

Linamar Q1 Sales and Market Share Up Despite Soft Markets

May 2, 2019, Guelph, Ontario, Canada (TSX: LNR)

- Sales increased 4.3% over the first quarter of 2018 ("Q1 2018") to reach \$2.0 billion;
- Normalized EBITDA flat to last year at \$297 million;
- Free cash flow continues to bring net debt levels down¹;
- Continued business wins maintains strong launch book at over \$4.3 billion;
- Industrial segment sales up 17.0% and normalized operating earnings up 24.2%;
- Transportation segment sales up on strong launch activity despite key customer production cuts in Europe and Asia;
- Strong content per vehicle growth in North America and Europe; and
- NCWC as a % of sales down from Q4, poised to start generating cash flow this year.

(in millions of dollars, except earnings per share figures)	Three Months Ended	
	2019	March 2018
	\$	\$
Sales	1,974.5	1,893.9
Operating Earnings (Loss)		
Industrial	73.1	74.7
Transportation	114.6	140.2
Operating Earnings (Loss) ²	187.7	214.9
Net Earnings (Loss)	132.3	156.6
Net Earnings (Loss) per Share – Diluted	2.00	2.37
Earnings before interest, taxes and amortization ("EBITDA") ²	287.7	306.1
Operating Earnings (Loss) – Normalized²		
Industrial	77.9	62.7
Transportation	119.8	146.8
Operating Earnings (Loss) – Normalized ²	197.7	209.5
Net Earnings (Loss) – Normalized ²	139.4	153.4
Net Earnings (Loss) per Share – Diluted – Normalized ²	2.11	2.32
EBITDA – Normalized ²	296.8	301.9

Operating Highlights

Sales for the first quarter of 2019 ("Q1 2019") were \$1,974.5 million, up \$80.6 million from \$1,893.9 million in Q1 2018.

The Industrial segment ("Industrial") product sales increased 17.0%, or \$67.6 million, to \$465.1 million in Q1 2019 from Q1 2018. The sales increase was due to:

- increased sales related to the acquisition of MacDon;
- a favourable impact on sales from the changes in foreign exchange rates from Q1 2018; and
- increased volumes for scissors in Europe and Asia; partially offset by
- lower aerial platform sales in North America due to certain customers deferring purchases to later in the year.

Sales for the Transportation segment ("Transportation") increased by \$13.0 million, or 0.9% in Q1 2019 compared with Q1 2018. The sales in Q1 2019 were impacted by:

- additional sales from programs that are currently launching;
- a favourable impact on sales from the changes in foreign exchange rates from Q1 2018; partially offset by
- market declines in Europe related to the Worldwide Harmonized Light Vehicles Test Procedure ("WLTP") issues in addition to the impact of consumer sentiment for diesel engines which is impacting volumes with key customers; and
- lower volumes related to market declines in Asia.

The Company's operating earnings for Q1 2019 were \$187.7 million. This compares to \$214.9 million in Q1 2018, a decrease of \$27.2 million.

Industrial segment operating earnings in Q1 2019 decreased \$1.6 million, or 2.1% from Q1 2018. The Industrial operating earnings results were predominantly driven by:

- an unfavourable foreign exchange impact from the revaluation of the operating balances on the balance sheet from Q4 2018;

¹ Net debt excluding the impacts to debt as a result of the adoption of IFRS 16.

² Management uses certain non-GAAP financial measures including normalized earnings which exclude foreign exchange impacts and the impact of unusual items when analyzing consolidated and segment underlying operational performance. For more information refer to the section entitled "Non-GAAP and Additional GAAP Measures" in the Company's separately released Management's Discussion and Analysis ("MD&A").

- increased material costs as a result of rising commodity prices; and
- lower aerial platform sales in North America due to certain customers deferring purchases to later in the year; partially offset by
- increased earnings from the inclusion of full quarter results related to the acquisition of MacDon;
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q1 2018; and
- increased volumes for scissors in Europe and Asia.

Q1 2019 operating earnings for Transportation were lower by \$25.6 million, or 18.3% compared to Q1 2018. The Transportation segment's earnings were impacted by the following:

- lower volumes on programs with mature margins related to market declines in Europe and Asia;
- the margin impact from the transition of mature platforms ramping down and being replaced by launching programs that have not yet reached mature margins;
- additional costs related to heavy launch activity globally; and
- restructuring costs incurred in Q1 2019; partially offset by
- the impact of additional sales from launching programs;
- a favourable foreign exchange impact from the revaluation of the operating balances on the balance sheet from Q4 2018; and
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q1 2018.

"We are happy with our first quarter results in a tough market environment," said Linamar CEO Linda Hasenfratz. "Sales and market share are up despite market slowdowns in a few areas and EBITDA consistent to last year, not an easy accomplishment. We are laser focused on continuing to grow top and bottom line this year and expect to see significant free cash flow as evidenced already by our first quarter results."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2019 of CDN\$0.12 per share on the common shares of the company, payable on or after June 7, 2019 to shareholders of record on May 28, 2019.

Forward Looking Information, Risk and Uncertainties

Certain information provided by Linamar in this press release, MD&A, the consolidated financial statements and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; cyclical and seasonality; weather; capital and liquidity risk; legal proceedings and insurance coverage; credit risk; emission standards; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

The foregoing is not an exhaustive list of the factors that may affect Linamar's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar's forward-looking statements. Linamar assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

Conference Call Information

Q1 2019 Conference Call Information

Linamar will hold a webcast call on May 2, 2019 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 5899778, with a call-in required 10 minutes prior to the start of the conference call.

The URL for the webcast is <https://linamar2020.webex.com/linamar2020/j.php?MTID=m62ef8f5182ae716aa60ea993a1371526>. The password for the meeting is 2019Q1. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the Company's website after 4 p.m. EST on May 2, 2019 and at www.sedar.com by the start of business on May 3, 2019. A taped replay of the conference call will also be made available starting at 8:00 p.m. on May 2, 2019 for ten days. The number for replay is (855) 859-2056, Conference ID 5899778. In addition a recording of the call will be posted on the company's website under Investor Relations.

Q2 2019 Conference Call Information

Linamar will hold a webcast call on August 8, 2019 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 9388922, with a call-in required 10 minutes prior to the start of the conference call.

The URL for the webcast is <https://linamar2020.webex.com/linamar2020/j.php?MTID=macbd5a9aca0784ee88a658819c7eed89>. The password for the meeting is 2019Q2. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the Company's website after 4 p.m. EST on August 8, 2019 and at www.sedar.com by the start of business on August 9, 2019. A taped replay of the conference call will also be made available starting at 8:00 p.m. on August 8, 2019 for ten days. The number for replay is (855) 859-2056, Conference ID 9388922. In addition a recording of the call will be posted on the company's website under Investor Relations.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of 2 operating segments – the Industrial segment and the Transportation segment, which are further divided into 5 operating groups – Skyjack, Agriculture, Machining & Assembly, Light Metal Casting and Forging, all world leaders in the design, development and production of highly engineered products. The Company's Skyjack and MacDon companies are noted for their innovative, high quality mobile industrial and harvesting equipment, notably class-leading aerial work platforms, telehandlers, draper headers and self-propelled windrowers. The Company's Machining & Assembly, Light Metal Casting and Forging operating groups focus on precision metallic components, modules and systems for powertrain, driveline and body systems designed for global electrified and traditionally powered vehicle and industrial markets. Linamar has more than 29,000 employees in 60 manufacturing locations, 8 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of \$7.6 billion in 2018. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

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For further information regarding this release please contact Linda Hasenfratz at (519) 836-7550.

Guelph, Ontario
May 2, 2019