

**Q3 2017
Investor
Presentation**

Linamar Corporation

November 2017



Certain information regarding Linamar set forth in this presentation and oral summary, including managements assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from these anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions, may in turn have a material adverse effect on the Company's financial results. The Company 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. Content is protected by copyright and may not be reproduced or repurposed without express written consent by the Company.

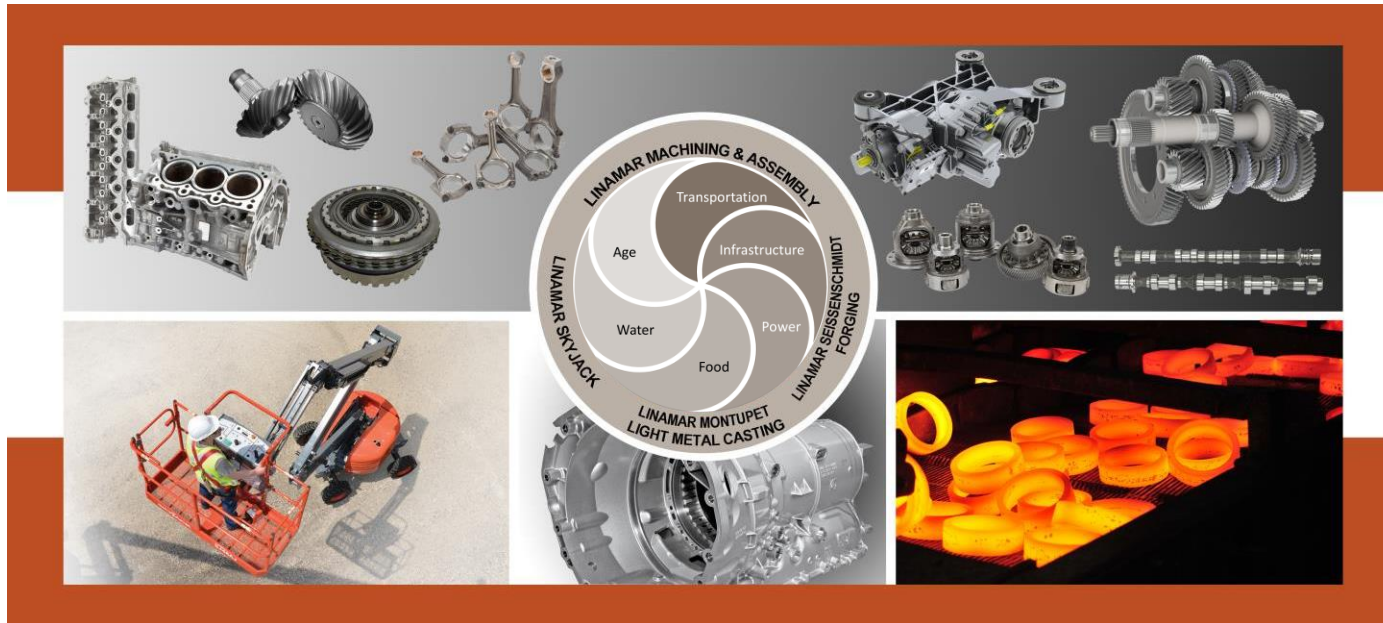
Company Overview



2016 SALES: \$6,005.6M ↑ 16.3%
NE - ATS: \$522.1M (8.7%) ↑ 19.6%

2017 Q3 YTD SALES: \$4,971.9M ↑ 7.4%
NE – ATS YTD: \$414.3M (8.3%) ↑ 2.0% as rptd ↑ 10.9% adj

Diversified Manufactured Products that Power Vehicles, Motion, Work and Lives



25,700 EMPLOYEES

59 MANUFACTURING FACILITIES

17 COUNTRIES

MACHINING & ASSEMBLY



- CNC Expertise
- Complex Assemblies
- Advanced Automation & Robotics
- Hydroforming
- Heat Treatment

FORGING



- Hatebur High Speed Hot Horizontal Forging
- Conventional Vertical Forging
- Cold Forming
- Ring Rolling

LIGHT METAL CASTING



- Gravity & Low Pressure Aluminum Die Casting
- High Pressure Aluminum & Magnesium Die Casting

METAL FORMING



- Metal Forming
- Stamping
- Painting
- Robotic Welding



Scope of Operations & Market Concentration

Q3 2017 YTD



Powertrain/Driveline

81.7%

Engine | Transmission | Driveline | Body

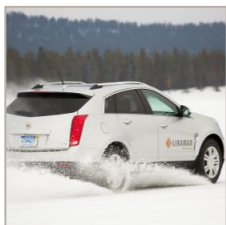
Industrial

18.3%

Mobile Industrial Equipment | Fabricated Assemblies

PRODUCTS

MARKETS



AUTOMOTIVE

73.1%



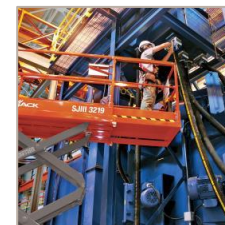
OFF-HIGHWAY

2.6%



COMMERCIAL VEHICLE

3.8%



ACCESS

17.1%



ENERGY, HEAVY MACHINING, MILITARY

1.4%



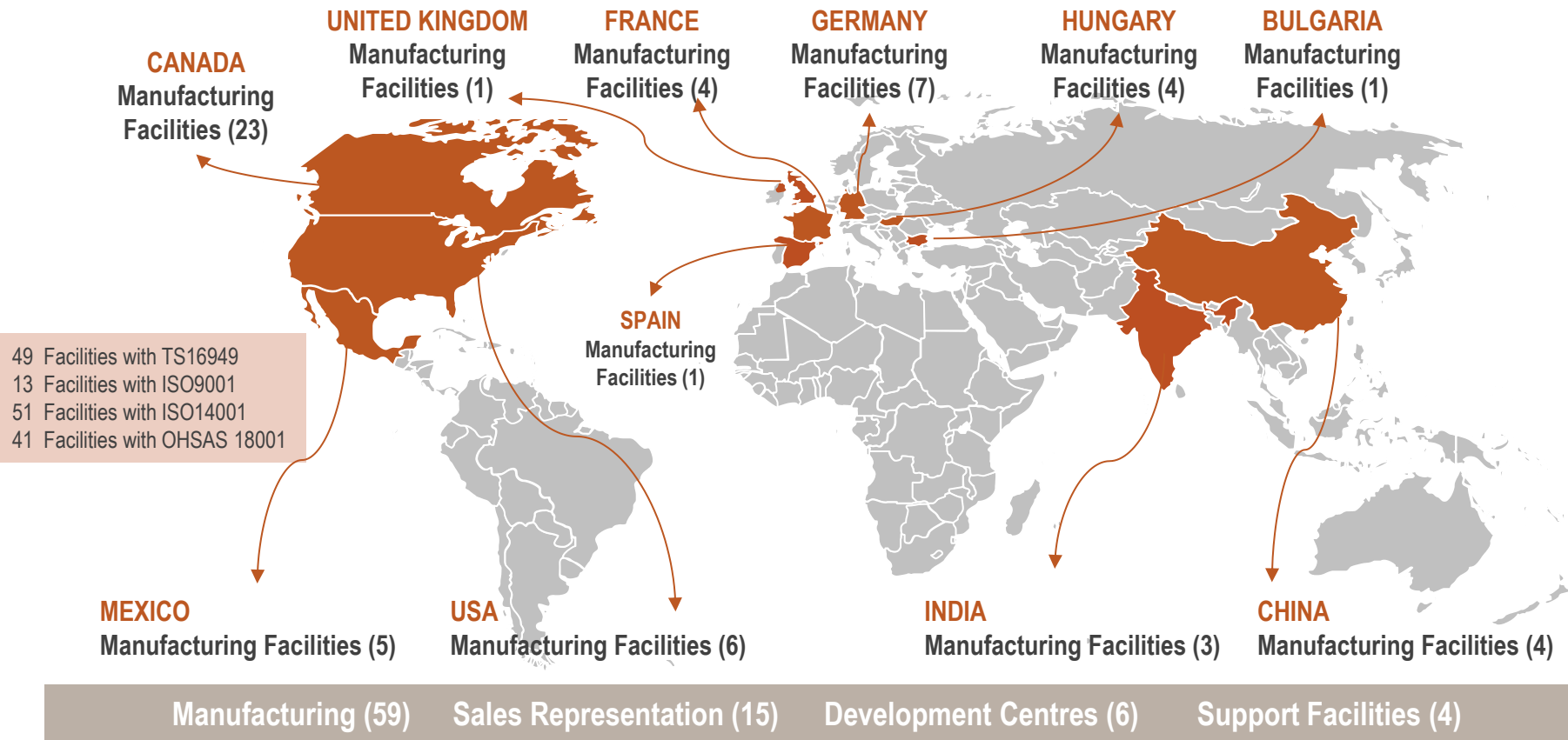
MARINE & RECREATION

0.8%



INDUSTRIAL, AGRICULTURAL

1.2%



Key Investment Themes



Consistent Performance

- Sales & earnings growth consistent & well above market
- Double digit top and bottom line growth 6 years running



Market Share Growth Key Growth Driver

- We have demonstrated our ability to continue to grow through flat markets and will continue to do so



Strong Growth Secured for the Future

- \$7.75 - \$8.25 billion sales secured for 2021



Massive Market Opportunity Vehicle Propulsion

- Significant content potential in EV, Hybrid and ICE – 20% of NBW YTD
- First major EV program e-axle awarded Q2 2017 500,000/year
- Only 30% of powertrain outsourced – huge opportunity for extended time frame of growth, tech shift accelerating outsourcing



Massive Market Opportunity Access

- \$10 Billion market, few players
- Actively growing market share

▪ **Bold Innovation**

- Innovation Hub designs for renovation complete, construction to begin shortly
 - Digital Factory Project -- piloting advanced manufacturing production cell tapping into collaborative robots and AGV tech
- New Business Wins and quoting activity at record levels
 - Launch book at nearly \$4.7 Billion
 - Cast and fully machined block – huge strategic win for us
 - Fully machined cylinder head in Europe also key strategic win
 - More electrified vehicle wins – total ytd 21% of total NBW
 - Great growth internationally – 54% of NBW ytd non NA
- CPV growth in every region
- Continued excellent market share growth for Skyjack

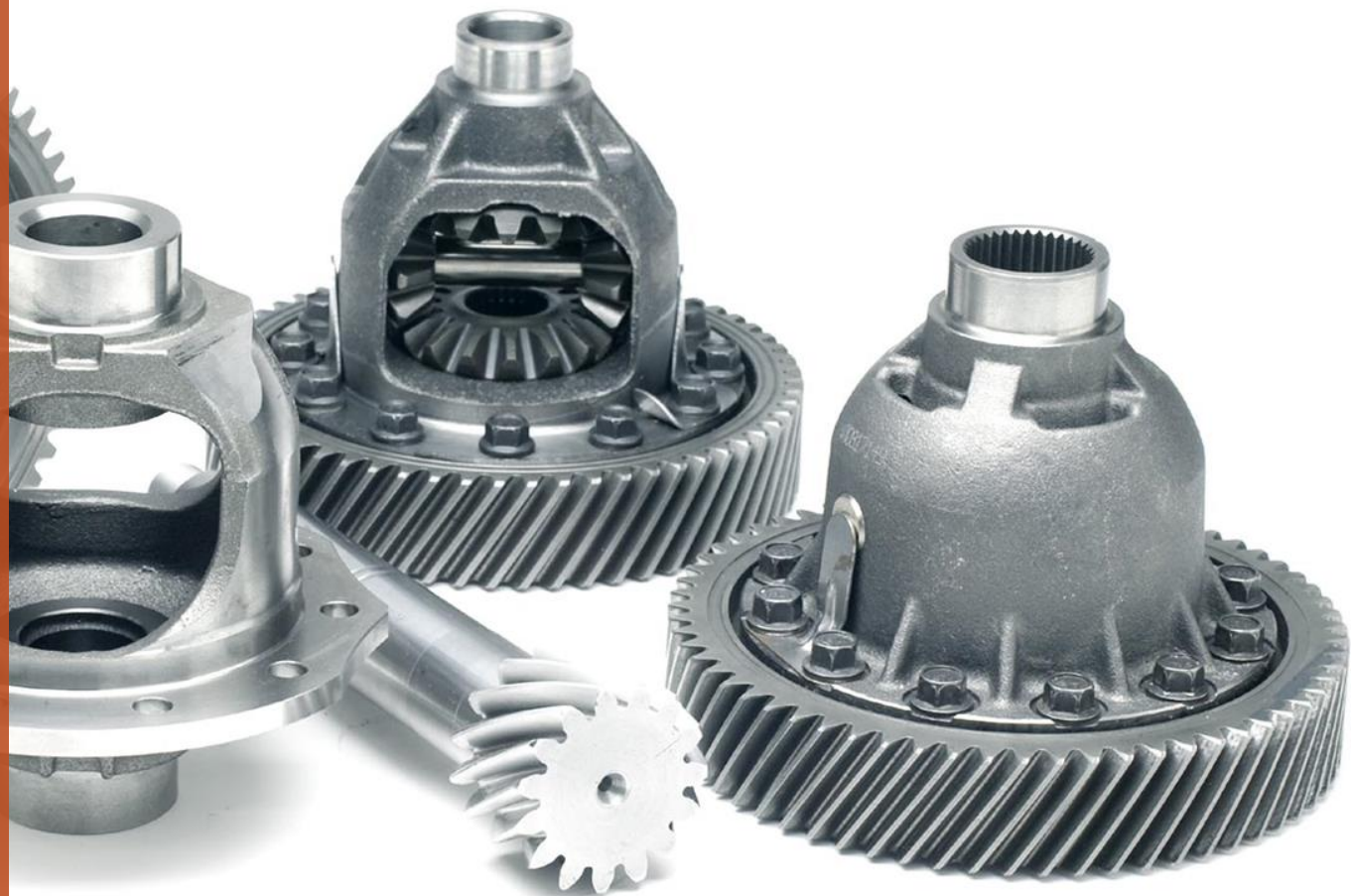
▪ **Global Reach & Bench**

- Good momentum on global mindset on several fronts
- New onboarding process developed and launched
- Announced partnership with Western University for women in dual engineering business degrees
- >600 apprentices globally

▪ **Act Like an Owner & Simplify**

- Another strong quarter in performance in both segments
- Top line growth of 6.5%, adjusted earnings growth of 9.2%
- Outlook good for record year again in 2017
- Balance sheet strong, great de-levering from peak after Montupet acquisition to <1x EBITDA

Strategy





Diversified Manufactured
Products that
**Power Vehicles,
Motion, Work
and Lives**

Vision 2100 – Building an Action Plan for the Future

Manufacturing and Materials Development to Support all Markets



Advanced Manufacturing

Artificial
Intelligence/Machine
Learning

Material Development



Global Addressable Markets:
Automotive
Commercial Vehicle
Off Highway Vehicles
Marine/Personal Trans/Rail



Global Addressable Markets:
Scissors, Booms, Telehandlers
Hydraulics



Global Addressable Markets:
Electrical products, systems & services
Energy Markets – Oil/Gas, Solar, Wind
Energy Storage & Generation



Global Addressable Market:
Agriculture Harvesting, Seeding, &
Tillage Equipment



Global Addressable Market:
Medical Devices
Healthcare & Mobility
Home Care Technology
Wearable Technology



Global Addressable Markets:
Irrigation Market
Water infrastructure
Access, Storage, Cleaning



Technical Leadership &
Vertically Integrated



Scale & Financial
Capacity to Invest



Global Footprint

Transportation



- \$400 Billion global market, addressable portion growing each year
- Significant content potential in EV, Hybrid and ICE
- 70% of content of powertrain captive but slowly being outsourced
- Linamar is a technology leader in light weighting, noise reduction, design optimization which is driving significant market share
- Linamar is a leader in vehicle electrification initiatives in driveline systems



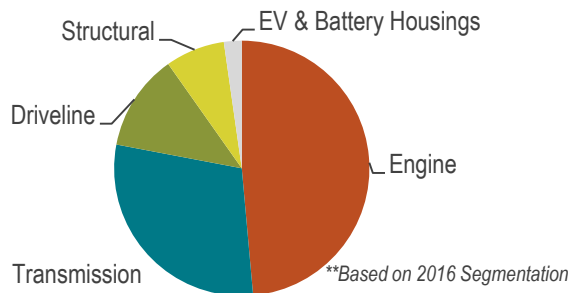
**Massive Market Opportunity
Vehicle Propulsion**

TOTAL GLOBAL POWERTRAIN / DRIVETLINE MARKET

Global Market	2016	2020	2030
Light Vehicle	\$372 B	\$403 B	\$411 B
Commercial Truck & Off Highway Vehicle	\$123 B	\$124 B	\$131 B
Total:	\$494 B	\$527 B	\$ 542 B

Assumptions:

- Includes total system value for engines, transmissions and drivetrain
- Includes all material, VA component machining and assembly
- Includes all light vehicle system production
- Commercial Vehicle (CV) and Off Highway market size includes value for systems >50 HP



Competition:

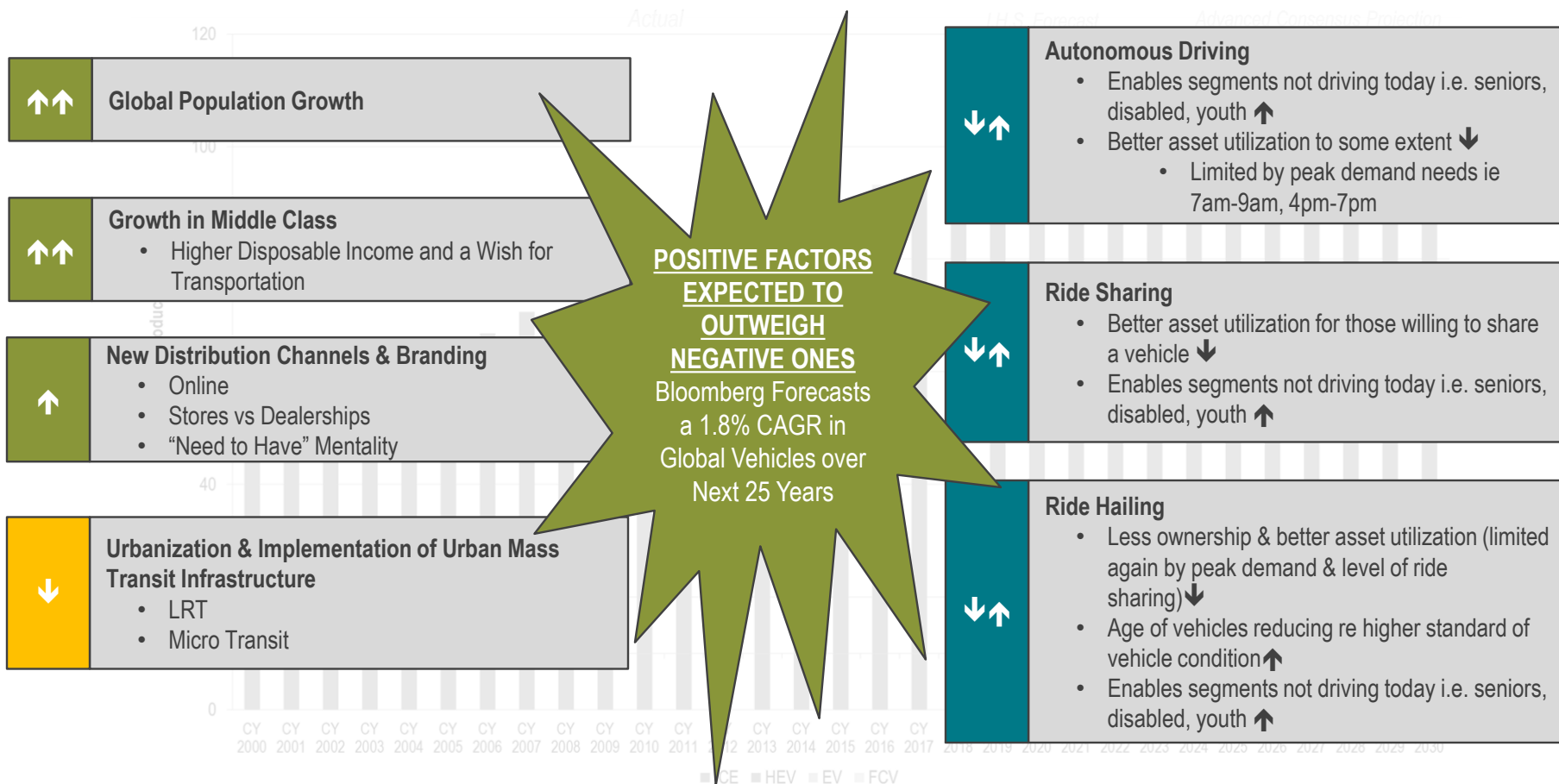
- Key competitors OEM's themselves
- Handful of competitors with technical expertise in these products, fewer still with financial capacity

Drivers of Outsourcing:

- Increases variability of cost base for OEM
- Machining and assembly highly capital intensive – saves OEM capital
- Outsourcing to an expert in that process/product should result in better technology, quality and price

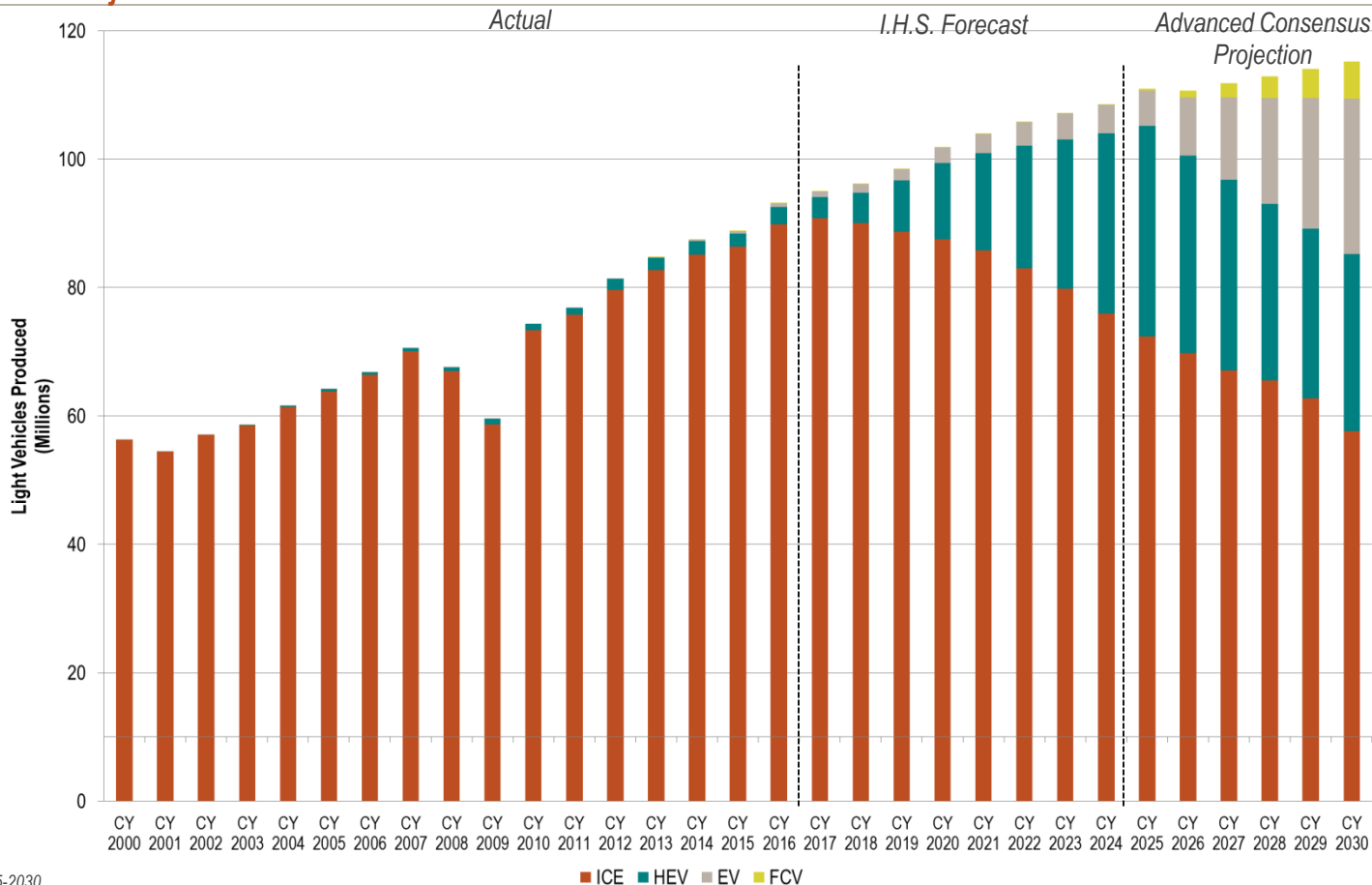
- Linamar's Addressable Market is impacted by two long-term trends;
 - The shift from Internal Combustion Engines (ICE) to Hybrid Electric Vehicles (HEV) and Electric Vehicles (EV)
 - Fuel Cell Vehicles (FCV) are another key technology that is in earlier stages of development but could play a key role in the future
 - The degree to which the Propulsion Systems (or Powertrains) of those 3 architectures get Outsourced to the supply base
 - The overall level of vehicle production/sales

Factors Influencing Future Production Levels



Global Light Vehicle Production

Advanced Consensus Projection



Source

I.H.S. Forecasting 2000-2024

Advanced Consensus Projection 2025-2030

i) 1% YoY Growth in overall industry volumes 2025-2030

ii) Production Share of Technologies by 2030 of ICE 50%, HEV 24%, EV 21%, Fuel Cell 5%. (Based on Consensus Average of External Industry Expert Forecasts for EV adoption, Updated November 2017)

Internal Combustion Engine (ICE)



- Focus on Light Weighting, Fuel Efficiency, Emissions Reduction solutions which offer a unique value to customers.
- Leverage global footprint, vertically integrated capabilities and manufacturing reputation to benefit from increased OEM Powertrain Outsourcing.

Hybrid Vehicle (HEV)



- Continue to increase Content Per Vehicle on Hybrid Electrics as it will be an important bridging technology to pure Battery Electric
- Offer solutions focused on increased power density, Noise Vibration Harshness (NVH), light weighting.

Electric Vehicle (BEV)



- Strong organizational focus on integrated eAxle technology solutions
- Provide Light Weight Aluminum and Magnesium Body & Structural Castings
- Look to augment eAxle offerings for Fuel Cell Vehicle (FCV) applications, which could play a key future role in market

Linamar objective is to pursue content in all Propulsion categories in order to be well positioned for multiple technology adoption scenarios.

1990s

2000s

2010s

2020s

2030s

Content Potential / Vehicle

\$4,000

\$4,000

\$4,000

\$4,000

\$4,000

Outsourced %

15%

20%

32%

51%

75%

Addressable Content Potential / Vehicle

\$600

\$800

\$1,280

\$2,040

\$3,000

Engine



Brackets



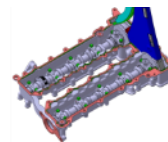
Pump Housings



Camshafts



Super cubed Blocks



Camshaft /
Cylinder Head Cover Module



Cast and Fully Machined
Cylinder Blocks & Heads



Lower Engine
Crankcase Assembly



Full Engine
Assembly

Transmission



Shaft



Differential Case
Assemblies



Full Clutch Module
Assembly



Full Clutch Module
Superstructure Assembly



Full Transmission
Assembly

Driveline



Differential
Case



Differential Housing &
Beam Axle Assemblies



PTUs



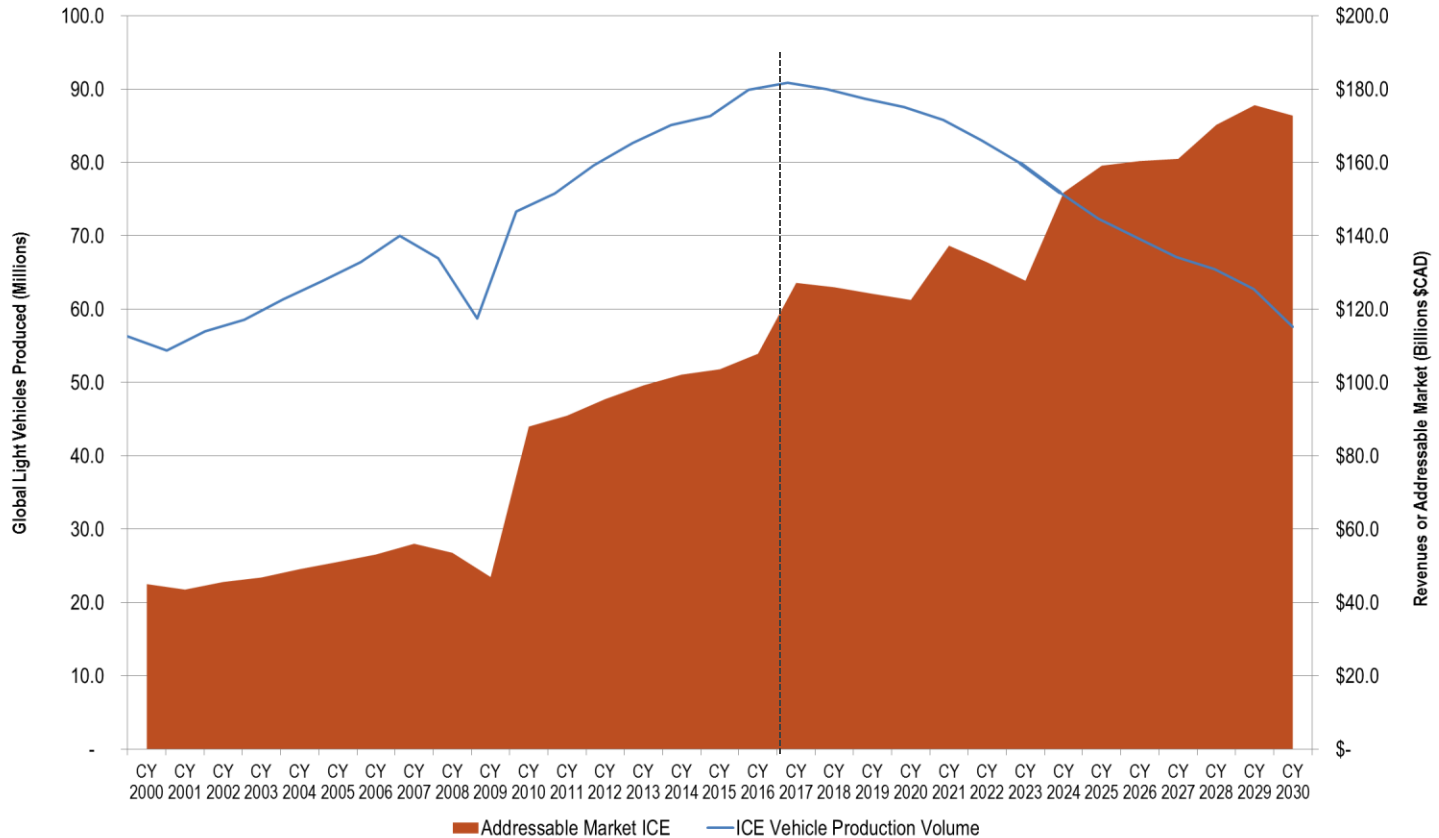
RDMs



Disconnecting
AWD Systems

Structural & Chassis

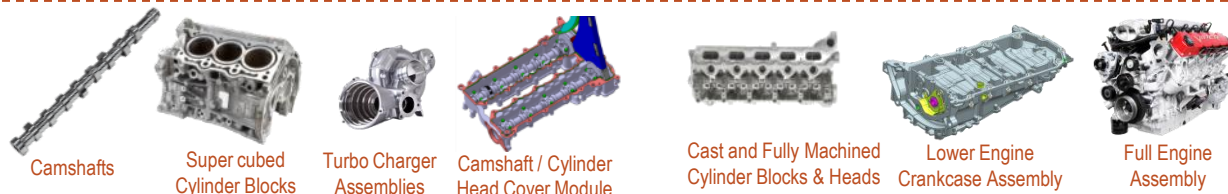
ICE Market Evolution



Hybrid: Product Solutions

	1990s	2000s	2010s	2020s	2030s
Content Potential / Vehicle	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Outsourced %	15%	20%	32%	51%	75%
Addressable Content Potential / Vehicle	\$600	\$800	\$1,280	\$2,040	\$3,000

Engine



Transmission

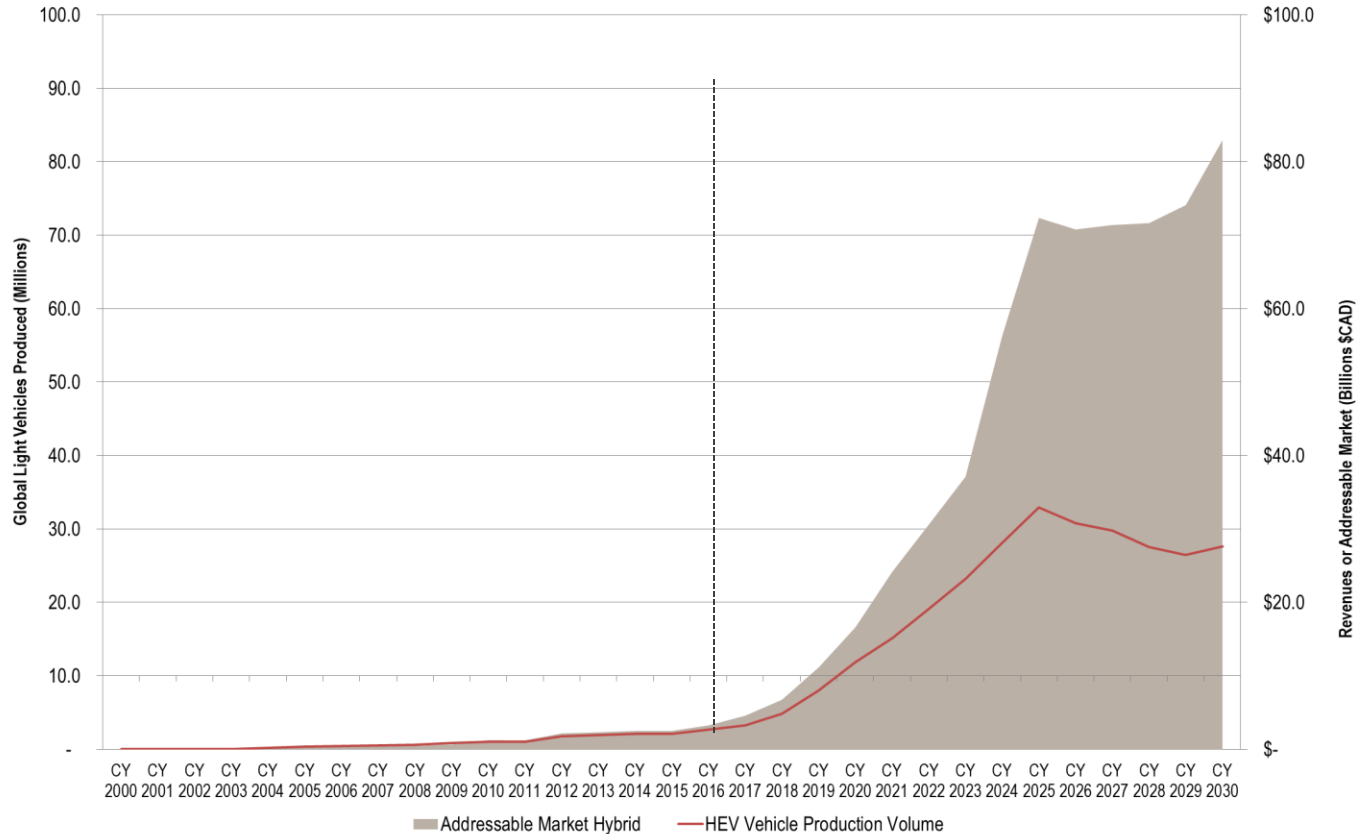


E-Axle & Driveline Systems

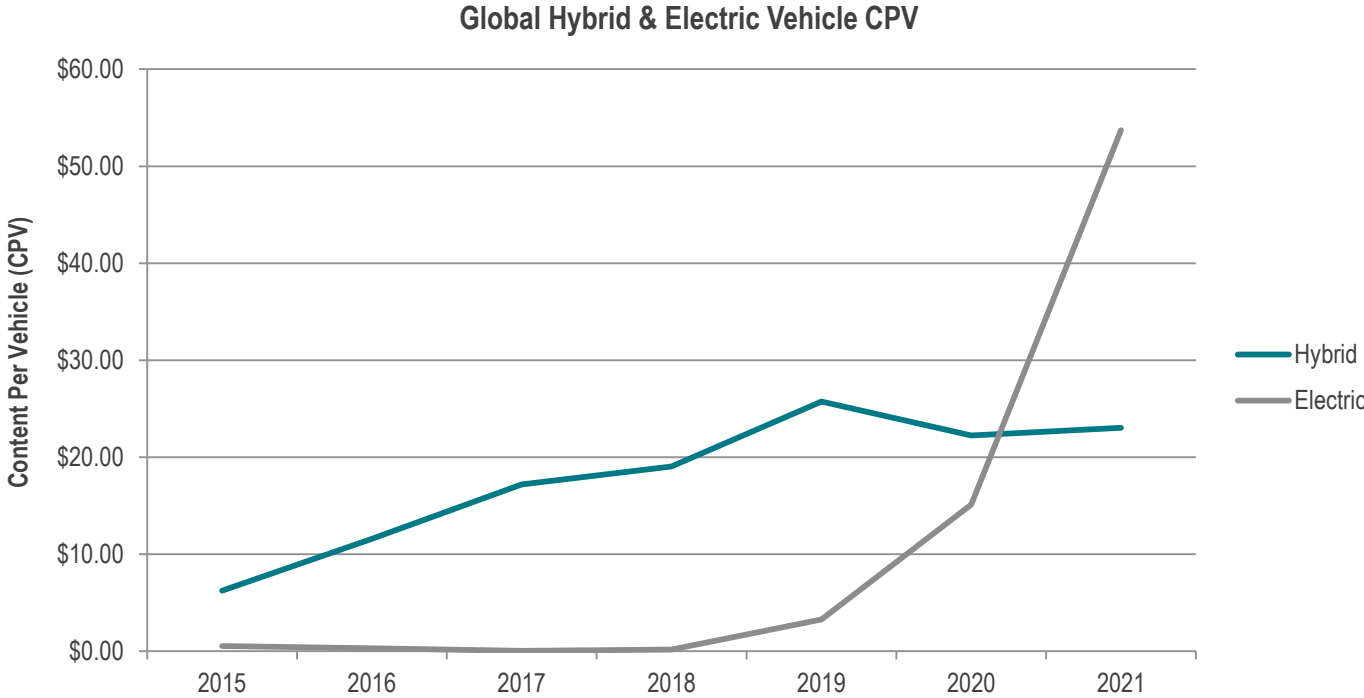


Structural/Chassis and EV Motor/Battery Modules

Hybrid Market Evolution



Content Today on Electrified Vehicles Growing Quickly



Updated Q3 2017, Content Per Vehicle (CPV) estimates based on current projections and EV applications in market.

	1990s	2000s	2010s	2020s	2030s
Content Potential / Vehicle	\$N/A	\$N/A	\$2,000	\$2,000	\$2,000
Outsourced %	N/A	N/A	32%	51%	75%
Addressable Content Potential / Vehicle	\$N/A	\$N/A	\$640	\$1,020	\$1,500

E-Axle & Driveline Systems



Dual Motor e-Axle



Single Motor e-Axle



Commercial Vehicle
Solid Axle e-Power Unit



Multi-Speed
e-Gearboxes

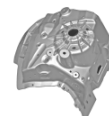
Structural & Chassis



Shock Towers



IP Beam Structure



Cast Chassis
Components



Centre Console



Pillars, Side & Cross
Members, Door Frames,
Structural Assemblies

EV Motor & Battery Modules

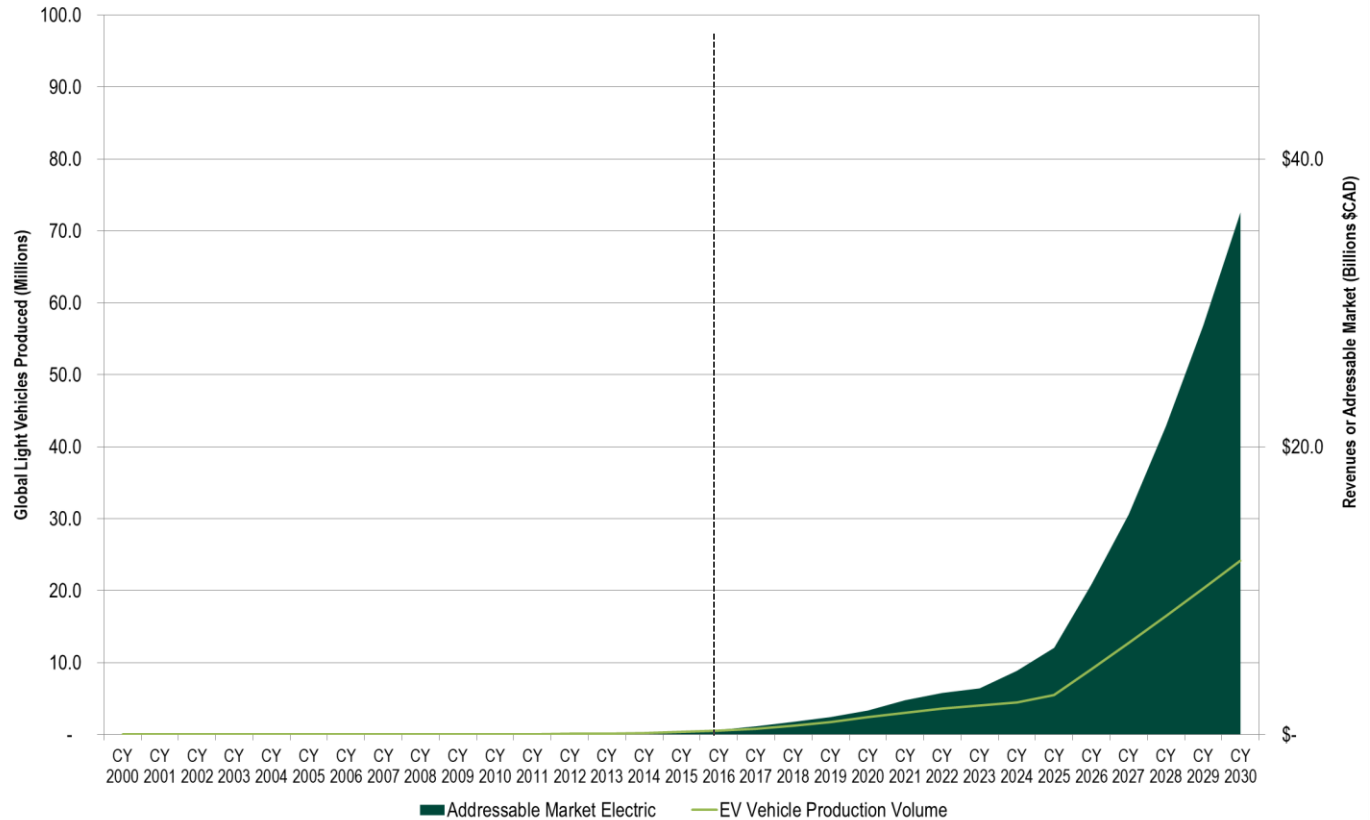


Battery Tray Housings

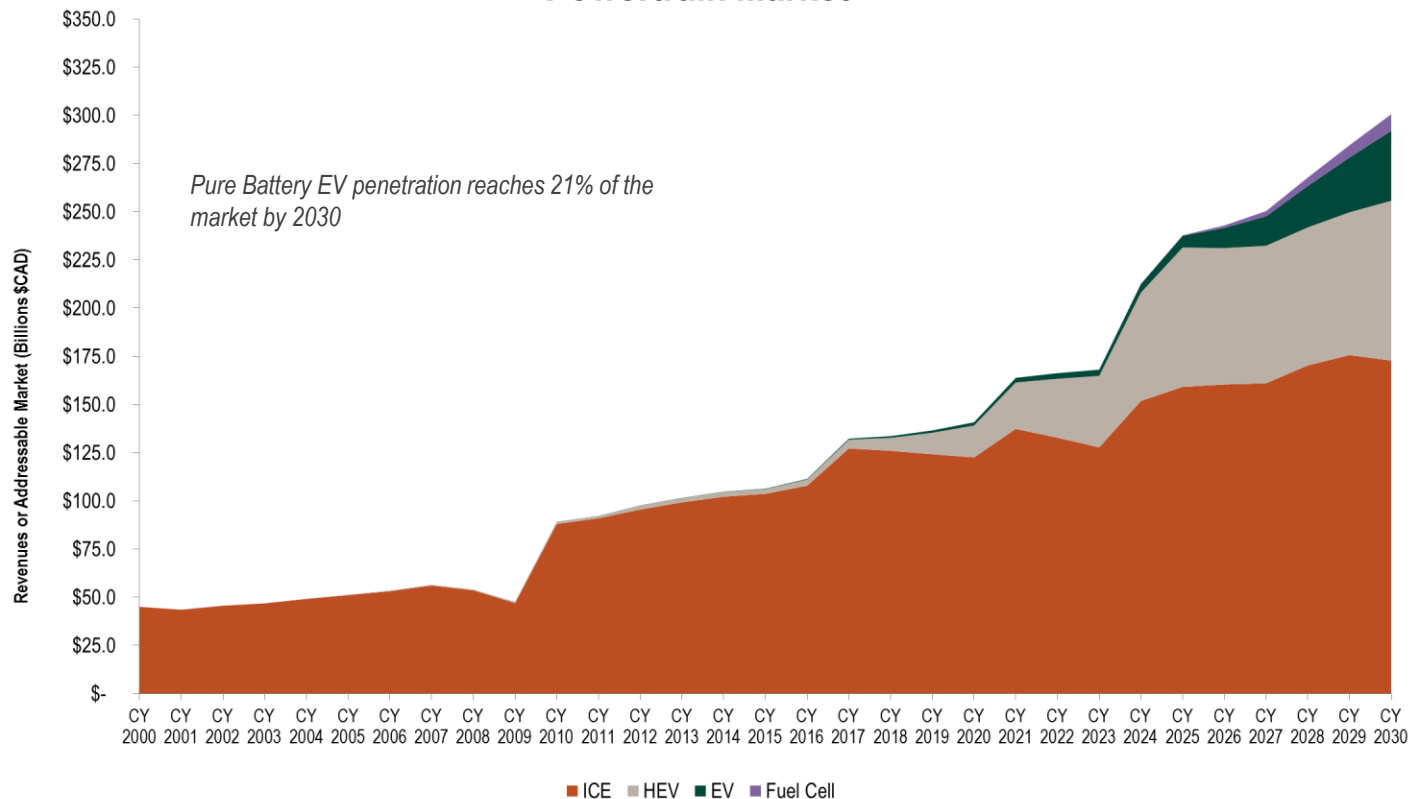


Electric Motor Housings

Electric Market Evolution



Global Overall Addressable Powertrain Market

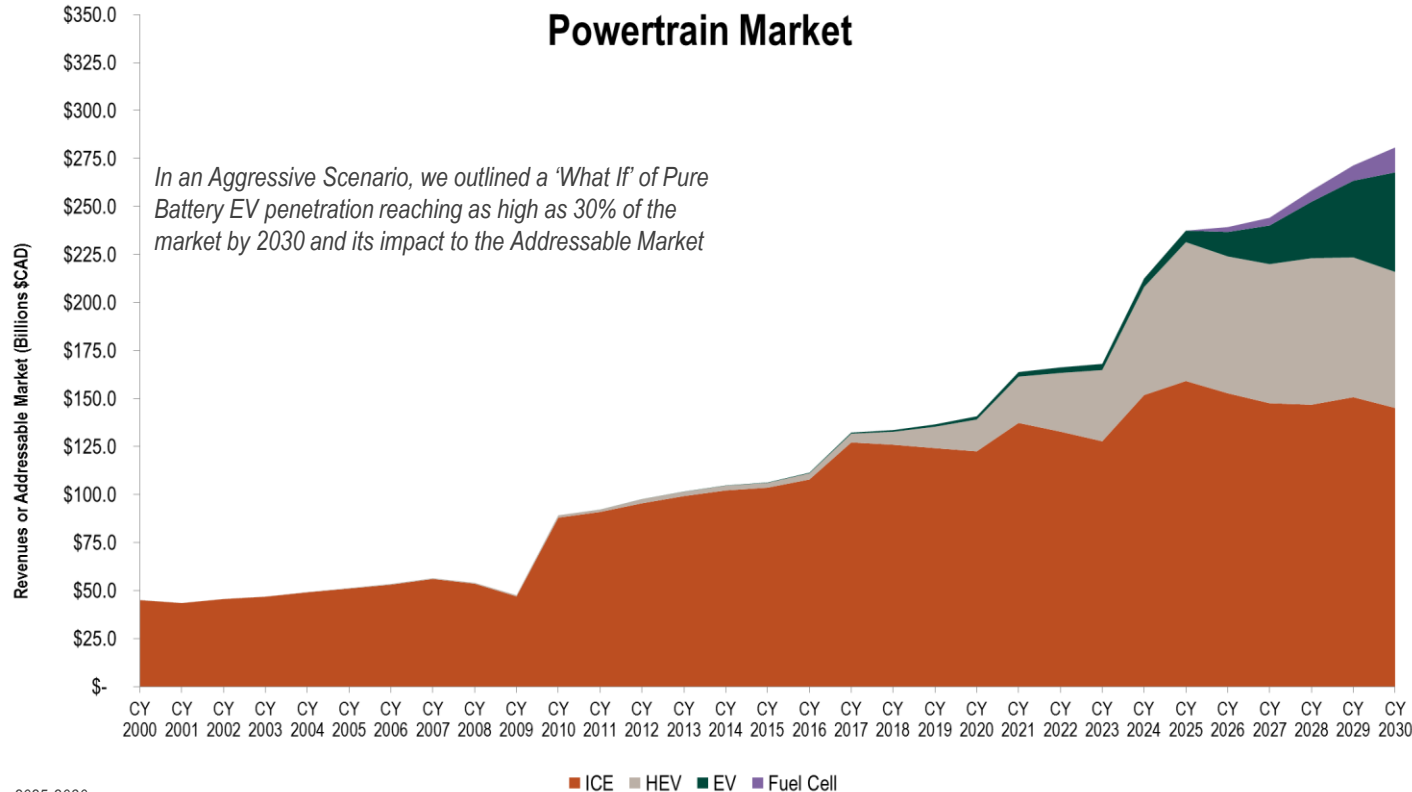


Massive Market Opportunity Vehicle Propulsion

Aggressive EV Adoption Scenario

Global Total Addressable Market

Aggressive EV Adoption Scenario: Global Overall Addressable Powertrain Market



Massive Market Opportunity Vehicle Propulsion

Source

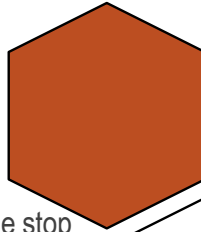
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i) 1% YoY Growth in overall industry volumes 2025-2030

ii) Production Share of Technologies by 2030 of ICE 42%, HEV 21%, EV 30%, Fuel Cell 8%. (Based on the most Aggressive External Forecasters Views for EV adoption, November 2017)

**LINAMAR
SEISSENSCHMIDT
FORGING**



Optimize light weight solutions for customers through collaborative design

Offer one stop shopping for customers to optimize cost, quality and technology

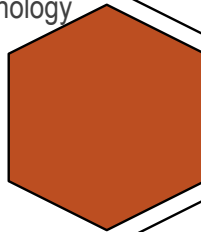


**LINAMAR MONTUPET
LIGHT METAL CASTING**

+GF+



LINAMAR



Create additional revenue streams and open doors to new customers

Grow market share in priority 1 products

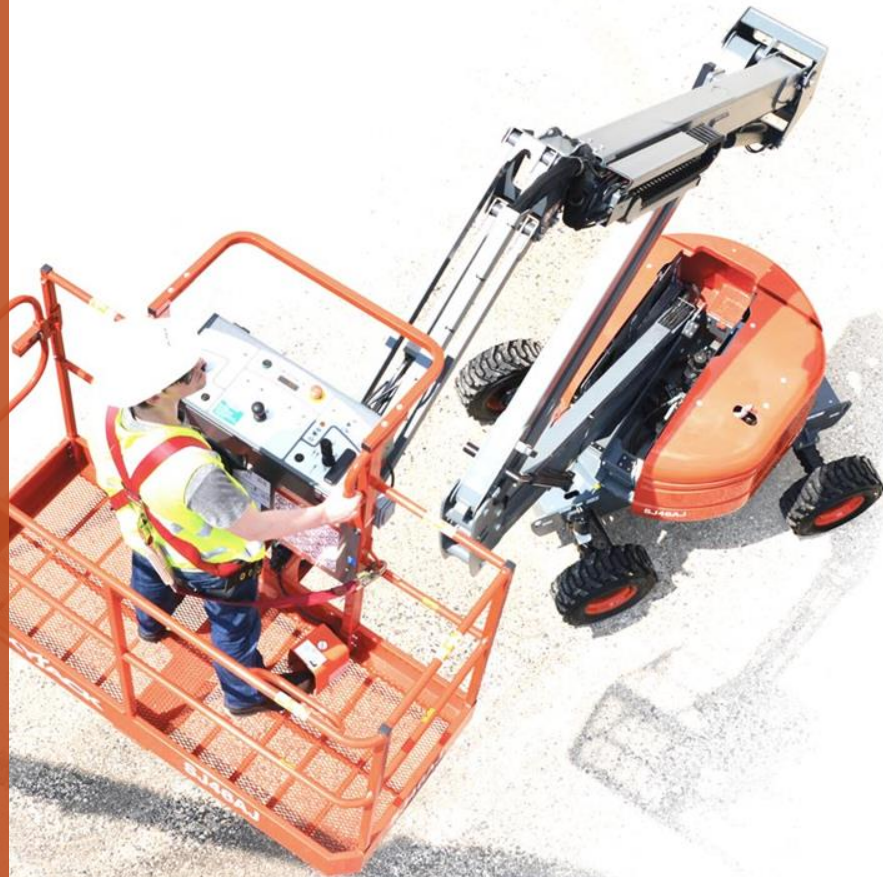




- Held Grand Opening Ceremony for the JV High Pressure Die Casting (HPDC) facility in North Carolina on October 5th
- State of the Art Casting Plant showcasing latest manufacturing technologies in Light Weight Aluminum and Magnesium
- The first off production run occurred in August 2017
- With several major purchase orders already secured, we are confident the facility will reach its full projected capacity utilization in the next few years
- Illustrates the strong demand in North America for HPDC Light Metal solutions for all Propulsion applications (ICE, HEV and EV)



Infrastructure



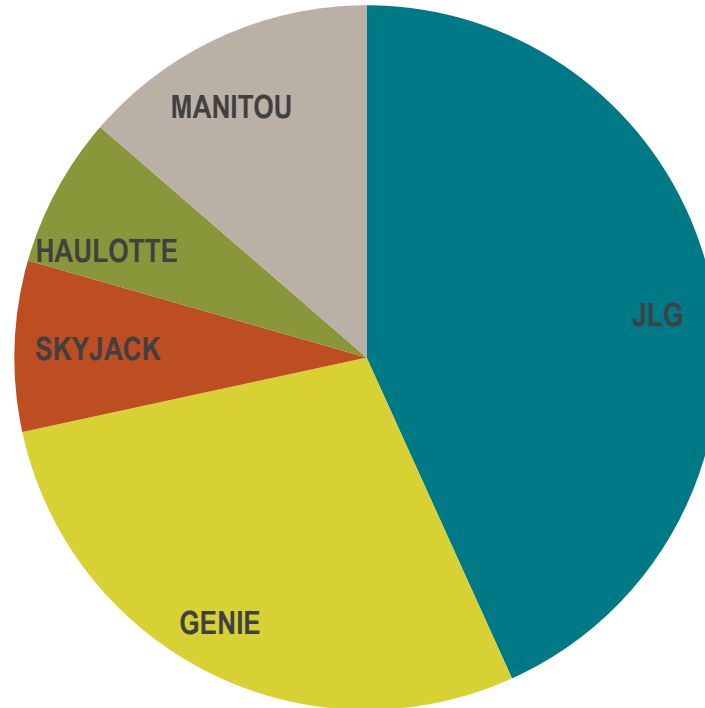
Access – Target Market Large with Limited Competition

Skyjack Target US \$1Billion by 2020



Massive Market
Opportunity in Access

2016 Global Market of \$7.5B USD



Overview

- Maintain and Defend Scissor Share....
 - **98% portfolio range coverage by product type by 2020**
- Grow Boom Products...
 - **95% portfolio range coverage by product type by 2020**
- Competitive Telehandler Offering...
 - **94% portfolio range coverage in NA by 2020**

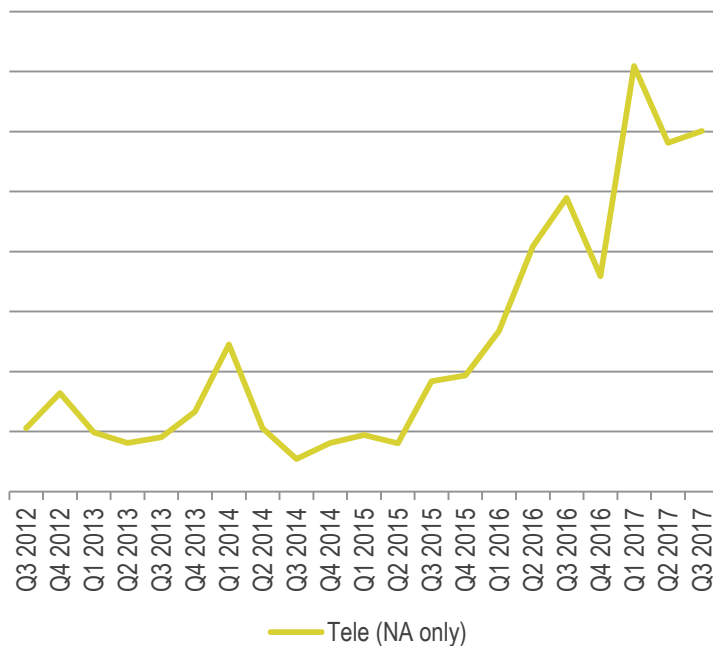


Skyjack Market Share Penetration Key Growth Driver

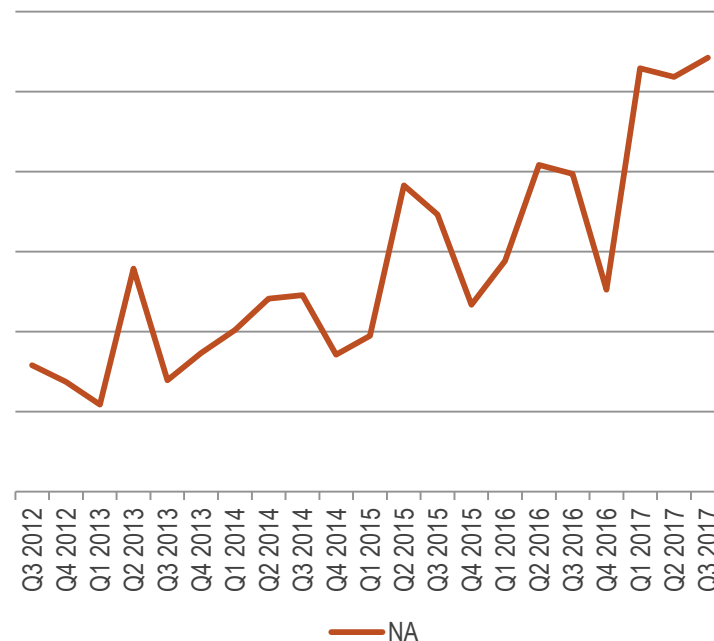


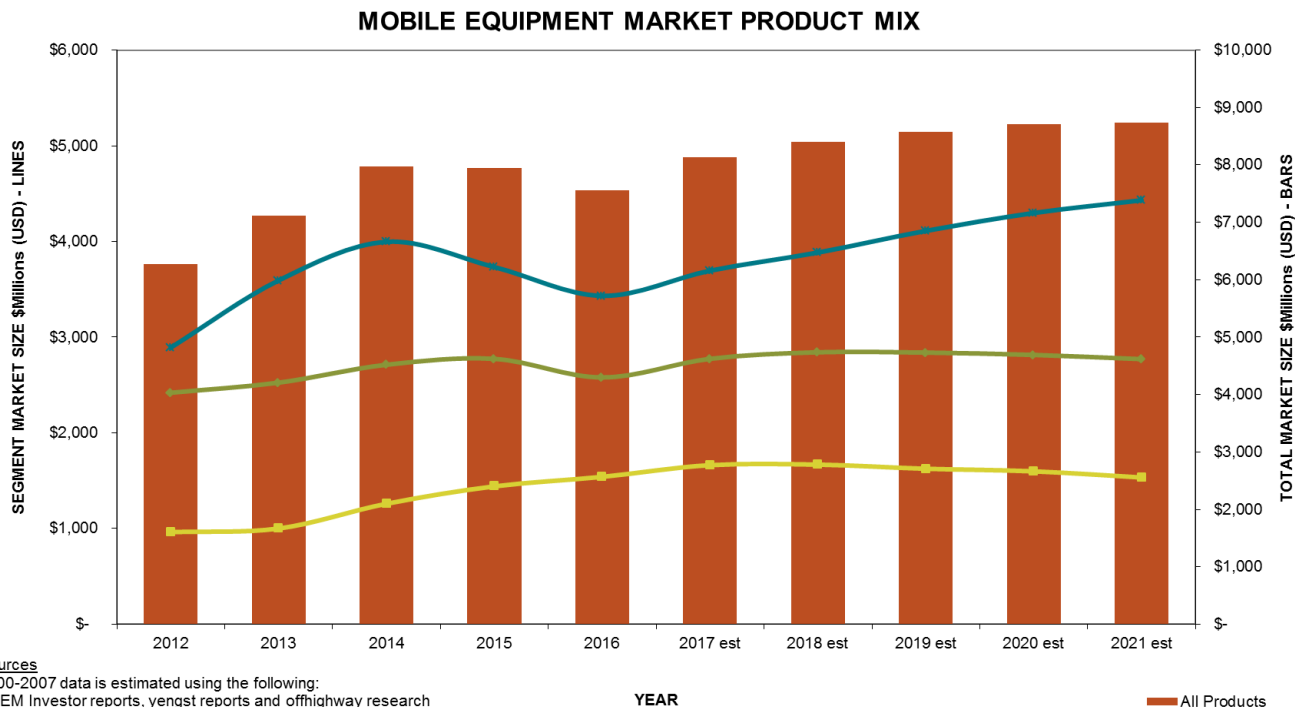
Market Share
Growth Key Growth
Driver

N.A. Telehandler Market Share



N.A. Boom Market Share



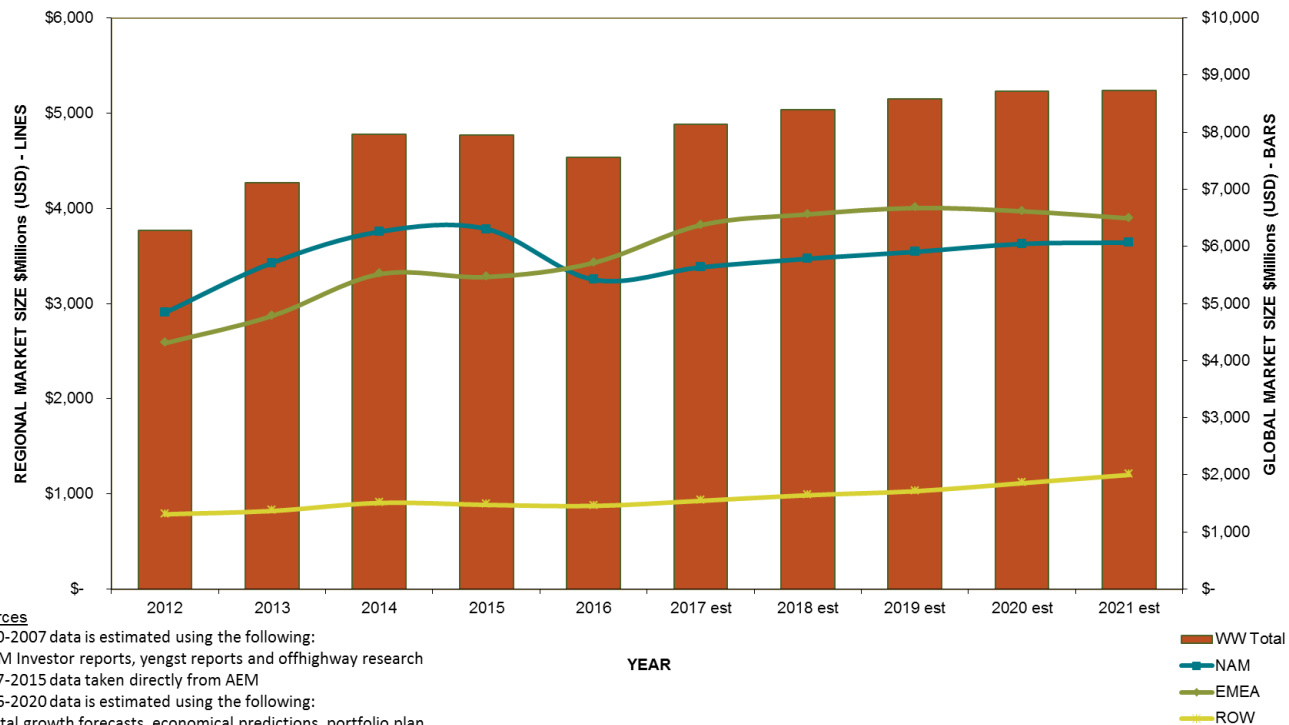


Sources

2000-2007 data is estimated using the following:
 - OEM investor reports, yengst reports and offhighway research
 2007-2015 data taken directly from AEM
 2016-2020 data is estimated using the following:
 -Rental growth forecasts, economical predictions, portfolio plan

- All Products
- Scissors
- Booms
- Telehandlers

MOBILE EQUIPMENT MARKET GEOGRAPHIC MIX



Food, Water, Power and Age



- New markets we are trying to gain more knowledge around
- Established Advisory Councils to help us understand markets and develop strategies for entry
 - Water, Food, and Age Management Segments
 - Each council contains a diverse mix of outside experts (top management, academics, consultants, etc.) and Linamar leadership
 - Specific agenda items utilize each member's expertise and creativity tying to something we can pursue as a business case

Water

Age Management

Food

Linamar	Outside
CEO	University Experts
CTO	Segment Consultants
Engineering Expert	Private Equity focused on Segment
Corporate Development	Top Managers in Segment

Linamar	Outside
CEO	University Experts
COO	Segment Consultants
CTO	Private Equity focused on Segment
Business & Corporate Development	Top Managers in Segment

Linamar	Outside
CEO	University Experts
CTO	Segment Consultants
Business & Corporate Development	Private Equity focused on Segment
	Top Managers in Segment

- Owned White Farm Equipment in 80's
- Produced combines for Massey Ferguson as Western Combine in 90's
- Continue to produce combine accessories such as grain tables and corn headers in our Hungarian company Oros
 - Product is designed and manufactured by the Oros team and sold globally
- Exploring global opportunities in potential acquisitions to enhance this business

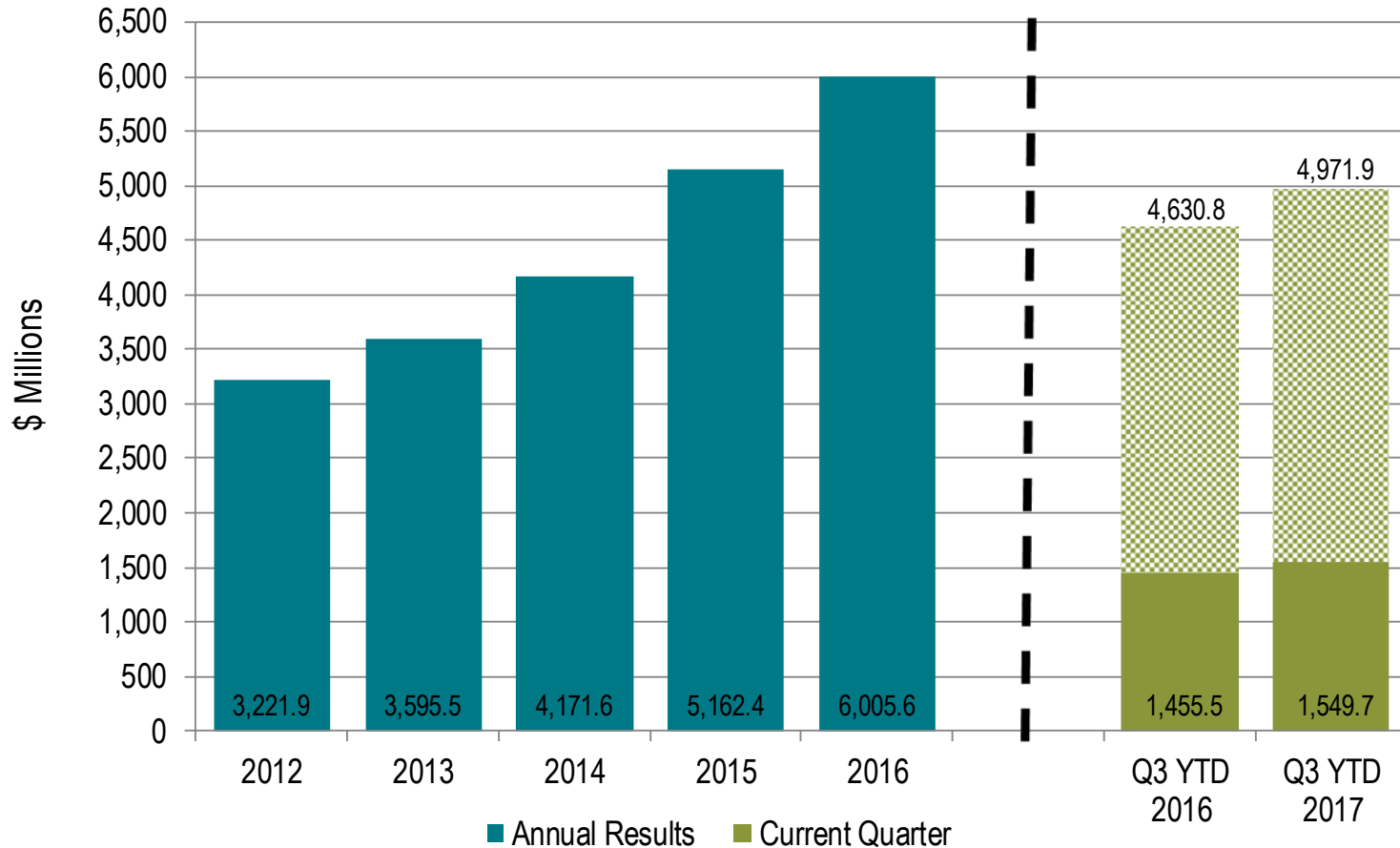


Financial Review



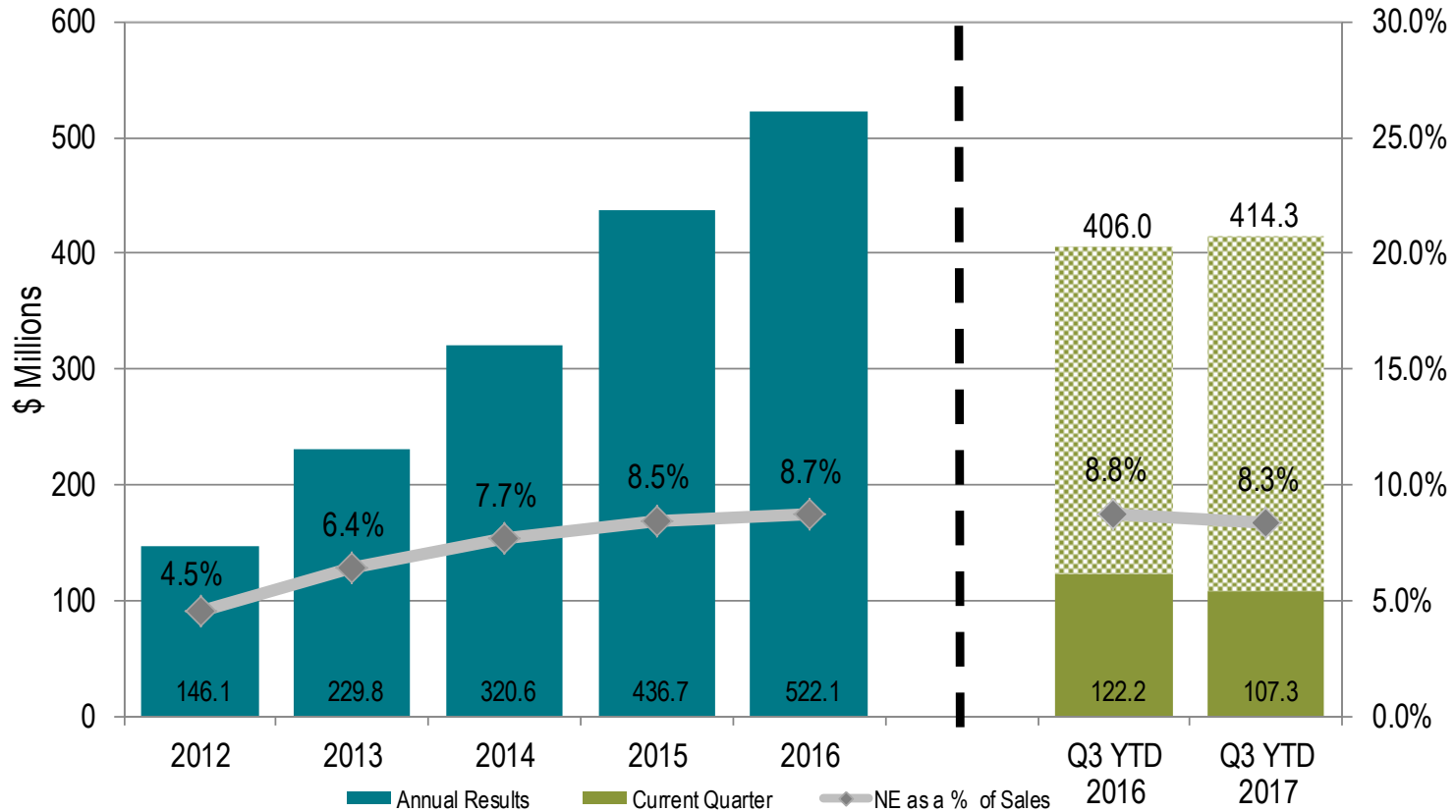
Yearly Sales Growth

2012 - 2017



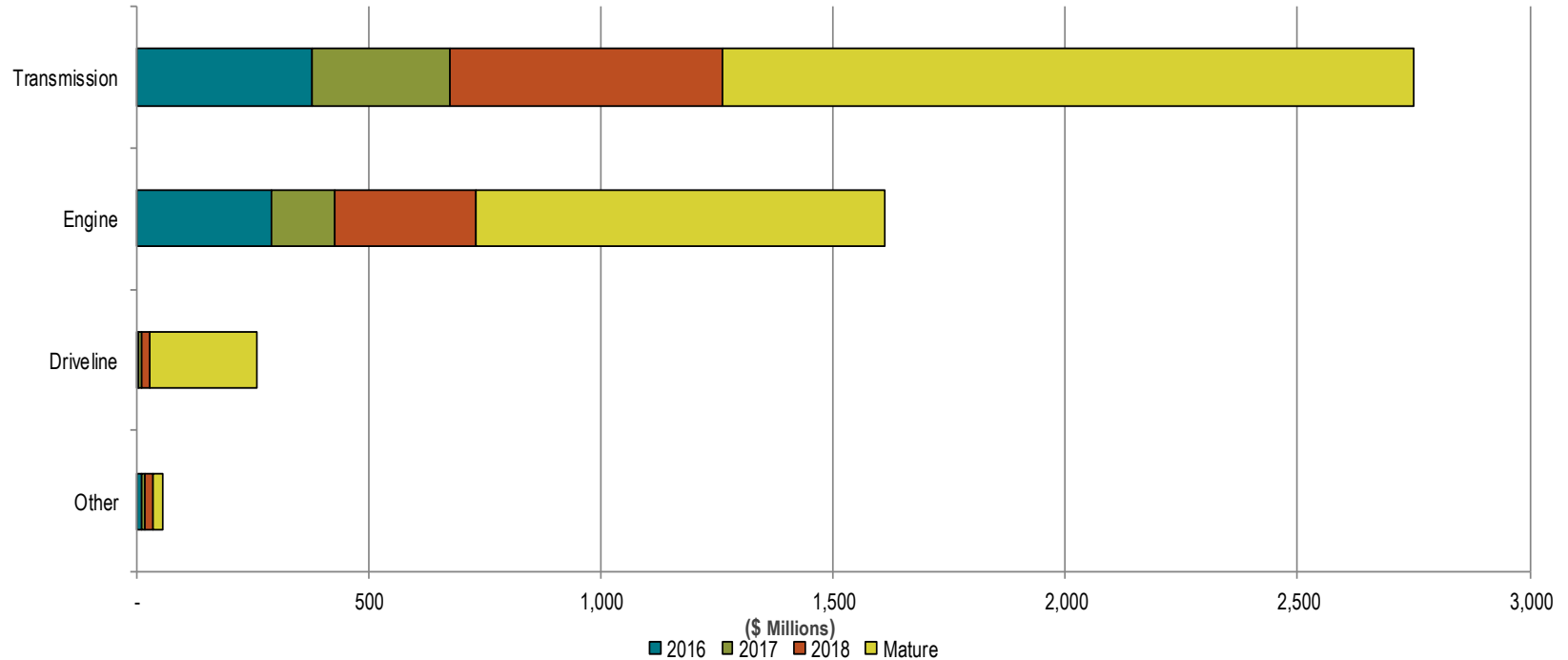
Net Earnings Attributable to Shareholders

2012 - 2017

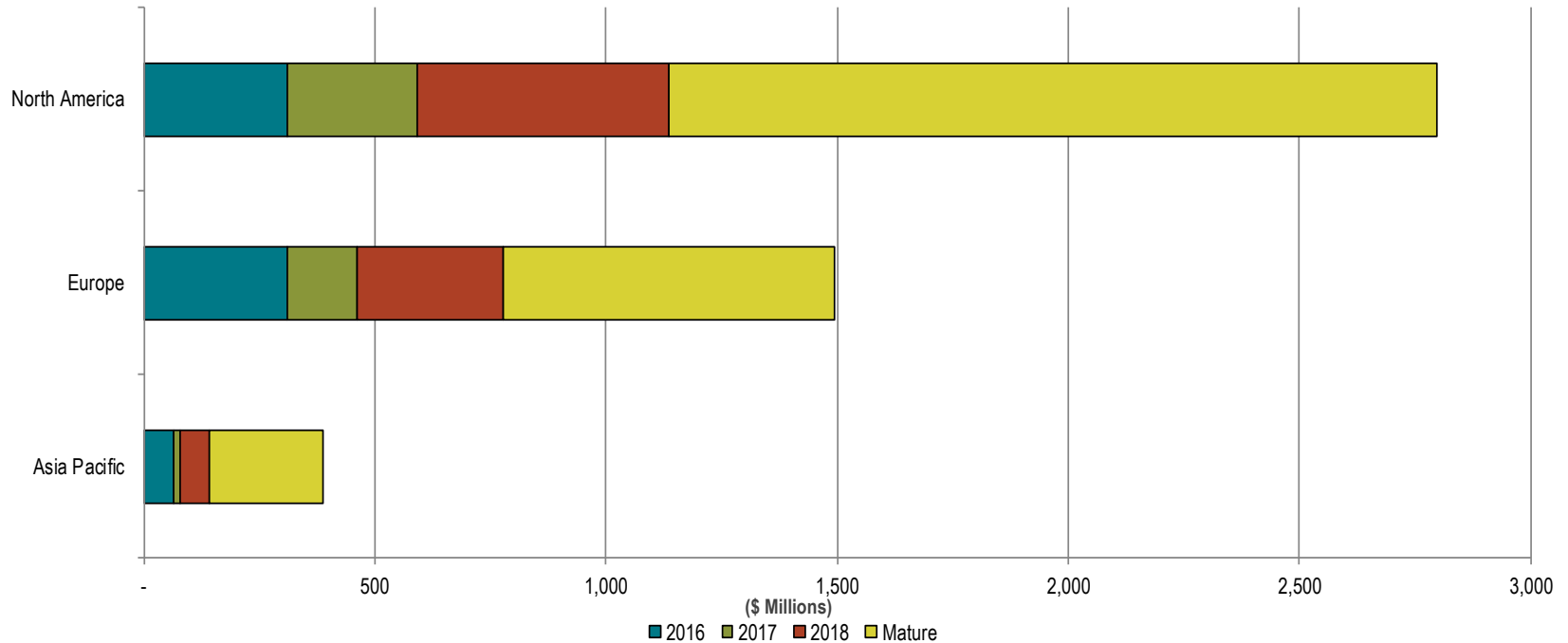


Net Margin Expectations 2017: 8.0% - 8.5%

Launching nearly \$4.7 billion of new work today

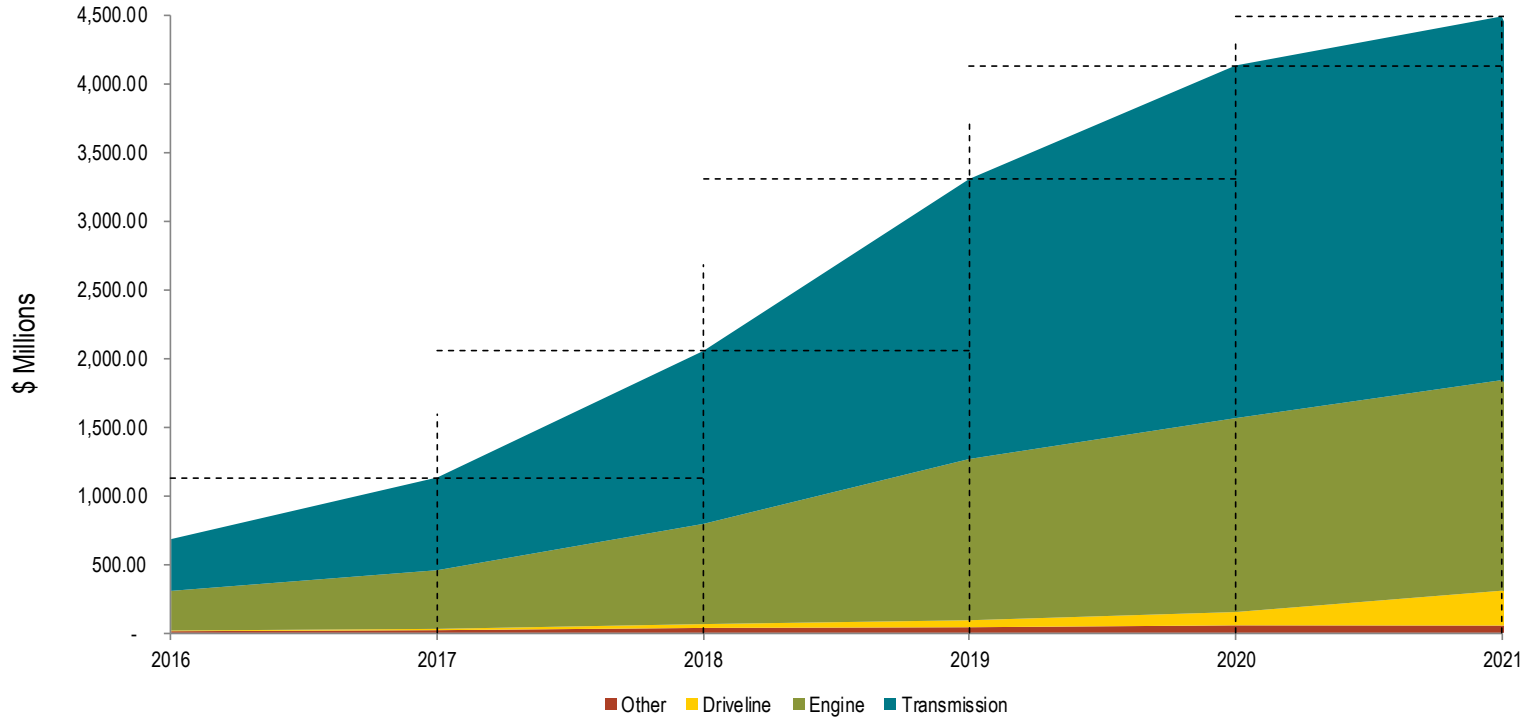


Launching nearly \$4.7 billion of new work today



Launch Review

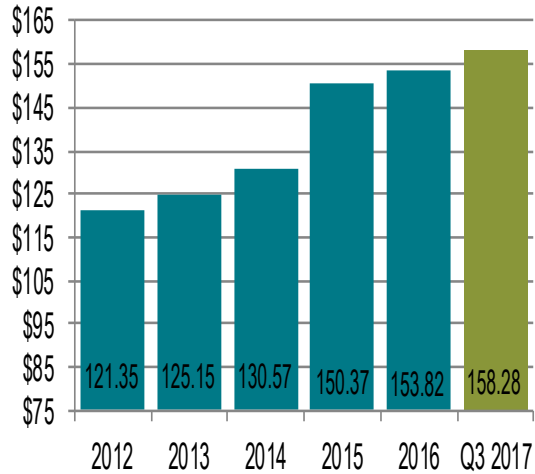
Q3 2017



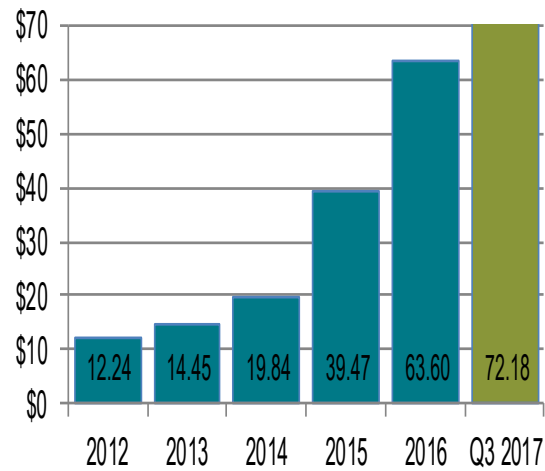
Sales from Launch add:

\$600 to \$650 Million in 2017
\$900 Million to \$1 Billion in 2018

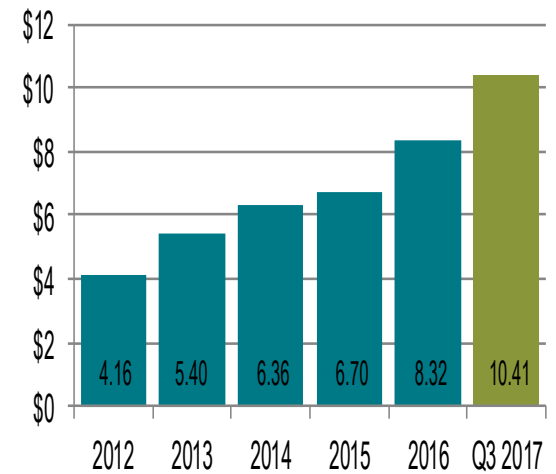
North America



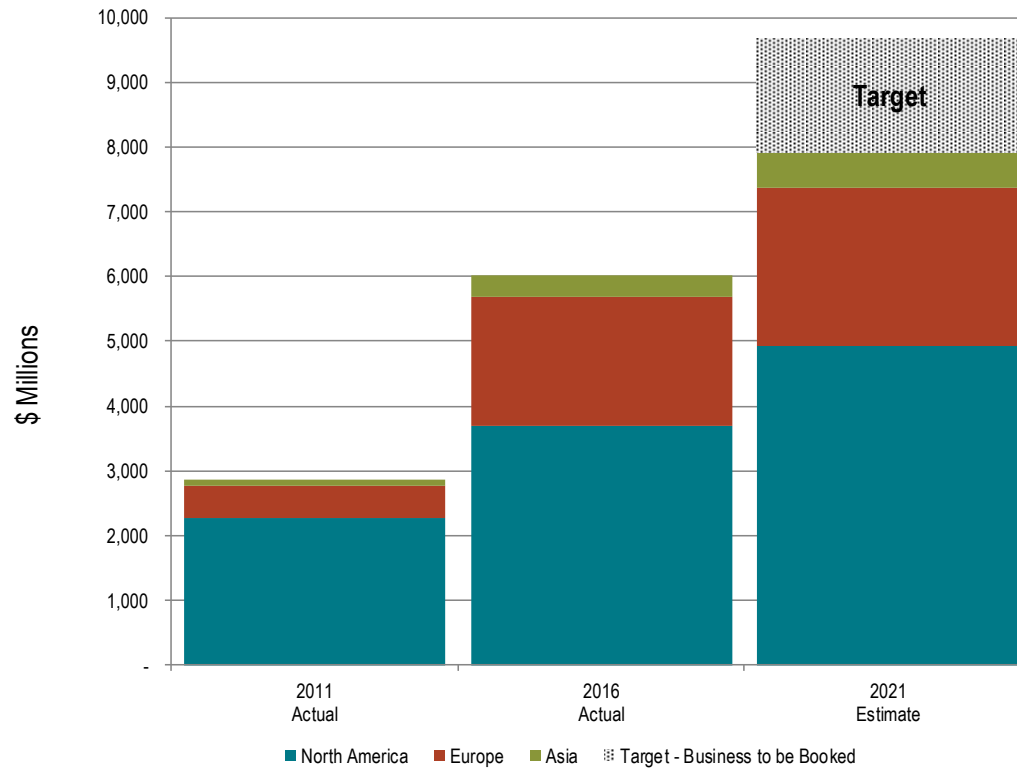
Europe



Asia



Sales by Region



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Thank You

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