

Linamar Delivers Another Quarter of Solid Earnings, Cash Flow and New Business Wins

November 7, 2017, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 6.5% over the third quarter of 2016 ("Q3 2016") to reach \$1.55 billion;
- Net Earnings before non-recurring items and foreign exchange impacts¹ increased 9.2% and Net Earnings per Share before non-recurring items and foreign exchange impacts¹ increased 9.4%;
- Continued business wins maintains strong launch book at nearly \$4.7 billion;
- Powertrain/Driveline segment growth despite vehicle production declines in the North American Market driven by launches; and
- Industrial segment has another quarter of double digit sales growth that exceeded market growth through continued market share gains in booms and telehandlers.

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2017	2016	2017	2016
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	1,549.7	1,455.5	4,971.9	4,630.8
Operating Earnings (Loss) ²				
Powertrain/Driveline	108.1	124.2	416.0	429.1
Industrial	33.8	39.7	133.6	120.6
Operating Earnings (Loss)	141.9	163.9	549.6	549.7
Net Earnings (Loss)	107.3	122.2	414.3	406.0
Net Earnings (Loss) per Share – Diluted	1.62	1.86	6.27	6.16

Operating Highlights

Sales for the third quarter of 2017 ("Q3 2017") were \$1,549.7 million, up \$94.2 million from \$1,455.5 million in Q3 2016.

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by \$62.0 million, or 5.1% in Q3 2017 compared with Q3 2016. The sales increase in Q3 2017 was impacted by:

- additional sales from launching programs in Europe, Asia and North America;
- increased volumes from our light vehicle automotive customers in Europe and on select programs in North America; and
- additional sales from our on- and off-highway vehicle customers; offset by
- lower volumes resulting from significant volume declines in the North American light vehicle market down 7.7%; and
- an unfavourable foreign exchange impact from the changes in foreign exchange rates.

The Industrial segment ("Industrial") product sales increased 14.1%, or \$32.2 million, to \$260.3 million in Q3 2017 from Q3 2016. The sales increase was due to:

- strong market share gains and increased volumes for booms in North America, Europe and Asia;
- strong market share gains and increased volumes for telehandlers in North America; and
- market share gains in scissors in Asia; offset by
- unfavourable changes in foreign exchange rates.

The Company's operating earnings for Q3 2017 were \$141.9 million. This compares to \$163.9 million in Q3 2016, a decrease of \$22.0 million.

Q3 2017 operating earnings for Powertrain/Driveline were lower by \$16.1 million, or 13.0% over Q3 2016. The Powertrain/Driveline segment's earnings were impacted by the following:

- production volumes increasing on launching programs in Europe, Asia and North America;
- increased volumes from our light vehicle automotive customers in Europe and on select programs in North America; and
- on- and off-highway vehicle volume increases; offset by
- the non-recurring net recovery related to the premature ending of customer contracts in Q3 2016;
- an unfavourable foreign exchange impact from the revaluation of the operating balances on the balance sheet in Q3 2017 in comparison to a favourable impact in Q3 2016;
- reduced earnings resulting from the foreign exchange impact from unfavourable changes in foreign exchange rates;
- unfavourable product mix resulting from the North American automotive market decline's impact on higher margin mature programs inadequately offset by the lower margins on programs in the early stages of launch; and
- increased management and sales costs supporting growth.

¹ Net Earnings (Loss) and Net Earnings (Loss) per Share before non-recurring items and foreign exchange impacts are Non-GAAP measures used to provide useful information to readers to assess the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. Net Earnings (Loss) and Net Earnings (Loss) per Share before non-recurring items and foreign exchange impacts have been adjusted from Net Earnings (Loss) and Net Earnings (Loss) per Share by the non-recurring net recovery related to the premature ending of customer contracts in Q3 2016, the non-recurring future tax rate reduction on deferred tax assets in Q3 2017, the foreign exchange impacts from the changes in foreign exchange rates, and the foreign exchange impact from the revaluation of the operating balances.

² For more information refer to the section entitled "Non-GAAP and Additional GAAP Measures" in the Company's separately released MD&A.

Industrial segment operating earnings in Q3 2017 decreased \$5.9 million, or 14.9% from Q3 2016. The Industrial operating earnings results were predominantly driven by:

- net increase in volumes; offset by
- an unfavourable foreign exchange impact from the revaluation of the operating balances on the balance sheet in Q3 2017 in comparison to a favourable impact in Q3 2016;
- lower margins as a result of changes in customer and product mix favouring new launching products with lower margins;
- an unfavourable foreign exchange impact from the changes in foreign exchange rates; and
- increased management and sales costs supporting growth.

"We have had another strong quarter at Linamar despite soft North American vehicle markets," said Linamar CEO Linda Hasenfratz. "Launches are driving sales up in the Powertrain/Driveline segment to more than offset a down North American market and earnings will of course follow. Our Industrial segment continues to power along taking market share and is surpassing industry growth levels. We continue to generate cash to position ourselves positively for future growth and continue to see new business wins at a blistering pace."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2017 of CDN\$0.12 per share on the common shares of the Company, payable on or after December 8, 2017 to shareholders of record on November 24, 2017.

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; 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

Q3 2017 Conference Call Information

Linamar will hold a conference call on November 7, 2017 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 74652113, with a call-in required 10 minutes prior to the start of the conference call. 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 November 7, 2017 and at www.sedar.com by the start of business on November 8, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on November 7, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74652113.

Q4 2017 Conference Call Information

Linamar will hold a conference call on March 7, 2018 at 5:00 p.m. EST to discuss its fourth quarter/year-end results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 7089827, with a call-in required 10 minutes prior to the start of the conference call. 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 March 7, 2018 and at www.sedar.com by the start of business on March 8, 2018. A taped replay of the conference call will also be made available starting at 8:00 p.m. on March 7, 2018 for ten days. The number for replay is (855) 859-2056, Conference ID 7089827.

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 Powertrain/Driveline 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 Agriculture operating groups are noted for their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment. With more than 25,700 employees in 59 manufacturing locations, 6 R&D centers and 21 sales offices in 17 countries in North and South America, Europe and Asia, Linamar generated sales of \$6.0 billion in 2016. 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
November 7, 2017