

**FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.**  
(United States dollars in millions, except per share figures) (Unaudited)  
Prepared in accordance with U.S. GAAP

	Note	2022					2023					2024				
		1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL	
<b>VEHICLE VOLUME STATISTICS (in millions)</b>																
North America		3,615	3,551	3,600	3,514	14,280	3,884	4,080	3,930	3,718	15,612	4,019	4,126	3,688	11,833	
Europe		3,962	3,981	3,560	4,168	15,671	4,618	4,637	3,838	4,410	17,503	4,422	4,305	3,761	12,488	
China		6,361	5,485	7,229	7,260	26,335	5,940	6,803	7,628	8,877	29,248	6,455	7,192	7,165	20,812	
Other		6,384	6,145	6,709	6,873	26,111	6,970	6,729	6,998	7,147	27,844	6,591	6,646	6,795	20,032	
Global		20,322	19,162	21,098	21,815	82,397	21,412	22,249	22,394	24,152	90,207	21,487	22,269	21,409	65,165	
Magna Steyr vehicle assembly volumes		0.026	0.032	0.026	0.028	0.112	0.034	0.027	0.023	0.021	0.105	0.022	0.019	0.016	0.057	
<b>AVERAGE FOREIGN EXCHANGE RATES</b>																
1 Canadian dollar equals U.S. dollars		0.790	0.783	0.765	0.737	0.769	0.740	0.745	0.746	0.735	0.742	0.741	0.731	0.733	0.735	
1 euro equals U.S. dollars		1.123	1.064	1.006	1.019	1.053	1.073	1.089	1.088	1.076	1.082	1.085	1.076	1.099	1.087	
1 Chinese renminbi equals U.S. dollars		0.158	0.151	0.146	0.140	0.149	0.146	0.143	0.138	0.138	0.141	0.139	0.138	0.140	0.139	
<b>CONSOLIDATED STATEMENTS OF INCOME (LOSS)</b>																
<b>Sales:</b>																
Body Exteriors & Structures		4,077	3,947	3,976	4,004	16,004	4,439	4,540	4,354	4,178	17,511	4,429	4,465	4,038	12,932	
Power & Vision		3,046	2,888	2,911	3,016	11,861	3,323	3,462	3,745	3,775	14,305	3,842	3,926	3,837	11,605	
Seating Systems		1,376	1,253	1,295	1,345	5,269	1,486	1,603	1,529	1,429	6,047	1,455	1,455	1,379	4,289	
Complete Vehicles		1,275	1,403	1,213	1,330	5,221	1,626	1,526	1,185	1,201	5,538	1,383	1,242	1,159	3,784	
Corporate & Other		(132)	(129)	(127)	(127)	(515)	(201)	(149)	(125)	(129)	(604)	(139)	(130)	(133)	(402)	
Sales		9,642	9,362	9,268	9,568	37,840	10,673	10,982	10,688	10,454	42,797	10,970	10,958	10,280	32,208	
<b>Costs and expenses:</b>																
Cost of goods sold		8,400	8,259	8,126	8,403	33,188	9,416	9,544	9,264	8,961	37,185	9,642	9,494	8,828	27,964	
Selling, general and administrative		386	410	387	477	1,660	488	505	491	566	2,050	516	523	487	1,526	
Equity income		(20)	(25)	(27)	(17)	(89)	(33)	(36)	(40)	(3)	(112)	(34)	(9)	(13)	(56)	
Adjusted EBITDA		876	718	782	705	3,081	802	969	973	930	3,674	846	950	978	2,774	
Depreciation		357	348	330	338	1,373	353	353	358	372	1,436	377	373	384	1,134	
Adjusted EBIT		519	370	452	367	1,708	449	616	615	558	2,238	469	577	594	1,640	
Amortization of acquired intangible assets		12	12	11	11	46	12	13	32	31	88	28	28	28	84	
Other expense (income), net	1	61	426	23	193	703	142	86	(4)	164	388	356	68	(188)	236	
Interest expense, net		26	20	18	17	81	20	34	49	53	156	51	54	54	159	
Income (loss) from operations before income taxes		420	(88)	400	146	878	275	483	538	310	1,606	34	427	700	1,161	
Income tax expense		41	57	104	35	237	58	129	121	12	320	8	99	192	299	
Net income (loss)		379	(145)	296	111	641	217	354	417	298	1,286	26	328	508	862	
Income attributable to non-controlling interests		(15)	(11)	(7)	(16)	(49)	(8)	(15)	(23)	(27)	(73)	(17)	(15)	(24)	(56)	
Net income (loss) attributable to Magna International Inc.		364	(156)	289	95	592	209	339	394	271	1,213	9	313	484	806	
Diluted earnings (loss) per common share		\$ 1.22	\$ (0.54)	\$ 1.00	\$ 0.33	\$ 2.03	\$ 0.73	\$ 1.18	\$ 1.37	\$ 0.94	\$ 4.23	\$ 0.03	\$ 1.09	\$ 1.68	\$ 2.81	
Weighted average number of Common Shares outstanding during the period (in millions):		298.1	291.1	288.5	286.3	291.2	286.6	286.3	286.8	286.6	286.6	287.1	287.3	287.3	287.2	
<b>NON-GAAP MEASURES</b>																
Adjusted EBITDA		876	718	782	705	3,081	802	969	973	930	3,674	846	950	978	2,774	
Adjusted EBIT	2	519	370	452	367	1,708	449	616	615	558	2,238	469	577	594	1,640	
Adjusted net income attributable to Magna International Inc.	2	393	253	317	270	1,233	329	441	419	383	1,572	311	389	369	1,069	
Adjusted Diluted earnings per common share	2	\$ 1.32	\$ 0.87	\$ 1.10	\$ 0.94	\$ 4.24	\$ 1.15	\$ 1.54	\$ 1.46	\$ 1.33	\$ 5.49	\$ 1.08	\$ 1.35	\$ 1.28	\$ 3.72	
<b>PROFITABILITY RATIOS</b>																
Selling, general and administrative /Sales		4.0%	4.4%	4.2%	5.0%	4.4%	4.6%	4.6%	4.6%	5.4%	4.8%	4.7%	4.8%	4.7%	4.7%	
Adjusted EBIT /Sales		5.4%	4.0%	4.9%	3.8%	4.5%	4.2%	5.6%	5.8%	5.3%	5.2%	4.3%	5.3%	5.8%	5.1%	
Income (loss) from operations before income taxes /Sales		4.4%	-0.9%	4.3%	1.5%	2.3%	2.6%	4.4%	5.0%	3.0%	3.8%	0.3%	3.9%	6.8%	3.6%	
Effective tax rate																
Reported		9.8%	-64.8%	26.0%	24.0%	27.0%	21.1%	26.7%	22.5%	3.9%	19.9%	23.5%	23.2%	27.4%	25.8%	
Excluding Other expense (income) and amortization, net of taxes and valuation allowance adjustments		17.2%	24.6%	25.3%	18.3%	21.2%	21.4%	21.6%	21.9%	18.8%	21.0%	21.5%	22.8%	27.2%	24.0%	

**FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(United States dollars in millions) (Unaudited)

	2022				2023				2024			
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	
<b>FUNDS EMPLOYED</b>												
<b>Current assets:</b>												
Accounts receivable	7,006	6,764	7,082	6,791	7,959	8,556	8,477	7,881	8,379	8,219	8,377	
Inventories	4,258	4,064	4,108	4,180	4,421	4,664	4,751	4,606	4,511	4,466	4,592	
Prepaid expenses and other	310	262	269	320	367	455	387	352	399	314	303	
	<b>11,574</b>	<b>11,090</b>	<b>11,459</b>	<b>11,291</b>	<b>12,747</b>	<b>13,675</b>	<b>13,615</b>	<b>12,839</b>	<b>13,289</b>	<b>12,999</b>	<b>13,272</b>	
<b>Current liabilities:</b>												
Accounts payable	6,845	6,443	6,624	6,999	7,731	7,984	7,911	7,842	7,855	7,639	7,608	
Accrued salaries and wages	879	766	810	850	822	858	900	912	883	862	962	
Other accrued liabilities	2,123	2,096	1,986	2,118	2,526	2,637	2,537	2,626	2,728	2,650	2,642	
Income taxes payable (receivable)	190	136	97	93	9	(14)	33	125	132	79	176	
	<b>10,037</b>	<b>9,441</b>	<b>9,517</b>	<b>10,060</b>	<b>11,088</b>	<b>11,465</b>	<b>11,381</b>	<b>11,505</b>	<b>11,598</b>	<b>11,230</b>	<b>11,388</b>	
Working capital	<b>1,537</b>	<b>1,649</b>	<b>1,942</b>	<b>1,231</b>	<b>1,659</b>	<b>2,210</b>	<b>2,234</b>	<b>1,334</b>	<b>1,691</b>	<b>1,769</b>	<b>1,884</b>	
Investments	1,487	1,375	1,323	1,429	1,390	1,287	1,311	1,273	1,195	1,161	1,165	
Fixed assets, net	8,090	7,723	7,470	8,173	8,304	8,646	8,778	9,618	9,545	9,623	9,836	
Goodwill, other assets and intangible assets	3,544	3,353	3,280	3,576	3,640	4,733	4,726	4,962	4,646	4,709	4,865	
Operating lease right-of-use assets	1,667	1,587	1,545	1,595	1,638	1,667	1,696	1,744	1,733	1,688	1,780	
Funds employed	<b>16,325</b>	<b>15,687</b>	<b>15,560</b>	<b>16,004</b>	<b>16,631</b>	<b>18,543</b>	<b>18,745</b>	<b>18,931</b>	<b>18,810</b>	<b>18,950</b>	<b>19,530</b>	
<b>FINANCING</b>												
<b>Straight debt:</b>												
Cash and cash equivalents	(1,996)	(1,664)	(1,102)	(1,234)	(2,429)	(1,281)	(1,022)	(1,198)	(1,517)	(999)	(1,061)	
Short-term borrowings	-	-	-	8	4	150	2	511	838	848	828	
Long-term debt due within one year	127	105	95	654	668	1,426	1,398	819	824	65	65	
Long-term debt	3,501	3,408	3,325	2,847	4,500	4,159	4,135	4,175	4,549	4,863	4,916	
Current portion of operating lease liabilities	276	270	266	276	285	303	384	399	306	306	319	
Operating lease liabilities	1,369	1,294	1,254	1,288	1,318	1,345	1,289	1,319	1,407	1,378	1,458	
	<b>3,277</b>	<b>3,413</b>	<b>3,838</b>	<b>3,839</b>	<b>4,346</b>	<b>6,102</b>	<b>6,186</b>	<b>6,025</b>	<b>6,407</b>	<b>6,461</b>	<b>6,525</b>	
Long-term employee benefit liabilities	686	651	617	548	563	579	564	591	584	564	571	
Other long-term liabilities	374	390	397	461	451	448	453	475	471	507	339	
Deferred tax assets, net	(51)	(111)	(138)	(179)	(218)	(242)	(210)	(437)	(576)	(592)	(592)	
	<b>1,009</b>	<b>930</b>	<b>876</b>	<b>830</b>	<b>796</b>	<b>785</b>	<b>807</b>	<b>629</b>	<b>479</b>	<b>479</b>	<b>318</b>	
Shareholders' equity	12,039	11,344	10,846	11,335	11,489	11,656	11,752	12,277	11,924	12,010	12,687	
	<b>16,325</b>	<b>15,687</b>	<b>15,560</b>	<b>16,004</b>	<b>16,631</b>	<b>18,543</b>	<b>18,745</b>	<b>18,931</b>	<b>18,810</b>	<b>18,950</b>	<b>19,530</b>	
<b>ASSET UTILIZATION RATIOS</b>												
Days in accounts receivable	65.4	65.0	68.8	63.9	67.1	70.1	71.4	67.8	68.7	67.5	73.3	
Days in accounts payable	73.3	70.2	73.4	75.0	73.9	75.3	76.9	78.8	73.3	72.4	77.6	
Inventory turnover - cost of goods sold	7.9	8.1	7.9	8.0	8.5	8.2	7.8	7.8	8.5	8.5	7.7	
Working capital turnover	25.1	22.7	19.1	31.1	25.7	19.9	19.1	31.3	25.9	24.8	21.8	
Total asset turnover	2.4	2.4	2.4	2.4	2.6	2.4	2.3	2.2	2.3	2.3	2.1	
<b>CAPITAL STRUCTURE</b>												
Straight debt	20.1%	21.8%	24.7%	24.0%	26.1%	32.9%	33.0%	31.8%	34.1%	34.1%	33.4%	
Long-term employee benefit liabilities, other long-term liabilities & deferred tax liabilities, net	6.2%	5.9%	5.6%	5.2%	4.8%	4.2%	4.3%	3.3%	2.5%	2.5%	1.6%	
Shareholders' equity	73.7%	72.3%	69.7%	70.8%	69.1%	62.9%	62.7%	64.9%	63.4%	63.4%	65.0%	
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Debt to total capitalization	30.5%	30.9%	31.3%	30.9%	37.1%	38.8%	38.0%	37.0%	39.9%	38.3%	37.4%	
<b>ANNUALIZED RETURNS</b>												
Adjusted Return on equity (Adjusted Net income attributable to Magna International Inc. / Average shareholders' equity)	13.6%	8.7%	11.4%	9.7%	11.5%	15.2%	14.3%	12.8%	10.3%	13.0%	12.0%	
Adjusted Return on Invested Capital (Adjusted Annualized after-tax operating profits / Invested capital)	10.6%	7.0%	8.6%	7.6%	8.7%	11.0%	10.3%	9.6%	7.8%	9.4%	9.0%	

**FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(United States dollars in millions) (Unaudited)

	Note	2022				2023				2024					
		1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL
Cash provided from (used for):															
<b>Operating activities</b>															
Net income (loss)		379	(145)	296	111	641	217	354	417	298	1,286	26	328	508	862
Items not involving current cash flows		370	705	295	406	1,776	351	525	404	362	1,642	565	353	277	1,195
		<b>749</b>	<b>560</b>	<b>591</b>	<b>517</b>	<b>2,417</b>	<b>568</b>	<b>879</b>	<b>821</b>	<b>660</b>	<b>2,928</b>	<b>591</b>	<b>681</b>	<b>785</b>	<b>2,057</b>
Changes in operating assets and liabilities		(569)	(139)	(353)	739	(322)	(341)	(332)	(24)	918	221	(330)	55	(58)	(333)
Cash provided from operating activities		<b>180</b>	<b>421</b>	<b>238</b>	<b>1,256</b>	<b>2,095</b>	<b>227</b>	<b>547</b>	<b>797</b>	<b>1,578</b>	<b>3,149</b>	<b>261</b>	<b>736</b>	<b>727</b>	<b>1,724</b>
<b>Investment activities</b>															
Fixed asset additions		(238)	(329)	(364)	(750)	(1,681)	(424)	(502)	(630)	(944)	(2,500)	(493)	(500)	(476)	(1,469)
Increase in investments, other assets and intangible assets		(64)	(80)	(125)	(186)	(455)	(101)	(96)	(176)	(189)	(562)	(125)	(170)	(115)	(410)
Net cash inflow (outflow) from disposal of facilities		6	-	-	-	6	(25)	-	(23)	-	(48)	4	-	78	82
(Decrease) increase in public and private equity investments	1(e), 1(g)	(2)	(2)	(25)	-	(29)	-	(3)	(7)	(1)	(11)	(23)	2	(1)	(22)
Proceeds from disposition		23	40	41	20	124	19	44	32	27	122	87	57	38	182
Business combinations		-	-	-	(3)	(3)	-	(1,475)	-	(29)	(1,504)	(30)	(56)	-	(86)
Cash used for investment activities		<b>(275)</b>	<b>(371)</b>	<b>(473)</b>	<b>(919)</b>	<b>(2,038)</b>	<b>(531)</b>	<b>(2,032)</b>	<b>(804)</b>	<b>(1,136)</b>	<b>(4,503)</b>	<b>(580)</b>	<b>(667)</b>	<b>(476)</b>	<b>(1,723)</b>
<b>Financing activities</b>															
Net issues (repayments) of debt		(328)	(31)	(10)	(22)	(391)	1,636	544	(135)	(119)	1,926	757	(416)	(47)	294
Common Shares issued on exercise of stock options		4	-	1	3	8	6	-	8	6	20	30	-	-	30
Repurchase of Common Shares		(383)	(212)	(180)	(5)	(780)	(9)	(2)	-	(2)	(13)	(3)	(2)	-	(5)
Tax withholdings on vesting of equity awards		(14)	(1)	-	-	(15)	(9)	(1)	-	(1)	(11)	(4)	(1)	-	(5)
Contributions to subsidiaries by non-controlling interests		-	5	-	-	5	-	-	-	11	11	-	-	-	-
Dividends paid to non-controlling interests		-	(12)	(10)	(24)	(46)	(7)	(24)	(18)	(25)	(74)	-	(26)	(10)	(36)
Dividends paid		(133)	(130)	(125)	(126)	(514)	(132)	(129)	(128)	(133)	(522)	(134)	(134)	(138)	(406)
Cash provided from (used for) financing activities		<b>(854)</b>	<b>(381)</b>	<b>(324)</b>	<b>(174)</b>	<b>(1,733)</b>	<b>1,485</b>	<b>388</b>	<b>(273)</b>	<b>(263)</b>	<b>1,337</b>	<b>646</b>	<b>(579)</b>	<b>(195)</b>	<b>(128)</b>
Effect of exchange rate changes on cash and cash equivalents		(3)	(1)	(3)	(31)	(38)	14	(51)	21	(3)	(19)	(8)	(8)	6	(10)
Net (decrease) increase in cash and cash equivalents, during the period		<b>(952)</b>	<b>(332)</b>	<b>(562)</b>	<b>132</b>	<b>(1,714)</b>	<b>1,195</b>	<b>(1,148)</b>	<b>(259)</b>	<b>176</b>	<b>(36)</b>	<b>319</b>	<b>(518)</b>	<b>62</b>	<b>(137)</b>
Cash and cash equivalents, beginning of period		2,948	1,996	1,664	1,102	2,948	1,234	2,429	1,281	1,022	1,234	1,198	1,517	999	1,198
Cash and cash equivalents, end of period		<b>1,996</b>	<b>1,664</b>	<b>1,102</b>	<b>1,234</b>	<b>1,234</b>	<b>2,429</b>	<b>1,281</b>	<b>1,022</b>	<b>1,198</b>	<b>1,198</b>	<b>1,517</b>	<b>999</b>	<b>1,061</b>	<b>1,061</b>

**FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.**

(United States dollars in millions, except per share figures) (Unaudited)

This Analyst should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023.

**Note 1: OTHER EXPENSE (INCOME), NET**

Other expense (income), net consists of:

		2022				TOTAL	2023				TOTAL	2024				TOTAL
		1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q	
Impacts related to Fisker Inc. ["Fisker"]	[a]	-	-	-	-	-	-	-	-	-	-	316	19	(189)	146	
Restructuring activities	[b]	-	-	-	22	22	118	(35)	(1)	66	148	38	55	-	93	
Investment revaluations, (gains) losses on sales, and impairments	[c]	61	50	9	101	221	24	98	(19)	98	201	2	3	1	6	
Gain on business combination	[d]	-	-	-	-	-	-	-	-	-	-	-	(9)	-	(9)	
Impairments and loss on sale of operations in Russia	[e]	-	376	-	-	376	-	-	16	-	16	-	-	-	-	
Veoneer AS transaction costs	[f]	-	-	-	-	-	-	23	-	-	23	-	-	-	-	
Loss on sale of business	[g]	-	-	-	58	58	-	-	-	-	-	-	-	-	-	
Impairments	[h]	-	-	14	12	26	-	-	-	-	-	-	-	-	-	
		<b>61</b>	<b>426</b>	<b>23</b>	<b>193</b>	<b>703</b>	<b>142</b>	<b>86</b>	<b>(4)</b>	<b>164</b>	<b>388</b>	<b>356</b>	<b>68</b>	<b>(188)</b>	<b>236</b>	

**[a] Impacts related to Fisker Inc. ["Fisker"]**

During 2024, Fisker filed for Chapter 11 bankruptcy protection in the United States and for similar protection in Austria. In connection with this, the Company recorded impairment charges on its Fisker related assets during the year, as well as restructuring charges in the first quarter of 2024. In the course of such bankruptcy proceedings, the Company terminated its manufacturing agreement for the Fisker Ocean SUV during the third quarter of 2024, as a result of which the Company recognized \$196 million of previously deferred revenue related to its Fisker warrants.

Impairment of Fisker related assets:

During the first quarter of 2024, the Company recorded a \$261 million impairment charge on its Fisker related assets including production receivables, inventory, fixed assets and other capitalized expenditures. In connection with purchase obligations and supplier settlements related to the Fisker program, the Company recorded an additional \$19 million of charges in the second quarter of 2024, and \$7 million of charges in the third quarter of 2024. For the nine months ended September 30, 2024, impairment charges totaled \$287 million [\$225 million after tax] on the Company's Fisker related assets.

Impairment of Fisker warrants and recognition of related deferred revenue:

Fisker issued approximately 19.5 million penny warrants to the Company to purchase common stock in connection with our agreements with Fisker for platform sharing, engineering and manufacturing of the Fisker Ocean SUV. These warrants vested during 2021 and 2022 based on specified milestones and were marked to market each quarter. During the first quarter of 2024, Magna recorded a \$33 million [\$25 million after tax] impairment charge on these warrants reducing the value of the warrants to nil. When the warrants were issued and the vesting provisions realized, the Company recorded offsetting amounts to deferred revenue within other accrued liabilities and other long-term liabilities. Portions of this deferred revenue were recognized in income as performance obligations were satisfied. During the third quarter of 2024, the agreement for manufacturing of the Fisker Ocean SUV was terminated, and the Company recognized the remaining \$196 million of previously deferred revenue in income. Relevant bankruptcy protection laws had prevented the earlier termination of the agreement and the recognition of the related deferred revenue by the Company.

Restructuring:

In the first quarter of 2024, the Company recorded additional restructuring charges of \$22 million in its Complete Vehicles segment in connection with its Fisker related assembly operations.

**[b] Restructuring activities**

	2022				TOTAL	2023				TOTAL	2024				TOTAL
	1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q	
Power & Vision	-	-	-	22	22	105	(44)	(1)	57	117	-	55	-	55	
Complete Vehicles	-	-	-	-	-	-	-	-	-	-	26	-	-	26	
Body Exteriors & Structures	-	-	-	-	-	13	9	-	9	31	12	-	-	12	
	-	-	-	22	22	<b>118</b>	<b>(35)</b>	<b>(1)</b>	<b>66</b>	<b>148</b>	<b>38</b>	<b>55</b>	-	<b>93</b>	

During the second quarter of 2024, the Company recorded \$35 million of restructuring charges associated with its acquisition of the Veoneer Active Safety Business ["Veoneer AS"], and \$20 million of restructuring charges related to plant closures in its Power & Vision Segment. During the second and third quarter of 2023, the Company's Power & Vision segment recorded a \$10 million and \$8 million gain on the sale of a building as a result of restructuring activities, respectively. During the second quarter of 2023, the Company's Power & Vision segment reversed \$39 million of charges due to a change in the restructuring plans related to a plant closure.

**[c] Investment revaluations, (gains) losses on sales, and impairments**

The Company revalues its public and private equity investments and certain public company warrants every quarter. The gains and losses related to this revaluation, as well as gain and losses on disposition, are primarily recorded in Corporate. In the second quarter of 2023, the Company recorded a non-cash impairment charge of \$85 million on a private equity investment and related long-term receivables within Other assets in its Corporate segment. In the fourth quarter of 2023, the Company also recorded a non-cash impairment charge of \$5 million on a private equity investment in its Power & Vision segment.

**[d] Gain on business combination**

During the second quarter of 2024, the Company acquired a business in the Body Exteriors & Structures segment for \$5 million, resulting in a bargain purchase gain of \$9 million.

**[e] Impairments and loss on sale of operations in Russia**

As a result of the expected lack of future cashflows and the continuing uncertainties connected with the Russian economy, during the second quarter of 2022, the Company recorded a \$376 million impairment charge related to its investment in Russia. This included net asset impairments of \$173 million and a \$203 million reserve against the related foreign currency translation losses that were included in accumulated other comprehensive loss. The net asset impairments consisted of \$163 million and \$10 million in our Body Exteriors & Structures and our Seating Systems segments, respectively.

During the third quarter of 2023, the Company completed the sale of all of its investments in Russia resulting in a loss of \$16 million including a net cash outflow of \$23 million.

**[f] Veoneer AS transaction costs**

During 2023, the Company incurred \$23 million of transaction costs related to the acquisition of the Veoneer Active Safety Business.

**[g] Loss on sale of business**

During the fourth quarter of 2022, the Company entered into an agreement to sell a European Power & Vision operation. Under the terms of the arrangement, the Company was contractually obligated to provide the buyer with up to \$42 million of funding, resulting in a loss of \$58 million. During the first quarter of 2023, the Company completed the sale of this operation which resulted in a net cash outflow of \$25 million.

**[h] Impairments**

	2022				TOTAL	2023				TOTAL	2024				TOTAL
	1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q		1st Q	2nd Q	3rd Q	4th Q	
Body Exteriors & Structures	-	-	10	12	22	-	-	-	-	-	-	-	-	-	
Power & Vision	-	-	4	-	4	-	-	-	-	-	-	-	-	-	
	-	-	<b>14</b>	<b>12</b>	<b>26</b>	-	-	-	-	-	-	-	-	-	

**Note 2: NON-GAAP MEASURES**

The Company presents Adjusted EBIT (Earnings before interest, taxes, Other expense (income), net and amortization of acquired intangible assets); Adjusted Net Income (Net Income before Other expense (income), net, net of tax excluding significant income tax valuation allowance adjustments, and amortization of acquired intangible assets); Adjusted Diluted Earnings per Share; Adjusted EBIT as a percentage of sales; Adjusted Return on Invested Capital; and Adjusted Return on Equity. The Company presents these financial figures because such measures are widely used by analysts and investors in evaluating the operating performance of the Company. However, such measures do not have any standardized meaning under U.S. generally accepted accounting principles and may not be comparable to the calculation of similar measures by other companies.

The following table reconciles Income (loss) from operations before income taxes to Adjusted EBIT:

	2022					2023					2024				
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL	
<b>Income (loss) from operations before income taxes</b>	<b>420</b>	<b>(88)</b>	<b>400</b>	<b>146</b>	<b>878</b>	<b>275</b>	<b>483</b>	<b>538</b>	<b>310</b>	<b>1,606</b>	<b>34</b>	<b>427</b>	<b>700</b>	<b>1,161</b>	
<b>Exclude:</b>															
Amortization of acquired intangible assets	12	12	11	11	46	12	13	32	31	88	28	28	28	84	
Other expense (income), net	61	426	23	193	703	142	86	(4)	164	388	356	68	(188)	236	
Interest expense, net	26	20	18	17	81	20	34	49	53	156	51	54	54	159	
<b>Adjusted EBIT</b>	<b>519</b>	<b>370</b>	<b>452</b>	<b>367</b>	<b>1,708</b>	<b>449</b>	<b>616</b>	<b>615</b>	<b>558</b>	<b>2,238</b>	<b>469</b>	<b>577</b>	<b>594</b>	<b>1,640</b>	

The following table shows the calculation of Adjusted Return on Invested Capital:

	2022				2023				2024		
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q
<b>Net income (loss)</b>	<b>379</b>	<b>(145)</b>	<b>296</b>	<b>111</b>	<b>217</b>	<b>354</b>	<b>417</b>	<b>298</b>	<b>26</b>	<b>328</b>	<b>508</b>
<b>Add (deduct):</b>											
Interest expense, net	26	20	18	17	20	34	49	53	51	54	54
Amortization of acquired intangible assets	12	12	11	11	12	13	32	31	28	28	28
Other expense (income), net	61	426	23	193	142	86	(4)	164	356	68	(188)
Tax effect on Interest expense, net, Amortization of acquired intangible assets and Other expense, net	(19)	(34)	(11)	(32)	(38)	(4)	(14)	(46)	(93)	(32)	30
Adjustments to Deferred Tax Valuation Allowances	(29)	-	-	-	-	-	-	(47)	-	-	-
<b>Adjusted After-tax operating profits</b>	<b>430</b>	<b>279</b>	<b>337</b>	<b>300</b>	<b>353</b>	<b>483</b>	<b>480</b>	<b>453</b>	<b>368</b>	<b>446</b>	<b>432</b>
<b>Total Assets</b>	<b>28,822</b>	<b>27,283</b>	<b>26,667</b>	<b>27,789</b>	<b>30,654</b>	<b>31,837</b>	<b>31,675</b>	<b>32,255</b>	<b>32,678</b>	<b>31,986</b>	<b>32,790</b>
<b>Excluding:</b>											
Cash and cash equivalents	(1,996)	(1,664)	(1,102)	(1,234)	(2,429)	(1,281)	(1,022)	(1,198)	(1,517)	(999)	(1,061)
Deferred tax assets	(464)	(491)	(488)	(491)	(506)	(535)	(527)	(621)	(753)	(807)	(811)
<b>Less Current Liabilities</b>	<b>(10,440)</b>	<b>(9,816)</b>	<b>(9,878)</b>	<b>(10,998)</b>	<b>(12,045)</b>	<b>(13,358)</b>	<b>(13,165)</b>	<b>(13,234)</b>	<b>(13,566)</b>	<b>(12,449)</b>	<b>(12,600)</b>
<b>Excluding:</b>											
Short-term borrowing	-	-	-	8	4	150	2	511	838	848	828
Long-term debt due within one year	127	105	95	654	668	1,426	1,398	819	824	65	65
Current portion of operating lease liabilities	276	270	266	276	285	303	384	399	306	306	319
<b>Invested Capital</b>	<b>16,325</b>	<b>15,687</b>	<b>15,560</b>	<b>16,004</b>	<b>16,631</b>	<b>18,542</b>	<b>18,745</b>	<b>18,931</b>	<b>18,810</b>	<b>18,950</b>	<b>19,530</b>
Adjusted After-tax operating profits	430	279	337	300	353	483	480	453	368	446	432
Average Invested Capital	16,185	16,006	15,624	15,782	16,318	17,587	18,644	18,838	18,871	18,880	19,240
<b>Adjusted Return on Invested Capital</b>	<b>10.6%</b>	<b>7.0%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>8.7%</b>	<b>11.0%</b>	<b>10.3%</b>	<b>9.6%</b>	<b>7.8%</b>	<b>9.4%</b>	<b>9.0%</b>

Note 2: NON-GAAP MEASURES (Continued)

The following table shows the calculation of Adjusted Return on Equity:

	2022				2023				2024		
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q
Net income (loss) attributable to Magna International Inc.	364	(156)	289	95	209	339	394	271	9	313	484
Add (deduct):											
Amortization of acquired intangible assets	12	12	11	11	12	13	32	31	28	28	28
Other expense (income), net	61	426	23	193	142	86	(4)	164	356	68	(188)
Tax effect on Amortization of acquired intangible assets and Other expense, net	(15)	(29)	(6)	(29)	(34)	3	(3)	(36)	(82)	(20)	45
Adjustments to Deferred Tax Valuation Allowances	(29)	-	-	-	-	-	-	(47)	-	-	-
Adjusted Net income (loss) attributable to Magna International Inc.	393	253	317	270	329	441	419	383	311	389	369
Average Shareholder's Equity	11,599	11,692	11,095	11,091	11,412	11,573	11,704	12,015	12,101	11,967	12,349
Adjusted Return on Equity	13.6%	8.7%	11.4%	9.7%	11.5%	15.2%	14.3%	12.8%	10.3%	13.0%	12.0%

The following table reconciles Net income (loss) attributable to Magna International Inc. to Adjusted net income attributable to Magna International Inc.:

	2022					2023					2024			
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL
Net income (loss) attributable to Magna International Inc.	364	(156)	289	95	592	209	339	394	271	1,213	9	313	484	806
Exclude:														
Amortization of acquired intangible assets	10	10	9	9	38	10	11	25	25	71	22	23	22	67
Impacts related to Fisker Inc. ["Fisker"]	-	-	-	-	-	-	-	-	-	-	247	15	(140)	122
Investment revaluations, (gains) losses on sales, and impairments	48	38	7	75	168	18	95	(14)	74	173	1	2	3	6
Restructuring activities	-	-	-	22	22	92	(26)	(2)	60	124	32	45	-	77
Gain on business combination	-	-	-	-	-	-	-	-	-	-	-	(9)	-	(9)
Impairments and loss on sale of operations in Russia	-	361	-	-	361	-	-	16	-	16	-	-	-	-
Veoneer AS transaction costs	-	-	-	-	-	-	22	-	-	22	-	-	-	-
Impairments	-	-	12	12	24	-	-	-	-	-	-	-	-	-
Net losses on the sale of business	-	-	-	57	57	-	-	-	-	-	-	-	-	-
Adjustments to Deferred Tax Valuation Allowance	(29)	-	-	-	(29)	-	-	-	(47)	(47)	-	-	-	-
Adjusted net income attributable to Magna International Inc.	393	253	317	270	1,233	329	441	419	383	1,572	311	389	369	1,069

The following table reconciles diluted earnings (loss) per common share to Adjusted diluted earnings per common share:

	2022					2023					2024			
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL
Diluted earnings (loss) per common share	\$ 1.22	\$ (0.54)	\$ 1.00	\$ 0.33	\$ 2.03	\$ 0.73	\$ 1.18	\$ 1.37	\$ 0.95	\$ 4.23	\$ 0.03	1.09	1.68	\$ 2.81
Exclude:														
Amortization of acquired intangible assets	0.04	0.03	0.03	0.03	0.13	0.04	0.04	0.09	0.09	0.25	0.08	0.08	0.08	0.23
Impacts related to Fisker Inc. ["Fisker"]	-	-	-	-	-	-	-	-	-	-	0.86	0.05	(0.49)	0.42
Investment revaluations, (gains) losses on sales, and impairments	0.16	0.13	0.03	0.26	0.58	0.07	0.33	(0.06)	0.25	0.60	-	0.01	0.01	0.02
Restructuring activities	-	-	-	0.08	0.08	0.31	(0.09)	-	0.20	0.43	0.11	0.15	-	0.27
Gain on business combination	-	-	-	-	-	-	-	-	-	-	-	(0.03)	-	(0.03)
Impairments and loss on sale of operations in Russia	-	1.24	-	-	1.24	-	-	0.06	-	0.06	-	-	-	-
Veoneer AS transaction costs	-	-	-	-	-	-	0.08	-	-	0.08	-	-	-	-
Impairments	-	-	0.04	0.04	0.08	-	-	-	-	-	-	-	-	-
Net losses on the sale of business	-	-	-	0.20	0.20	-	-	-	-	-	-	-	-	-
Adjustments to Deferred Tax Valuation Allowance	(0.10)	-	-	-	(0.10)	-	-	-	(0.16)	(0.16)	-	-	-	-
Adjusted diluted earnings per common share	\$ 1.32	\$ 0.87	\$ 1.10	\$ 0.94	\$ 4.24	\$ 1.15	\$ 1.54	\$ 1.46	\$ 1.33	\$ 5.49	\$ 1.08	\$ 1.35	\$ 1.28	\$ 3.72

[i] Adjustments to Deferred Tax Valuation Allowance

The Company records quarterly adjustments to the valuation allowance against its deferred tax assets in continents like North America, Europe, Asia, and South America. The net effect of these adjustments is a reduction to income tax expense.

Note 3: SEGMENTED INFORMATION

	2022					2023					2024			
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	TOTAL
<b>Body Exteriors &amp; Structures</b>														
Sales	4,077	3,947	3,976	4,004	<b>16,004</b>	4,439	4,540	4,354	4,178	<b>17,511</b>	4,429	4,465	4,038	<b>12,932</b>
Adjusted EBIT	231	194	227	200	<b>852</b>	272	394	358	280	<b>1,304</b>	298	341	273	<b>912</b>
Adjusted EBIT as a percentage of sales	5.7%	4.9%	5.7%	5.0%	<b>5.3%</b>	6.1%	8.7%	8.2%	6.7%	<b>7.4%</b>	6.7%	7.6%	6.8%	<b>7.1%</b>
<b>Power &amp; Vision</b>														
Sales	3,046	2,888	2,911	3,016	<b>11,861</b>	3,323	3,462	3,745	3,775	<b>14,305</b>	3,842	3,926	3,837	<b>11,605</b>
Adjusted EBIT	163	99	124	116	<b>502</b>	92	124	221	231	<b>668</b>	98	198	279	<b>575</b>
Adjusted EBIT as a percentage of sales	5.4%	3.4%	4.3%	3.8%	<b>4.2%</b>	2.8%	3.6%	5.9%	6.1%	<b>4.7%</b>	2.6%	5.0%	7.3%	<b>5.0%</b>
<b>Seating Systems</b>														
Sales	1,376	1,253	1,295	1,345	<b>5,269</b>	1,486	1,603	1,529	1,429	<b>6,047</b>	1,455	1,455	1,379	<b>4,289</b>
Adjusted EBIT	50	3	37	14	<b>104</b>	37	67	70	44	<b>218</b>	52	53	51	<b>156</b>
Adjusted EBIT as a percentage of sales	3.6%	0.2%	2.9%	1.0%	<b>2.0%</b>	2.5%	4.2%	4.6%	3.1%	<b>3.6%</b>	3.6%	3.6%	3.7%	<b>3.6%</b>
<b>Complete Vehicles</b>														
Sales	1,275	1,403	1,213	1,330	<b>5,221</b>	1,626	1,526	1,185	1,201	<b>5,538</b>	1,383	1,242	1,159	<b>3,784</b>
Adjusted EBIT	50	63	65	57	<b>235</b>	52	34	(5)	43	<b>124</b>	27	20	27	<b>74</b>
Adjusted EBIT as a percentage of sales	3.9%	4.5%	5.4%	4.3%	<b>4.5%</b>	3.2%	2.2%	-0.4%	3.6%	<b>2.2%</b>	2.0%	1.6%	2.3%	<b>2.0%</b>
<b>Corporate and other</b>														
Intercompany eliminations	(132)	(129)	(127)	(127)	<b>(515)</b>	(201)	(149)	(125)	(129)	<b>(604)</b>	(139)	(130)	(133)	<b>(402)</b>
Adjusted EBIT	25	11	(1)	(20)	<b>15</b>	(4)	(3)	(29)	(40)	<b>(76)</b>	(6)	(35)	(36)	<b>(77)</b>
<b>Total</b>														
Sales	9,642	9,362	9,268	9,568	<b>37,840</b>	10,673	10,982	10,688	10,454	<b>42,797</b>	10,970	10,958	10,280	<b>32,208</b>
Adjusted EBIT	519	370	452	367	<b>1,708</b>	449	616	615	558	<b>2,238</b>	469	577	594	<b>1,640</b>
Adjusted EBIT as a percentage of sales	5.4%	4.0%	4.9%	3.8%	<b>4.5%</b>	4.2%	5.6%	5.8%	5.3%	<b>5.2%</b>	4.3%	5.3%	5.8%	<b>5.1%</b>