Conference Call Presentation

Q1 2019 Conference Call Information
Local: (647) 427-3383
Toll Free: (888) 424-9894 (North America)
Conference ID 5899778

Linda Hasenfratz

May 2, 2019

Forward Looking Information, Risk and Uncertainties

Certain information regarding Linamar set forth in this presentation and oral summary, including managements assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from these anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions, may in turn have a material adverse effect on the Company's financial results. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements. Content is protected by copyright and may not be reproduced or repurposed without express written consent by the Company.

Sales, Normalized[1] Earnings and CPV

1 –Management uses certain non-GAAP financial measures including normalized earnings which exclude foreign exchange impacts and the impact of unusual items when analyzing consolidated and segment underlying operational performance. 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”).

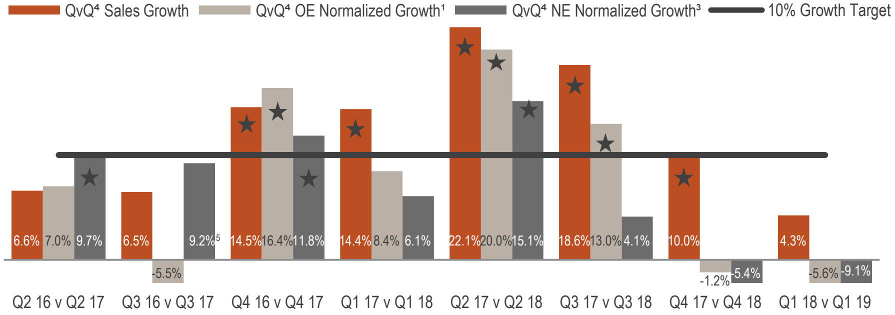
Sales, Normalized Earnings, and Margins (in millions CAD)

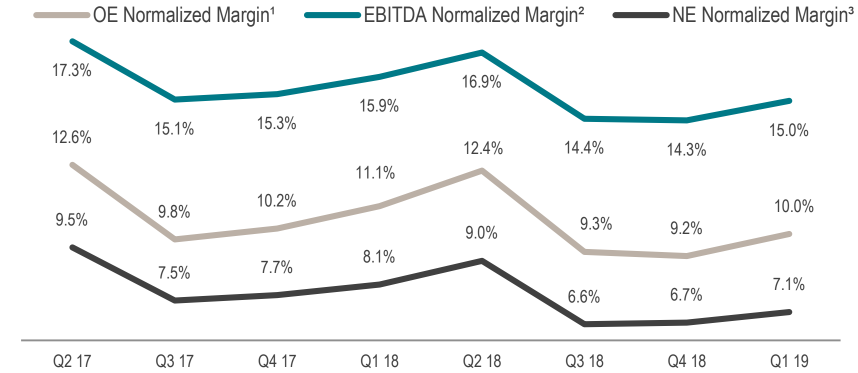
	Q1 2019	Q1 2018	% Δ
Sales	1,974.5	1,893.9	4.3%
Industrial OE – Normalized[1]	77.9	62.7	24.2%
Transportation OE – Normalized[1]	119.8	146.8	(18.4%)
OE – Normalized[1]	197.7	209.5	(5.6%)
OE – Normalized Margin	10.0%	11.1%	
EBITDA – Normalized[2]	296.8	301.9	(1.7%)
EBITDA – Normalized Margin	15.0%	15.9%	
NE – Normalized[3]	139.4	153.4	(9.1%)
NE – Normalized Margin	7.1%	8.1%	
EPS – Normalized[6]	2.11	2.32	(9.1%)

Q1 2019
- Sales up 4.3% despite most global markets down
  - Global Vehicle markets down 5.1%
- Normalized OE and NE down but Normalized EBITDA flat to last year
- Industrial segment normalized earnings up 24%, margins up as well

Helped By:
- MacDon performance
- Strong launches in Transportation

Hurt By:
- Production cuts at key customers in Europe due to lower diesel engine demand and WLTP
- Production cuts in China
- Launch costs and transition impact
  - Transition to next generation platforms weighing on margins as both launching & declining platforms running at sub optimal levels
  - Costs of launches globally given high level currently launching
- Higher commodity costs in Industrial
- Higher interest and tax costs vs Q1 2018



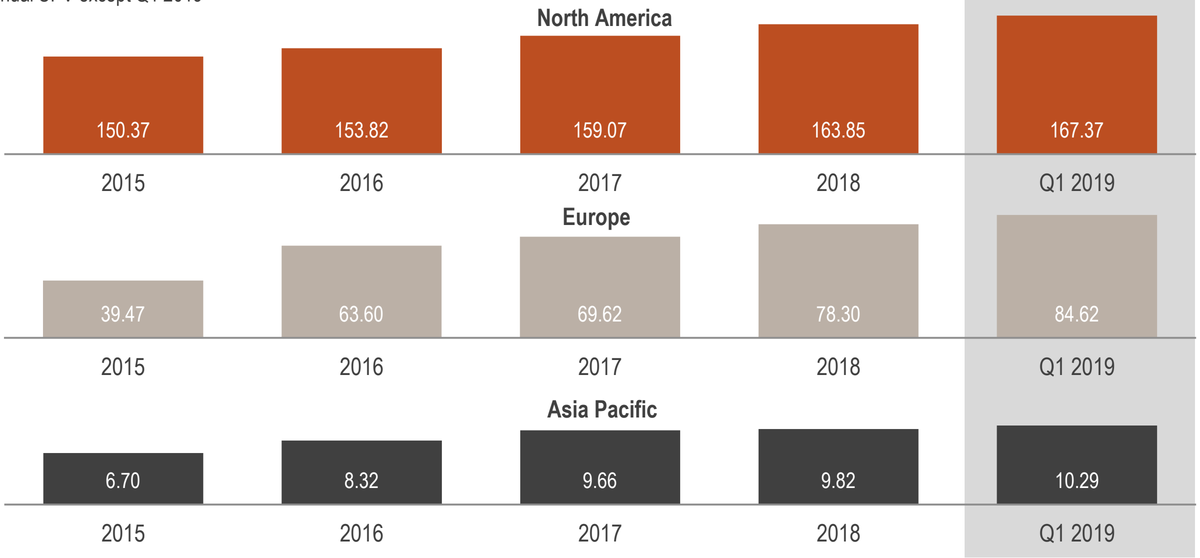


1 – Operating Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet.
2 – EBITDA before unusual items and foreign exchange impacts from revaluation of the balance sheet.
3 – Net Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax effected.
4 – Quarter versus quarter ("QvQ") indicates year over year comparison of two of the same quarters.
5 – Net Earnings before unusual items, non-recurring items, and foreign exchange impacts from revaluation of the balance sheet, tax affected.
6 – Earnings per share (EPS) before unusual items, and foreign exchange impacts from revaluation of the balance sheet, tax affected

Automotive Sales & Content Per Vehicle (CPV)

	CPV Q1 2019	CPV Q1 2018	CPV % Change	Vehicle Production Units % Change	Automotive Sales Q1 2019 (CAD Millions)	Automotive Sales Q1 2018 (CAD Millions)	Automotive Sales % Change
North America	167.37	165.43	1.2%	(0.2%)	752.9	745.9	0.9%
Europe	84.62	76.74	10.3%	(5.3%)	472.4	452.1	4.5%
Asia Pacific	10.29	10.90	(5.6%)	(6.6%)	120.2	136.2	(11.7%)
Other Automotive Sales	-	-	-	-	69.8	66.5	5.0%

Annual CPV except Q1 2019

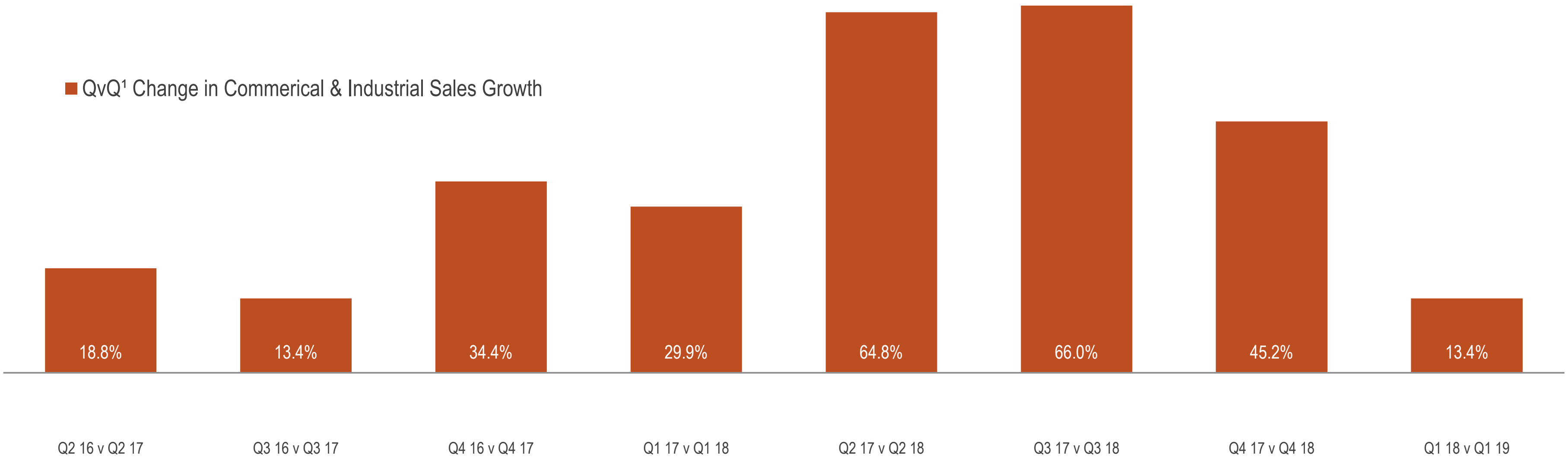


- Solid CPV growth in NA & EU in quarter offsetting declining markets in each region

Commercial & Industrial Sales (in millions CAD)

	Q1 2019	Q1 2018	% Change
Sales	559.2	493.2	13.4%

- MacDon up with 3 months vs 2 last year, global market share growth combine headers

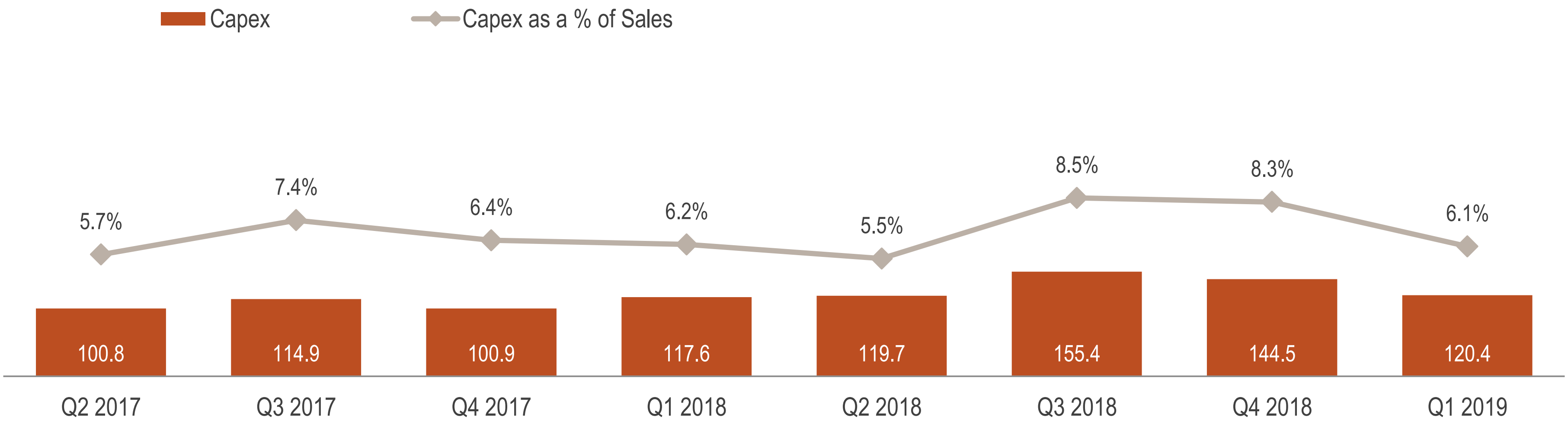


1 – Quarter versus quarter ("QVQ") indicates year over year comparison of two of the same quarters.

Capital Expenditures (in millions CAD)

	Q1 2019	Q1 2018
Capital Expenditures (Capex)	120.4	117.6
Capex as a % of Sales	6.1%	6.2%

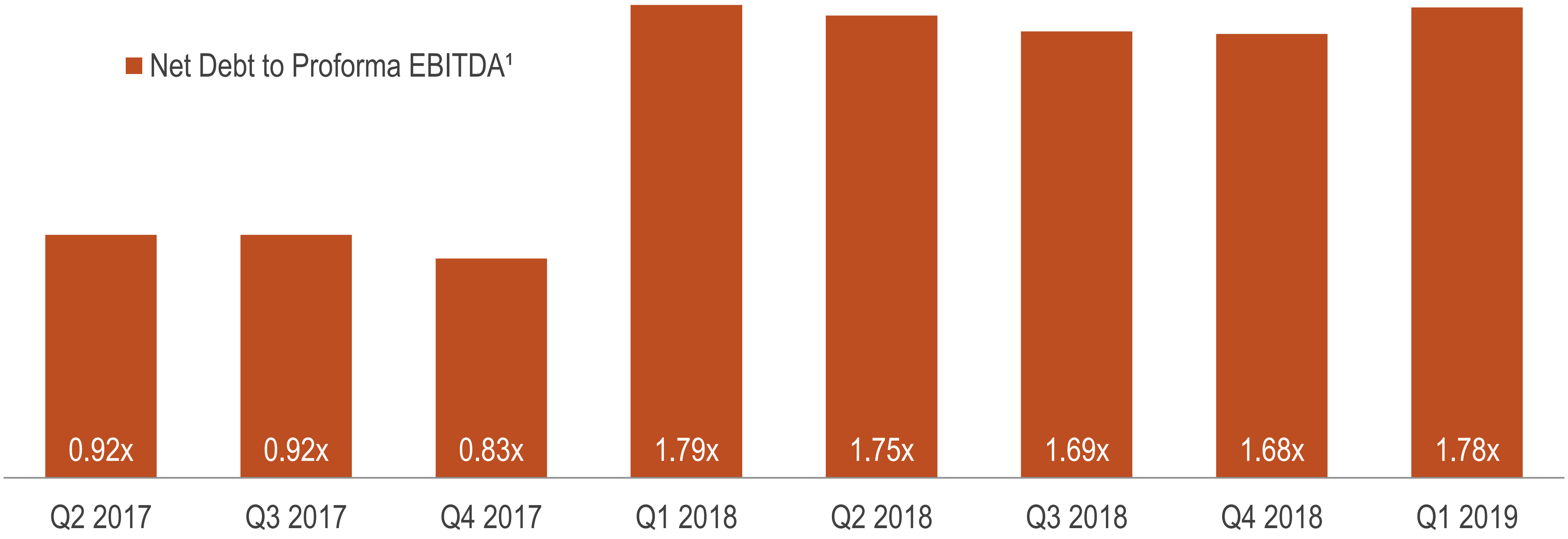
- Normal range (annually) 6-8%
  - 2019 expect low end of range, down from 2018
  - 2020 expect low end of range
- Using disciplined approach to spending given economic uncertainties



Leverage (in millions CAD)

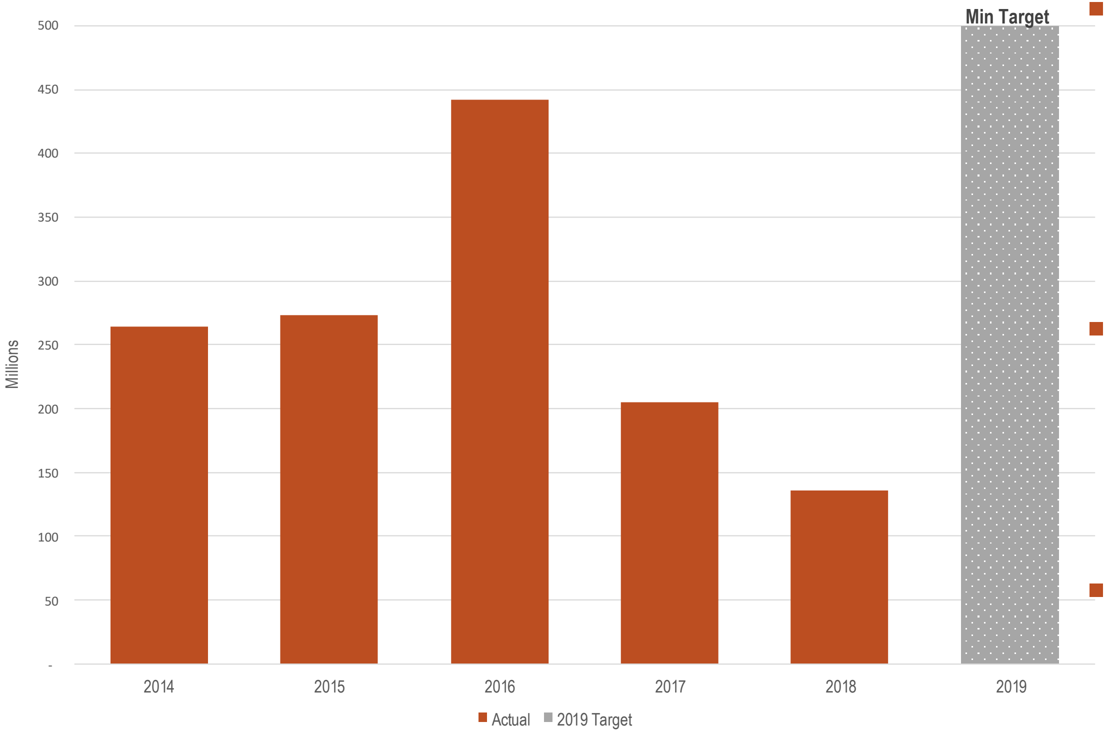
	Q1 2019	Q4 2018	Q1 2018
Net Debt	2,084.8	2,016.5	2,160.8
Net Debt to Proforma EBITDA[1]	1.78x	1.68x	1.79x

- Change to IFRS Rules resulted in $78.7 mill of leases to now be considered debt
- Adjusting for such net debt would have been down ~$10 mill thanks to $22 mill FCF & Leverage would be better
  - NCWC down as a % of sales, expect further declines this year
- Net Debt back to ~1x EBITDA by late 2019



1- Proforma EBITDA includes rolling last 12 month EBITDA on acquisitions.

2019 Expected to Drive Solid Free Cash Flow



- 2019 expected to generate between \$500 and \$700 million through
  - Higher earnings over 2018;
  - Lower Capex than 2018;
  - Focused NCWC Improvements; and
  - Long Term AR ("LTAR") Improvements
- NCWC Improvements focused on
  - Inventory reductions
  - Improvements at recently acquired companies (MacDon, Montupet, LSF)
  - MacDon Trade AR financing program
- Long Term AR
  - 2018 Skyjack LTAR financing program initiated and expected to drive Cashflow improvements in 2019

Market Update

Market Snapshot 2019, 2020

2019	Transportation: Automotive (LV)	Transportation: Commercial Truck	Agriculture	Industrial: Skyjack
North America	Flat	Growth	Flat	Growth
Europe	Flat	Growth	Decline	Moderate Growth
Asia	Flat	Decline	Decline	Growth

2020	Transportation: Automotive (LV)	Transportation: Commercial Truck	Industrial: Skyjack
North America	Flat	Decline	Decline
Europe	Flat	Moderate Growth	Flat
Asia	Moderate Growth	Decline	Decline

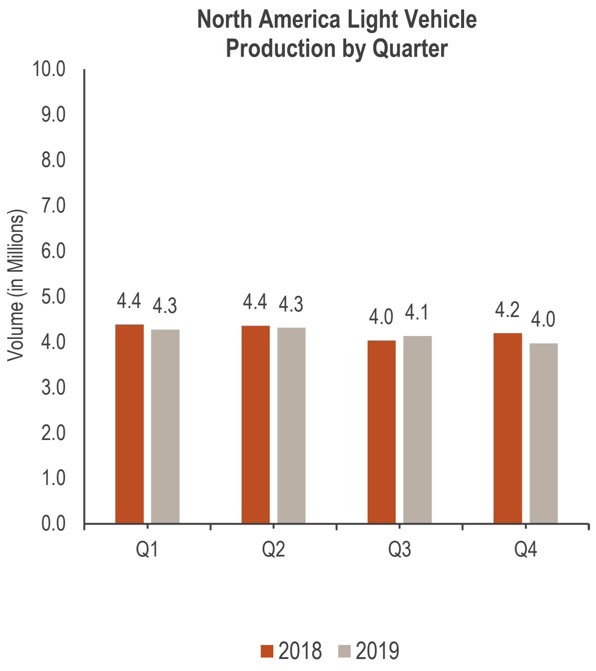
LEGEND

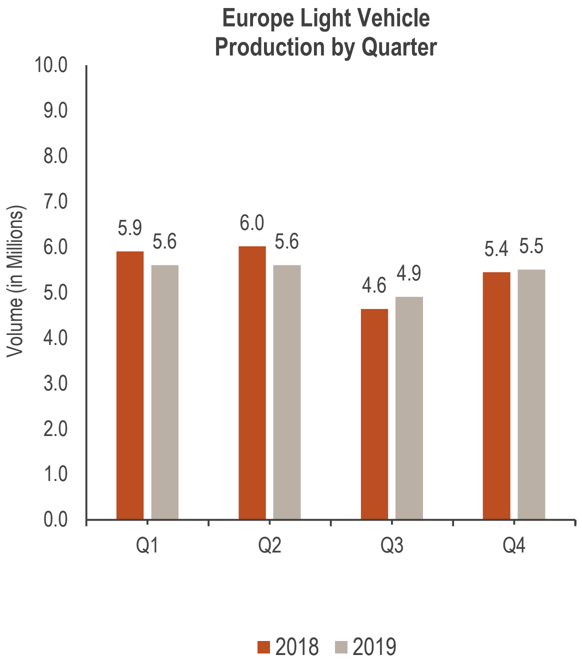
Ranking	Score	Growth Expectation
Decline	0.00	<2%
Flat	1.00	Between -2% and 2%
Moderate Growth	2.00	>2%, <=5%
Growth	3.00	>5%, <15%
Strong Growth	4.00	>=15%

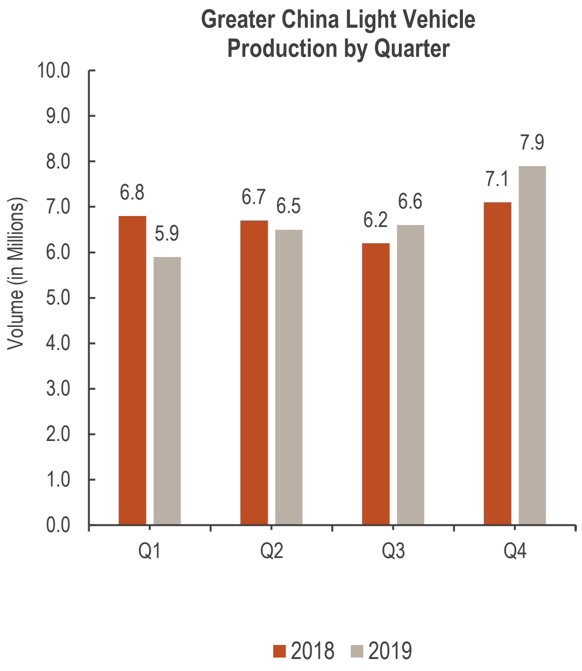
The above market expectation are based on Industry experts/forecasters and are not a reflection of Linamar's expected performance in these regions/markets.

Source: IHS Market Estimates for LV, CV Production. Industrial and Agriculture Markets utilize AEM, 3rd party analysts and internal forecasts . Updated: May 2019

Auto Volumes Under Pressure First Half of 2019



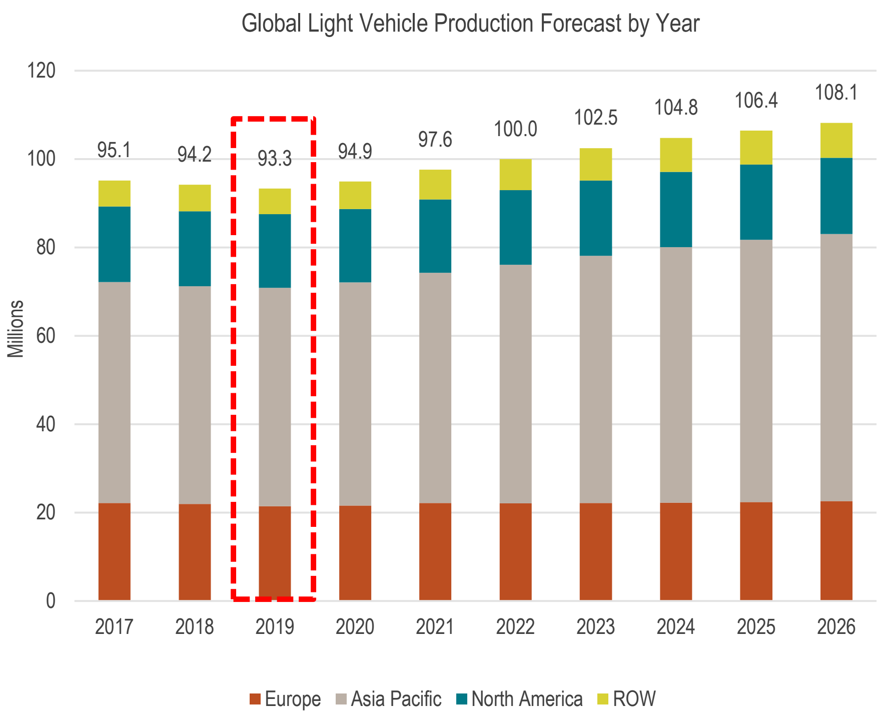


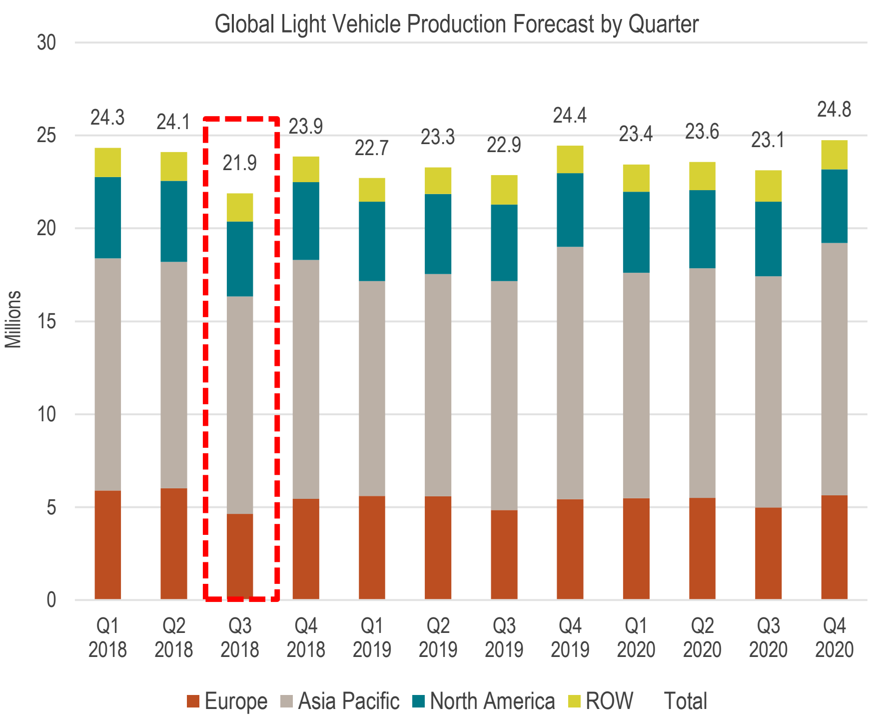


Source: IHS, April, 2019. IHS 2018 data restated.

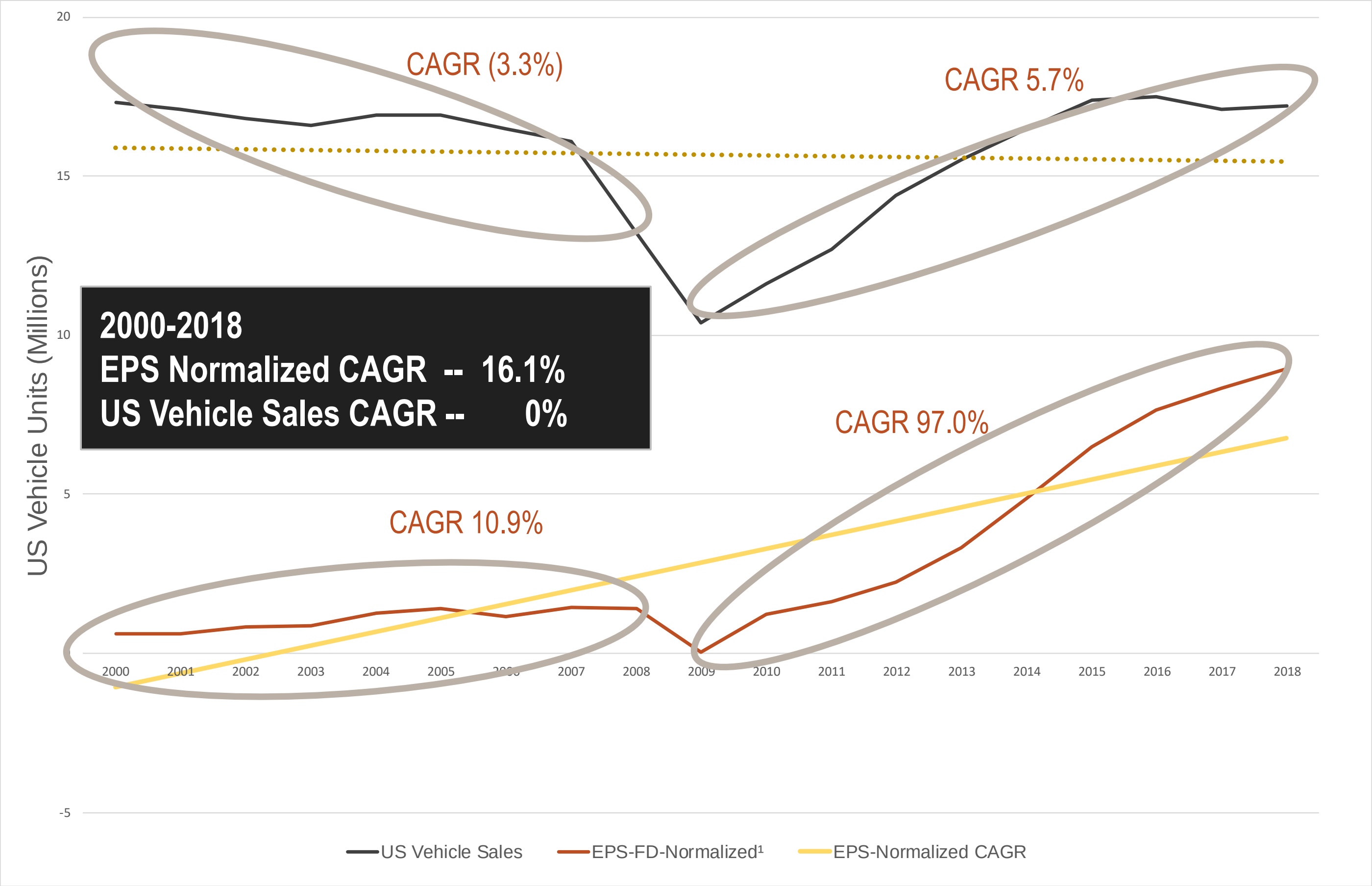
IHS Light Vehicle Production Forecast

Global light vehicle production recovering as of 2020 per IHS.



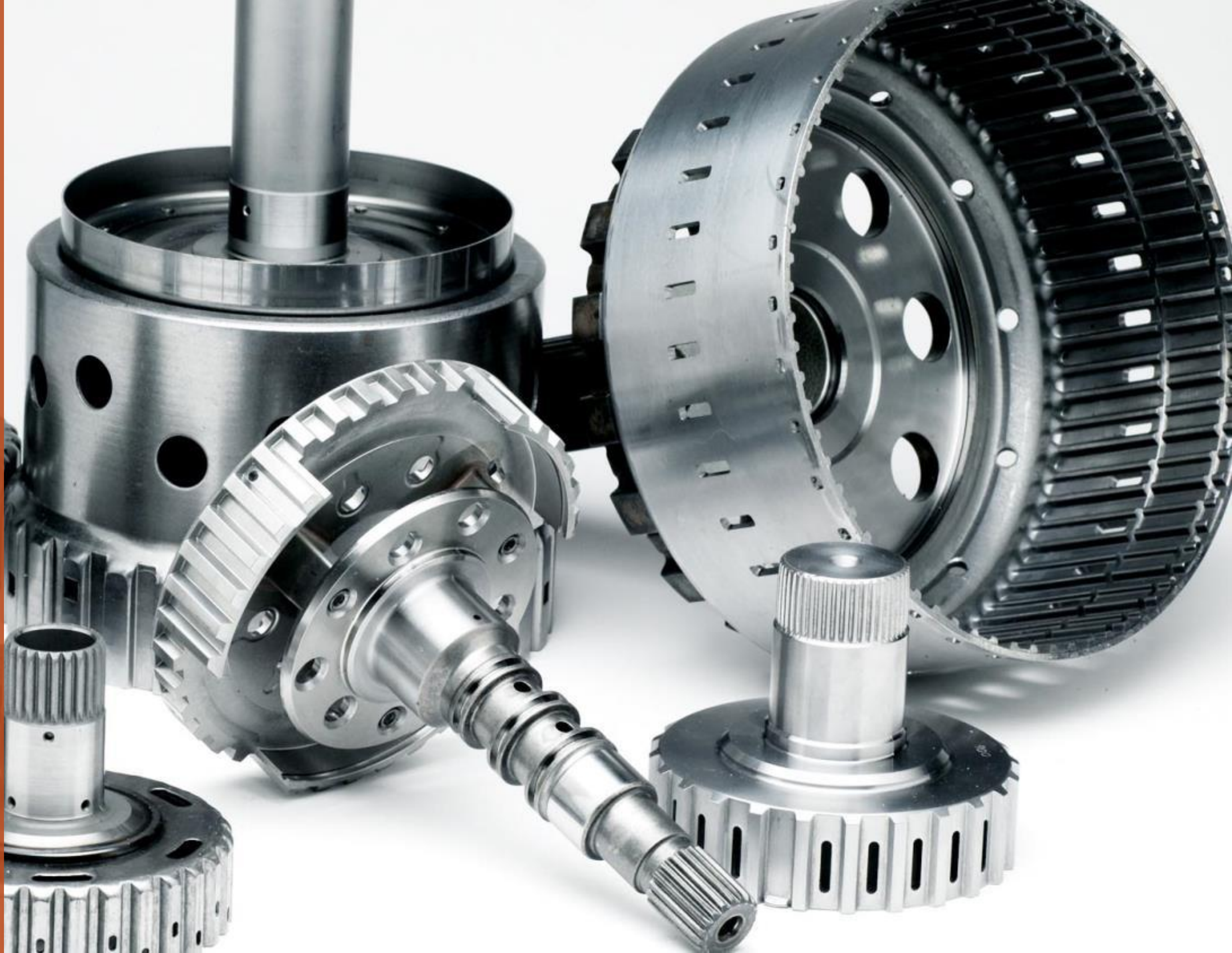


Track Record of Growth Regardless of Auto Cycle

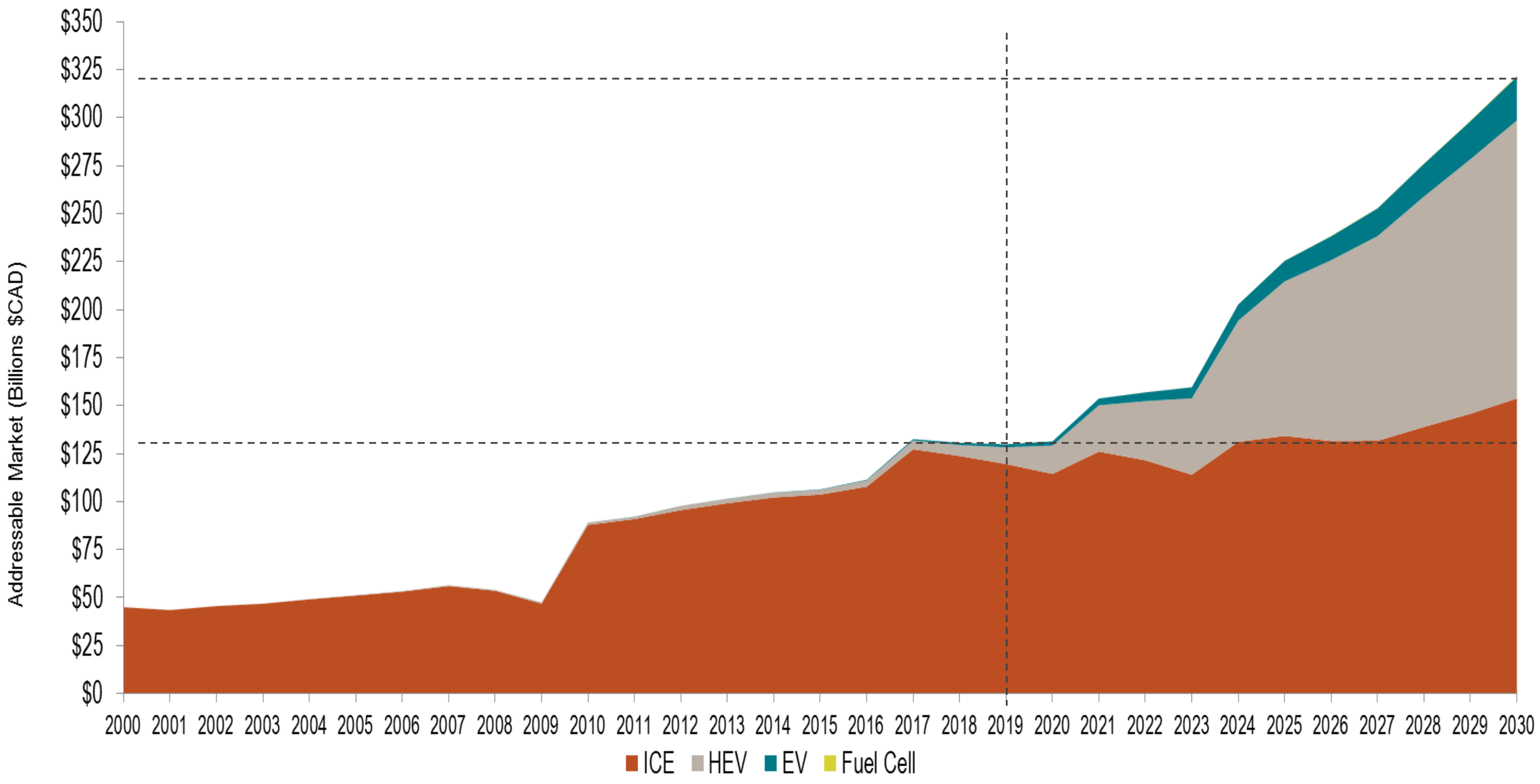


1- Earnings per Share (EPS) before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax effected. Pre 2010, EPS-Normalized is EPS before unusual items.

Growth Update & Outlook

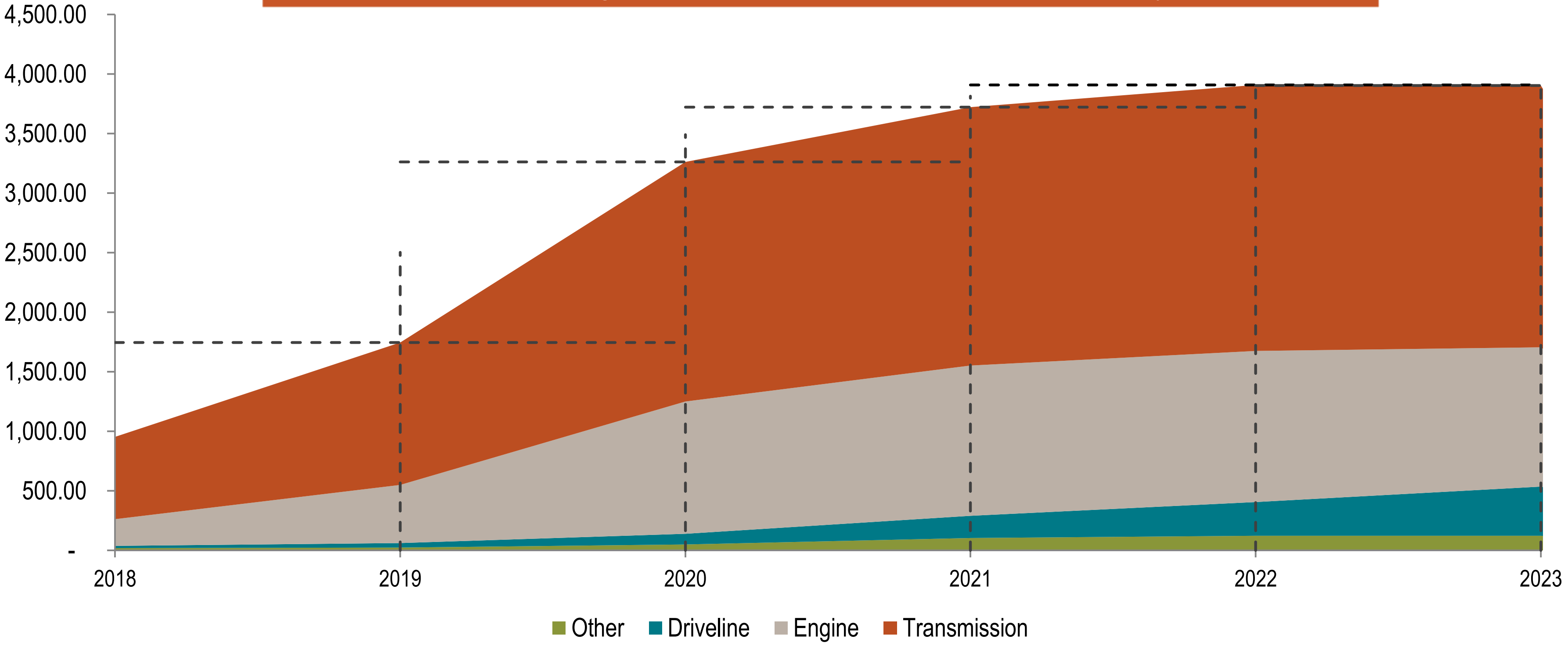


Global Total Addressable Market



Launches

Launching more than $4.3 billion of new work today



Sales from Launch add:

$800 to $900 Million in 2019 >$1.2 Billion in 2020

Outlook

Consolidated	Normal Ranges	2018 Actuals	Expectations 2019	Expectations 2020
Sales Growth			Mid Single Digit	Single Digit
Normalized EBIT Growth			Mid Single Digit	Double Digit
Normalized Net Margin	7.0% to 9.0%	7.7%	7.25% to 7.75%	Expansion
Capex (% of Sales)	6.0% - 8.0%	7.1%	Low End Range Down in $ and % from 2018	Low End Range
Leverage **Net Debt: Proforma[1] EBITDA**		1.68x	Close to 1x	Under 1x
Free Cash Flow		$135.6m	$500-$700m	Strong and Positive

Industrial			2019	2020
Sales Growth				
Skyjack			High Single to Low Double Digit	Flat
MacDon			Flat to Slightly Up	Single Digit
Normalized Operating Margin	14.0% - 18.0%	17.1%	Flat to 2018	Margin Expansion

Transportation			2019	2020
Factors Influencing Sales Growth				
Launch Book $4.3 Billion Driving Incremental Sales Of:			$800m to 900m	>$1.2b
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		High End Range	High End Range
Normalized Operating Margin	7.0% - 10.0%	8.4%	Flat to 2018	Margin Expansion

Q2 Expectations

- Cash
  - **Accelerating free cash flow** in Q2 on continued NCWC improvement, capex discipline
- Auto
  - **Continued pressure** on volumes through first half most notably in Europe although all 3 regions expected to be down by HIS
  - **1.8 million less vehicles** now forecast for 2019 by IHS
- Ag
  - **Continued headwinds** from trade means marginal seasonal uptick to Q2
- Access
  - **Strong Q2** with sales pulled over from Q1
- Launch Impact:
  - **Continued margin pressure** from launch costs due to heavy launch activity in the Transportation segment
  - **Continued transition impact** from unabsorbed costs as mature programs ramp down and replacement launching programs ramp up both underutilizing assets and overhead
  - Both impacts will **normalize over the next couple of quarters**

1- Proforma EBITDA includes rolling last 12 month EBITDA on acquisitions.

New Business

New Business Wins: Commercial Truck Cylinder Block

Package Volume

40,000 / year

SOP Year

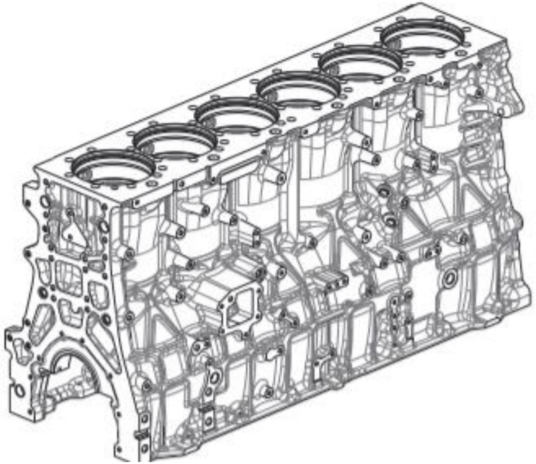
2022

Peak Volume Year

2023

Production Location

Major fully machined cylinder block win for on-highway trucks

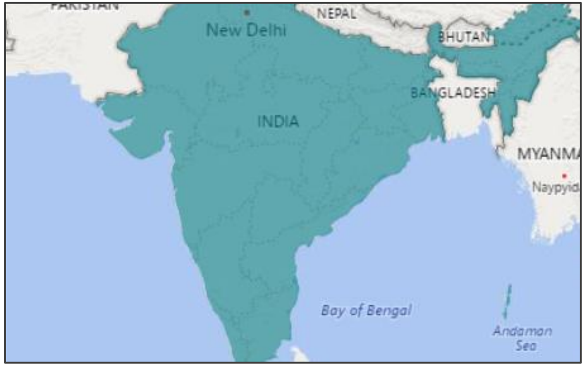


New Business Wins: Commercial Truck Engine Components

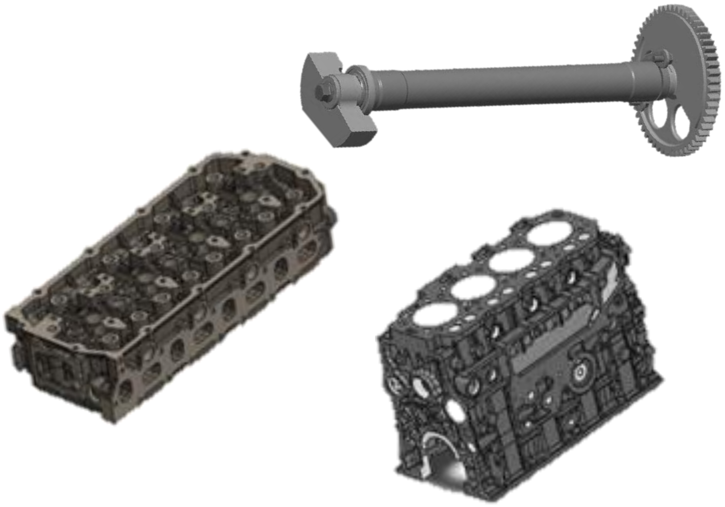
Package Volume
35,000 / year

SOP Year
2020

Peak Volume Year
2024

Production Location


Several new business wins for a heavy truck engine program in India



New Business Wins: Cylinder Heads

Package Volume

535,000 / year

SOP Year

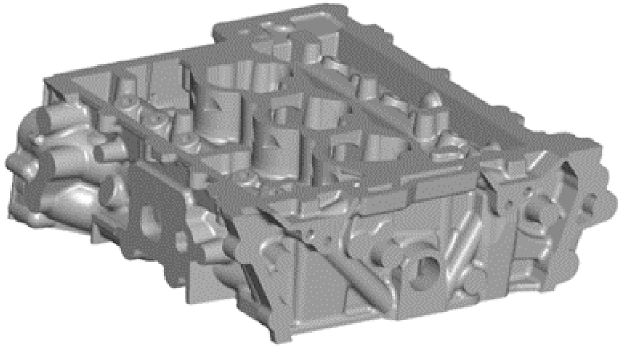
2020

Peak Volume Year

2022

Production Location

Major cylinder head casting expansion



New Business Wins: Development Project for Conformable H2 Storage Tank

Package Volume

Development project

SOP Year

N/A

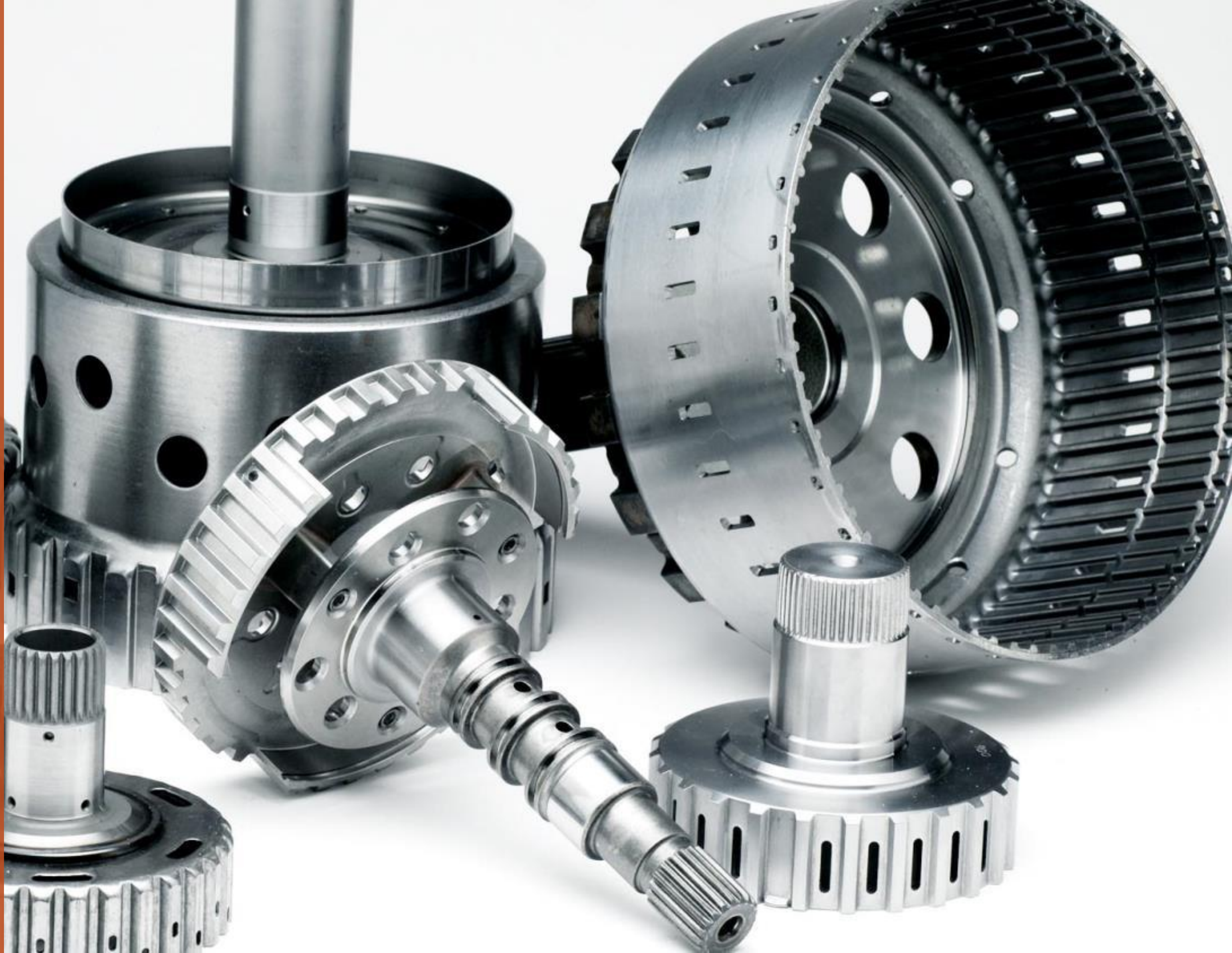
Peak Volume Year

N/A

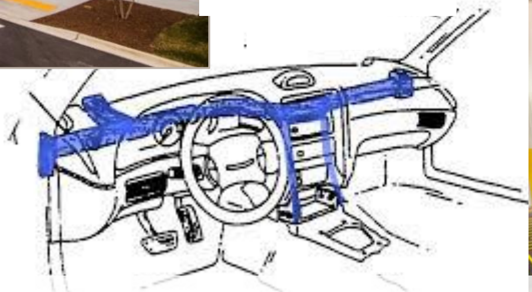
Production Location

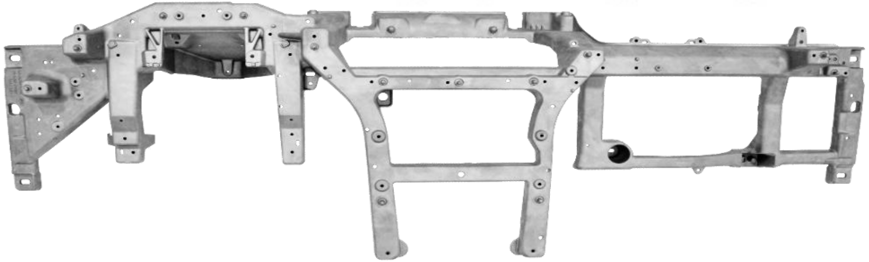
Conformable H2 storage tank for a fuel cell vehicle under development at a key customer

Innovation Update



GF Linamar | Innovative Light Weight Structural Components





Cross Car Beam in Magnesium

- Critical component of instrument panel
- Jointly designed with customer
- Unique process developed to significantly enhance efficiency and cost
- Cast on a 4,400 ton HPDC Machine
  - Largest tonnage HPDC machine in NA

Digitization with AI/ML

60
Plants
x10

2,201
LMMS Data
Collection Connections

2,921
Robots

824
Traceability
Marking
Stations

2,845
Connected Machines

1,699
RFID Stations

1,825
Traceability Read Stations

909
Vision Systems

8
AGVs

Operations Update

LTH – Hungary | E-Axle Gear Box

OROS – Hungary | Corn Heads & Skyjack

LPW, Wuxi, China | E-Axle

Trade Update

China & Metal Tariffs Not Material Impact to Linamar

- Discussions continue regarding ratifying USMCA
- Critical for Tariffs to be eliminate ahead of ratification to minimize negative impact to automakers and ability to invest in new technologies
- China Tariffs
  - Impacting mainly our industrial business in cost increases from material suppliers in US buying from China
  - **Not at material levels**
- Metal Tariffs
  - Linamar impact minimal
  - **No direct impact to US facilities** re no purchase of foreign metal
  - Small direct impact to Canadian facilities which is **100% reclaimable through duty drawback**
  - Indirect impact -- price increases legitimately imposed from a handful of suppliers based on their cost increases, **not at material levels**
    - We are using a disciplined process to validate any legitimate cost increases to suppliers, involving customers where appropriate and have **considered such in our outlook**

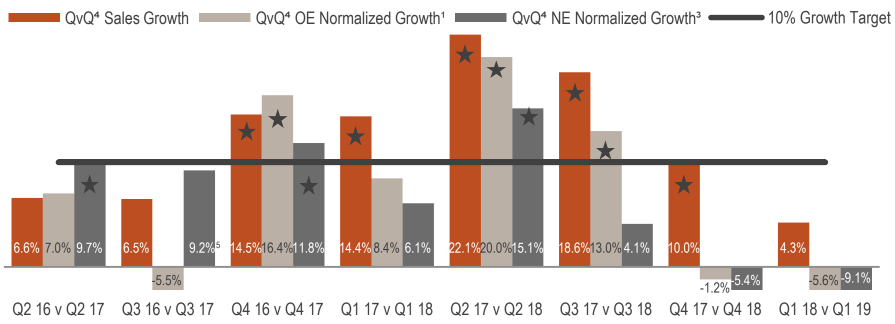
Financial Review

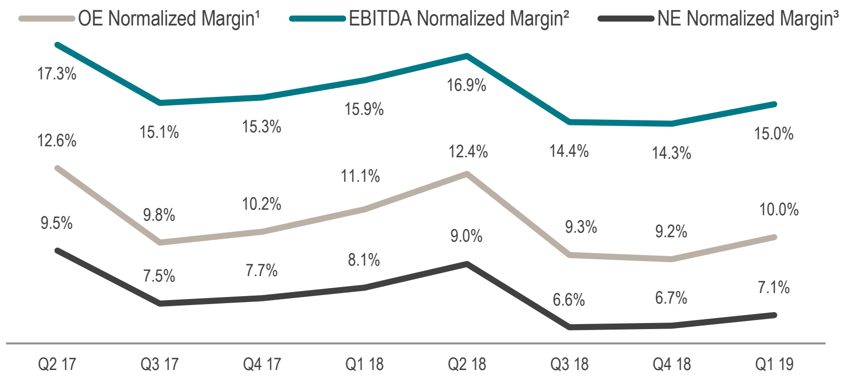
Chris Merchant

Sales, Normalized Earnings, and Margins (in millions CAD)

	Q1 2019	Q1 2018	% Δ
Sales	1,974.5	1,893.9	4.3%
Industrial OE – Normalized[1]	77.9	62.7	24.2%
Transportation OE – Normalized[1]	119.8	146.8	(18.4%)
OE – Normalized[1]	197.7	209.5	(5.6%)
OE – Normalized Margin	10.0%	11.1%	
EBITDA – Normalized[2]	296.8	301.9	(1.7%)
EBITDA – Normalized Margin	15.0%	15.9%	
NE – Normalized[3]	139.4	153.4	(9.1%)
NE – Normalized Margin	7.1%	8.1%	
EPS – Normalized[6]	2.11	2.32	(9.1%)

- Tough market environment with Europe vehicle markets down 5.3% and Asia Pacific markets down 6.6%
- Sales up 4.3%
- Normalized OE is down 5.6%
- Normalized NE is down 9.1%
- Normalized EPS was $2.11 for the quarter





1 – Operating Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet.
2 – EBITDA before unusual items and foreign exchange impacts from revaluation of the balance sheet.
3 – Net Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax effected.
4 – Quarter versus quarter ("QvQ") indicates year over year comparison of two of the same quarters.
5 – Net Earnings before unusual items, non-recurring items, and foreign exchange impacts from revaluation of the balance sheet, tax affected.
6 – Earnings per share (EPS) before unusual items, and foreign exchange impacts from revaluation of the balance sheet, tax affected

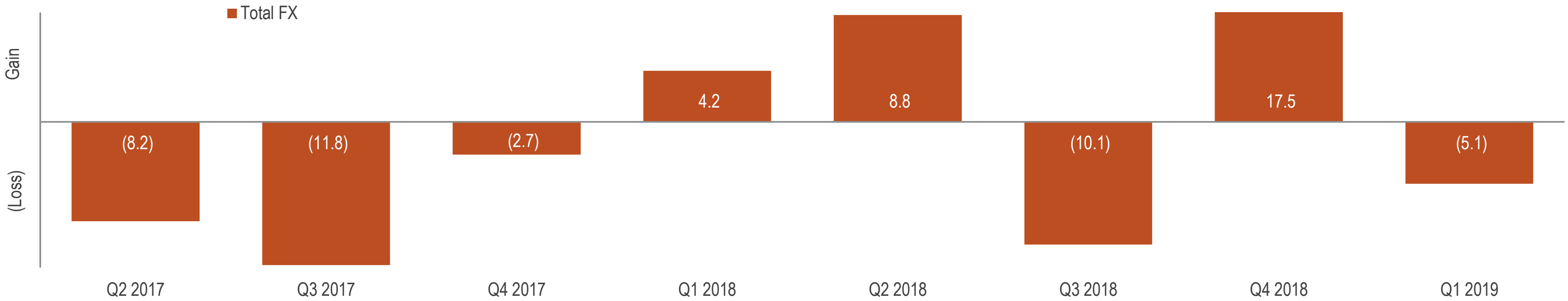
Foreign Exchange Gain/Loss (in millions CAD)

	Q1 2019	Q1 2018	+/-
FX Gain/(Loss) – Operating[1]	(6.0)	5.4	(11.4)
FX Gain/(Loss) – Financing	0.9	(1.2)	2.1
Total FX Gain/(Loss)	(5.1)	4.2	(9.3)

Operating Margin	9.5%	11.3%
Operating Margin- Normalized	10.0%	11.1%

FX Gain/(Loss) – Impact on EPS FD[2]	(0.06)	0.05

- Net FX Loss of $5.1
- FX Loss – Operating was $6.0
  - Industrial FX Loss was $4.8
  - Transportation FX Loss was $1.2
- Double Digit Normalized OE Margins
- Net FX loss impacted EPS by 6 cents in the quarter



1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.
2 – The impact on Earnings Per Share Fully Diluted from FX is a non-GAAP financial measure that divides the tax effected foreign exchange impact by the Company's diluted number of shares.

Industrial Sales, Earnings, and Margins (in millions CAD)

	Q1 2019	Q1 2018
Sales	465.1	397.5
Operating Earnings	73.1	74.7
Foreign Exchange[1] (Gain)/Loss	4.8	(12.0)
Operating Earnings – Normalized[2]	77.9	62.7
Operating Earnings Margin	15.7%	18.8%
Operating Earnings Margin – Normalized	16.7%	15.8%

- Industrial sales increased by 17.0% or $67.6 million to reach $465.1
- The sales increase for the quarter was due to:
  - additional sales as a result of the acquisition of MacDon;
  - favourable changes in FX rates since Q1 2018; and
  - increases in European and Asian scissors; partially offset by
  - the expected deferral of purchases by certain North Americans from Q1 to later in 2019.
- Normalized Industrial OE increased $15.2 million or 24.2%.
- The normalized OE primarily helped by:
  - the inclusion of a full quarter of MacDon earnings in Q1 2019;
  - a favourable impact from the changes in FX rates since Q1 2018; and
  - the increased in scissor volumes in Europe and Asia at Skyjack.
- The normalized OE primarily hurt by:
  - increased commodity prices; and
  - the impact of the purchase deferrals in North America.

1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.
2 – Operating Earnings normalized for unusual items and the foreign exchange impact from the revaluation of operating balances due to changes in foreign exchange rates.

Transportation Sales, Earnings, and Margins (in millions CAD)

	Q1 2019	Q1 2018
Sales	1,509.4	1,496.4
Operating Earnings	114.6	140.2
Unusual Item	4.0	-
Foreign Exchange[1] (Gain)/Loss	1.2	6.6
Operating Earnings – Normalized[2]	119.8	146.8
Operating Earnings Margin	7.6%	9.4%
Operating Earnings Margin – Normalized	7.9%	9.8%

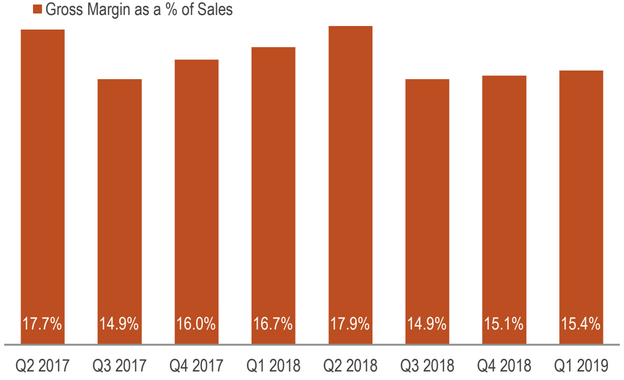
- Transportation sales increased by $13.0 million to reach $1.51 billion.
- The sales was mainly driven by:
  - higher sales from our launching programs;
  - a favourable impact from the changes in FX rates since last year; partially offset by
  - market declines in Europe largely due to the continued WLTP and diesel engine issues; in addition to the
  - market declines in Asia.
- Q1 normalized operating earnings were lower by $27.0 million or 18.4%.
- Transportation earnings were hurt by:
  - the European and Asian sales declines on higher margin, mature programs;
  - the impact of the transition to next generation powertrain platforms weighing on margins as both launching and declining mature platforms are running less efficiently at the current volume levels;
  - additional costs related to heavy launch activity globally; and
  - restructuring costs incurred in the quarter.
- Transportation earnings were helped by
  - additional earnings from new launching programs; and
  - a favourable impact from the changes in FX rates since last year.

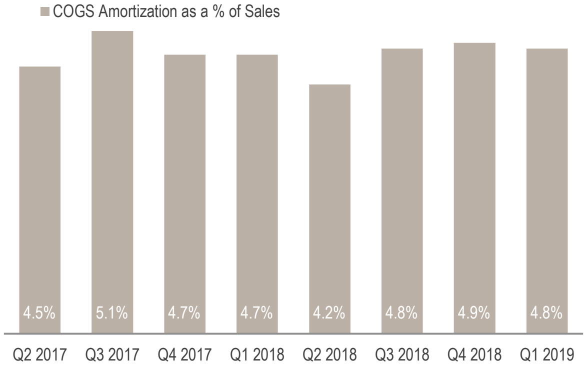
1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.
2 – Operating Earnings normalized for unusual items and the foreign exchange impact from the revaluation of operating balances due to changes in foreign exchange rates.

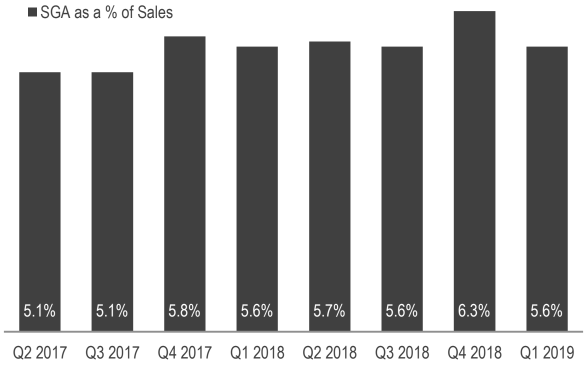
Operating Expenses (in millions CAD)

	Q1 2019	Q1 2018	+/-	%
Sales	1,974.5	1,893.9	80.6	4.3%
Cost of Goods Sold	1,670.6	1,577.8	92.8	5.9%
Gross Margin	303.9	316.1	(12.2)	(3.9%)
Gross Margin as a % of Sales	15.4%	16.7%		
Cost of Goods Sold Amortization	94.8	88.8	6.0	6.8%
COGS Amortization as a % of Sales	4.8%	4.7%		
Selling, General, and Administrative	110.2	106.6	3.6	3.4%
SGA as a % of Sales	5.6%	5.6%		

- Gross Margin decreased 3.9%
- Amortization remained flat at 4.8% of sales
- Amortization increased $6.0 mainly due to the impact of the new IFRS 16 standard and a full quarter of MacDon's amortization.
- SG&A remained flat at 5.6% of sales
- SG&A was up $3.6 mainly due to having a full quarter of MacDon's expenses in the Quarter



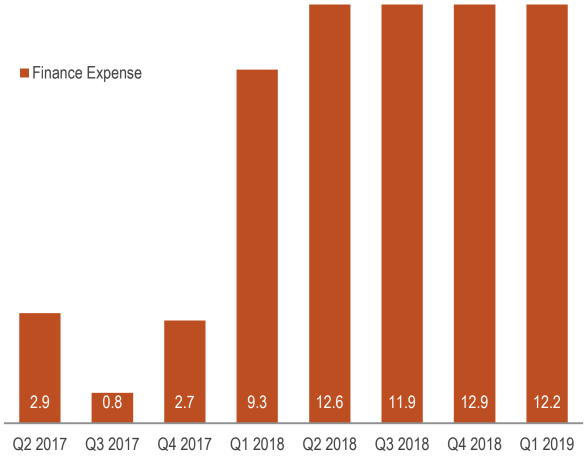


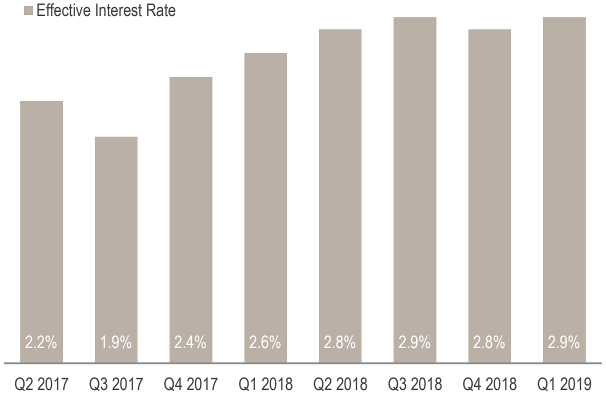


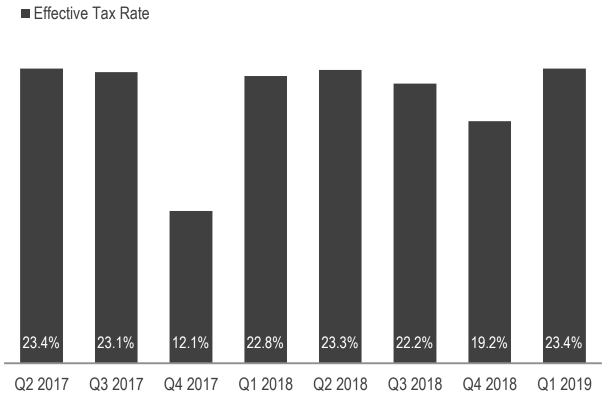
Finance Expenses & Income Tax (in millions CAD)

	Q1 2019	Q1 2018	+/-
Finance Expense	12.2	9.3	2.9
Effective Interest Rate	2.9%	2.6%	0.3%
Effective Tax Rate	23.4%	22.8%	0.6%

- Finance expenses increased $2.9 million due to:
  - higher interest rates due to the Bank of Canada rate hikes since Q1 2018;
  - the inclusion of three months of interest expense related the MacDon acquisition debt; partially offset by
  - the reduced interest expense as a result of the debt repayments; and
  - higher interest earned on excess cash and on the long-term receivable balances.
- The tax rate increased to 23.4%
- Full year rate expected to be in the range of 22% to 24%



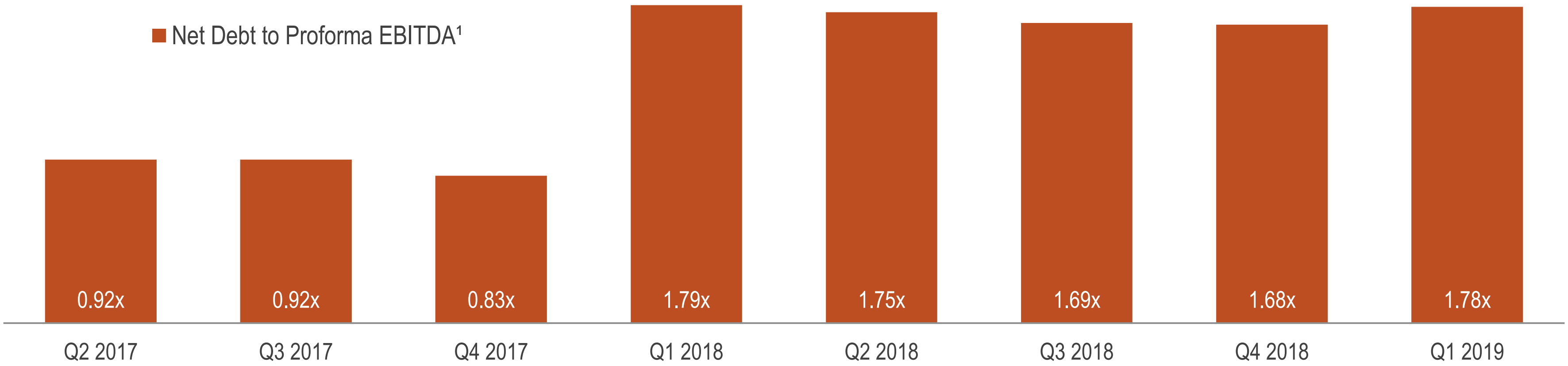




Leverage (in millions CAD)

	Q1 2019	Q1 2018
Cash Position	485.5	455.3
Available Cash on Credit Facilities	691.6	542.1
Net Debt to Proforma EBITDA[1]	1.78X	1.79x
Debt to Capitalization	40.9%	45.1%

- The new IFRS 16 Leases was adopted as of Jan 1, 2019.
  - The impact is $78.7 million of leases are now recorded on the balance sheet increasing both Fixed Assets and Debt.
  - To compare 2018 debt to 2019, you will need to adjust 2019 to remove this impact to get a proper comparison as the IFRS 16 lease debt didn't exist in 2018.
- Net Debt to Proforma EBITDA decreased to 1.78x despite the adoption the new IFRS 16 leases standard.
- Net Debt to Performa EBITDA expected to be back to 1.0x by the end of 2019.



1 – Proforma EBITDA includes rolling last 12 month EBITDA on acquisitions.

Conclusion

- Sales up 4.3% despite tough markets in Europe and Asia
- Normalized OE is down 5.6%
- Normalized NE is down 9.1%
- Normalized EPS was $2.11 for the quarter
- Double Digit Normalized OE Margins

Question and Answer

Outlook

Consolidated	Normal Ranges	2018 Actuals	Expectations 2019	Expectations 2020
Sales Growth			Mid Single Digit	Single Digit
Normalized EBIT Growth			Mid Single Digit	Double Digit
Normalized Net Margin	7.0% to 9.0%	7.7%	7.25% to 7.75%	Expansion
Capex (% of Sales)	6.0% - 8.0%	7.1%	Low End Range Down in $ and % from 2018	Low End Range
Leverage **Net Debt: Profroma[1] EBITDA**		1.68x	Close to 1x	Under 1x
Free Cash Flow		$135.6m	$500-$700m	Strong and Positive

Industrial			2019	2020
Sales Growth				
Skyjack			High Single to Low Double Digit	Flat
MacDon			Flat to Slightly Up	Single Digit
Normalized Operating Margin	14.0% - 18.0%	17.1%	Flat to 2018	Margin Expansion

Transportation			2019	2020
Factors Influencing Sales Growth				
Launch Book $4.3 Billion Driving Incremental Sales Of:			$800m to 900m	>$1.2b
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		High End Range	High End Range
Normalized Operating Margin	7.0% - 10.0%	8.4%	Flat to 2018	Margin Expansion

Q2 Expectations

- Cash
  - **Accelerating free cash flow** in Q2 on continued NCWC improvement, capex discipline
- Auto
  - **Continued pressure** on volumes through first half most notably in Europe although all 3 regions expected to be down by HIS
  - **1.8 million less vehicles** now forecast for 2019 by IHS
- Ag
  - **Continued headwinds** from trade means marginal seasonal uptick to Q2
- Access
  - **Strong Q2** with sales pulled over from Q1
- Launch Impact:
  - **Continued margin pressure** from launch costs due to heavy launch activity in the Transportation segment
  - **Continued transition impact** from unabsorbed costs as mature programs ramp down and replacement launching programs ramp up both underutilizing assets and overhead
  - Both impacts will **normalize over the next couple of quarters**

1- Proforma EBITDA includes rolling last 12 month EBITDA on acquisitions.

Key Messages

1. First we are very happy to see both sales and market share up in most of our businesses this quarter despite challenging markets, echoing Linamar's consistent above market performance throughout historical economic cycles.
2. Second, we are expecting to see strong free cash flow this year of $500 to $700 mill which will further fortify our already strong balance sheet.
3. Finally we are excited about the new opportunities we are seeing in electrified vehicles, both BEV and FCEV, as our industry evolves towards the future.

Thank You

www.linamar.com

@linamarcorp
@linamarcorp
Linamar Corporation
Linamar Corporation