

Double Digit Growth Again Drives Record Sales and Earnings at Linamar, Diversification Strategy Paying Dividends

August 7, 2018, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 22.1% over the second quarter of 2017 (“Q2 2017”) to reach \$2.2 billion, a new record;
- Operating Earnings increased 26.3% over Q2 2017 to reach \$272.3 million, a new record;
- Net Earnings up 21.7% and earnings per share, on a diluted basis, up 21.6% over Q2 2017 reaching \$197.1 million and \$2.98 respectively, both record levels as well;
- Continued business wins maintains strong launch book at nearly \$4.5 billion;
- Strong content per vehicle growth in North America and Europe;
- Industrial segment sales up 80.2% and operating earnings up 146.8% thanks to the acquisition of MacDon, market share gains and strong volumes for access equipment at Skyjack;
- Industrial segment represents nearly 50% of overall earnings thanks to solid growth; and
- Transportation segment sales up 7.2% thanks to launches despite key customer production cuts.

(in millions of dollars, except earnings per share figures)	Three Months Ended		Six Months Ended	
	2018	June 30 2017	2018	June 30 2017
	\$	\$	\$	\$
Sales	2,157.4	1,766.2	4,051.4	3,422.2
Operating Earnings (Loss)				
Transportation	138.8	161.5	279.1	307.9
Industrial	133.5	54.1	208.2	99.9
Operating Earnings (Loss) ¹	272.3	215.6	487.3	407.8
Net Earnings (Loss)	197.1	161.9	353.8	307.0
Net Earnings (Loss) per Share – Diluted	2.98	2.45	5.35	4.65
Earnings before interest, taxes and amortization (“EBITDA”) ¹	368.2	297.0	674.3	576.7
Operating Earnings (Loss) – Adjusted ¹	276.6	215.6	491.6	407.8
Net Earnings (Loss) – Adjusted ¹	200.3	161.9	357.0	307.0
Net Earnings (Loss) per Share – Diluted – Adjusted ¹	3.03	2.45	5.40	4.65
EBITDA – Adjusted ¹	372.5	297.0	678.6	576.7

Operating Highlights

Sales for the second quarter of 2018 (“Q2 2018”) were \$2,157.4 million, up \$391.2 million from \$1,766.2 million in Q2 2017.

Sales for the Transportation segment (“Transportation”) increased by \$101.7 million, or 7.2% in Q2 2018 compared with Q2 2017. The sales in Q2 2018 were impacted by:

- additional sales from launching programs in North America and Europe;
- increased volumes from our light vehicle automotive customers in Europe; and
- additional sales from our medium and heavy duty truck and off-highway vehicle customers; offset by the following issues that had an impact on mature program volumes:
 - lower production volumes on programs in North America with key customers; and
 - lower volumes on programs due to a customer's disruption of production caused by a fire at one of their suppliers.

The Industrial segment (“Industrial”) product sales increased 80.2%, or \$289.5 million, to \$650.6 million in Q2 2018 from Q2 2017. The sales increase was due to:

- increased sales related to the acquisition of MacDon;
- strong market share gains and increased volumes for telehandlers in North America;
- strong market share gains and increased volumes for booms in North America and Europe; and
- strong market share gains for scissors in Europe and increased volumes in North America; partially offset by
- an unfavourable impact on sales from the changes in foreign exchange rates from Q2 2017.

The Company's operating earnings for Q2 2018 were \$272.3 million. This compares to \$215.6 million in Q2 2017, an increase of \$56.7 million.

¹ 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”).

Q2 2018 operating earnings for Transportation were lower by \$22.7 million, or 14.1% over Q2 2017. The Transportation segment's earnings were impacted by the following:

- increased volumes from our light vehicle automotive customers in Europe;
- production volumes increasing on launching programs in North America and Europe;
- volume increase from our medium and heavy duty truck and off-highway vehicle customers;
- a favourable foreign exchange impact from the revaluation of the operating balances on the balance sheet from Q1 2018; offset by
- sales declines on mature higher margin programs, as detailed above, insufficiently offset by lower margins on programs in the early stages of launch;
- increased management, R&D and sales costs supporting growth;
- one-time restructuring costs incurred in Q2 2018; and
- an unfavorable impact on operating earnings from the changes in foreign exchange rates from Q2 2017.

Industrial segment operating earnings in Q2 2018 increased \$79.4 million, or 146.8% from Q2 2017. The Industrial operating earnings results were predominantly driven by:

- increased earnings related to the acquisition of MacDon;
- net increase in access equipment volumes; and
- a favourable foreign exchange impact from the revaluation of the operating balances on the balance sheet from Q1 2018; partially offset by
- an unfavourable impact on operating earnings from the changes in foreign exchange rates from Q2 2017; and
- increased management, R&D, and sales costs supporting growth.

"We are thrilled to announce another quarter of record sales and earnings, both growing at a strong double digit level." said Linamar CEO Linda Hasenfratz. "Our diversification strategy is paying off in spades with our Industrial segment now rivalling Transportation in terms of earnings thanks to robust performance at both MacDon and Skyjack. Launches are doing a fantastic job of growing CPV and sales, both key to long term growth and quoting activity remains at a very high level. Our future has never looked brighter despite political uncertainty."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2018 of CDN\$0.12 per share on the common shares of the company, payable on or after September 12, 2018 to shareholders of record on August 24, 2018.

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; cyclicity and seasonality; 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 forwarding 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

Q2 2018 Conference Call Information

Linamar will hold a webcast call on August 7, 2018 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 8482418, with a call-in required 10 minutes prior to the start of the conference call. The URL for the webcast is <https://www.icastpro.ca/lin180807>. 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 7, 2018 and at www.sedar.com by the start of business on August 8, 2018. A taped replay of the conference call will also be made available starting at 8:00 p.m. on August 7, 2018 for ten days. The number for replay is (855) 859-2056, Conference ID 8482418.

Q3 2018 Conference Call Information

Linamar will hold a webcast call on November 7, 2018 at 5:00 p.m. EST to discuss its third quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 6058968, with a call-in required 10 minutes prior to the start of the conference call. The URL for the webcast is <https://www.icastpro.ca/lin181107>. The conference call will be chaired by Linda Hasenfratz, Linamar’s Chief Executive Officer. A copy of the Company’s quarterly/year-end financial statements, including the Management’s Discussion & Analysis will be available on the Company’s website after 4 p.m. EST on November 7, 2018 and at www.sedar.com by the start of business on November 8, 2018. A taped replay of the conference call will also be made available starting at 8:00 p.m. on November 7, 2018 for ten days. The number for replay is (855) 859-2056, Conference ID 6058968.

Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Transportation segment and the Industrial segment, which are further divided into 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, all world leaders in the design, development and production of highly engineered products. 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. 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. Linamar has more than 28,700 employees in 60 manufacturing locations, 8 R&D centers and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of \$6.5 billion in 2017. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at [@LinamarCorp](https://twitter.com/LinamarCorp).

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

Guelph, Ontario
August 7, 2018