), and a transmission for the ZF Group; programs that ended production during or subsequent to the fourth quarter of 2023, specifically the BMW Mini; and a decrease in tooling sales of $16.6 million, which are typically dependent of the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by the launch and ramp up of new programs during or subsequent to the fourth quarter of 2023, including Volkswagen's new electric vehicle platform (PPE); 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 fourth quarter of 2024 of $5.7 million. Overall fourth quarter industry-wide OEM light vehicle production volumes in Europe decreased by approximately 8% year-over-year.

Sales for the fourth quarter of 2024 in the Company's Rest of the World operating segment decreased by $2.6 million or 7.6% to $31.9 million from $34.5 million in the fourth quarter of 2023. The decrease was largely driven by 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 $4.4 million.

Overall tooling sales decreased by $25.1 million (including outside segment sales eliminations) to $102.3 million for the fourth quarter of 2024 from $127.4 million for the fourth quarter of 2023.

Year ended December 31, 2024 to year ended December 31, 2023 comparison

	Year ended December 31, 2024	Year ended December 31, 2023	$ Change	% Change
North America	$ 3,789,821	$ 4,022,741	(232,920)	(5.8%)
Europe	1,115,023	1,204,672	(89,649)	(7.4%)
Rest of the World	134,455	147,559	(13,104)	(8.9%)
Eliminations	(25,172)	(34,969)	9,797	28.0%
Total Sales	$ 5,014,127	$ 5,340,003	(325,876)	(6.1%)

The Company's consolidated sales for the year ended December 31, 2024 decreased by $325.9 million or 6.1% to $5,014.1 million as compared to $5,340.0 million for the year ended December 31, 2023. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the year ended December 31, 2024 in the Company's North America operating segment decreased by $232.9 million or 5.8% to $3,789.8 million from $4,022.7 million for the year ended December 31, 2023. The decrease was due generally to a decrease in tooling sales of $170.0 million which are typically dependent on the timing of tooling construction and final acceptance by the customer; lower year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, Mercedes' new electric vehicle platform (EVA2), the Ford Mustang Mach E, and a transmission for the ZF Group; and programs that ended production during or subsequent to the corresponding period of 2023, specifically the Dodge Charger/Challenger, the Ford Edge, Chevrolet Bolt, and an aluminum engine block for Stellantis. 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 platforms including the Ford Escape and Maverick, General Motors' large pick-up truck and SUV platform, and an engine block for Ford; 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 year ended December 31, 2024 of $28.6 million. Overall industry-wide OEM light vehicle production volumes during the year ended December 31, 2024 decreased in North America by approximately 1% year-over-year.

Sales for the year ended December 31, 2024 in the Company's Europe operating segment decreased by $89.6 million or 7.4% to $1,115.0 million from $1,204.7 million for the year ended December 31, 2023. The decrease was due to lower year-over-year production volumes of certain platforms, including the Mercedes' new electric vehicle platform (EVA2), and aluminum engine blocks for Ford and Mercedes; and programs that ended production during or subsequent to the corresponding period of 2023, specifically the BMW Mini. 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; the launch and ramp up of new programs, including Volkswagen's new electric vehicle platform (PPE); the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the year ended December 31, 2024 of $16.1 million; and an increase in tooling sales of $4.4 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. Overall industry-wide OEM light vehicle production volumes during the year ended December 31, 2024 decreased in Europe by approximately 5% year-over-year.

Sales for the year ended December 31, 2024 in the Company's Rest of the World operating segment decreased by $13.1 million or 8.9% to $134.5 million from $147.6 million for the year ended December 31, 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 year ended December 31, 2023, and lower year-over-year current 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 $8.4 million.

Overall tooling sales decreased by $153.2 million (including outside segment sales eliminations) to $277.1 million for the year ended December 31, 2024 from $430.3 million for the year ended December 31, 2023.

GROSS MARGIN

Three months ended December 31, 2024 to three months ended December 31, 2023

	Three months ended December 31, 2024	Three months ended December 31, 2023	$ Change	% Change
Gross margin	$ 129,040	$ 153,228	(24,188)	(15.8%)
% of Sales	11.2 %	11.8 %		

The gross margin percentage for the fourth quarter of 2024 of 11.2% decreased as a percentage of sales by 0.6% as compared to the gross margin percentage for the fourth quarter of 2023 of 11.8%. The decrease in gross margin as a percentage of sales was generally due to:

- 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.

These factors were essentially offset by:

- 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.

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.

Year ended December 31, 2024 to year ended December 31, 2023 comparison

	Year ended December 31, 2024	Year ended December 31, 2023	$ Change	% Change
Gross margin	$ 648,557	$ 675,397	(26,840)	(4.0%)
% of Sales	12.9%	12.6%		

The gross margin percentage for the year ended December 31, 2024 of 12.9% increased as a percentage of sales by 0.3% as compared to the gross margin percentage for the year ended December 31, 2023 of 12.6%. 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:

- overall lower production sales volume and corresponding contribution;
- operational inefficiencies at certain other operating facilities;
- 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 (LOSS)

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

TABLE A

Three months ended December 31, 2024 to three months ended December 31, 2023 comparison

		Three months ended December 31, 2024		Three months ended December 31, 2023		$ Change
NET INCOME (LOSS)	**$**	**(133,332)**	**$**	**1,850**	**$**	**(135,182)**
Adjustments:						
Impairment of assets (1)		129,446		895		128,551
Restructuring costs (2)		1,034		27,266		(26,232)
ADJUSTMENTS, BEFORE TAX	**$**	**130,480**	**$**	**28,161**	**$**	**102,319**
Tax impact of adjustments		(14,226)		(760)		(13,466)
Writedown of deferred tax asset (1)		1,482		-		1,482
ADJUSTMENTS, AFTER TAX	**$**	**117,736**	**$**	**27,401**	**$**	**90,335**
ADJUSTED NET INCOME (LOSS)	**$**	**(15,596)**	**$**	**29,251**	**$**	**(44,847)**
Number of Shares Outstanding – Basic (‘000)		73,446		78,700		
Adjusted Basic Net Earnings (Loss) Per Share	$	(0.21)	$	0.37		
Number of Shares Outstanding – Diluted (‘000)		73,446		78,725		
Adjusted Diluted Net Earnings (Loss) Per Share	$	(0.21)	$	0.37		

TABLE B

Year ended December 31, 2024 to year ended December 31, 2023 comparison

		Year ended December 31, 2024		Year ended December 31, 2023		$ Change
NET INCOME (LOSS)	**$**	**(34,546)**	**$**	**153,665**	**$**	**(188,211)**
Adjustments:						
Impairment of assets (1)		129,446		895		128,551
Restructuring costs (2)		12,644		27,266		(14,622)
Net gain on disposal of equity investments (3)		-		(5,273)		5,273
ADJUSTMENTS, BEFORE TAX	**$**	**142,090**	**$**	**22,888**	**$**	**119,202**
Tax impact of adjustments		(17,985)		(61)		(17,924)
Writedown of deferred tax asset (1)		1,482		-		1,482
ADJUSTMENTS, AFTER TAX	**$**	**125,587**	**$**	**22,827**	**$**	**102,760**
ADJUSTED NET INCOME	**$**	**91,041**	**$**	**176,492**	**$**	**(85,451)**
Number of Shares Outstanding – Basic (‘000)		75,501		79,608		
Adjusted Basic Net Earnings Per Share	$	1.21	$	2.22		
Number of Shares Outstanding – Diluted (‘000)		75,561		79,655		
Adjusted Diluted Net Earnings Per Share	$	1.20	$	2.22		

1) Impairment of assets

During the fourth quarter of 2024, in conjunction with its annual business planning cycle, the Company recorded impairment charges on property, plant and equipment of $102.1 million, right-of-use assets of $6.6 million, intangible assets of $1.3 million, and inventories of $0.4 million, totaling $110.4 million. Of this amount, $65.3 million relates to CGUs in the Europe operating segment, $25.8 million relates to a CGU in the North America operating segment, and $19.3 million relates to CGUs in Brazil, China and South Africa, included in the Rest of the World operating segment. As at December 31, 2024, the Company's CGUs were recorded at carrying values that did not exceed their recoverable amounts determined using an income approach to determine fair value less costs to sell. Discount rates used in the determination of the recoverable amounts of these CGUs ranged between 9.3% to 13.5%.

The Company also separately identified specific assets for which no further use was identified, and recorded impairment charges on property, plant and equipment of $14.9 million, intangible assets of $3.0 million relating to development costs, and inventories of $1.1 million, totaling $19.0 million. Of this amount, $9.8 million were in the North America operating segment, and $9.2 million were in the Rest of the World operating segment.

The impairment charges resulted from lower than expected production volumes on certain OEM light vehicle platforms, largely electric vehicles due to the significantly lower than expected adoption rate of such vehicles in the marketplace, and the cancellation of certain OEM light vehicle platforms before the end of their expected life cycles. In conjunction with this and as a result of lower production volumes, the Company has decided to close an operating facility in the Rest of the World during 2025. A lack of future income stream contributed to a writedown of deferred tax assets of $1.5 million.

The impairment charges were recorded where the carrying amount of the assets exceeded their estimated recoverable amounts. Reasonably possible changes in key assumptions could result in material changes to the carrying amounts of the CGUs.

During the fourth quarter of 2023, the Company recorded impairment charges on property, plant and equipment and inventories totaling $0.9 million related to the closure of an operating facility in Canada, included in the North America operating segment. The impairment charges resulted from the end of production of certain OEM light vehicle platforms which led to the decision to close the facility. The impairment charges were recorded where the carrying amount of the assets exceeded their estimated recoverable amounts.

2) Restructuring costs

Additions to the restructuring provision for the year ended December 31, 2024 totaled $12.6 million, of which $1.0 million was recognized during the fourth quarter of 2024, and represent employee-related severance resulting from the rightsizing of certain operations in Germany, Mexico, Canada, and the United States.

Additions to the restructuring provision during the year ended December 31, 2023, recognized during the fourth quarter of 2023, totaled $27.3 million, and represent employee-related severance resulting from the rightsizing of operations in Germany, due to lower than expected OEM production volumes, and the closure of an operating facility in Canada, resulting from the end of production of certain OEM light vehicle platforms.

3) 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 (LOSS)

Three months ended December 31, 2024 to three months ended December 31, 2023 comparison

	Three months ended December 31, 2024	Three months ended December 31, 2023	$ Change	% Change
Net Income (Loss)	$ (133,332)	$ 1,850	(135,182)	(7,307.1%)
Adjusted Net Income (Loss)	(15,596)	29,251	(44,847)	(153.3%)
Net Earnings (Loss) per Share				
Basic and Diluted	$ (1.82)	$ 0.02		
Adjusted Net Earnings (Loss) per Share				
Basic and Diluted	$ (0.21)	$ 0.37		

Net Income (Loss), before adjustments, for the fourth quarter of 2024 decreased by $135.2 million to a Net Loss of $133.3 million or ($1.82) per share, on a basic and diluted basis, from Net Income of $1.9 million or $0.02 per share, on a basic and diluted basis, for the fourth quarter of 2023. Excluding the adjustments explained in Table A under "Adjustments to Net Income (Loss)", Adjusted Net Income (Loss) for the fourth quarter of 2024 decreased by $44.8 million to an Adjusted Net Loss of $15.6 million or ($0.21) per share, on a basic and diluted basis*, from Adjusted Net Income of $29.3 million or $0.37 per share, on a basic and diluted basis, for the fourth quarter of 2023.

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

- lower gross margin from lower year-over-year sales volume;
- a net foreign exchange loss of $2.2 million for the fourth quarter of 2024 compared to a loss of $1.3 million for the fourth quarter of 2023; and
- a higher effective tax rate (175.8% for the fourth quarter of 2024 compared to 16.6% for the fourth 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 $2.7 million year-over-year decrease in finance expense as a result of lower borrowing rates on the Company's revolving bank debt.

Year ended December 31, 2024 to year ended December 31, 2023 comparison

	Year ended December 31, 2024	Year ended December 31, 2023	$ Change	% Change
Net Income (Loss)	$ (34,546)	$ 153,665	(188,211)	(122.5%)
Adjusted Net Income	91,041	176,492	(85,451)	(48.4%)
Net Earnings (Loss) per Share				
Basic and Diluted	$ (0.46)	$ 1.93		
Adjusted Net Earnings per Share				
Basic	$ 1.21	$ 2.22		
Diluted	$ 1.20	$ 2.22		

Net Income (Loss), before adjustments, for the year ended December 31, 2024 decreased by $188.2 million to a Net Loss of ($34.5) million or ($0.46) per share, on a basic and diluted basis, from Net Income of $153.7 million or $1.93 per share, on a basic and diluted basis, for the year ended December 31, 2023. Excluding the adjustments explained in Table B under “Adjustments to Net Income (Loss)”, Adjusted Net Income for the year ended December 31, 2024 decreased by $85.5 million to $91.0 million or $1.21 per share on a basic basis*, and $1.20 on a diluted basis*, from $176.5 million or $2.22 per share on a basic and diluted basis, for the year ended December 31, 2023.

Adjusted Net Income for the year ended December 31, 2024, as compared to the year ended December 31, 2023, was negatively impacted by the following:

- lower gross margin from lower year-over-year sales volume;
- a $4.2 million year-over-year increase in research and development costs driven generally by increased new product and process development activity;
- a $1.5 million loss on the disposal of property, plant and equipment for the year ended December 31, 2024; and
- a higher effective tax rate (53.2% for the year ended December 31, 2024 compared to 19.8% for the year ended December 31, 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 a $4.3 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 (Loss) and Adjusted Net Earnings (Loss) per Share for the three months and year ended December 31, 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 year ended December 31, 2024 was 53.2%. Excluding these foreign exchange items, the effective tax rate would have been 30.6%, which is more reflective of a typical tax rate for the Company. Using a tax rate of 30.6%, Adjusted Net Earnings per Share would have been $0.19 for the three months ended December 31, 2024, and $1.79 for the year ended December 31, 2024.

DIVIDEND

A cash dividend of $0.05 per share has been declared by the Board of Directors payable to shareholders of record on March 31, 2025, on or about April 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 Thursday, March 6, 2025 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 8223227#. 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 – 4459857#). The rebroadcast will be available until April 6, 2025 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 2025, excluding impact of tariffs) as to future results, revenue, sales, margin, gross margin, earnings, and earnings per share, adjusted earnings per share, free cash flow, volumes, industry volume forecasts, including EV softness, 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), the benefit of Adjusted Net Income (Loss), tax rates, trade and tariffs, inflation, the growth of the Company and pursuit of, and belief in, its strategies (including expected focus on North America, expected consolidation or restructurings), investments in technology and expectations of benefits, the strength, recovery and growth of the automotive industry and continuing challenges, 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, 2024, 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
- Trade Restrictions or Disputes
- Changes in Laws and Governmental Regulations
- Dependence Upon Key Customers
- Pandemics and Epidemics, Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest or War, and Other Outbreaks
- Russia and Ukraine War and Middle East Tensions
- Inflationary Pressures
- Regional Energy Shortages
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs
- Outsourcing and Insourcing Trends
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions (Material Availability or Disruption)
- Semiconductor Chip Shortages and Price Increases
- Competition
- Customer Pricing Pressures, Contractual Arrangements, Cost and Risk Absorption and Purchase Orders
- Potential Volatility of Share Prices
- Fluctuations in Operating Results
- Material and Commodity Prices and Volatility
- Scrap Steel/Aluminum Price Volatility
- Quote/Pricing Assumptions
- Launch Costs, Operational Costs and Issues and Cost Structure
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk
- Product Development and Technological Change (Including Artificial Intelligence and Electrification)
- 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

- Labour Relations Matters
- Sustainability (ESG) Regulation, Including Environmental Regulation and Climate Change and Human Rights and Supply Chain Issues
- Litigation and Regulatory Compliance and Investigations
- Risks of Conducting Business in Foreign Countries, Including China, Brazil, Mexico 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
- 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:

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