

# Linamar Delivers Another Year of Record Results, Double Digit Growth and Excellent Cash Generation, Increases Dividend 20%

March 8, 2017, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 16% over 2015 to reach \$6.0 billion;
- Operating earnings increase 17% over 2015 to reach \$696.8 million;
- Net earnings up 20% and earnings per share, on a diluted basis, up 20% over 2015 reaching \$522.1 million and \$7.92 respectively;
- Continued business wins maintain strong launch book at nearly \$4.8 billion;
- Powertrain/Driveline delivers excellent sales and operating earnings growth with operating earnings up 25% to \$551.6 million from 2015 on a sales increase of 19%;
- Industrial segment delivers sales growth despite a soft market thanks to excellent continued market share increases notably in telehandlers; and
- Rapid debt reduction thanks to strong cash flow which makes Linamar's balance sheet one of the strongest in the industry.

	Three Months Ended December 31		Twelve Months Ended December 31	
	2016	2015	2016	2015
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	1,374.8	1,243.0	6,005.6	5,162.4
Operating Earnings (Loss) <sup>1</sup>				
Powertrain/Driveline	122.4	111.1	551.6	440.8
Industrial	24.6	20.3	145.2	156.2
Operating Earnings (Loss)	147.0	131.4	696.8	597.0
Net Earnings (Loss)	116.1	95.3	522.1	436.7
Net Earnings (Loss) per Share – Diluted	1.76	1.45	7.92	6.63

## Operating Highlights

Sales for the fourth quarter of 2016 ("Q4 2016") were \$1,374.8 million, up \$131.8 million from \$1,243.0 million in the fourth quarter of 2015 ("Q4 2015").

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by \$129.6 million, or 11.8% in Q4 2016 compared with Q4 2015. The sales increase in Q4 2016 was impacted by:

- the acquisition of Montupet S.A. in Q1 2016; and
- launching programs mainly in Europe and Asia; partially offset by
- lower production volumes on certain automotive programs; and
- lower sales on commercial vehicles in North America and Europe.

The Industrial segment ("Industrial") product sales increased 1.5%, or \$2.2 million, to \$144.7 million in Q4 2016 from Q4 2015. The sales increase was due to:

- increased scissor sales due to market growth and favourable product mix in Europe and North America;
- strong scissor market share growth in Asia; and
- strong telehandler sales growth due to excellent market share growth despite a softer market in North America; partially offset by
- decreased booms sales due to very soft market conditions in North America and Europe.

The Company's operating earnings for Q4 2016 were \$147.0 million. This compares to \$131.4 million in Q4 2015, an increase of \$15.6 million.

Q4 2016 operating earnings for Powertrain/Driveline were higher by \$11.3 million, or 10.2% over Q4 2015. The Powertrain/Driveline segment experienced the following in Q4 2016:

- earnings related to the acquisition of the Montupet S.A.;
- improved earnings as production volumes increased on launching programs; and
- better margins as a result of productivity and efficiency improvements; partially offset by
- lower earnings related to lower production volumes on certain automotive programs; and
- lower earnings as production volumes decreased on commercial vehicles.

<sup>1</sup> 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").

Industrial segment operating earnings in Q4 2016 increased \$4.3 million or 21.2% over Q4 2015. The increase in Industrial operating earnings was predominantly driven by:

- improved margins as a result of the net increase in volumes; and
- better margins as a result of changes in product mix and productivity improvements.

“Q4 was another fantastic quarter for us, our 22<sup>nd</sup> consecutive quarter of double digit operating earnings growth, a record we are very proud of,” said Linamar CEO Linda Hasenfratz. “Consistent sustainable growth is a key element of Linamar’s story, as is the enormous markets we are focused on which just keep feeding our backlog to drive continued growth in the future.”

### **Dividends**

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2016 of CDN\$0.12 per share on the common shares of the Company, payable on or after April 17, 2017 to shareholders of record on April 3, 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; 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

### Q4 2016 Conference Call Information

Linamar will hold a conference call on March 8, 2017 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 3093797, 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 March 8, 2017 and at [www.sedar.com](http://www.sedar.com) by the start of business on March 9, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on March 8, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 3093797.

### Q1 2017 Conference Call Information

Linamar will hold a conference call on May 10, 2017 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 74537341, 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 May 10, 2017 and at [www.sedar.com](http://www.sedar.com) by the start of business on May 11, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on May 10, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74537341.

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 4 operating groups – Machining & Assembly, Light Metal Casting, Forging and Skyjack, all world leaders in the design, development and production of highly engineered products. The Company's Machining and Assembly, Casting and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission, driveline and body systems designed for global vehicle and industrial markets. The Company's Skyjack operating group is noted for its innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 24,500 employees in 57 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](http://www.linamar.com) or follow us on Twitter at [@LinamarCorp](https://twitter.com/LinamarCorp).

\* \* \* \* \*

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

Guelph, Ontario  
March 8, 2017