Year over Year Earnings Growth Restored, Massive Cash Flow for Linamar Sparks Doubling of Dividend in Q3 2020

November 10, 2020, Guelph, Ontario, Canada (TSX: LNR)

- During the third quarter of 2020 ("Q3 2020"), the Company experienced strong sales and operating earnings in both segments;
- Free cash flow[1] was $445.1 million for Q3 2020 and when combined with previous quarters is now $762.7 million for 2020;
- Strong continued free cash flow spurs restoration of dividend to full CAD $0.12 per share;
- Capex has been cut by 53% to $73.9 million from $158.5 million in the third quarter of 2019 ("Q3 2019");
- Liquidity, measured as cash and cash equivalents and available credit at September 30, 2020, is at $1.3 billion an increase from $1.1 billion at December 31, 2019;
- Today, the Board of Directors has authorized the entering into of a note purchase agreement with certain institutional investors for a private placement of €320 million aggregate principal amount of its 1.37% Senior Unsecured Notes, due January 31, 2031 (see below);
- Cost reduction and cash conservation efforts continue to be at the highest levels given continued uncertainties;
- New business wins maintain strong launch book of more than $4.1 billion;
- Strong Transportation market share gains with Content per Vehicle growth in North America and Asia Pacific partially offsetting adverse conditions associated with the global COVID-19 pandemic; and
- Increased agricultural earnings offsetting access equipment declines attributable to adverse conditions associated with the pandemic.

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
(in millions of dollars, except per share figures)	$	$	$	$
Sales	**1,637.4**	**1,740.0**	**4,110.7**	**5,800.6**
Operating Earnings (Loss)				
Industrial	41.2	36.9	108.6	209.7
Transportation	134.9	105.4	160.2	335.5
Operating Earnings (Loss)[1]	176.1	142.3	268.8	545.2
Net Earnings (Loss)	125.5	98.2	166.1	380.7
Net Earnings (Loss) per Share – Diluted	1.92	1.50	2.54	5.80
Earnings before interest, taxes and amortization ("EBITDA")[1]	300.6	245.7	609.6	848.9
Operating Earnings (Loss) – Normalized[1]				
Industrial	**48.7**	**39.2**	**116.6**	**224.6**
Transportation	**148.7**	**100.0**	**165.0**	**337.6**
Operating Earnings (Loss) – Normalized	**197.4**	**139.2**	**281.6**	**562.2**
Net Earnings (Loss) – Normalized[1]	**140.5**	**96.2**	**185.6**	**393.9**
Net Earnings (Loss) per Share – Diluted – Normalized[1]	**2.15**	**1.47**	**2.84**	**6.00**
EBITDA – Normalized[1]	**309.3**	**243.1**	**615.4**	**866.1**

Operating Highlights

Sales for Q3 2020 were $1,637.4 million, down $102.6 million from $1,740.0 million in Q3 2019.

The Industrial segment ("Industrial") product sales decreased 21.6%, or $82.2 million, to $298.4 million in Q3 2020 from Q3 2019. The sales decrease was due to:

- access equipment sales declines attributed to adverse conditions associated with the global COVID-19 pandemic; partially offset by
- increased agricultural revenues from stronger in-season equipment and parts sales.

Sales for the Transportation segment ("Transportation") decreased by $20.4 million, or 1.5% in Q3 2020 compared with Q3 2019. The sales in Q3 2020 were impacted by:

- sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic; partially offset by
- a favourable impact on sales from the changes in foreign exchange rates from Q3 2019.

The Company's normalized operating earnings for Q3 2020 was $197.4 million. This compares to normalized operating earnings of $139.2 million in Q3 2019, an increase of $58.2 million.

Industrial segment normalized operating earnings in Q3 2020 increased $9.5 million, or 24.2% from Q3 2019. The Industrial normalized operating earnings results were predominantly driven by:

- the utilization of support programs related to the global COVID-19 pandemic; and
- increased agricultural sales from stronger in-season equipment and parts sales; partially offset by

[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").

- access equipment sales declines attributed to adverse conditions associated with the global COVID-19 pandemic.

Q3 2020 normalized operating earnings for Transportation were higher by $48.7 million, or 48.7% compared to Q3 2019. The Transportation segment's earnings were impacted by the following:

- the utilization of support programs related to the global COVID-19 pandemic;
- the margin improvement from launching programs that continue to build in volume;
- targeted cost reductions to match lower demand; and
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q3 2019; partially offset by
- sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic.

"It feels great to be profitable again, with earnings actually up from last year, and to see such an outstanding quarter for free cash flow despite the challenges we are facing." said Linamar CEO Linda Hasenfratz, "We continue to be vigilant around costs and cash, risk mitigation and driving market share growth as our recovery continues."

Private Placement of Senior Unsecured Notes

Today, the Board of Directors has authorized the entering into of a note purchase agreement with certain institutional investors for a private placement of €320 million aggregate principal amount of its 1.37% Senior Unsecured Notes, due January 31, 2031. Linamar will apply the proceeds of the sale of the Notes toward repayment of a term loan maturing on January 21, 2021 under its bank credit facilities. The remaining balance of that term loan will be repaid with a drawdown on the Company's revolving credit facility. The execution of the note purchase agreement is expected to occur within a week and the funding is expected to occur in January 2021. Closing and funding of the issuance of the Notes is subject to customary closing conditions including there being no material adverse change in the Company's business.

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2020 of CDN$0.12 per share on the common shares of the company, payable on or after December 4, 2020 to shareholders of record on November 20, 2020.

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; public health threats; cyclicality and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; 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

Q3 2020 Release Information

Linamar will hold a webcast call on November 10, 2020, at 5:00 p.m. ET to discuss its third-quarter results. The event will be simulcast and can be accessed at the following URL https://www.linamar.com/news-event/q3-2020-earnings-call and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 6475831, with a call-in required 15 minutes prior to the start of the webcast. 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 4:00 p.m. ET on November 10, 2020, and at www.sedar.com by the start of business on November 11, 2020. The webcast replay will be available at https://www.linamar.com/news-event/q3-2020-earnings-call after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on November 10, 2020, for seven days. The number for the replay is (800) 585-8367, Passcode: 6475831. In addition, a recording of the call will be posted at https://www.linamar.com/news-event/q3-2020-earnings-call.

Q4 2020 Release Information

Linamar will hold a webcast call on March 10, 2021, at 5:00 p.m. ET to discuss its fourth-quarter results. The event will be simulcast and can be accessed at the following URL https://www.linamar.com/news-event/q4-2021-earnings-call and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 8860535, with a call-in required 15 minutes prior to the start of the webcast. 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 4:00 p.m. ET on March 10, 2021, and at www.sedar.com by the start of business on March 11, 2021. The webcast replay will be available at https://www.linamar.com/news-event/q4-2021-earnings-call after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on March 10, 2021, for seven days. The number for the replay is (800) 585-8367, Passcode: 8860535. In addition, a recording of the call will be posted at https://www.linamar.com/news-event/q4-2021-earnings-call.

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 two operating segments – the Industrial segment and the Transportation segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Transportation segment is subdivided into three regional groups; North America, Europe and Asia Pacific. Within the Transportation segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Transportation segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. McLaren Engineering provides design, development, and testing services for the Transportation segment. Linamar has 26,000 employees in 61 manufacturing locations, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of $7.4 billion in 2019. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

* * * * * * * * * * * * *

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

Guelph, Ontario
November 10, 2020

LINAMAR CORPORATION
Management's Discussion and Analysis
For the Quarter Ended September 30, 2020

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated interim financial statements for the quarter ended September 30, 2020. This MD&A has been prepared as at November 10, 2020. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS"). References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS as adopted. All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

Additional information regarding Linamar, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.linamar.com or through the SEDAR website at www.sedar.com.

OVERALL CORPORATE PERFORMANCE

Overview of the Business

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 two operating segments – the Industrial segment and the Transportation segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Transportation segment is subdivided into three regional groups; North America, Europe and Asia Pacific. Within the Transportation segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Transportation segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. McLaren Engineering provides design, development, and testing services for the Transportation segment. Linamar has 26,000 employees in 61 manufacturing locations, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of $7.4 billion in 2019. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

Overall Corporate Results

The following table sets out certain highlights of the Company's performance in the third quarter of 2020 ("Q3 2020") and 2019 ("Q3 2019"):

	Three Months Ended September 30				Nine Months Ended September 30			
(in millions of dollars, except per share figures)	2020 $	2019 $	+/- $	+/- %	2020 $	2019 $	+/- $	+/- %
Sales	1,637.4	1,740.0	(102.6)	(5.9%)	4,110.7	5,800.6	(1,689.9)	(29.1%)
Gross Margin	273.5	230.1	43.4	18.9%	514.9	868.3	(353.4)	(40.7%)
Operating Earnings (Loss)[1]	176.1	142.3	33.8	23.8%	268.8	545.2	(276.4)	(50.7%)
Net Earnings (Loss)	125.5	98.2	27.3	27.8%	166.1	380.7	(214.6)	(56.4%)
Net Earnings (Loss) per Share - Diluted	1.92	1.50	0.42	28.0%	2.54	5.80	(3.26)	(56.2%)
Earnings before interest, taxes and amortization ("EBITDA")[1]	300.6	245.7	54.9	22.3%	609.6	848.9	(239.3)	(28.2%)
Operating Earnings (Loss) - Normalized[1]	197.4	139.2	58.2	41.8%	281.6	562.2	(280.6)	(49.9%)
Net Earnings (Loss) - Normalized[1]	140.5	96.2	44.3	46.0%	185.6	393.9	(208.3)	(52.9%)
Net Earnings (Loss) per Share - Diluted - Normalized[1]	2.15	1.47	0.68	46.3%	2.84	6.00	(3.16)	(52.7%)
EBITDA - Normalized[1]	309.3	243.1	66.2	27.2%	615.4	866.1	(250.7)	(28.9%)

The changes in these financial highlights are discussed in detail in the following sections of this analysis.

IMPACT ON LINAMAR'S RESULTS AND BUSINESS RELATED TO COVID-19

In early 2020, COVID-19 quickly spread in multiple countries and was declared a pandemic by the World Health Organization in mid-March. The pandemic and resulting economic contraction has had, and is expected to continue to have, a negative impact on the demand for the

1 For more information, refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A.

Company's products. A number of the Company's key end markets witnessed a significant reduction in volume in and around April, mostly due to production shut downs, shelter-in-place orders, and general effects on economies impacting customer demand.

Despite these impacts, the Company has maintained sufficient liquidity to satisfy its financial obligations during 2020 and liquidity, measured as cash and cash equivalents and available credit, at September 30, 2020 remains strong and has increased to $1.3 billion. The Company's free cash flow[1] was $445.1 million for Q3 2020 and is $762.7 million for the first three quarters of 2020.

Since resuming production in mid-May, the Company's focus has been around Recovery, Restarting and Rejuvenation. Ensuring the safety of our workforce to return to work has been a top priority and we have seen excellent results with incidence of on site transmission extremely low and employees surveyed feeling safe and supportive of protocols. There has been a strengthening return in volumes as automotive production in North America and Europe restarted in May which has materially improved the results. Despite these positive signs the Company continues to be cautious around costs and capital spending given uncertainties.

Linamar continues to support our local and global communities during this crisis in a number of ways including donating, procuring and managing PPE for local healthcare providers and manufacturing ventilators and parts thereof for a variety of customers. The ability of Linamar to pivot from manufacturing auto assemblies to different products such as ventilators is evidence of the company's agility, flexibility, technical depth and the ability to respond quickly. These traits are, and have always been, the core of Linamar's strength.

In light of these recent events, the Company has updated its disclosures including: risk factors in the "Risk Management" section, commentary related to COVID-19 in the "Disclosure Controls and Procedures and Internal Controls Over Financial Reporting" section, and its discussion of Impairment of Non-Financial Assets critical accounting estimate in the "Critical Accounting Estimates and Judgements" section of this MD&A.

BUSINESS SEGMENT REVIEW

The Company reports its results of operations in two business segments: Industrial and Transportation. The segments are differentiated by the products that each produces and reflects how the chief operating decision makers of the Company manage the business. The following should be read in conjunction with the Company's consolidated financial statements for the quarter ended September 30, 2020.

			Three Months Ended September 30 2020			Three Months Ended September 30 2019
	Industrial	Transportation	Linamar	Industrial	Transportation	Linamar
(in millions of dollars)	$	$	$	$	$	$
Sales	298.4	1,339.0	1,637.4	380.6	1,359.4	1,740.0
Operating Earnings (Loss)	41.2	134.9	176.1	36.9	105.4	142.3
EBITDA	57.3	243.3	300.6	53.3	192.4	245.7
Operating Earnings (Loss) – Normalized	48.7	148.7	197.4	39.2	100.0	139.2
EBITDA – Normalized	64.7	244.6	309.3	55.7	187.4	243.1

			Nine Months Ended September 30 2020			Nine Months Ended September 30 2019
	Industrial	Transportation	Linamar	Industrial	Transportation	Linamar
(in millions of dollars)	$	$	$	$	$	$
Sales	856.6	3,254.1	4,110.7	1,444.8	4,355.8	5,800.6
Operating Earnings (Loss)	108.6	160.2	268.8	209.7	335.5	545.2
EBITDA	157.2	452.4	609.6	256.9	592.0	848.9
Operating Earnings (Loss) – Normalized	116.6	165.0	281.6	224.6	337.6	562.2
EBITDA – Normalized	165.2	450.2	615.4	271.8	594.3	866.1

Industrial Highlights

				Three Months Ended September 30				Nine Months Ended September 30
	2020	2019	+/-	+/-	2020	2019	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	298.4	380.6	(82.2)	(21.6%)	856.6	1,444.8	(588.2)	(40.7%)
Operating Earnings (Loss)	41.2	36.9	4.3	11.7%	108.6	209.7	(101.1)	(48.2%)
EBITDA	57.3	53.3	4.0	7.5%	157.2	256.9	(99.7)	(38.8%)
Operating Earnings (Loss) – Normalized	48.7	39.2	9.5	24.2%	116.6	224.6	(108.0)	(48.1%)
EBITDA – Normalized	64.7	55.7	9.0	16.2%	165.2	271.8	(106.6)	(39.2%)

[1] For more information, refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A.

The Industrial segment ("Industrial") product sales decreased 21.6%, or $82.2 million, to $298.4 million in Q3 2020 from Q3 2019. The sales decrease was due to:

- access equipment sales declines attributed to adverse conditions associated with the global COVID-19 pandemic; partially offset by
- increased agricultural revenues from stronger in-season equipment and parts sales.

Year to date ("YTD") sales for Industrial decreased by $588.2 million, or 40.7% compared with YTD 2019. The factors that impacted Q3 2020 similarly impacted the YTD results except agricultural sales continue to be down YTD despite the gains made in Q3 2020 when compared to 2019.

Industrial segment normalized operating earnings in Q3 2020 increased $9.5 million, or 24.2% from Q3 2019. The Industrial normalized operating earnings results were predominantly driven by:

- the utilization of support programs related to the global COVID-19 pandemic; and
- increased agricultural sales from stronger in-season equipment and parts sales; partially offset by
- access equipment sales declines attributed to adverse conditions associated with the global COVID-19 pandemic.

The YTD normalized operating earnings for Industrial decreased by $108.0 million, or 48.1% compared with YTD 2019. The factors that impacted Q3 2020 similarly impacted the YTD results except for the impact of lower YTD agricultural sales on a YTD basis compared to 2019.

Transportation Highlights

	Three Months Ended September 30				Nine Months Ended September 30			
	2020	2019	+/-	+/-	2020	2019	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	1,339.0	1,359.4	(20.4)	(1.5%)	3,254.1	4,355.8	(1,101.7)	(25.3%)
Operating Earnings (Loss)	134.9	105.4	29.5	28.0%	160.2	335.5	(175.3)	(52.3%)
EBITDA	243.3	192.4	50.9	26.5%	452.4	592.0	(139.6)	(23.6%)
Operating Earnings (Loss) – Normalized	148.7	100.0	48.7	48.7%	165.0	337.6	(172.6)	(51.1%)
EBITDA – Normalized	244.6	187.4	57.2	30.5%	450.2	594.3	(144.1)	(24.2%)

Sales for the Transportation segment ("Transportation") decreased by $20.4 million, or 1.5% in Q3 2020 compared with Q3 2019. The sales in Q3 2020 were impacted by:

- sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic; partially offset by
- a favourable impact on sales from the changes in foreign exchange rates from Q3 2019.

YTD sales for Transportation decreased by $1,101.7 million, or 25.3% compared to YTD 2019. The factors that impacted Q3 2020 similarly impacted the YTD results.

Q3 2020 normalized operating earnings for Transportation were higher by $48.7 million, or 48.7% compared to Q3 2019. The Transportation segment's earnings were impacted by the following:

- the utilization of support programs related to the global COVID-19 pandemic;
- the margin improvement from launching programs that continue to build in volume;
- targeted cost reductions to match lower demand; and
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q3 2019; partially offset by
- sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic.

The YTD normalized operating earnings decreased by $172.6 million, or 51.1% compared with YTD 2019. The factors that impacted Q3 2020 similarly impacted the YTD results.

AUTOMOTIVE SALES AND CONTENT PER VEHICLE[1]

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company's location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one continent, and the final vehicle being assembled on another continent. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the vehicle production units[2] for each continent.

---

1 Automotive Sales are measured as the amount of the Company's automotive sales dollars per vehicle, not including tooling sales. CPV does not have a standardized meaning and therefore is unlikely to be comparable to similar measures presented by other issuers. CPV is an indicator of the Company's market share for the automotive markets that it operates in.

2 Vehicle production units are derived from industry sources and are shown in millions of units. North American vehicle production units used by the Company for the determination of the Company's CPV include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks. All vehicle production volume information is as regularly reported by industry sources. Industry sources release vehicle production volume estimates based on the latest

In addition to automotive Original Equipment Manufacturers ("OEMs"), the Company sells powertrain parts to a mix of automotive and non-automotive manufacturers that service various industries such as power generation, construction equipment, marine and automotive. The final application of some parts sold to these manufacturers is not always clear; however the Company estimates the automotive portion of the sales for inclusion in its content per vehicle ("CPV") calculations. The allocation of sales to regions is based on vehicle production volume estimates from industry sources, published closest to the quarter end date. As these estimates are updated, the Company's sales classifications can be impacted.

	Three Months Ended September 30				Nine Months Ended September 30			
North America	2020	2019	+/-	%	2020	2019	+/-	%
Vehicle Production Units	4.11	4.15	(0.04)	(1.0%)	9.42	12.94	(3.52)	(27.2%)
Automotive Sales	$ 750.3	$ 691.9	$ 58.4	8.4%	$ 1,684.0	$ 2,187.9	$ (503.9)	(23.0%)
Content Per Vehicle	$ 182.76	$ 166.73	$ 16.03	9.6%	$ 178.75	$ 169.02	$ 9.73	5.8%
Europe								
Vehicle Production Units	4.31	4.66	(0.35)	(7.5%)	11.26	15.93	(4.67)	(29.3%)
Automotive Sales	$ 335.3	$ 389.8	$ (54.5)	(14.0%)	$ 918.1	$ 1,323.3	$ (405.2)	(30.6%)
Content Per Vehicle	$ 77.72	$ 83.57	$ (5.85)	(7.0%)	$ 81.56	$ 83.05	$ (1.49)	(1.8%)
Asia Pacific								
Vehicle Production Units	10.87	11.07	(0.20)	(1.8%)	27.65	33.75	(6.10)	(18.1%)
Automotive Sales	$ 138.5	$ 112.4	$ 26.1	23.2%	$ 346.0	$ 325.8	$ 20.2	6.2%
Content Per Vehicle	$ 12.74	$ 10.15	$ 2.59	25.5%	$ 12.51	$ 9.65	$ 2.86	29.6%

North American automotive sales for Q3 2020 increased 8.4% from Q3 2019 in a market that saw a decrease of 1.0% production volumes for the same period. As a result, content per vehicle in Q3 2020 increased 9.6% from $166.73 to $182.76. The increase in North American content per vehicle was mainly impacted by market share growth for OEM's that the Company has significant launching business with.

European automotive sales for Q3 2020 decreased 14.0% from Q3 2019 in a market that saw a decrease of 7.5% in production volumes for the same period. As a result, content per vehicle in Q3 2020 decreased 7.0% from $83.57 to $77.72. The decrease in European content per vehicle was mainly impacted by decreased volumes for certain programs that the company has significant business with, partially offset by increases in our launching programs.

Asia Pacific automotive sales for Q3 2020 increased 23.2% from Q3 2019 in a market that saw a decrease of 1.8% in production volumes for the same period. As a result, content per vehicle in Q3 2020 increased 25.5% from $10.15 to $12.74. The increase in Asian content per vehicle was mainly impacted by market share growth for OEM's that the Company has significant business with.

RESULTS OF OPERATIONS

Gross Margin

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions of dollars)	2020	2019	2020	2019
Sales	$ 1,637.4	$ 1,740.0	$ 4,110.7	$ 5,800.6
Cost of Sales before amortization	1,254.9	1,410.8	3,268.7	4,641.5
Amortization	109.0	99.1	327.1	290.8
Cost of Sales	1,363.9	1,509.9	3,595.8	4,932.3
Gross Margin	$ 273.5	$ 230.1	$ 514.9	$ 868.3
Gross Margin percentage	16.7%	13.2%	12.5%	15.0%

Gross margin percentage increased in Q3 2020 to 16.7% compared to 13.2% in Q3 2019. Cost of sales before amortization as a percentage of sales decreased in Q3 2020 to 76.6% compared to 81.1% for the same quarter of last year. In dollar terms, gross margin increased $43.4 million in Q3 2020 compared with Q3 2019 as a result of the items discussed earlier in this analysis such as:

- the utilization of support programs related to the global COVID-19 pandemic;
- the margin improvement from launching programs in the Transportation segment that continue to build in volume;
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q3 2019; and
- targeted cost reductions to match lower demand; partially offset by

information from the Automotive Manufacturers and update these estimates as more accurate information is obtained. The Company will, on a quarterly basis, update CPV for the current fiscal year in its MD&A as these volume estimates are revised by the industry sources. The CPV figures in this MD&A reflect the volume estimates that were published closest to the quarter end date by the industry sources. These updates to vehicle production units have no effect on the Company's financial statements for those periods.

- the lower sales volumes in both segments which is primarily, attributed to the adverse conditions associated with the global COVID-19 pandemic.

Q3 2020 amortization increased to $109.0 million from $99.1 million in Q3 2019 primarily due to additional amortization from launching programs in the Transportation Segment. Amortization as a percentage of sales increased to 6.7% of sales compared to 5.7% in Q3 2019. The factors that impacted Q3 2020 similarly impacted the YTD results.

YTD gross margin decreased to 12.5% from 15.0% in the same period of 2019. The factors that impacted Q3 2020 similarly impacted the YTD results.

Selling, General and Administration

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions of dollars)	2020	2019	2020	2019
Selling, general and administrative	$ 89.8	$ 94.3	$ 247.6	$ 315.5
SG&A percentage	5.5%	5.4%	6.0%	5.4%

Selling, general and administrative ("SG&A") costs decreased in Q3 2020 to $89.8 million from $94.3 million and increased as a percentage of sales to 5.5% from 5.4% when compared to Q3 2019. This decrease is primarily due to utilization of support programs related to COVID-19 and targeted cost reductions to match lower demand in comparison to Q3 2019.

The factors that impacted Q3 2020 similarly impacted the YTD results, increasing as a percentage of sales to 6.0% from 5.4% when compared to YTD 2019.

Finance Expense and Income Taxes

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
(in millions of dollars)	$	$	$	$
Operating Earnings (Loss)	176.1	142.3	268.8	545.2
Share of Net Earnings (Loss) of Investments Accounted for Using the Equity Method	(4.4)	(2.3)	(16.0)	(7.8)
Finance Income and (Expenses)	(1.5)	(11.1)	(26.7)	(37.2)
Provision for (Recovery of) Income Taxes	44.7	30.7	60.0	119.5
Net Earnings (Loss)	125.5	98.2	166.1	380.7

Finance Expenses

Finance expenses decreased $9.6 million in Q3 2020 from $11.1 million in Q3 2019 to $1.5 million due to:

- lower interest expense as a result of reducing average daily debt balances by $655 million since Q3 2019 including the prepayment of the Company's United States Dollar $130 million Private Placement Notes due in 2021 ("2021 Notes") at the end of Q2 2020; and
- lower effective interest rates which improved by 100 bps or 35% which primarily related to the Bank of Canada reducing interest rates in response to managing the economic impacts of the COVID-19 pandemic since March 2020.

YTD finance expenses decreased $10.5 million compared to $37.2 million in YTD 2019. The YTD finance expenses were impacted by the same factors as described for Q3 2020, in addition to the make-whole amount related to the prepayment of the 2021 Notes in Q2 2020.

The consolidated effective interest rate for Q3 2020 decreased to 1.8% compared to 2.8% in Q3 2019. The decrease in the effective rate was primarily driven by the lower debt levels and the Bank of Canada cutting interest rates. The decrease in the effective interest rate to 2.1% YTD versus 2.9% YTD 2019 is due to the same factors as Q3 2020.

Income Taxes

The effective tax rate for Q3 2020 was 26.3%, an increase from the 23.8% rate in the third quarter of 2019. The effective tax rate in Q3 2020 increased due to a less favourable mix of foreign tax rates in Q3 2020 compared to Q3 2019.

The YTD effective tax rate was 26.6%, an increase from the 23.9% rate for YTD 2019. The YTD effective tax rate has increased primarily due to the tax adjustment recognized in Q2 2020 in relation to prior years.

TOTAL EQUITY

During the quarter no options expired unexercised, no options were forfeited, and no options were exercised.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares, of which 65,450,697 common shares were outstanding as of November 10, 2020. The Company's common shares constitute its only class of voting securities. As of November 10, 2020, there were

750,000 options to acquire common shares outstanding and 3,900,000 options still available to be granted under the Company's share option plan.

In March 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to renew its normal course issuer bid ("NCIB" or "Bid"). Under the NCIB, Linamar had the ability to purchase for cancellation up to a maximum of 4,396,427 common shares from March 20, 2020 until March 19, 2021, representing approximately 10% of the public float of 43,964,265 that were issued and outstanding as of March 6, 2020. No shares were purchased and cancelled from March 20, 2020 to September 30, 2020 due to the COVID-19 pandemic.

SELECTED FINANCIAL INFORMATION

Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended December 31, 2018 through September 30, 2020. This information has been derived from the Company's unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

(in millions of dollars, except per share figures)	Sep 30 2020 $	Jun 30 2020 $	Mar 31 2020 $	Dec 31 2019 $	Sep 30 2019 $	Jun 30 2019 $	Mar 31 2019 $	Dec 31 2018 $
Sales	1,637.4	923.6	1,549.8	1,616.1	1,740.0	2,086.1	1,974.5	1,732.0
Net Earnings (Loss)	125.5	(37.9)	78.5	49.7	98.2	150.2	132.3	124.5
Net Earnings (Loss) per Share								
Basic	1.92	(0.58)	1.21	0.76	1.51	2.30	2.02	1.91
Diluted	1.92	(0.58)	1.20	0.76	1.50	2.28	2.00	1.88

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Transportation segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions of dollars)	2020 $	2019 $	2020 $	2019 $
Cash generated from (used in):				
Operating Activities	518.4	214.9	944.5	665.0
Financing Activities	(244.2)	(85.5)	(502.3)	(290.4)
Investing Activities	(83.8)	(164.2)	(209.3)	(417.6)
Effect of translation adjustment on cash	4.1	(8.0)	(1.0)	(34.2)
Increase (decrease) in cash and cash equivalents	194.5	(42.8)	231.9	(77.2)
Cash and cash equivalents – Beginning of Period	375.6	437.6	338.2	472.0
Cash and cash equivalents – End of Period	570.1	394.8	570.1	394.8
Comprised of:				
Cash in bank	417.0	281.5	417.0	281.5
Short-term deposits	168.2	119.7	168.2	119.7
Unpresented cheques	(15.1)	(6.4)	(15.1)	(6.4)
	570.1	394.8	570.1	394.8

The Company's cash and cash equivalents (net of unpresented cheques) at September 30, 2020 were $570.1 million, an increase of $175.3 million compared to September 30, 2019.

Cash generated from operating activities was $518.4 million, an increase of $303.5 million from Q3 2019, and was primarily due to the Company's focus on management of its operating assets and liabilities in order to conserve cash due to the COVID-19 pandemic. Similarly, YTD 2020 cash generated from operating activities was $944.5 million, $279.5 million more than was provided in YTD 2019.

During the quarter, financing activities used $244.2 million of cash compared to $85.5 million used in Q3 2019 primarily due to the repayment of the Company's long-term debt. Similarly, YTD financing activities used $502.3 million primarily for the repayment of long-term debt including the 2021 Notes in Q2 2020.

Investing activities used $83.8 million in Q3 2020 compared to $164.2 million used in Q3 2019 and YTD investing activities used $209.3 million compared to $417.6 million in YTD 2019. The decrease for the quarter and YTD was due to a significant reduction in purchases of property, plant and equipment resulting from efforts to conserve cash due to the COVID-19 pandemic.

Operating Activities

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
(in millions of dollars)	$	$	$	$
Net Earnings (Loss) for the period	125.5	98.2	166.1	380.7
Adjustments to earnings	131.7	103.7	366.8	333.3
	257.2	201.9	532.9	714.0
Changes in operating assets and liabilities	261.2	13.0	411.6	(49.0)
Cash generated from (used in) operating activities	518.4	214.9	944.5	665.0

Cash generated by operations before the effect of changes in operating assets and liabilities increased $55.3 million in Q3 2020 to $257.2 million, compared to $201.9 million in Q3 2019. YTD cash generated from operations before the effect of changes in operating assets and liabilities decreased $181.1 million in 2020 to $532.9 million, compared to $714.0 million YTD 2019.

Changes in operating assets and liabilities for Q3 2020 provided cash of $261.2 million and $411.6 million YTD. These increases over the prior year were due to actions taken by the Company to conserve cash primarily through inventories, long-term receivables and accounts payables for Q3 2020 and accounts receivables, long-term receivables, income taxes, and accounts payable YTD 2020.

Financing Activities

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
(in millions of dollars)	$	$	$	$
Proceeds from (repayments of) short-term borrowings	(0.6)	(3.4)	(6.4)	(5.6)
Proceeds from (repayments of) long-term debt	(253.9)	(47.6)	(495.2)	(204.7)
Proceeds from exercise of stock options	-	6.4	9.5	7.7
Repurchase of shares	-	(21.7)	(13.3)	(29.7)
Dividends	(3.9)	(7.8)	(15.6)	(23.5)
Finance income received (expenses paid)	(1.9)	(11.4)	(22.7)	(34.6)
Settlement of forward contracts	16.1	-	41.4	-
Cash generated from (used in) financing activities	(244.2)	(85.5)	(502.3)	(290.4)

Financing activities for Q3 2020 used $244.2 million of cash compared to $85.5 million used in Q3 2019. YTD financing activities used $502.3 million compared to $290.4 million used in YTD 2019. The primary use of cash for financing activities has been the repayment of long-term debt during Q3 2020 in addition to the prepayment of the Company's 2021 Notes and other debt repayments YTD.

The $435 million USD principal amount owing under Facility B of our bank credit agreement matures in mid-January 2021. Today, the Board of Directors has authorized the entering into of a note purchase agreement with certain institutional investors for a private placement of €320 million aggregate principal amount of its 1.37% Senior Unsecured Notes, due January 31, 2031. Linamar will apply the proceeds of the sale of the Notes toward repayment of a term loan maturing on January 21, 2021 under its bank credit facilities. The remaining balance of that term loan will be repaid with a drawdown on the Company's revolving credit facility. The execution of the note purchase agreement is expected to occur within a week and the funding is expected to occur in January 2021. Closing and funding of the issuance of the Notes is subject to customary closing conditions including there being no material adverse change in the Company's business.

Investing Activities

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
(in millions of dollars)	$	$	$	$
Payments for purchase of property, plant and equipment	(73.9)	(158.5)	(188.5)	(405.3)
Proceeds on disposal of property, plant and equipment	0.6	5.6	6.7	18.7
Payments for purchase of intangible assets	(8.5)	(15.8)	(20.1)	(25.5)
Other	(2.0)	4.5	(7.4)	(5.5)
Cash generated from (used in) investing activities	(83.8)	(164.2)	(209.3)	(417.6)

Cash used for investing activities for Q3 2020 was $83.8 million compared to Q3 2019 at $164.2 million. YTD cash used on investing activities was $209.3 million compared to YTD 2019 at $417.6 million. The focus on the conservation of cash by the Company during the quarter, and due to shutdowns related to COVID-19 for the YTD, have resulted in a large reduction in purchases of property, plant and equipment.

Liquidity and Capital Resources

The Company's financial condition remains solid given its strong balance sheet, which can be attributed to the Company's low cost structure, reasonable level of debt, prospects for growth and significant new program launches. Management expects that all future operating capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At September 30, 2020, cash and cash equivalents, including short-term deposits was $570.1 million and the Company's credit facilities had available credit of $757.0 million. Combined, the Company believes this liquidity of $1.3 billion at September 30, 2020 is sufficient to meet cash flow needs and has increased from the $1.1 billion at December 31, 2019. In addition, free cash flow was $445.1 million for Q3 2020 bringing YTD to $762.7 million.

Commitments and Contingencies

Please see the Company's December 31, 2019 annual MD&A for a table summarizing the contractual obligations by category. Also certain guarantees and legal claims are described in the notes to the Company's consolidated financial statements for the year ended December 31, 2019.

Financial Instruments

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended September 30, 2020 except for the early repayment of its 2021 Notes that resulted in an additional $9.1 million of interest recognized during the second quarter. The hedge interest payment and debt principal forward contracts used to convert the United States stated coupon rate to a Canadian interest rate, and to lock in the exchange rate on the principal repayment component, were terminated at the same time. For more information, please see the Company's December 31, 2019 annual MD&A and the Company's consolidated financial statements for the year ended December 31, 2019.

A portion of the Company's financial instruments are held as long-term receivables totalling $411.8 million at September 30, 2020 compared to $521.9 million at December 31, 2019. Long-term receivables are primarily made up of financing loans for the sale of industrial access equipment which decreased by $97.3 million to $265.0 million, financing loans for equity method investments which increased by $15.3 million to $110.3 million, and receivables for government assistance which decreased by $29.0 million to $33.2 million.

Off Balance Sheet Arrangements

For more information about off balance sheet arrangements, please see the notes to the Company's consolidated financial statements for the year ended December 31, 2019.

CURRENT AND PROPOSED TRANSACTIONS

There are no current and proposed transactions for the quarter ended September 30, 2020.

RISK MANAGEMENT

The Company is exposed to a number of risks in the normal course of business that have the potential to affect its operating results. These include, but are not limited to Competition, Outsourcing and Insourcing; Sources and Availability of Raw Materials; Labour Markets and Dependence on Key Personnel; Dependence on Certain Customers; Technological Change and Product Launches; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Foreign Business Risk; Cyclicality and Seasonality; Legal Proceedings and Insurance Coverage; Credit Risk; Weather; Emission Standards; Capital and Liquidity Risk; Tax Laws; Securities Laws Compliance and Corporate Governance Standards; and Environmental Matters.

These risk factors remain substantially unchanged during the nine months ended September 30, 2020 except for the addition of Public Health Threats as outlined below addressing potential protracted impacts such as COVID-19. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2019 annual MD&A, and the Company's December 31, 2019 Annual Information Form, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

Public Health Threats

In early 2020, COVID-19 quickly spread in multiple countries and was declared a pandemic by the World Health Organization in mid-March. As the COVID-19 pandemic and resulting economic contraction has significantly impacted the health and economic wellbeing of our employees, customers, suppliers, global and local communities the Company took quick action with our COVID-19 Global Task Force and Action Response Plan.

Public and private sector regulations, policies, and other measures aimed at reducing the transmission of COVID-19 included the imposition of business closures, travel restrictions, the promotion of social distancing, and the adoption of work-from-home and online continuity plans by companies and various institutions. Globally, various governments have provided assistance to those affected including individuals and businesses through a number of taxation deferral, subsidy, and other relief programs. The Company has reopened its manufacturing facilities, while ensuring back-to-work health and safety protocols that were implemented across all of our facilities, is maintained.

The full extent and impact of the COVID-19 pandemic is unknown and at this stage it is very difficult to project what will occur. Potential adverse impacts of the pandemic include, but are not limited to:

- the risk of material reduction in demand for our products due to significant reduction in volume from our automotive and industrial products customers;
- a delay in collection of accounts and long-term receivables which may lead to increased allowance provisions;
- the risk of suppliers and/or customers having financial difficulties up to and including entering restructuring proceedings, insolvency proceedings and/or ceasing operations;
- difficulties in delivering products to customers due to supply chain disruptions; and
- higher capital costs for servicing or paying debt as it comes due.

As at September 30, 2020, the Company is well within covenant compliance. The Company's scenario planning, which includes stress testing our forecasts currently demonstrate that the Company will remain within covenant compliance for the foreseeable future. However, should the economic uncertainty extend out for significantly longer periods than is currently generally believed, the Company may have to re-negotiate terms with its existing lenders and/or seek additional financing. The availability and terms of any such amended or new financing would depend on, among other things, the economic conditions and outlook for the Company and the economy as a whole in existence at that time.

Any future epidemic, pandemic, or other public health crisis that occurs in the future may pose similar risks to the Company.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In response to the COVID-19 pandemic, certain physical distancing measures taken by the Company, customers, suppliers and governments had the potential to impact the design and performance of internal controls over financial reporting for the Company. There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2020, which have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company will continue to monitor any risk associated with a change to its control environment in response to the pandemic.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions.

The following discussion sets forth an update to Impairment of Non-Financial Assets which is considered one of the Company's critical estimates in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

The Company has updated its discussion of the Impairment of Non-Financial Assets critical accounting estimate. As a reminder to our stakeholders that under IFRS, there is a requirement after each reporting period for management to assess whether there is any indication that an asset may be impaired. At the end of September 2020, management carried out this assessment reviewing for indications that goodwill and certain other non-financial assets may be impaired and at that time management didn't believe that there would be a significant continuing adverse long-term impact to the business as a result of COVID-19. For example in our Transportation business at the time of the assessment, there was no expectation of a long-term change in the global demand for automobiles. As part of the review for indicators of impairment, management performed an analysis on certain of its non-financial asset models and determined there were no long-term adverse impacts that would lead to impairment. As required, management will continue to assess these assumptions as this evolving COVID-19 situation changes.

Impairment of Non-Financial Assets

The Company believes that the estimate of impairment for goodwill and non-financial assets is a “critical accounting estimate” because management is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired and to make significant forward-looking assumptions. In assessing whether there is an indication that an asset may be impaired, there are a number of external and internal sources of information which require a high degree of judgement. The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward-looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of the length and extent of the COVID-19 pandemic and its impact on the overall global economy which is not known.

Please refer to the “Critical Accounting Estimates and Judgements” section of the Company’s December 31, 2019 consolidated annual financial statements and September 30, 2020 consolidated interim financial statements for additional information.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

For information pertaining to accounting changes effective in 2020 and for future fiscal years please see the Company’s consolidated financial statements for the year ended December 31, 2019 and the consolidated interim financial statements for the quarter ended September 30, 2020.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Non-GAAP Measures

The Company uses certain non-GAAP financial measures including Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, EBITDA – Normalized, and Free Cash Flow. The Company believes these non-GAAP financial measures provide useful information to both management and investors in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company’s underlying operational performance. For this reason, management uses certain non-GAAP financial measures to exclude foreign exchange impacts, and the impact of unusual items when analyzing consolidated and segment underlying operational performance, on a consistent basis. The exclusion of certain items does not imply that they are non-recurring.

These Non-GAAP financial 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 they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Normalizing Items

During Q3 2020, an unusual item of $13.8 million related to the closing of a facility impacted the Transportation segment’s earnings. For EBITDA the impairment of assets is included in its definition and therefore the unusual item is the remaining portion for the closure of the facility. During Q2 2020, an unusual item of $9.1 million related to make-whole interest for the early prepayment of the 2021 Notes impacted net earnings. During Q1, Q2, and Q3 2019, an unusual item related to restructuring adjusted the Transportation segment’s earnings.

(in millions of dollars)	Three Months Ended September 30 2020 $	2019 $	+/- $	+/- %	Nine Months Ended September 30 2020 $	2019 $	+/- $	+/- %
Operating Earnings (Loss)	176.1	142.3	33.8	23.8%	268.8	545.2	(276.4)	(50.7%)
Foreign exchange (gain) loss	7.5	(6.2)	13.7		(1.0)	8.0	(9.0)	
Unusual item	13.8	3.1	10.7		13.8	9.0	4.8	
Operating Earnings (Loss) – Normalized	197.4	139.2	58.2	41.8%	281.6	562.2	(280.6)	(49.9%)
Net Earnings (Loss)	125.5	98.2	27.3	27.8%	166.1	380.7	(214.6)	(56.4%)
Foreign exchange (gain) loss	7.5	(6.2)	13.7		(1.0)	8.0	(9.0)	
Foreign exchange (gain) loss on debt and derivatives	(0.9)	0.5	(1.4)		4.7	0.2	4.5	
Unusual item	13.8	3.1	10.7		22.9	9.0	13.9	
Tax impact	(5.4)	0.6	(6.0)		(7.1)	(4.0)	(3.1)	
Net Earnings (Loss) – Normalized	140.5	96.2	44.3	46.0%	185.6	393.9	(208.3)	(52.9%)
Net Earnings (Loss) per Share – Diluted	1.92	1.50	0.42	28.0%	2.54	5.80	(3.26)	(56.2%)
Foreign exchange (gain) loss	0.12	(0.09)	0.21		(0.01)	0.12	(0.13)	
Foreign exchange (gain) loss on debt and derivatives	(0.02)	-	(0.02)		0.07	-	0.07	
Unusual item	0.21	0.05	0.16		0.35	0.14	0.21	
Tax impact	(0.08)	0.01	(0.09)		(0.11)	(0.06)	(0.05)	
Net Earnings (Loss) per Share – Diluted – Normalized	2.15	1.47	0.68	46.3%	2.84	6.00	(3.16)	(52.7%)
EBITDA	300.6	245.7	54.9	22.3%	609.6	848.9	(239.3)	(28.2%)
Foreign exchange (gain) loss	7.5	(6.2)	13.7		(1.0)	8.0	(9.0)	
Foreign exchange (gain) loss on debt and derivatives	(0.9)	0.5	(1.4)		4.7	0.2	4.5	
Unusual item net of impairment of assets	2.1	3.1	(1.0)		2.1	9.0	(6.9)	
EBITDA – Normalized	309.3	243.1	66.2	27.2%	615.4	866.1	(250.7)	(28.9%)

(in millions of dollars)	Three Months Ended September 30 2020 Industrial $	Transportation $	Linamar $	Nine Months Ended September 30 2020 Industrial $	Transportation $	Linamar $
Operating Earnings (Loss)	41.2	134.9	176.1	108.6	160.2	268.8
EBITDA	57.3	243.3	300.6	157.2	452.4	609.6
Foreign exchange (gain) loss	7.5	-	7.5	8.0	(9.0)	(1.0)
Unusual item	-	13.8	13.8	-	13.8	13.8
Operating Earnings (Loss) – Normalized	48.7	148.7	197.4	116.6	165.0	281.6
Impairment of assets within Unusual Item	-	(11.7)	(11.7)	-	(11.7)	(11.7)
Foreign exchange (gain) loss on debt and derivatives	(0.1)	(0.8)	(0.9)	-	4.7	4.7
EBITDA – Normalized	64.7	244.6	309.3	165.2	450.2	615.4

(in millions of dollars)	Three Months Ended September 30 2019 Industrial $	Transportation $	Linamar $	Nine Months Ended September 30 2019 Industrial $	Transportation $	Linamar $
Operating Earnings (Loss)	36.9	105.4	142.3	209.7	335.5	545.2
EBITDA	53.3	192.4	245.7	256.9	592.0	848.9
Foreign exchange (gain) loss	0.5	(6.7)	(6.2)	13.1	(5.1)	8.0
Unusual item	1.8	1.3	3.1	1.8	7.2	9.0
Operating Earnings (Loss) – Normalized	39.2	100.0	139.2	224.6	337.6	562.2
Foreign exchange (gain) loss on debt and derivatives	0.1	0.4	0.5	-	0.2	0.2
EBITDA – Normalized	55.7	187.4	243.1	271.8	594.3	866.1

Operating Earnings (Loss) – Normalized

The Company believes Operating Earnings (Loss) – Normalized is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Operating Earnings (Loss) – Normalized is calculated as Operating Earnings (Loss), as defined in "Additional GAAP Measures" below, and as presented in the Company's consolidated financial statements, adjusted for foreign exchange gain (loss), and any unusual items, if applicable, that are considered not to be indicative of underlying operational performance. See the "Normalizing Items" section above for a description of the unusual items impacting the operational performance discussed in this MD&A and a reconciliation of GAAP Operating Earnings (Loss) to Operating Earnings (Loss) – Normalized.

Net Earnings (Loss) – Normalized

The Company believes Net Earnings (Loss) – Normalized is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) – Normalized is calculated as Net Earnings (Loss) as presented in the Company's consolidated financial statements adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and any unusual items, if applicable, that are considered not to be indicative of underlying operational performance. See the "Normalizing Items" section above for a description of the unusual items impacting the operational performance discussed in this MD&A and a reconciliation of GAAP Net Earnings (Loss) to Net Earnings (Loss) – Normalized.

Net Earnings (Loss) per Share – Diluted – Normalized

The Company believes Net Earnings (Loss) per Share – Diluted – Normalized is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) per Share – Diluted – Normalized is calculated as Net Earnings (Loss) – Normalized (as defined above) divided by the fully diluted number of shares outstanding as at the period end date. See the "Normalizing Items" section above for a description of the unusual items, if applicable, impacting the operational performance discussed in this MD&A and a reconciliation of GAAP Net Earnings (Loss) per Share – Diluted to Net Earnings (Loss) per Share – Diluted – Normalized.

EBITDA – Normalized

The Company believes EBITDA – Normalized is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. EBITDA – Normalized is calculated as EBITDA, as defined in "Additional GAAP Measures" below, and as presented in the Company's consolidated financial statements, adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and any unusual items, if applicable, that are considered not to be indicative of underlying operational performance. See the "Normalizing Items" section above for a description of the unusual items impacting the operational performance discussed in this MD&A and a reconciliation of GAAP EBITDA to EBITDA – Normalized.

Free Cash Flow

The Company believes Free Cash Flow is useful in assessing the Company's ability to generate cash. Free Cash Flow is calculated as cash from operating activities less payments for purchase of property, plant and equipment plus proceeds on disposal of property, plant and equipment.

Additional GAAP Measures

IFRS mandates certain minimum line items for financial statements and requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of an entity's financial position and performance. The Company presents the following additional GAAP measures in the Company's consolidated financial statements.

Operating Earnings (Loss)

Operating Earnings (Loss) is calculated as Net Earnings (Loss) before income taxes, finance income and (expenses) and share of net earnings (loss) of investments accounted for using the equity method, as presented on the Company's consolidated interim statements of earnings. This measure, along with other GAAP and non-GAAP measures are used by the chief operating decision makers and management to assess operating performance and the effective use and allocation of resources and to provide more meaningful comparisons of operating results.

EBITDA

EBITDA is calculated as Net Earnings (Loss) before interest, income taxes, and amortization. Please see the notes to the consolidated interim financial statements for the calculation. This measure, along with other GAAP and non-GAAP measures are used by the chief operating decision makers and management to assess operating performance, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results.

SUMMARY OF CONTENT PER VEHICLE BY QUARTER

Estimates as of September 30, 2020	Three Months Ended			Year to Date		
	Mar 31 2020	Jun 30 2020	Sep 30 2020	Mar 31 2020	Jun 30 2020	Sep 30 2020
North America						
Vehicle Production Units	3.90	1.42	4.11	3.90	5.31	9.42
Automotive Sales	$ 666.5	$ 267.1	$ 750.3	$ 666.5	$ 933.6	$ 1,684.0
Content Per Vehicle	$ 170.96	$ 188.58	$ 182.76	$ 170.96	$ 175.66	$ 178.75
Europe						
Vehicle Production Units	4.70	2.24	4.31	4.70	6.94	11.26
Automotive Sales	$ 399.7	$ 183.1	$ 335.3	$ 399.7	$ 582.8	$ 918.1
Content Per Vehicle	$ 85.01	$ 81.70	$ 77.72	$ 85.01	$ 83.94	$ 81.56
Asia Pacific						
Vehicle Production Units	8.22	8.57	10.87	8.22	16.78	27.65
Automotive Sales	$ 88.6	$ 118.9	$ 138.5	$ 88.6	$ 207.5	$ 346.0
Content Per Vehicle	$ 10.79	$ 13.88	$ 12.74	$ 10.79	$ 12.37	$ 12.51

Estimates as of June 30, 2020	Three Months Ended		Year to Date	
	Mar 31 2020	Jun 30 2020	Mar 31 2020	Jun 30 2020
North America				
Vehicle Production Units	3.88	1.39	3.88	5.27
Automotive Sales	$ 666.5	$ 267.1	$ 666.5	$ 933.6
Content Per Vehicle	$ 171.75	$ 192.74	$ 171.75	$ 177.27
Europe				
Vehicle Production Units	4.69	2.12	4.69	6.80
Automotive Sales	$ 399.7	$ 183.1	$ 399.7	$ 582.8
Content Per Vehicle	$ 85.28	$ 86.53	$ 85.28	$ 85.67
Asia Pacific				
Vehicle Production Units	8.24	8.43	8.24	16.67
Automotive Sales	$ 88.6	$ 118.9	$ 88.6	$ 207.5
Content Per Vehicle	$ 10.76	$ 14.11	$ 10.76	$ 12.45

Change in Estimates from Prior Quarter	Three Months Ended		Year to Date	
	Mar 31 2020 +/-	Jun 30 2020 +/-	Mar 31 2020 +/-	Jun 30 2020 +/-
North America				
Vehicle Production Units	0.02	0.03	0.02	0.04
Automotive Sales	$ -	$ -	$ -	$ -
Content Per Vehicle	$ (0.79)	$ (4.16)	$ (0.79)	$ (1.61)
Europe				
Vehicle Production Units	0.01	0.12	0.01	0.14
Automotive Sales	$ -	$ -	$ -	$ -
Content Per Vehicle	$ (0.27)	$ (4.83)	$ (0.27)	$ (1.73)
Asia Pacific				
Vehicle Production Units	(0.02)	0.14	(0.02)	0.11
Automotive Sales	$ -	$ -	$ -	$ -
Content Per Vehicle	$ 0.03	$ (0.23)	$ 0.03	$ (0.08)

FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this MD&A, the Annual Report 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; public health threats; cyclicality and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; 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.

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at September 30, 2020 with comparatives as at December 31, 2019 (Unaudited)
(in thousands of Canadian dollars)

	September 30 2020 $	December 31 2019 $
ASSETS		
Cash and cash equivalents	570,086	338,226
Accounts and other receivables	963,908	988,245
Inventories	892,169	991,759
Income taxes recoverable	17,740	47,216
Current portion of long-term receivables (Note 6)	64,236	118,095
Current portion of derivative financial instruments (Note 6)	4,988	6,415
Other current assets	35,045	40,879
Current Assets	2,548,172	2,530,835
Long-term receivables (Note 6)	347,526	403,811
Derivative financial instruments (Note 6)	2,155	84,758
Property, plant and equipment	2,678,315	2,758,764
Investments	6,661	6,642
Deferred tax assets	87,335	61,840
Intangible assets	877,417	873,616
Goodwill	891,776	858,541
Assets	7,439,357	7,578,807
LIABILITIES		
Short-term borrowings	-	5,561
Accounts payable and accrued liabilities	1,361,011	1,271,856
Provisions	36,013	40,358
Income taxes payable	67,447	23,188
Current portion of long-term debt (Notes 6, 7)	603,512	26,186
Current portion of derivative financial instruments (Note 6)	16,745	-
Current Liabilities	2,084,728	1,367,149
Long-term debt (Notes 6, 7)	843,231	1,865,942
Derivative financial instruments (Note 6)	-	20,153
Deferred tax liabilities	268,232	295,808
Liabilities	3,196,191	3,549,052
EQUITY		
Capital stock	146,204	132,356
Retained earnings	3,968,365	3,830,666
Contributed surplus	24,495	27,578
Accumulated other comprehensive earnings (loss)	104,102	39,155
Equity	4,243,166	4,029,755
Liabilities and Equity	7,439,357	7,578,807

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

(Signed) "Frank Hasenfratz"

Frank Hasenfratz
Director

(Signed) "Linda Hasenfratz"

Linda Hasenfratz
Director

LINAMAR CORPORATION
Consolidated Interim Statements of Earnings
For the nine months ended September 30, 2020 and September 30, 2019 (Unaudited)
(in thousands of Canadian dollars, except per share figures)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
	$	$	$	$
Sales	1,637,392	1,739,957	4,110,728	5,800,564
Cost of sales	1,363,911	1,509,884	3,595,794	4,932,267
Gross Margin	273,481	230,073	514,934	868,297
Selling, general and administrative	89,791	94,316	247,663	315,545
Other income and (expenses) (Note 9)	(7,589)	6,560	1,506	(7,581)
Operating Earnings (Loss)	176,101	142,317	268,777	545,171
Share of net earnings (loss) of investments accounted for using the equity method	(4,360)	(2,332)	(15,937)	(7,806)
Finance income and (expenses) (Note 10)	(1,546)	(11,130)	(26,722)	(37,155)
Net Earnings (Loss) before Income Taxes	170,195	128,855	226,118	500,210
Provision for (recovery of) income taxes	44,709	30,617	60,065	119,483
Net Earnings (Loss) for the Period	125,486	98,238	166,053	380,727
Net Earnings (Loss) Per Share:				
Basic	1.92	1.51	2.54	5.83
Diluted	1.92	1.50	2.54	5.80

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION
Consolidated Interim Statements of Comprehensive Earnings
For the nine months ended September 30, 2020 and September 30, 2019 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
	$	$	$	$
Net Earnings (Loss) for the Period	125,486	98,238	166,053	380,727
Items that may be reclassified subsequently to net income				
Unrealized gains (losses) on translating financial statements of foreign operations	43,507	(82,136)	122,418	(242,151)
Change in unrealized gains (losses) on net investment hedges	(21,462)	27,446	(63,099)	71,575
Change in unrealized gains (losses) on cash flow hedges	5,613	15,379	(34,506)	(39,749)
Change in cost of hedging	(3,138)	(364)	5,955	8,968
Reclassification to earnings of gains (losses) on cash flow hedges	12,134	(12,648)	15,022	33,958
Tax impact of above	1,714	(7,453)	19,157	(18,688)
Other Comprehensive Earnings (Loss)	38,368	(59,776)	64,947	(186,087)
Comprehensive Earnings (Loss) for the Period	163,854	38,462	231,000	194,640

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION
Consolidated Interim Statements of Changes in Equity
For the nine months ended September 30, 2020 and September 30, 2019 (Unaudited)
(in thousands of Canadian dollars)

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2020	132,356	3,830,666	27,578	36,469	2,686	4,029,755
Net Earnings (Loss)	-	166,053	-	-	-	166,053
Other comprehensive earnings (loss)	-	-	-	74,356	(9,409)	64,947
Comprehensive Earnings (Loss)	-	166,053	-	74,356	(9,409)	231,000
Share-based compensation	-	-	1,831	-	-	1,831
Shares issued on exercise of options	14,417	-	(4,914)	-	-	9,503
Common shares repurchased and cancelled (Note 8)	(569)	(12,711)	-	-	-	(13,280)
Dividends	-	(15,643)	-	-	-	(15,643)
Balance at September 30, 2020	146,204	3,968,365	24,495	110,825	(6,723)	4,243,166

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2019	122,393	3,459,841	28,449	197,221	(4,772)	3,803,132
Net Earnings (Loss)	-	380,727	-	-	-	380,727
Other comprehensive earnings (loss)	-	-	-	(186,893)	806	(186,087)
Comprehensive Earnings (Loss)	-	380,727	-	(186,893)	806	194,640
Share-based compensation	-	-	1,887	-	-	1,887
Shares issued on exercise of options	11,382	-	(3,648)	-	-	7,734
Common shares repurchased and cancelled	(1,419)	(28,285)	-	-	-	(29,704)
Dividends	-	(23,502)	-	-	-	(23,502)
Balance at September 30, 2019	132,356	3,788,781	26,688	10,328	(3,966)	3,954,187

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION
Consolidated Interim Statements of Cash Flows
For the nine months ended September 30, 2020 and September 30, 2019 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
	$	$	$	$
Cash generated from (used in)				
Operating Activities				
Net Earnings (Loss) for the Period	125,486	98,238	166,053	380,727
Adjustments for:				
Amortization of property, plant and equipment	98,977	90,465	298,113	263,857
Amortization of other intangible assets	11,065	10,034	32,570	30,958
Deferred income taxes	(1,170)	(1,947)	(28,890)	(3,321)
Property, plant and equipment impairment provision	11,725	-	11,725	-
Share-based compensation	610	627	1,831	1,887
Finance (income) and expenses	1,546	11,130	26,722	37,155
Other	8,938	(6,679)	24,755	2,755
	257,177	201,868	532,879	714,018
Changes in operating assets and liabilities:				
(Increase) decrease in accounts and other receivables	(195,675)	88,437	21,053	(157,829)
(Increase) decrease in inventories	43,828	27,316	112,448	125,852
(Increase) decrease in other current assets	(3,088)	(6,820)	6,165	(3,446)
(Increase) decrease in long-term receivables	68,744	(32,291)	109,821	(25,243)
Increase (decrease) in income taxes	39,442	(752)	64,733	(21,564)
Increase (decrease) in accounts payable and accrued liabilities	309,630	(59,074)	102,229	31,653
Increase (decrease) in provisions	(1,689)	(3,777)	(4,811)	1,568
	261,192	13,039	411,638	(49,009)
Cash generated from (used in) operating activities	518,369	214,907	944,517	665,009
Financing Activities				
Proceeds from (repayments of) short-term borrowings	(594)	(3,420)	(6,370)	(5,586)
Proceeds from (repayments of) long-term debt	(253,862)	(47,633)	(495,223)	(204,734)
Proceeds from exercise of stock options	-	6,445	9,503	7,734
Repurchase of shares (Note 8)	-	(21,713)	(13,280)	(29,704)
Dividends	(3,927)	(7,839)	(15,643)	(23,502)
Finance income received (expenses paid)	(1,892)	(11,357)	(22,739)	(34,627)
Settlement of forward contracts	16,093	-	41,428	-
Cash generated from (used in) financing activities	(244,182)	(85,517)	(502,324)	(290,419)
Investing Activities				
Payments for purchase of property, plant and equipment	(73,867)	(158,533)	(188,549)	(405,327)
Proceeds on disposal of property, plant and equipment	574	5,605	6,684	18,699
Payments for purchase of intangible assets	(8,453)	(15,766)	(20,069)	(25,492)
Other	(2,038)	4,480	(7,327)	(5,479)
Cash generated from (used in) investing activities	(83,784)	(164,214)	(209,261)	(417,599)
	190,403	(34,824)	232,932	(43,009)
Effect of translation adjustment on cash	4,133	(7,963)	(1,072)	(34,201)
Increase (decrease) in cash and cash equivalents	194,536	(42,787)	231,860	(77,210)
Cash and cash equivalents - Beginning of Period	375,550	437,552	338,226	471,975
Cash and cash equivalents - End of Period	570,086	394,765	570,086	394,765
Comprised of:				
Cash in bank	417,000	281,495	417,000	281,495
Short-term deposits	168,195	119,698	168,195	119,698
Unpresented cheques	(15,109)	(6,428)	(15,109)	(6,428)
	570,086	394,765	570,086	394,765

The accompanying notes are an integral part of these consolidated interim financial statements.

1 General Information

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange ("TSX"). The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended September 30, 2020 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 10, 2020.

2 Basis of Presentation and Significant Accounting Policies

The Company has prepared its consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2019. These policies have been consistently applied to all periods presented, unless otherwise stated.

3 Changes in Accounting Policies

New Standards and Interpretations Not Yet Adopted
All pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. At the date of authorization of these interim financial statements, there were no new standards, amendments and interpretations to existing standards that were relevant to the Company.

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions.

The following discussion sets forth an update to Impairment of Non-Financial Assets which is considered one of the Company's critical estimates in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

Impairment of Non-Financial Assets
The Company believes that the estimate of impairment for goodwill and non-financial assets is a "critical accounting estimate" because management is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired and to make significant forward-looking assumptions. In assessing whether there is an indication that an asset may be impaired, there are a number of external and internal sources of information which require a high degree of judgement. The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward-looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of the length and extent of the COVID-19 pandemic and its impact on the overall global economy which is not known.

(in thousands of Canadian dollars, except where otherwise noted)

Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2019 consolidated annual financial statements for additional information.

5 Seasonality

Historically, earnings in the second quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Transportation segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers' production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

6 Composition of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with their fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

		September 30, 2020		December 31, 2019	
	Subsequent Measurement	Carrying Value Asset (Liability) $	Fair Value $	Carrying Value Asset (Liability) $	Fair Value $
Long-term receivables	Amortized cost (Level 2)	411,762	455,410	521,906	529,685
Derivative financial instruments					
USD interest payment forward contracts (Note 7)	Fair value (Level 2)	-	-	3,230	3,230
USD debt principal forward contracts (Note 7)	Fair value (Level 2)	-	-	29,838	29,838
USD cross currency interest rate swaps	Fair value (Level 2)	3,036	3,036	(20,153)	(20,153)
EUR cross currency interest rate swaps	Fair value (Level 2)	(10,073)	(10,073)	52,218	52,218
USD sales forwards – CAD functional entities	Fair value (Level 2)	2,105	2,105	5,887	5,887
USD sales forwards – MXN functional entities	Fair value (Level 2)	(5,660)	(5,660)	-	-
USD sales forwards – CNY functional entities	Fair value (Level 2)	990	990	-	-
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	6,661	6,661	6,642	6,642
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(1,378,580)	(1,373,721)	(1,819,589)	(1,807,840)

Beginning in the fourth quarter of 2019, the Company entered into a series of forward exchange contracts to hedge a portion of the ultimate cash flows arising from highly probable forecasted United States dollar ("USD") sales. The Company's program hedges a portion of USD sales contracts entered into by entities with various functional currencies. All the contracts are designated as cash flow hedges and are accounted for in the same manner. At period end there were contracts in place which hedge a portion of USD sales for a period of approximately eighteen months and the USD notional hedge values and average forward rates back to the respective functional currencies are as follows:

	September 30, 2020		December 31, 2019	
	Notional Hedge Value USD $	Average Forward Rate	Notional Hedge Value USD $	Average Forward Rate
USD sales forwards – CAD functional entities	214,550	1.3407	206,675	1.3271
USD sales forwards – MXN functional entities	159,275	22.2140	-	-
USD sales forwards – CNY functional entities	33,350	7.0614	-	-

(in thousands of Canadian dollars, except where otherwise noted)

7 Long-Term Debt

	September 30 2020 $	December 31 2019 $
Senior unsecured notes	-	168,778
Bank borrowings	1,299,688	1,570,791
Lease liabilities	68,163	72,539
Government borrowings	78,892	80,020
	1,446,743	1,892,128
Less: current portion	603,512	26,186
	843,231	1,865,942

As of September 30, 2020, $757,045 was available under the various credit facilities. Of the current portion, USD $434,737 is not due for payment until January 2021.

In June 2020, the USD $130,000 senior unsecured notes, due in September 2021, were fully repaid. The hedge interest payment and debt principal forward contracts used to convert the United States stated coupon rate to a Canadian interest rate, and to lock in the exchange rate on the principal repayment component, were terminated at the same time (Note 6).

8 Capital Stock

In March 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to renew its normal course issuer bid ("NCIB" or "Bid"). Under the NCIB, Linamar has the ability to purchase for cancellation up to a maximum of 4,396,427 common shares from March 20, 2020 until March 19, 2021, representing approximately 10% of the public float of 43,964,265 that were issued and outstanding as of March 6, 2020. No shares were purchased and cancelled from March 20, 2020 to September 30, 2020 due to the COVID-19 pandemic.

9 Other Income and (Expenses)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020 $	2019 $	2020 $	2019 $
Foreign exchange gain (loss)	(7,534)	6,191	1,017	(8,033)
Other income (expense)	(55)	369	489	452
	(7,589)	6,560	1,506	(7,581)

10 Finance Income and (Expenses)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020 $	2019 $	2020 $	2019 $
Finance costs	(7,734)	(15,989)	(38,140)	(52,969)
Foreign exchange gain (loss) on debt and derivatives	885	(411)	(4,657)	(185)
Interest earned	7,177	7,269	22,177	21,762
Other	(1,874)	(1,999)	(6,102)	(5,763)
	(1,546)	(11,130)	(26,722)	(37,155)

11 Government Grants

In response to COVID-19, many governments around the world have provided various subsidy programs to assist companies during the crisis. The Company received government assistance in regions where such assistance was available and where the Company was eligible for the subsidy programs. The Company has recognized these subsidy programs as a reduction to the related expenses. A significant benefit to Linamar was from a subsidy program in Canada. The Canada Emergency Wage Subsidy ("CEWS") program was announced in March 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. The direct benefit of CEWS recorded in the consolidated interim statement of earnings was $47,050 for the current three month period and approximately $108,061 for the year to date period.

(in thousands of Canadian dollars, except where otherwise noted)

12 Commitments

As at September 30, 2020, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $110,286 (September 30, 2019 - $113,084). Of this amount $105,371 (September 30, 2019 - $104,248) relates to the purchase of manufacturing equipment and $4,915 (September 30, 2019 - $8,836) relates to general contracting and construction costs in respect of plant construction. The majority of these commitments are due within the next twelve months.

13 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Transportation: The Transportation segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Transportation and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	$	$	$	$	$	$	$
Transportation	1,338,947	4,170	134,883	3,254,131	17,253	160,131	4,825,542
Industrial	298,445	2,691	41,218	856,597	8,929	108,646	2,613,815
Total	1,637,392	6,861	176,101	4,110,728	26,182	268,777	7,439,357

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	$	$	$	$	$	$	$
Transportation	1,359,381	9,391	105,384	4,355,769	31,091	335,445	5,010,561
Industrial	380,576	3,048	36,933	1,444,795	8,220	209,726	3,034,510
Total	1,739,957	12,439	142,317	5,800,564	39,311	545,171	8,045,071

(in thousands of Canadian dollars, except where otherwise noted)

Net earnings (loss) before income taxes reconciles to earnings before interest, taxes and amortization ("EBITDA") as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
	$	$	$	$
Net earnings (loss) before income taxes	170,195	128,855	226,118	500,210
Amortization of property, plant and equipment	98,977	90,465	298,113	263,857
Amortization of other intangible assets	11,065	10,034	32,570	30,958
Property, plant and equipment impairment provision	11,725	-	11,725	-
Finance costs	7,734	15,989	38,140	52,969
Other interest	889	405	2,950	891
EBITDA	300,585	245,748	609,616	848,885
Transportation	243,323	192,482	452,402	592,028
Industrial	57,262	53,266	157,214	256,857
	300,585	245,748	609,616	848,885

14 Subsequent Events

During the first nine months of 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, spread across the globe impacting worldwide economic activity. The extent to which the financial results and condition of the Company in future periods may be affected depends on future developments and cannot be reliably determined at the date of these interim financial statements. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.