

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**

[Unaudited]

[U.S. dollars in millions, except per share figures]

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
<b>Sales</b>	15	<b>\$ 10,631</b>	\$ 10,958	<b>\$ 20,700</b>	\$ 21,928
<b>Costs and expenses</b>					
Cost of goods sold		<b>9,127</b>	9,494	<b>17,954</b>	19,136
Selling, general and administrative		<b>565</b>	523	<b>1,104</b>	1,039
Depreciation		<b>388</b>	373	<b>757</b>	750
Amortization of acquired intangible assets		<b>29</b>	28	<b>55</b>	56
Interest expense, net		<b>52</b>	54	<b>102</b>	105
Equity income		<b>(32)</b>	(9)	<b>(52)</b>	(43)
Other expense, net	2	<b>6</b>	68	<b>59</b>	424
Income from operations before income taxes		<b>496</b>	427	<b>721</b>	461
Income taxes	10	<b>102</b>	99	<b>174</b>	107
<b>Net income</b>		<b>394</b>	328	<b>547</b>	354
Income attributable to non-controlling interests		<b>(15)</b>	(15)	<b>(22)</b>	(32)
<b>Net income attributable to Magna International Inc.</b>		<b>\$ 379</b>	\$ 313	<b>\$ 525</b>	\$ 322
Earnings per Common Share:	3				
Basic		<b>\$ 1.35</b>	\$ 1.09	<b>\$ 1.86</b>	\$ 1.12
Diluted		<b>\$ 1.35</b>	\$ 1.09	<b>\$ 1.86</b>	\$ 1.12
Cash dividends paid per Common Share		<b>\$ 0.485</b>	\$ 0.475	<b>\$ 0.970</b>	\$ 0.950
Weighted average number of Common Shares outstanding during the period [in millions]:	3				
Basic		<b>281.7</b>	287.3	<b>281.9</b>	287.1
Diluted		<b>281.7</b>	287.3	<b>281.9</b>	287.2

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
<b>Net income</b>		<b>\$ 394</b>	<b>\$ 328</b>	<b>\$ 547</b>	<b>\$ 354</b>
Other comprehensive income (loss), net of tax:	12				
Net unrealized gain (loss) on translation of net investment in foreign operations		<b>381</b>	(66)	<b>568</b>	(308)
Net unrealized gain (loss) on cash flow hedges		<b>98</b>	(6)	<b>147</b>	(19)
Reclassification of net loss (gain) on cash flow hedges to net income		<b>7</b>	(17)	<b>23</b>	(46)
Reclassification of net loss on pensions to net income		<b>1</b>	—	<b>2</b>	1
<b>Other comprehensive income (loss)</b>		<b>487</b>	(89)	<b>740</b>	(372)
Comprehensive income (loss)		<b>881</b>	239	<b>1,287</b>	(18)
Comprehensive income attributable to non-controlling interests		<b>(20)</b>	(9)	<b>(28)</b>	(19)
<b>Comprehensive income (loss) attributable to Magna International Inc.</b>		<b>\$ 861</b>	<b>\$ 230</b>	<b>\$ 1,259</b>	<b>\$ (37)</b>

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED BALANCE SHEETS**

[Unaudited]

[U.S. dollars in millions]

	Note	As at June 30, 2025	As at December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 1,536	\$ 1,247
Accounts receivable		8,258	7,376
Inventories	5	4,207	4,151
Prepaid expenses and other		333	344
		<b>14,334</b>	<b>13,118</b>
Investments	6	1,129	1,045
Fixed assets, net		9,853	9,584
Operating lease right-of-use assets		2,061	1,941
Intangible assets, net		738	738
Goodwill		2,883	2,674
Deferred tax assets		902	819
Other assets	7	1,275	1,120
		<b>\$ 33,175</b>	<b>\$ 31,039</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	9	\$ 349	\$ 271
Accounts payable		7,127	7,194
Other accrued liabilities	8	2,845	2,572
Accrued salaries and wages		917	867
Income taxes payable		88	192
Long-term debt due within one year		706	708
Current portion of operating lease liabilities		318	293
		<b>12,350</b>	<b>12,097</b>
Long-term debt	9	4,984	4,134
Operating lease liabilities		1,759	1,662
Long-term employee benefit liabilities		574	533
Other long-term liabilities		267	396
Deferred tax liabilities		338	277
		<b>20,272</b>	<b>19,099</b>
<b>Shareholders' equity</b>			
Capital stock			
Common Shares			
[issued: 281,778,768; December 31, 2024 – 282,875,928]	11	3,363	3,359
Contributed surplus		161	149
Retained earnings		9,806	9,598
Accumulated other comprehensive loss	12	(848)	(1,584)
		<b>12,482</b>	<b>11,522</b>
Non-controlling interests		421	418
		<b>12,903</b>	<b>11,940</b>
		<b>\$ 33,175</b>	<b>\$ 31,039</b>

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
<b>Cash provided from (used for):</b>					
<b>OPERATING ACTIVITIES</b>					
Net income		\$ 394	\$ 328	\$ 547	\$ 354
Items not involving current cash flows	4	368	353	762	918
		762	681	1,309	1,272
Changes in operating assets and liabilities	4	(135)	55	(605)	(275)
<b>Cash provided from operating activities</b>		<b>627</b>	<b>736</b>	<b>704</b>	<b>997</b>
<b>INVESTMENT ACTIVITIES</b>					
Fixed asset additions		(246)	(500)	(514)	(993)
Acquisitions		4	(56)	—	(86)
(Increase) decrease in public and private equity investments		(3)	2	(4)	(21)
Increase in investments, other assets and intangible assets		(94)	(170)	(242)	(295)
Proceeds from dispositions		14	57	40	144
Net cash inflow from disposal of facilities		—	—	—	4
<b>Cash used for investing activities</b>		<b>(325)</b>	<b>(667)</b>	<b>(720)</b>	<b>(1,247)</b>
<b>FINANCING ACTIVITIES</b>					
Issues of debt	9	1,045	333	1,046	758
(Decrease) increase in short-term borrowings		(297)	19	31	360
Repayments of debt		(407)	(768)	(414)	(777)
Issues of Common Shares on exercise of stock options		—	—	—	30
Tax withholdings on vesting of equity awards		—	(1)	(4)	(5)
Repurchase of Common Shares	11	—	(2)	(51)	(5)
Dividends paid to non-controlling interests		(25)	(26)	(25)	(26)
Dividends		(137)	(134)	(273)	(268)
<b>Cash provided from (used for) financing activities</b>		<b>179</b>	<b>(579)</b>	<b>310</b>	<b>67</b>
Effect of exchange rate changes on cash and cash equivalents		(4)	(8)	(5)	(16)
Net decrease in cash and cash equivalents during the period		477	(518)	289	(199)
Cash and cash equivalents, beginning of period		1,059	1,517	1,247	1,198
<b>Cash and cash equivalents, end of period</b>	4	<b>\$ 1,536</b>	<b>\$ 999</b>	<b>\$ 1,536</b>	<b>\$ 999</b>

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

[Unaudited]

[U.S. dollars in millions]

Six months ended June 30, 2025								
		Common Shares		Contri-	Retained	AOCL <sup>[1]</sup>	Non-	Total
	Note	Number	Stated Value	buted Surplus	Earnings		controlling Interests	Equity
<i>[in millions]</i>								
<b>Balance, December 31, 2024</b>		<b>282.9</b>	<b>\$ 3,359</b>	<b>\$ 149</b>	<b>\$ 9,598</b>	<b>\$ (1,584)</b>	<b>\$ 418</b>	<b>\$ 11,940</b>
Net income					525		22	547
Other comprehensive income						734	6	740
Release of stock and stock units		0.2	18	(18)				
Tax withholdings on vesting of equity awards		(0.1)	(1)		(3)			(4)
Repurchase and cancellation under normal course issuer bid	11	(1.3)	(16)		(38)	2		(52)
Stock-based compensation expense				30				30
Dividends paid to non-controlling interests							(25)	(25)
Dividends paid			3		(276)			(273)
<b>Balance, June 30, 2025</b>		<b>281.7</b>	<b>\$ 3,363</b>	<b>\$ 161</b>	<b>\$ 9,806</b>	<b>\$ (848)</b>	<b>\$ 421</b>	<b>\$ 12,903</b>

Three months ended June 30, 2025								
		Common Shares		Contri-	Retained	AOCL <sup>[1]</sup>	Non-	Total
	Note	Number	Stated Value	buted Surplus	Earnings		controlling Interests	Equity
<i>[in millions]</i>								
<b>Balance, March 31, 2025</b>		<b>281.7</b>	<b>\$ 3,362</b>	<b>\$ 143</b>	<b>\$ 9,565</b>	<b>\$ (1,330)</b>	<b>\$ 426</b>	<b>\$ 12,166</b>
Net income					379		15	394
Other comprehensive income						482	5	487
Stock-based compensation expense				18				18
Dividends paid to non-controlling interests							(25)	(25)
Dividends paid			1		(138)			(137)
<b>Balance, June 30, 2025</b>		<b>281.7</b>	<b>\$ 3,363</b>	<b>\$ 161</b>	<b>\$ 9,806</b>	<b>\$ (848)</b>	<b>\$ 421</b>	<b>\$ 12,903</b>

<sup>[1]</sup> AOCL is Accumulated Other Comprehensive Loss.

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

[Unaudited]

[U.S. dollars in millions]

Six months ended June 30, 2024								
	Note	Common Shares		Contri- buted Surplus	Retained Earnings	AOCL <sup>[1]</sup>	Non- controlling Interests	Total Equity
		Number	Stated Value					
[in millions]								
<b>Balance, December 31, 2023</b>		<b>286.6</b>	<b>\$ 3,354</b>	<b>\$ 125</b>	<b>\$ 9,303</b>	<b>\$ (898)</b>	<b>\$ 393</b>	<b>\$ 12,277</b>
Net income					322		32	354
Other comprehensive loss						(359)	(13)	(372)
Shares issued on exercise of stock options		0.7	36	(6)				30
Release of stock and stock units		0.2	12	(12)				
Tax withholdings on vesting of equity awards		(0.2)	(1)		(4)			(5)
Repurchase and cancellation under normal course issuer bid		(0.1)	(1)		(4)			(5)
Stock-based compensation expense				25				25
Dividends paid to non-controlling interests							(26)	(26)
Dividends paid		0.1	4		(272)			(268)
<b>Balance, June 30, 2024</b>		<b>287.3</b>	<b>\$ 3,404</b>	<b>\$ 132</b>	<b>\$ 9,345</b>	<b>\$ (1,257)</b>	<b>\$ 386</b>	<b>\$ 12,010</b>

Three months ended June 30, 2024								
	Note	Common Shares		Contri- buted Surplus	Retained Earnings	AOCL <sup>[1]</sup>	Non- controlling Interests	Total Equity
		Number	Stated Value					
[in millions]								
<b>Balance, March 31, 2024</b>		<b>287.3</b>	<b>\$ 3,399</b>	<b>\$ 125</b>	<b>\$ 9,171</b>	<b>\$ (1,174)</b>	<b>\$ 403</b>	<b>\$ 11,924</b>
Net income					313		15	328
Other comprehensive loss						(83)	(6)	(89)
Release of stock and stock units		0.1	3	(3)				
Tax withholdings on vesting of equity awards		(0.1)			(1)			(1)
Repurchase and cancellation under normal course issuer bid					(2)			(2)
Stock-based compensation expense				10				10
Dividends paid to non-controlling interests							(26)	(26)
Dividends paid			2		(136)			(134)
<b>Balance, June 30, 2024</b>		<b>287.3</b>	<b>\$ 3,404</b>	<b>\$ 132</b>	<b>\$ 9,345</b>	<b>\$ (1,257)</b>	<b>\$ 386</b>	<b>\$ 12,010</b>

<sup>[1]</sup> AOCL is Accumulated Other Comprehensive Loss.

See accompanying notes

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

---

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### **[a] Basis of Presentation**

The unaudited interim consolidated financial statements of Magna International Inc. and its subsidiaries [collectively "Magna" or the "Company"] have been prepared in U.S. dollars in accordance with accounting principles generally accepted in the United States of America ["GAAP"]. The unaudited interim consolidated financial statements do not conform in all respects to the requirements of GAAP for annual financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the December 31, 2024 audited consolidated financial statements and notes thereto included in the Company's 2024 Annual Report.

The unaudited interim consolidated financial statements reflect all adjustments, which consist only of normal and recurring adjustments, necessary to present fairly the financial position as at June 30, 2025 and the results of operations, changes in equity, and cash flows for the three and six-month periods ended June 30, 2025 and 2024.

#### **[b] Use of Estimates**

The preparation of the unaudited interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the interim consolidated financial statements and accompanying notes. Due to the inherent uncertainty involved in making estimates, actual results could ultimately differ from those estimates.

The Company continues to closely monitor the two reporting units within its Body Exteriors & Structures and Power & Vision segments identified as having a heightened risk of impairment as at December 31, 2024 and March 31, 2025. As at June 30, 2025, no new indicators of impairment were identified.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**2. OTHER EXPENSE, NET**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Restructuring activities [a]	\$ 13	\$ 55	\$ 57	\$ 93
Investments [b]	(7)	3	2	5
Impacts related to Fisker Inc. ["Fisker"] [c]	—	19	—	335
Gain on business combination [d]	—	(9)	—	(9)
	\$ 6	\$ 68	\$ 59	\$ 424

**[a] Restructuring activities**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Power & Vision <sup>Ⓜ</sup>	\$ 13	\$ 55	\$ 24	\$ 55
Complete Vehicles	—	—	33	26
Body Exteriors & Structures	—	—	—	12
Other expense, net	13	55	57	93
Tax effect	(4)	(10)	(4)	(16)
Net loss attributable to Magna	\$ 9	\$ 45	\$ 53	\$ 77

<sup>Ⓜ</sup> During the second quarter of 2025, the Company recorded \$7 million of charges related to significant rightsizing activities at a facility in Europe, as well as \$6 million of restructuring charges associated with its acquisition of the Veoneer Active Safety Business.

During the second quarter of 2024, the Company recorded \$35 million of restructuring charges associated with its acquisition of the Veoneer Active Safety Business, and \$20 million of restructuring charges related to plant closures.

**[b] Investments**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net revaluation (gain) loss on public and private equity investments	\$ (4)	\$ 2	\$ (2)	\$ 4
Gain on sales of public equity investments	(3)	—	(4)	—
Revaluation loss on public company warrants	—	1	8	1
Other (income) expense, net	(7)	3	2	5
Tax effect	2	(1)	1	(2)
Net (gain) loss attributable to Magna	\$ (5)	\$ 2	\$ 3	\$ 3

**[c] Impacts related to Fisker**

During 2024, the Company recorded impairment charges on its Fisker related net assets, including its Fisker warrants, which were received in connection with the agreements with Fisker for platform sharing, engineering and manufacturing of the Fisker Ocean SUV. The Company also recorded additional restructuring charges during 2024 related to its Fisker related assembly operations.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Impairment of Fisker related net assets	\$ —	\$ 19	\$ —	\$ 280
Impairment of Fisker warrants	—	—	—	33
Additional restructuring related to Complete Vehicles	—	—	—	22
Other expense, net	—	19	—	335
Tax effect	—	(4)	—	(73)
Net loss attributable to Magna	\$ —	\$ 15	\$ —	\$ 262

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

**2. OTHER EXPENSE, NET (CONTINUED)**

**[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 [\$9 million after tax].

**3. EARNINGS PER SHARE**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
<b>Basic earnings per Common Share:</b>				
Net income attributable to Magna International Inc.	\$ 379	\$ 313	\$ 525	\$ 322
Weighted average number of Common Shares outstanding	<b>281.7</b>	287.3	<b>281.9</b>	287.1
Basic earnings per Common Share	<b>\$ 1.35</b>	\$ 1.09	<b>\$ 1.86</b>	\$ 1.12
<b>Diluted earnings per Common Share [a]:</b>				
Net income attributable to Magna International Inc.	\$ 379	\$ 313	\$ 525	\$ 322
Weighted average number of Common Shares outstanding	<b>281.7</b>	287.3	<b>281.9</b>	287.2
Diluted earnings per Common Share	<b>\$ 1.35</b>	\$ 1.09	<b>\$ 1.86</b>	\$ 1.12

[a] For the three and six months ended June 30, 2025, diluted earnings per Common Share excluded 5.6 million [2024 – 6.0 million] and 5.7 million [2024 – 4.4 million] Common Shares, respectively, issuable under the Company's Incentive Stock Option Plan because these options were not "in-the-money". The dilutive effect of participating securities using the two-class method was excluded from the calculation of earnings per share because the effect would be immaterial.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**4. DETAILS OF CASH FLOWS**

[a] Cash and cash equivalents:

	June 30, 2025	December 31, 2024
Bank term deposits and bankers' acceptances	\$ 694	\$ 497
Cash	842	750
	<b>\$ 1,536</b>	<b>\$ 1,247</b>

[b] Items not involving current cash flows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Depreciation	\$ 388	\$ 373	\$ 757	\$ 750
Amortization of acquired intangible assets	29	28	55	56
Other asset amortization	55	48	106	92
Deferred revenue amortization	(77)	(82)	(134)	(156)
Other non-cash charges	(8)	(11)	5	(3)
Deferred tax recovery	(19)	(24)	(42)	(152)
Dividends received in excess of equity income	7	8	13	22
Non-cash portion of Other expense, net [note 2]	(7)	13	2	309
	<b>\$ 368</b>	<b>\$ 353</b>	<b>\$ 762</b>	<b>\$ 918</b>

[c] Changes in operating assets and liabilities:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Accounts receivable	\$ 202	\$ 139	\$ (494)	\$ (452)
Inventories	131	18	170	(48)
Prepaid expenses and other	49	58	39	(27)
Accounts payable	(468)	(175)	(398)	(28)
Accrued salaries and wages	(17)	(15)	(10)	(26)
Other accrued liabilities	78	59	263	329
Income taxes payable	(110)	(29)	(175)	(23)
	<b>\$ (135)</b>	<b>\$ 55</b>	<b>\$ (605)</b>	<b>\$ (275)</b>

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**5. INVENTORIES**

Inventories consist of:

	June 30, 2025	December 31, 2024
Raw materials and supplies	\$ 1,715	\$ 1,672
Work-in-process	475	446
Finished goods	588	664
Tooling and engineering	1,429	1,369
	<b>\$ 4,207</b>	<b>\$ 4,151</b>

Tooling and engineering inventory represents costs incurred on tooling and engineering services contracts in excess of billed and unbilled amounts included in accounts receivable.

**6. INVESTMENTS**

	June 30, 2025	December 31, 2024
Equity method investments	\$ 874	\$ 794
Public and private equity investments	225	206
Debt investments	30	31
Warrants	—	14
	<b>\$ 1,129</b>	<b>\$ 1,045</b>

Cumulative unrealized gains and losses on equity securities held as at June 30, 2025 were \$23 million and \$19 million [\$29 million and \$18 million as at December 31, 2024], respectively.

**7. OTHER ASSETS**

Other assets consist of:

	June 30, 2025	December 31, 2024
Preproduction costs related to long-term supply agreements	\$ 762	\$ 697
Long-term receivables <sup>(1)</sup>	307	310
Unrealized gain on cash flow hedges	67	11
Pension overfunded status	58	57
Other, net <sup>(1)</sup>	81	45
	<b>\$ 1,275</b>	<b>\$ 1,120</b>

<sup>(1)</sup> Certain amounts in the prior period have been reclassified to conform with current period presentation.

**8. WARRANTY**

The following is a continuity of the Company's warranty accruals, included in Other accrued liabilities:

	2025	2024
Balance, beginning of period	\$ 309	\$ 270
Expense, net	55	33
Settlements	(51)	(18)
Foreign exchange and other	5	(1)
Balance, March 31	318	284
Expense, net	31	39
Settlements	(28)	(21)
Foreign exchange and other	10	(4)
Balance, June 30	<b>\$ 331</b>	<b>\$ 298</b>

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

---

### 9. DEBT

#### Short-term borrowings

##### [a] Commercial Paper Program

As at June 30, 2025, \$265 million [\$271 million as at December 31, 2024] of notes were outstanding under the U.S. commercial paper program, with a weighted average interest rate of 4.66% [2024 – 4.74%] and \$82 million [no amounts outstanding as at December 31, 2024] of notes outstanding under the euro-commercial paper program, with a weighted average interest rate of 2.23%. The U.S. notes and the euro notes are backstopped by the Company's existing global credit facility.

##### [b] Credit Facilities

On March 21, 2025, the Company extended the maturity date of its \$800 million 364-day syndicated revolving credit facility from June 24, 2025 to June 24, 2026. The facility can be drawn in U.S. dollars or Canadian dollars. As at June 30, 2025, no amounts are outstanding under this credit facility.

#### Long-term borrowings

##### [a] Senior Notes

During the three months ended June 30, 2025, the Company issued the following Senior Notes:

	Settlement Date	Net Cash Proceeds <sup>(1)</sup>	Maturity Date
€575 million Senior Notes at 3.625%	May 21, 2025	€569 million	May 21, 2031
\$400 million Senior Notes at 5.875%	May 22, 2025	\$397 million	June 1, 2035

<sup>(1)</sup> Net cash proceeds represent the public offering price less the underwriting discount, before expenses.

The Senior Notes were issued for general corporate purposes, including the repayment of the \$300 million Senior Notes, which were due March 2026, on May 23, 2025.

The Senior Notes are unsecured obligations and do not include any financial covenants. The Company may redeem the notes in whole or in part at any time, and from time to time, at specified redemption prices determined in accordance with the terms of the indenture governing the Senior Notes.

##### [b] Global Credit Facility

On March 21, 2025, the Company extended the maturity date of its \$2.7 billion syndicated revolving credit facility from June 25, 2029 to June 25, 2030. As at June 30, 2025, no amounts are outstanding under this credit facility.

##### [c] Term Loan Facilities

On May 30, 2025, the Company repaid \$100 million of the 3-year tranche Term Loan.

As at June 30, 2025, the Company had \$300 million outstanding under the 5-year tranche of the Term Loan. The Term Loan is for general corporate purposes.

On March 21, 2025, the Company amended its syndicated, unsecured, delayed draw term loan facility with an additional 3-year tranche of \$650 million. On July 8, 2025, the Company reduced the tranche amount from \$650 million to \$350 million and extended the draw expiration date from July 12, 2025, to January 12, 2026. As at June 30, 2025, no amounts had been drawn under this 3-year tranche.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**10. INCOME TAXES**

For the three months ended June 30, 2025, the Company's effective income tax rate does not reflect the customary rate due to a reduction in reserves for uncertain tax positions.

**11. CAPITAL STOCK**

[a] During the six-month period ended June 30, 2025, the Company repurchased 1.3 million shares under a normal course issuer bid for cash consideration of \$51 million to settle certain equity compensation plans.

[b] The following table presents the maximum number of shares that would be outstanding if all the dilutive instruments outstanding at July 31, 2025 were exercised or converted:

Common Shares	281,778,768
Stock options <sup>[1]</sup>	6,045,264
	287,824,032

<sup>[1]</sup> Options to purchase Common Shares are exercisable by the holder in accordance with the vesting provisions and upon payment of the exercise price as may be determined from time to time pursuant to the Company's stock option plans.

**12. ACCUMULATED OTHER COMPREHENSIVE LOSS**

The following is a continuity schedule of accumulated other comprehensive loss:

	2025	2024
Accumulated net unrealized loss on translation of net investment in foreign operations		
Balance, beginning of period	\$ (1,368)	\$ (836)
Net unrealized gain (loss)	186	(235)
Repurchase of shares under normal course issuer bid	2	—
Balance, March 31	(1,180)	(1,071)
Net unrealized gain (loss)	376	(60)
Balance, June 30	(804)	(1,131)
Accumulated net unrealized gain on cash flow hedges <sup>[1]</sup>		
Balance, beginning of period	(113)	43
Net unrealized gain (loss)	49	(13)
Reclassifications to net income	16	(29)
Balance, March 31	(48)	1
Net unrealized gain (loss)	98	(6)
Reclassifications to net income	7	(17)
Balance, June 30	57	(22)
Accumulated net unrealized loss on other long-term liabilities		
Balance, beginning of period	(103)	(105)
Reclassifications to net income	1	1
Balance, March 31	(102)	(104)
Reclassifications to net income	1	—
Balance, June 30	(101)	(104)
Total accumulated other comprehensive loss	\$ (848)	\$ (1,257)

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**12. ACCUMULATED OTHER COMPREHENSIVE LOSS (CONTINUED)**

[i] The amount of income tax expense that has been netted in the accumulated net unrealized gain on cash flow hedges is as follows:

	2025	2024
Balance, beginning of period	\$ 44	\$ (16)
Net unrealized (loss) gain	(17)	4
Reclassifications to net income	(7)	10
Balance, March 31	20	(2)
Net unrealized (loss) gain	(39)	2
Reclassifications to net income	(3)	7
Balance, June 30	\$ (22)	\$ 7

The amount of other comprehensive gain that is expected to be reclassified to net income over the next 12 months is \$32 million.

**13. FINANCIAL INSTRUMENTS**

**[a] Financial assets and liabilities**

The Company's financial assets and financial liabilities consist of the following:

	June 30, 2025	December 31, 2024
<b>Financial assets</b>		
Cash and cash equivalents	\$ 1,536	\$ 1,247
Accounts receivable	8,258	7,376
Public and private equity investments	225	206
Debt investments	30	31
Long-term receivables included in other assets <sup>[i]</sup>	307	310
Warrants	—	14
	<b>\$ 10,356</b>	<b>\$ 9,184</b>
<b>Financial liabilities</b>		
Short-term borrowings	\$ 349	\$ 271
Long-term debt (including portion due within one year)	5,690	4,842
Operating lease liability	2,077	1,955
Accounts payable	7,127	7,194
	<b>\$ 15,243</b>	<b>\$ 14,262</b>
<b>Derivatives designated as effective hedges, measured at fair value</b>		
Foreign currency contracts		
Prepaid expenses	\$ 63	\$ 33
Other assets	67	10
Other accrued liabilities	(28)	(107)
Other long-term liabilities	(19)	(83)
	<b>\$ 83</b>	<b>\$ (147)</b>

<sup>[i]</sup> Certain amounts in the prior period have been reclassified to conform with current period presentation.

**[b] Supplier financing program**

The Company has supplier financing programs with third-party financial institutions that provide financing to suppliers that provide tooling related materials. These arrangements allow these suppliers to elect to be paid by a financial institution at a discount earlier than the maturity date of the receivable, which may extend from 6 to 18 months. The Company pays the full amount owing to the financial institution on the maturity dates. Amounts outstanding under these programs as at June 30, 2025 were \$94 million [\$86 million as at December 31, 2024] and are presented within accounts payable.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

---

### 13. FINANCIAL INSTRUMENTS (CONTINUED)

#### [c] Fair value

The Company determined the estimated fair values of its financial instruments based on valuation methodologies it believes are appropriate; however, considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments are described below:

#### *Cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings*

Due to the short period to maturity of the instruments, the carrying values as presented in the consolidated balance sheets are reasonable estimates of fair values.

#### *Publicly traded and private equity securities*

The fair value of the Company's investments in publicly traded equity securities is determined using the closing price on the measurement date, as reported on the stock exchange on which the securities are traded [Level 1 input based on the GAAP fair value hierarchy]. As a result, the Company's public equity securities are subject to market price risk due to the risk of loss in value that would result from a decline in the market price of the common shares or underlying common shares.

#### *Term Loans*

The Company's Term Loans consist of advances in the form of 1, 3 or 6-month loans that may be rolled over until the end of the 3 and 5-year terms. Due to the short-term maturity of each loan, the carrying value as presented in the consolidated balance sheets is a reasonable estimate of its fair value.

#### *Senior Notes*

At June 30, 2025, the net book value and the estimated fair value of the Company's Senior Notes were \$5.3 billion. The fair value of our Senior Notes are classified as Level 1 when quoted prices in active markets are available and Level 2 when the quoted prices are from less active markets or when other observable inputs are used to determine fair value.

#### [d] Credit risk

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, accounts receivable, debt investments, and foreign exchange and commodity forward contracts with positive fair values. Cash and cash equivalents, which consist of short-term investments, are only invested in bank term deposits and bank commercial paper with an investment grade credit rating. Credit risk is further reduced by limiting the amount which is invested in certain major financial institutions.

The Company is also exposed to credit risk from the potential default by any of its counterparties on its foreign exchange forward contracts. The Company mitigates this credit risk by dealing with counterparties who are major financial institutions that the Company anticipates will satisfy their obligations under the contracts.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the automotive industry and are subject to credit risks associated with the automotive industry. For the three and six months ended June 30, 2025, sales to the Company's six largest customers represented 76% of the Company's total sales; and substantially all of its sales are to customers with which the Company has ongoing contractual relationships. The Company conducts business with newer electric vehicle-focused customers, which poses incremental credit risk due to their relatively short operating histories; limited financial resources; less mature product development and validation processes; uncertain market acceptance of their products/services; and untested business models. These factors may elevate the Company's risks in dealing with such customers, particularly with respect to recovery of: pre-production (including tooling, engineering, and launch) and production receivables; inventory; fixed assets and capitalized preproduction expenditures; as well as other third party obligations related to such items. As at June 30, 2025, the Company's balance sheet exposure related to newer electric vehicle-focused customers was approximately \$325 million [\$300 million as at December 31, 2024] and sales to these customers represented less than

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

5% of the Company's total sales. In determining the allowance for expected credit losses, the Company considers changes in customers' credit ratings, liquidity, customers' historical payments and loss experience, current economic conditions, and the Company's expectations of future economic conditions.

**[e] Interest rate risk**

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities. In particular, the amount of interest income earned on cash and cash equivalents is impacted more by investment decisions made and the demands to have available cash on hand, than by movements in interest rates over a given period.

The Company is exposed to interest rate risk on its Term Loans as the interest rate is variable, however the Company is not exposed to interest rate risk on Senior Notes as the interest rates are fixed.

**[f] Currency risk and foreign exchange contracts**

The Company is exposed to fluctuations in foreign exchange rates when manufacturing facilities have committed to the delivery of products for which the selling price has been quoted in currencies other than the facilities' functional currency, and when materials and equipment are purchased in currencies other than the facilities' functional currency. In an effort to manage this net foreign exchange exposure, the Company employs hedging programs, primarily through the use of foreign exchange forward contracts.

At June 30, 2025, the Company had outstanding foreign exchange forward contracts representing commitments to buy and sell various foreign currencies. Significant commitments are as follows:

	<u>For Canadian dollars</u>		<u>For U.S. dollars</u>		<u>For Euros</u>			
	U.S. dollar amount	Weighted average rate	Peso amount	Weighted average rate	U.S. dollar amount	Weighted average rate	Czech Koruna amount	Weighted average rate
Buy	213	0.74216	26,137	0.04805	324	0.89198	11,553	0.03964
(Sell)	(1,581)	1.34282	(35)	22.54464	(449)	1.10763	(90)	22.50000

Forward contracts mature at various dates through 2029. Foreign currency exposures are reviewed quarterly.

**14. CONTINGENCIES**

From time to time, the Company may become involved in regulatory proceedings, or become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, the Company attempts to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, together with potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

In December 2023, the Company received a notification [the "Notification Letter"] from a customer informing the Company as to the customer's initial determination that one of the Company's operating groups bears responsibility for costs totaling \$352 million related to two product recalls. The Notification Letter triggered a negotiation period regarding financial allocation of the total costs for the two recalls, which remains ongoing. In the event such negotiations are not concluded successfully, the customer has discretion under its Terms and Conditions to debit Magna up to 50% of the parts and labour costs actually incurred related to the recalls. The Company believes that the product in question met the customer's specifications, and accordingly, is vigorously contesting the customer's determination. Magna does not currently anticipate any material liabilities in relation to this claim.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**14. CONTINGENCIES (CONTINUED)**

As a result of the proposed application of a 2023 judicial decision to periods preceding the date of the ruling in a jurisdiction in which it has operations, the Company may face a reassessment of certain prior tax periods which could require payment of refundable value added tax ("VAT"), as well as interest, penalties and other charges. Although such VAT amounts are refundable, the interest, penalties and other charges are not and could have a material adverse impact on the Company's financial results. Although a tax audit is currently on-going, no formal reassessment has been issued by the applicable tax authority and the Company continues to explore alternate avenues to resolve this matter.

As a result of the bankruptcy of Fisker, Inc., owners of Fisker Ocean SUVs have asserted claims for alleged vehicle defects and breaches of state "lemon laws" against J.P. Morgan Chase, N.A. ["Chase"], the direct financier of approximately 2,000 such vehicles in the United States. Chase has indicated that it will seek indemnification from the Company, as contract manufacturer, for damages and legal costs incurred with the resolution of these claims. As the number, details and amount of these claims are all currently unknown, it is too early to determine the Company's potential liability, if any, at this time.

**15. SEGMENTED INFORMATION**

Magna is a global automotive supplier which has complete vehicle engineering and contract manufacturing expertise, as well as product capabilities which include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mirrors & lighting, mechatronics, and roof systems.

The Company is organized under four operating segments: Body Exteriors & Structures, Power & Vision, Seating Systems, and Complete Vehicles. These segments have been determined on the basis of technological opportunities, product similarities, market and operating factors, and are also the Company's reportable segments.

The Company's chief operating decision maker is the Chief Executive Officer. The chief operating decision maker uses Adjusted Earnings before Interest and Income Taxes ["Adjusted EBIT"] as the measure of segment profit or loss, since management believes Adjusted EBIT is the most appropriate measure of operational profitability or loss for its reporting segments. The chief operating decision maker uses Adjusted EBIT to assess operating performance, allocate resources, and to help plan the Company's long-term strategic direction and future global growth. Adjusted EBIT is calculated by taking Net income and adding back Amortization of acquired intangible assets, Income taxes, Interest expense, net and Other (income) expense, net.

[a] The following tables show segment information for the Company's reporting segments and a reconciliation of Adjusted EBIT to the Company's consolidated net income:

Three months ended June 30, 2025						
	Total sales	External sales	Adjusted EBIT <sup>(ii)</sup>	Depreciation	Equity income	Fixed asset additions
Body Exteriors & Structures	\$ 4,253	\$ 4,191	\$ 347	\$ 191	\$ (2)	\$ 104
Power & Vision	3,857	3,784	162	146	(16)	107
Seating Systems	1,433	1,431	42	26	(10)	19
Complete Vehicles	1,226	1,218	28	17	(2)	12
Corporate & Other <sup>(i)</sup>	(138)	7	4	8	(2)	4
<b>Total Reportable Segments</b>	<b>\$ 10,631</b>	<b>\$ 10,631</b>	<b>\$ 583</b>	<b>\$ 388</b>	<b>\$ (32)</b>	<b>\$ 246</b>

Three months ended June 30, 2024						
	Total sales	External sales	Adjusted EBIT <sup>(ii)</sup>	Depreciation	Equity (income) loss	Fixed asset additions
Body Exteriors & Structures	\$ 4,465	\$ 4,401	\$ 341	\$ 182	\$ (1)	\$ 311
Power & Vision	3,926	3,866	198	144	(6)	161
Seating Systems	1,455	1,453	53	23	(4)	16
Complete Vehicles	1,242	1,236	20	18	(2)	9
Corporate & Other <sup>(i)</sup>	(130)	2	(35)	6	4	3
<b>Total Reportable Segments</b>	<b>\$ 10,958</b>	<b>\$ 10,958</b>	<b>\$ 577</b>	<b>\$ 373</b>	<b>\$ (9)</b>	<b>\$ 500</b>

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**15. SEGMENTED INFORMATION (CONTINUED)**

	Six months ended June 30, 2025					
	Total sales	External sales	Adjusted EBIT <sup>(ii)</sup>	Depreciation	Equity income	Fixed asset additions
Body Exteriors & Structures	\$ 8,219	\$ 8,099	\$ 577	\$ 375	\$ (3)	\$ 233
Power & Vision	7,503	7,359	286	281	(30)	211
Seating Systems	2,745	2,741	12	51	(14)	36
Complete Vehicles	2,502	2,485	72	35	(3)	24
Corporate & Other <sup>(i)</sup>	(269)	16	(10)	15	(2)	10
<b>Total Reportable Segments</b>	<b>\$ 20,700</b>	<b>\$ 20,700</b>	<b>\$ 937</b>	<b>\$ 757</b>	<b>\$ (52)</b>	<b>\$ 514</b>

	Six months ended June 30, 2024					
	Total sales	External sales	Adjusted EBIT <sup>(ii)</sup>	Depreciation	Equity (income) loss	Fixed asset additions
Body Exteriors & Structures	\$ 8,894	\$ 8,764	\$ 639	\$ 362	\$ (1)	\$ 617
Power & Vision	7,768	7,647	296	286	(33)	304
Seating Systems	2,910	2,902	105	48	(9)	38
Complete Vehicles	2,625	2,610	47	43	(3)	21
Corporate & Other <sup>(i)</sup>	(269)	5	(41)	11	3	13
<b>Total Reportable Segments</b>	<b>\$ 21,928</b>	<b>\$ 21,928</b>	<b>\$ 1,046</b>	<b>\$ 750</b>	<b>\$ (43)</b>	<b>\$ 993</b>

<sup>(i)</sup> Included in Corporate and Other Adjusted EBIT are intercompany fees charged to the automotive segments.

<sup>(ii)</sup> The following table reconciles Net income to Adjusted EBIT:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Net income</b>	<b>\$ 394</b>	<b>\$ 328</b>	<b>\$ 547</b>	<b>\$ 354</b>
Add:				
Amortization of acquired intangible assets	29	28	55	56
Interest expense, net	52	54	102	105
Other expense, net	6	68	59	424
Income taxes	102	99	174	107
<b>Adjusted EBIT</b>	<b>\$ 583</b>	<b>\$ 577</b>	<b>\$ 937</b>	<b>\$ 1,046</b>

Other segment items constitute the difference between External sales by segment and Adjusted EBIT by segment, and are comprised of cost of goods sold, selling, general, and administrative expenses, depreciation, and equity income. No significant expense categories are being provided to the chief operating decision maker on a regular basis.

[b] The following table shows segment information for Goodwill, Investments, and Net Assets for the Company's reporting segments:

	June 30, 2025			December 31, 2024		
	Goodwill	Investments	Net Assets	Goodwill	Investments	Net Assets
Body Exteriors & Structures	\$ 458	\$ 23	\$ 9,473	\$ 435	\$ 24	\$ 8,727
Power & Vision	2,030	581	7,529	1,868	525	6,982
Seating Systems	257	198	1,337	250	193	1,401
Complete Vehicles	115	110	459	102	105	439
Corporate & Other	23	217	935	19	198	724
<b>Total Reportable Segments</b>	<b>\$ 2,883</b>	<b>\$ 1,129</b>	<b>\$ 19,733</b>	<b>\$ 2,674</b>	<b>\$ 1,045</b>	<b>\$ 18,273</b>

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

---

**15. SEGMENTED INFORMATION (CONTINUED)**

[c] The following table reconciles Total Assets to Net Assets:

	<b>June 30, 2025</b>	December 31, 2024
<b>Total Assets</b>	<b>\$ 33,175</b>	\$ 31,039
Deduct assets not included in segment net assets:		
Cash and cash equivalents	<b>(1,536)</b>	(1,247)
Deferred tax assets	<b>(902)</b>	(819)
Long-term receivables from joint venture partners	<b>(115)</b>	(67)
Deduct liabilities included in segment net assets:		
Accounts payable	<b>(7,127)</b>	(7,194)
Accrued salaries and wages	<b>(917)</b>	(867)
Other accrued liabilities	<b>(2,845)</b>	(2,572)
<b>Segment Net Assets</b>	<b>\$ 19,733</b>	\$ 18,273