

# Linamar Corporation

A Global  
Powerhouse in  
Diversified  
Advanced  
Manufacturing

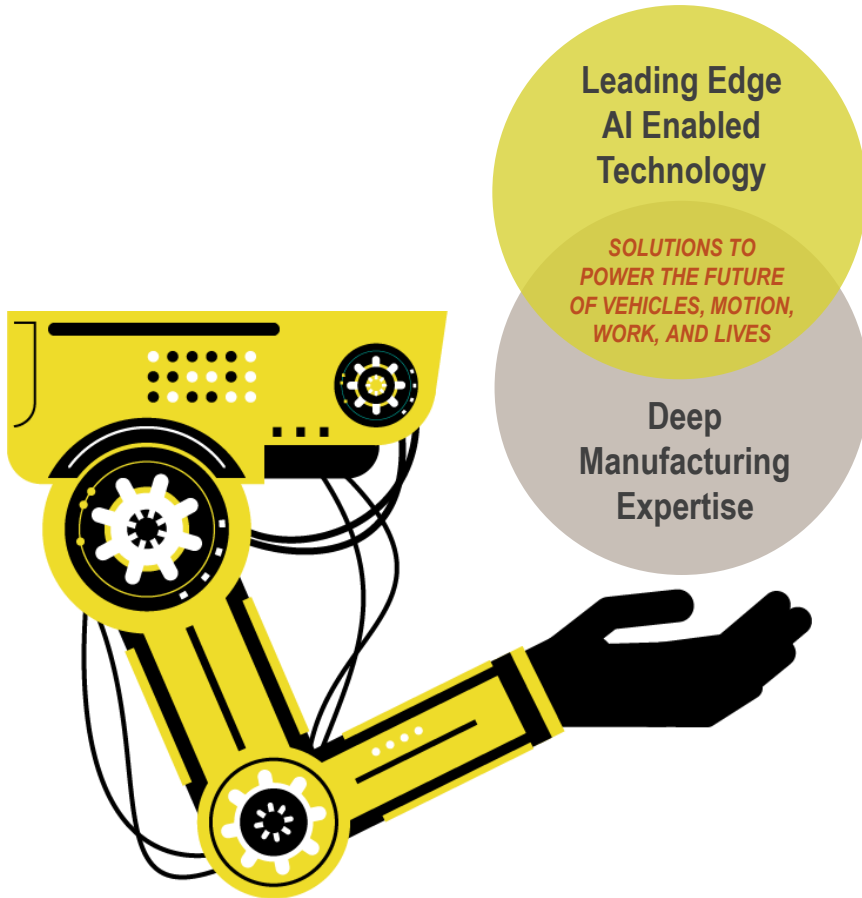
May 2019



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# Linamar - A Leading Global Advanced Manufacturing Company LINAMAR



## Transportation

- Carbon Efficient
- Electrified
- Lightweight
- Connected & Autonomous
- New Mobility

## Infrastructure

- Safe & Efficient Man & Work to Height

## Agriculture

- Optimized Harvest Yield & Availability of Food



# Market Focus Addresses Key Global Trends



Transportation



Infrastructure



Food



Power



Water



Age

Urbanization

Growing Global Population

Aging Global Population

Rapid Technology Evolution

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



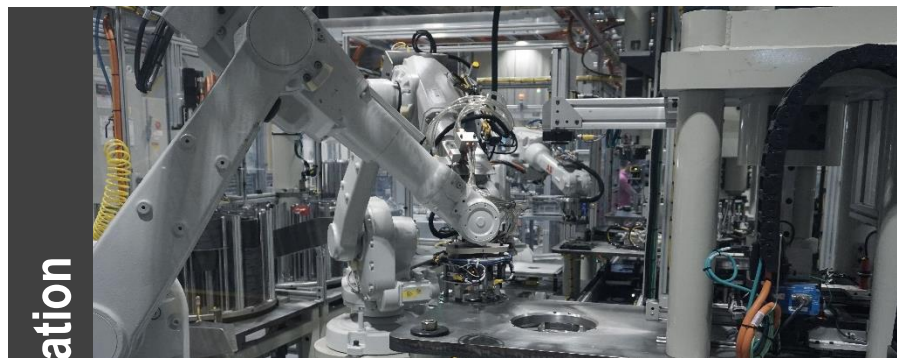
**SKYJACK**

Infrastructure



**MacDon**

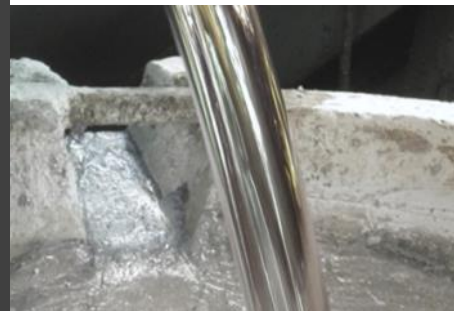
Food



Transportation

 **LINAMAR**

Linamar Machining & Assembly



Linamar Light Metal Casting  
Linamar Montupet Light Metal Casting | GF Linamar

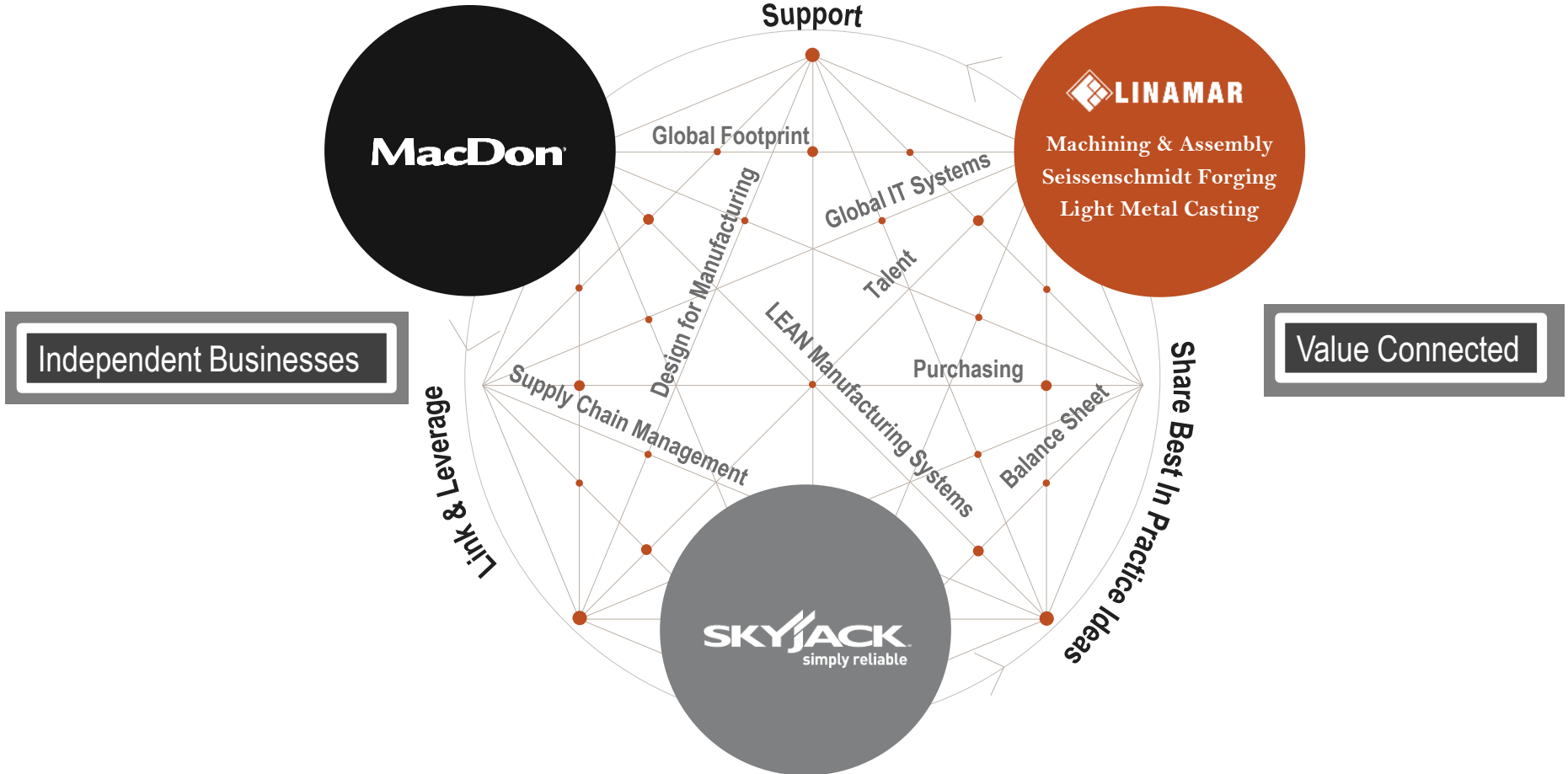


Linamar Seissenschmidt Forging

# Linamar's Unique Value Creation Model



Deeply Interconnected Businesses Driving Value Across Multiple Vectors



# Market Concentration Balanced

## Industrial

Mobile Industrial Equipment | Fabricated Assemblies

Sales

**24%**

OE

**39%**

**ACCESS**  
15.8%



**AGRICULTURAL**  
8.2%



## Transportation

Engine | Transmission | Driveline | Body

Sales

**76%**

OE

**61%**



**AUTOMOTIVE**  
69.6%



**OFF-HIGHWAY**  
2.5%



**COMMERCIAL  
VEHICLE**  
3.9%

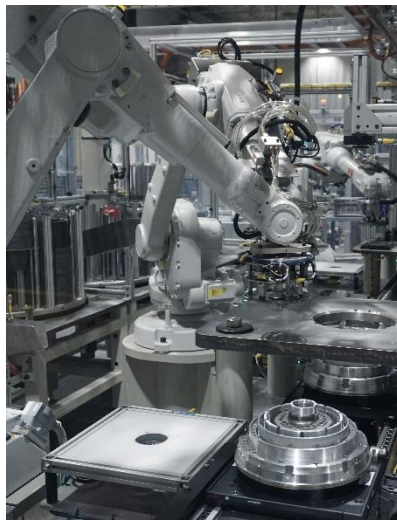


# Diverse Core Capabilities



## Metal Forming

- Robotic Welding
- Laser cutting
- Metal Forming
- Stamping
- Painting
- Assembly



## Machining & Assembly

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



## Forging

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



## Light Metal Casting

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

# Diverse Key Products

## Industrial

**SKYJACK**



**MacDon**



## Transportation

### Body & Chassis



**+GF+**  **LINAMAR**

### Driveline



### New Energy Powertrain Systems

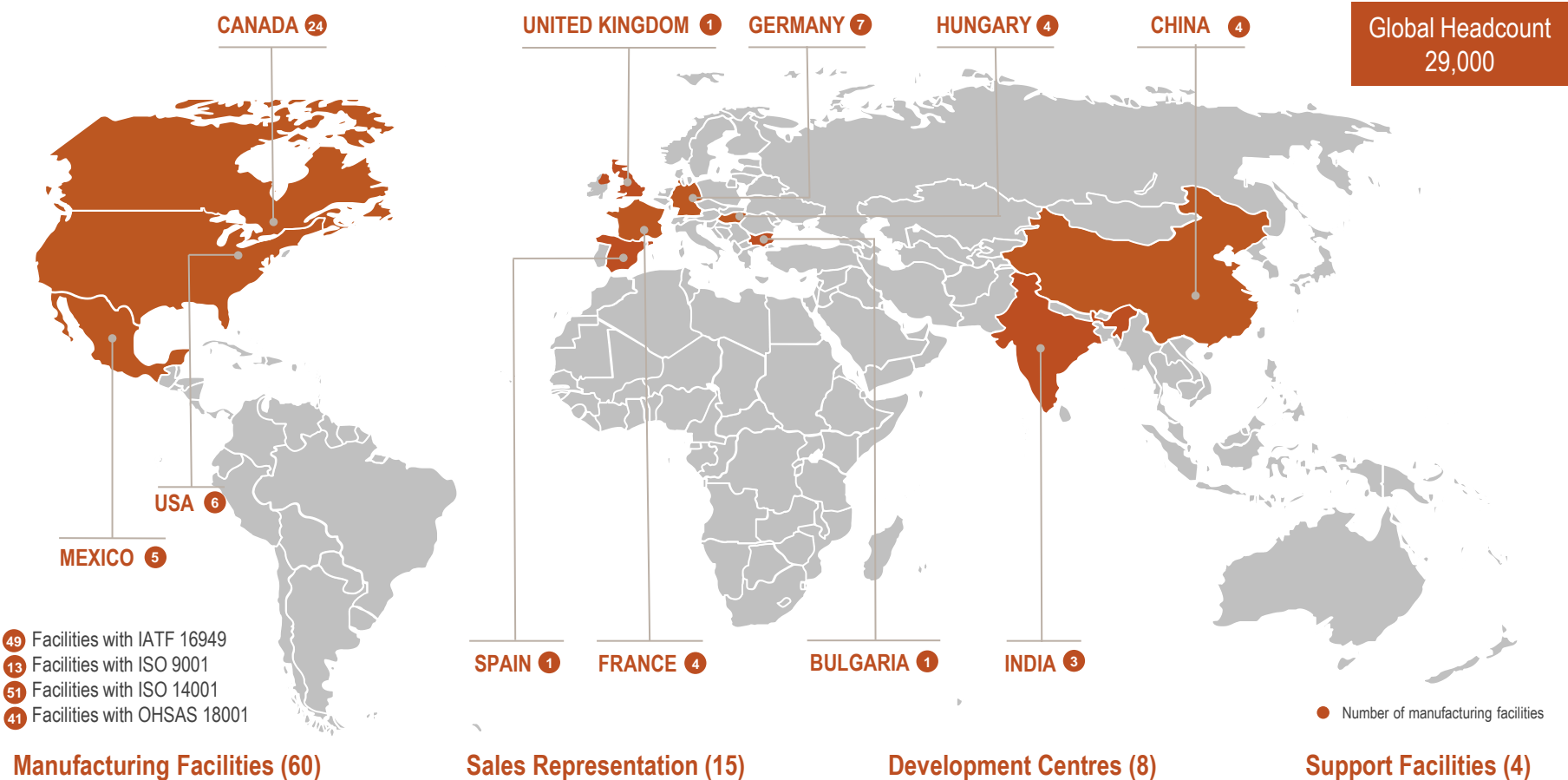
### Engine



### Transmission



# Strong Global Footprint



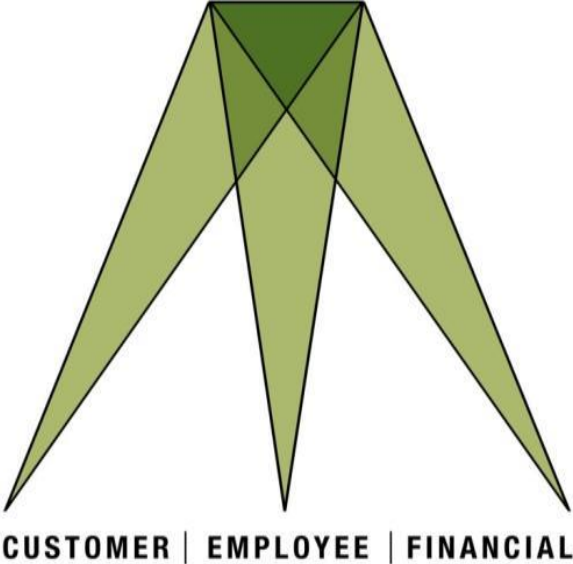
Culture







## THE STEPPING STOOL OF SUCCESS



**CUSTOMER**

**OPPORTUNITY**

**EMPLOYEE**

**CULTURE**

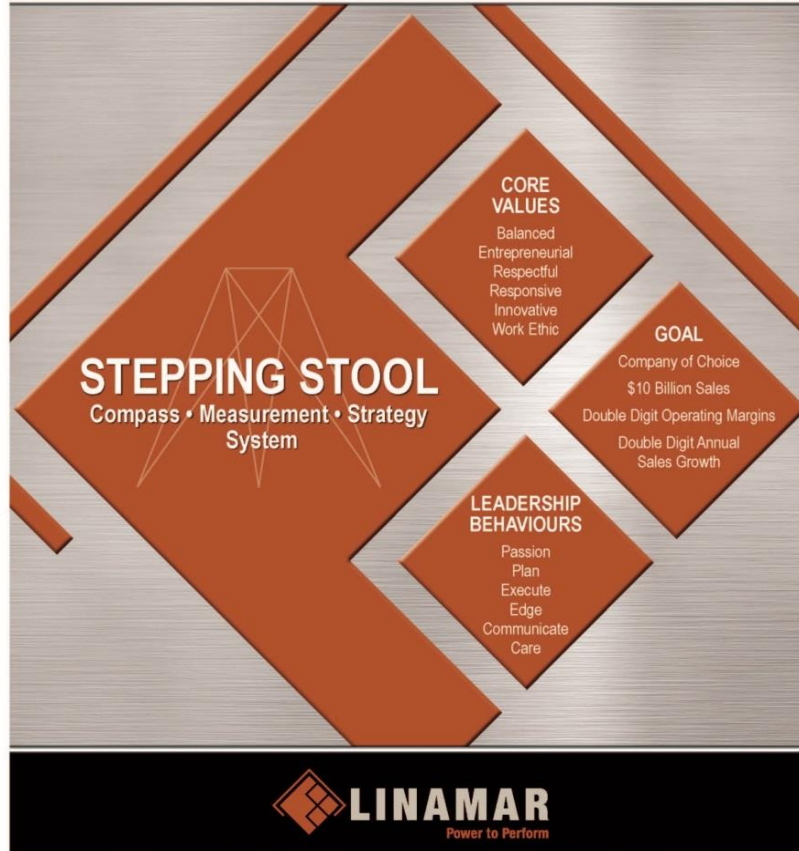
**FINANCIAL**

**COMPETITIVENESS**

# LINAMAR VISION



CORE PURPOSE: TO DO WHAT WE DO BEST BETTER TO THE BENEFIT OF ALL STAKEHOLDERS



# ESG a Long Held Priority



## ENVIRONMENT

- Green technology is a key growth strategy driving product innovation in all business
- Energy and water conservation programs running in all facilities
- Rooftop solar power on nearly 40% of global facilities
- Investing in off grid co-gen projects
- Low energy lighting installed in all global facilities
- 85% of global plants ISO 18001 (environmental standard) certified



## SOCIAL

- Diversity Drives Results Initiative
  - 25% female leaders vs 20% female workforce
  - Strong ethnic diversity in leadership
- Supplier Diversity Program
- Significant external promotion of women in Leadership, STEM & Trades
- Charitable Giving – arts, education, healthcare, youth and community key focus
  - Scholarships in Engineering (UG), Accounting (WLU), Dual Eng/Business (UWO, Women), Mechanical technician General Machinist (Conestoga College)
  - GG Hospital \$5 mill (with family)
  - Broad leadership involvement
- Conflict Minerals policy
  - Social, environmental and human rights standards for suppliers



## GOVERNANCE

- Detailed review of every governance policy conducted yearly with Board of Directors
- [Contactyourboard@Linamar.com](mailto:Contactyourboard@Linamar.com) direct contact to Board established to facilitate shareholder interaction
- Process establishing to allow key shareholder interaction with Independent Board members
- Annual integrity and anti-corruption training
- Whistleblower policy to ensure good conduct
- Skill matrix to ensure comprehensive board capabilities







More than 60 Role Models Featured on the Website, 12 Highlighted in Inaugural Calendar 2019

The See It Be It STEM It Calendar and Website identify motivational young women who have a STEM education, and highlight their stories to empower both current and future women in STEM.

Motivate young women to study STEM

Identify and empower women in STEM

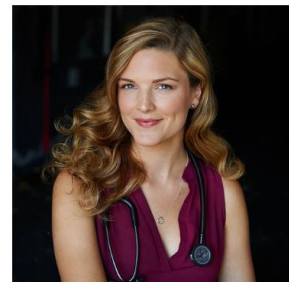
Raise awareness and encourage action with STEM resources



Eugenia Duodu



Chantel Camara



Erica Gibson



Nazra Noushad



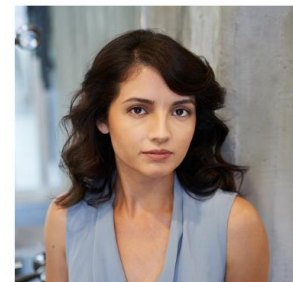
Mila Maric



Richelle Rozanski



Jenan Abderrahman



Karol Tinsley



Emily Newton



Cylita Guy



Maya Burhanpurkar



Natlia Malafeeva

# Markets and Strategy





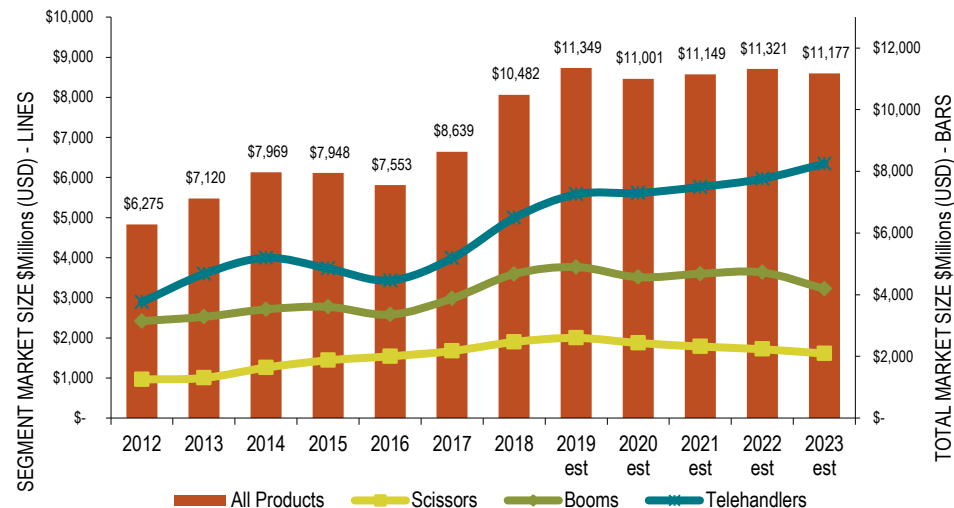
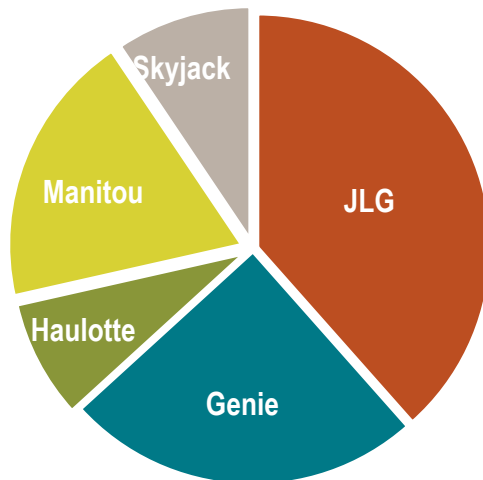
# Key Market Strategies - Flexible & Opportunistic Infrastructure



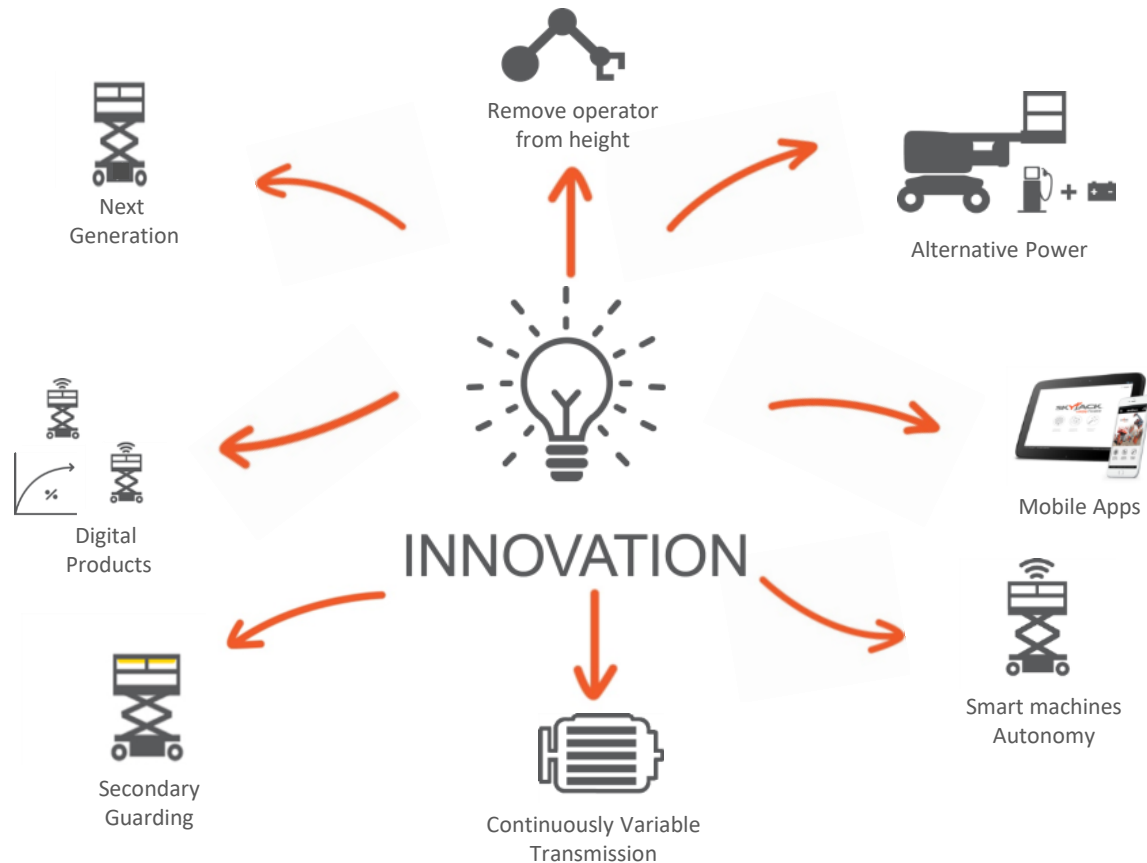
## Infrastructure

- Globalize and expand product lineup in all 3 regions

2018 Global Market of \$10.3 Billion



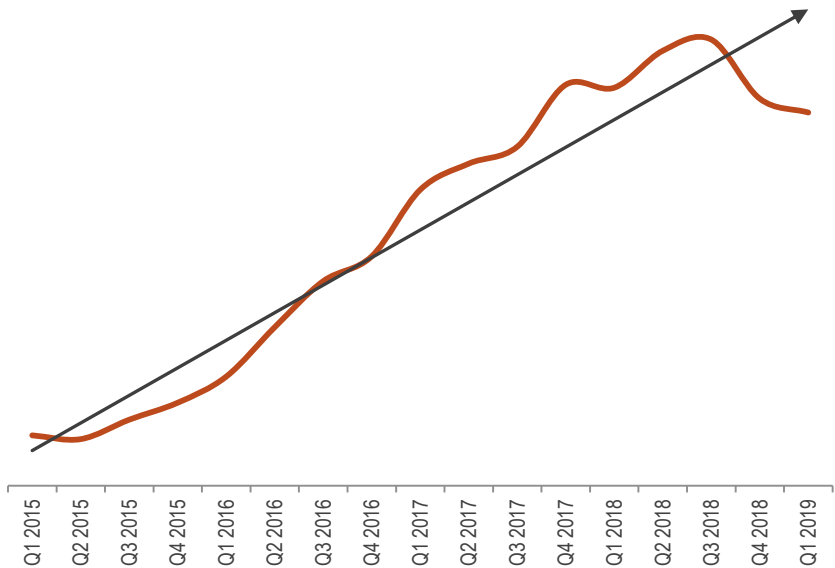




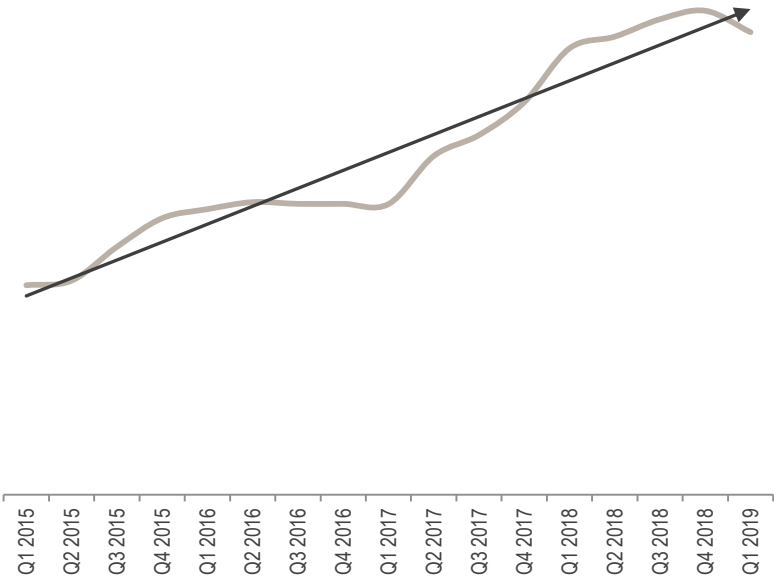
# Market Share Penetration Access - Key Growth Driver



Telehandler Market Share (NA Only)



Boom Market Share (Global)



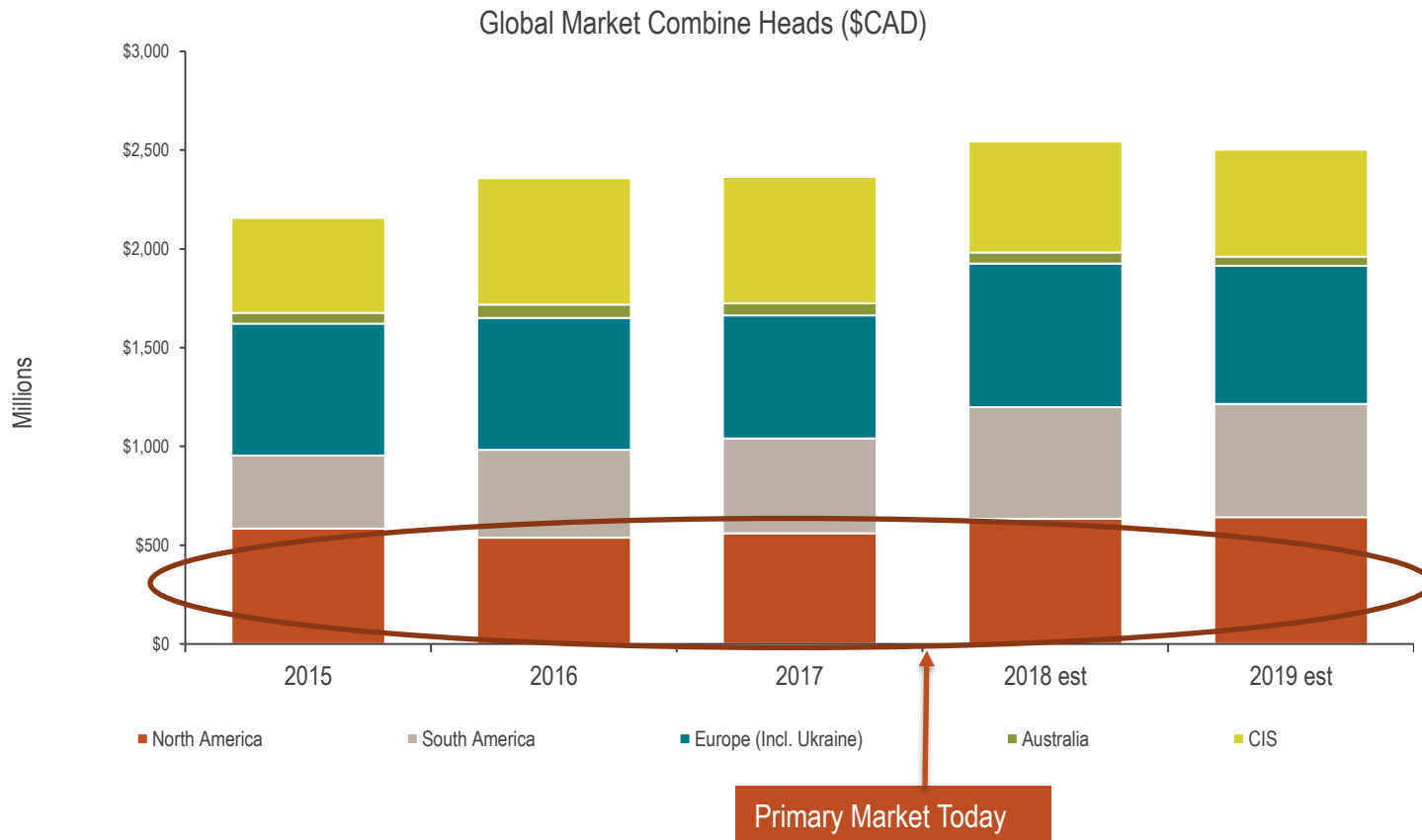
Source: Skyjack Internal, April 2019. Market share is rolling 12 month average.

# Key Market Strategies - Flexible & Opportunistic Food



## Food

- Build on MacDon acquisition as the foundation from which to expand global ag business overall
- Regional growth initiatives
- Advanced and disruptive technologies
- Global parts distribution
- Laser focus on operations
- Product line diversification



- Technology supported by over 100 unique patents with an additional 30+ unique patents pending globally, and a permanent technology-focused staff of 110

## FlexDrapers® & Rigid Drapers



- Higher cutting speeds
- Structural changes to improve manufacturability, maintainability, durability, and reliability
- Improved cutterbar visibility
- Reduced seed loss
- Higher capacity (improved efficiency)

## Self-Propelled Windrowers



- Industry leading road speeds
- Improved crop flow and windrow formation
- Improved lift and float of headers
- Structural changes to improve manufacturability, maintainability, availability, and reliability
- Improved operator comfort and interface

## Hay Products



- Market leading transport system
- Broader range of conditioning options
- Structural changes to improve manufacturability, maintainability, durability, and reliability
- Improved crop flow and windrow formation
- Improved performance in challenging conditions

Continuously Setting the Standard in Specialized Harvesting Technology



# Market Share Penetration Ag - Key Growth Driver

## Strong Market Position in Key Product Categories



Combine  
FlexDraper®  
Headers

#1



Rigid  
Draper  
Headers

#1

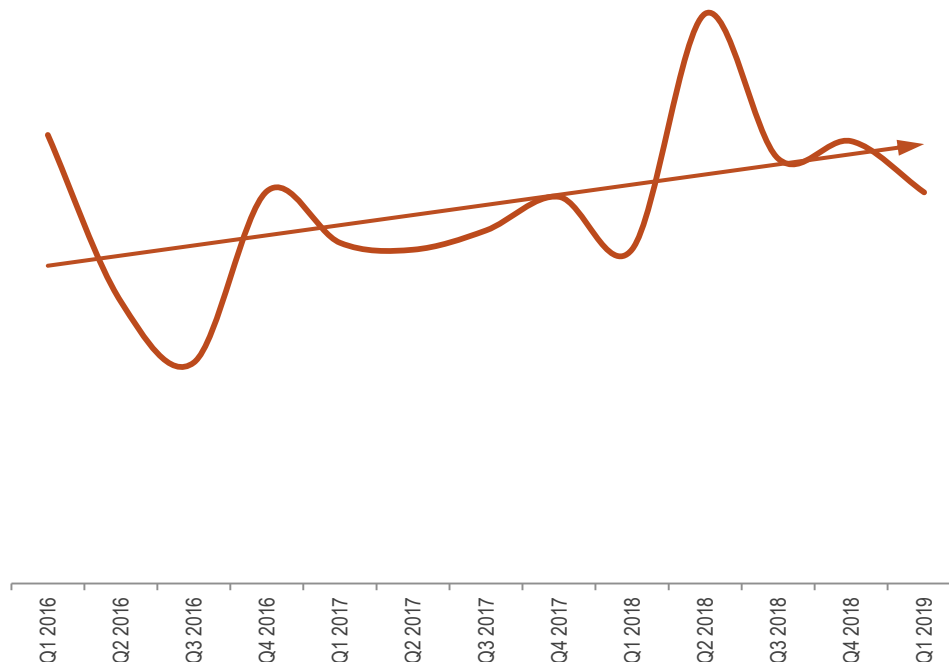


Self-  
Propelled  
Windrowers  
(mid-  
horsepower)

#1

## Estimated Market Position

## Combine Drapers Market Share (Global)

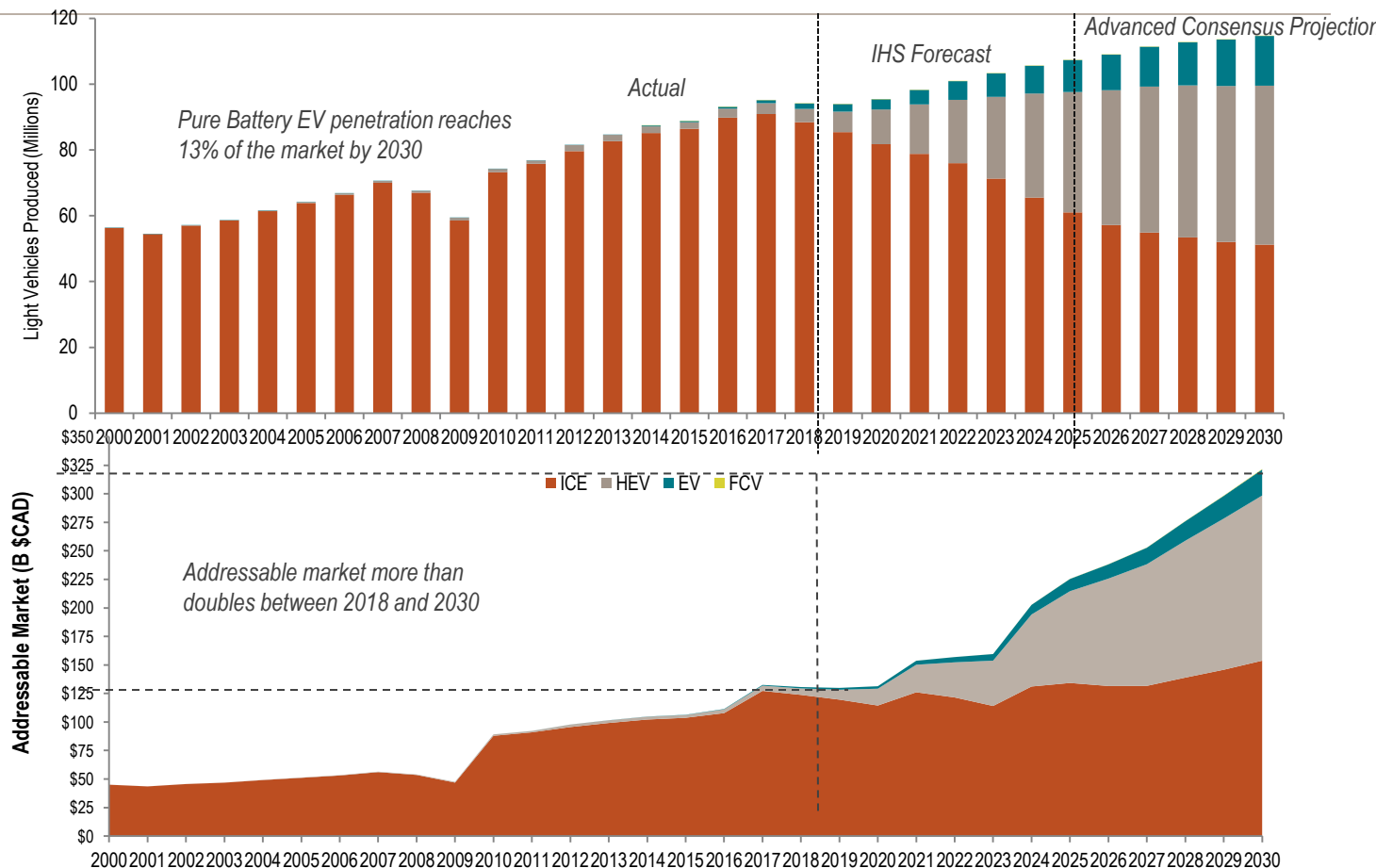


# Key Market Strategies - Flexible & Opportunistic Transportation



## Transportation

- Increase CPV in BEV, HEV, FCV
- Mine opportunistic ICE market as volumes decline but addressable market increases
- Grow integrated casting and forging business
- Carbon efficiency, light weighting, noise reduction









Source

i) IHS Forecasting 2000-2026 Advanced Consensus Projection 2026-2030

ii) Production Share of Technologies by 2031 of ICE 44%, HEV 42%, EV 14%, Fuel Cell 0.1%. (Based on Consensus Average of External Industry Expert Forecasts for EV adoption, Updated Q1 2019)

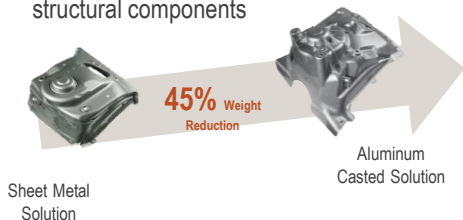
## Fuel cell should progressively develop with a speed-up from 2030

	BEV vs. FCEV advantage	Trends
Range		<ul style="list-style-type: none"> <li>■ Increasing battery performance</li> </ul>
Charging / fueling duration		<ul style="list-style-type: none"> <li>■ BEV: limited progress expected on charging duration</li> </ul>
TCO		<ul style="list-style-type: none"> <li>■ FCEV TCO progressively reaching BEV with battery technology improvement</li> <li>■ Advantage to FCEV large platforms (D, E) and CVs</li> </ul>
Charging / fueling network development		<ul style="list-style-type: none"> <li>■ BEV: potential rise of network cost after 2030 as power network saturates</li> <li>■ FCEV: higher infrastructure cost in the short term as network has to be built from scratch</li> </ul>
Environmental & health impact		<ul style="list-style-type: none"> <li>■ Environment : depending on energy source for BEV (e.g. Coal, Green) and FCEV (e.g. CH<sub>4</sub>/ Green)</li> <li>■ BEV technology risks to assess (e.g. Electromagnetic Radiation Risks linked to high speed charging)</li> </ul>
Raw materials availability		<ul style="list-style-type: none"> <li>■ BEV: tensions expected on Lithium (e.g. Bolivia, Chili, China) and cobalt (e.g. RD Congo, Australia) after 2020</li> <li>■ FCEV: alternatives to platinum emerging</li> </ul>

**FCEV considered relevant in the long term for vehicles requiring higher horse power and autonomy**  
**Several OEMs communicated on FCEV launches by 2025 (Toyota, HKMC, Honda, Daimler, GM, BMW)**

## Lightweighting Solutions

- Using unique manufacturing processes, materials, and designs to produce lightweighting solutions that achieve fuel efficiency & CO2 reduction
- Ex. High pressure die-casting for structural components

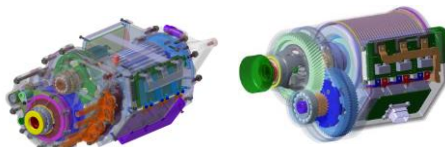


- Ex. Adapting forging gear designs & processes to achieve near net shape



## Innovation in Design, Development, and Manufacturing

- Innovative design & engineering solutions to provide cost effective solutions to OEMs
- Ex. Fully integrated eAxle systems for hybrid & electric vehicles



- Ex. Integrated hydroformed assembled camshaft within one-piece cast aluminum carrier housing with unique-to-Linamar manufacturing process



## Green & Connected Vehicles

- Utilizing Linamar product and engineering expertise to find solutions in disruptive markets and technologies
- Ex. Vehicle to vehicle communication for smart all wheel drive capabilities delivering information over dedicated short range communication



Asphalt

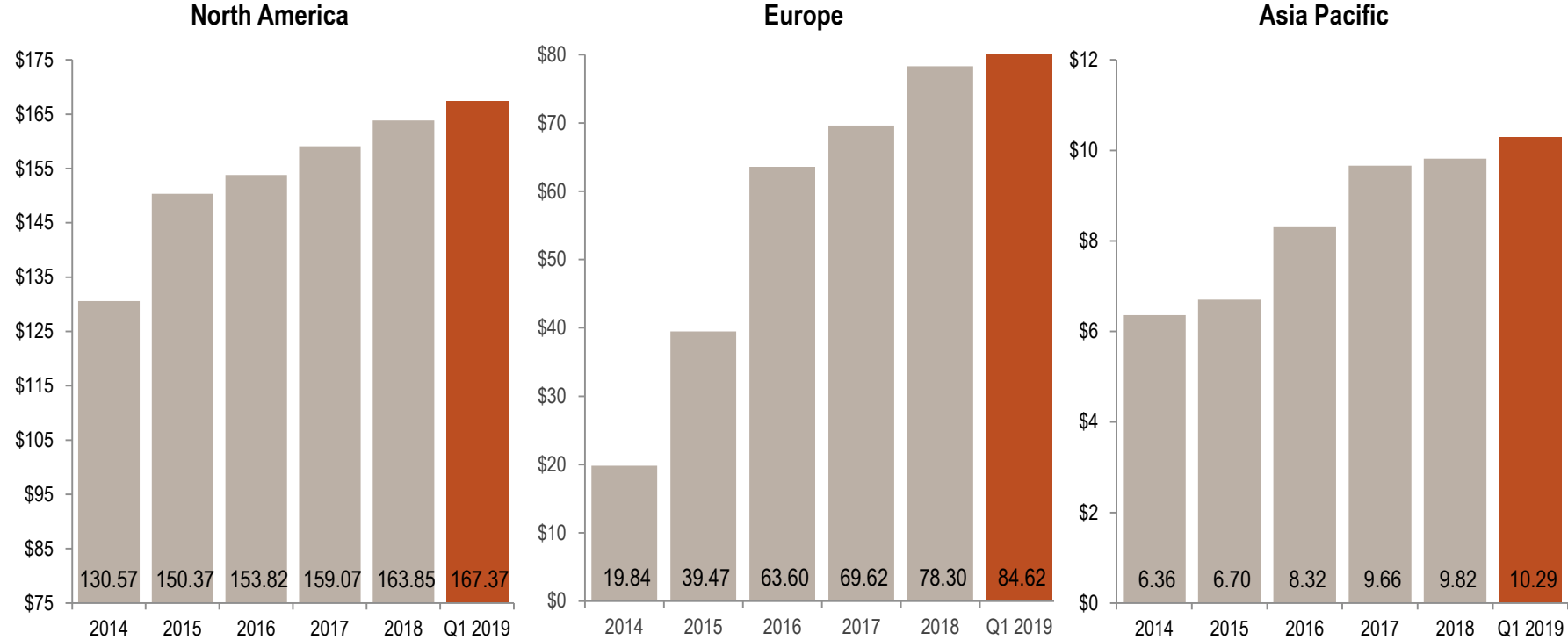
Ice

- Ex. Engineering & manufacturing next generation hydrogen storage tank for alternative fuel solutions

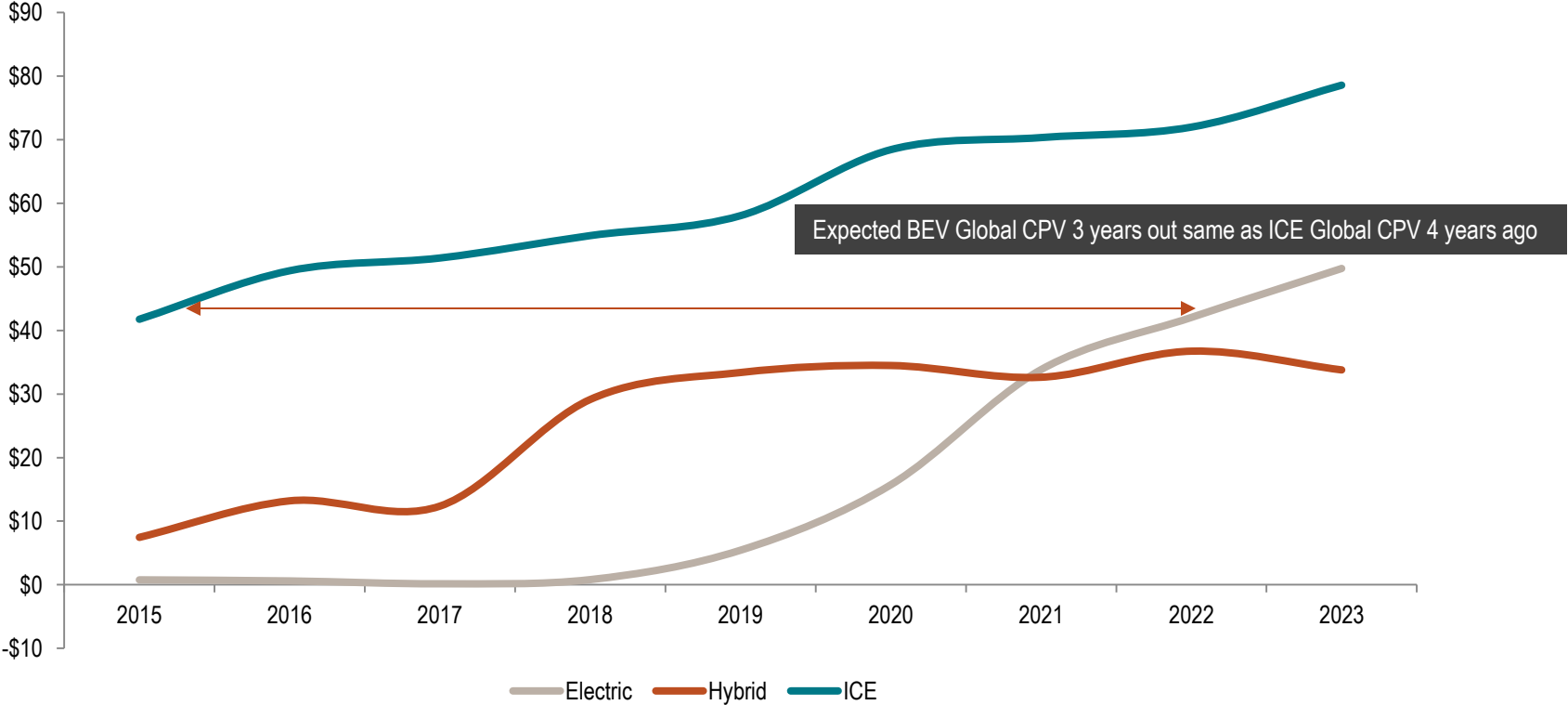




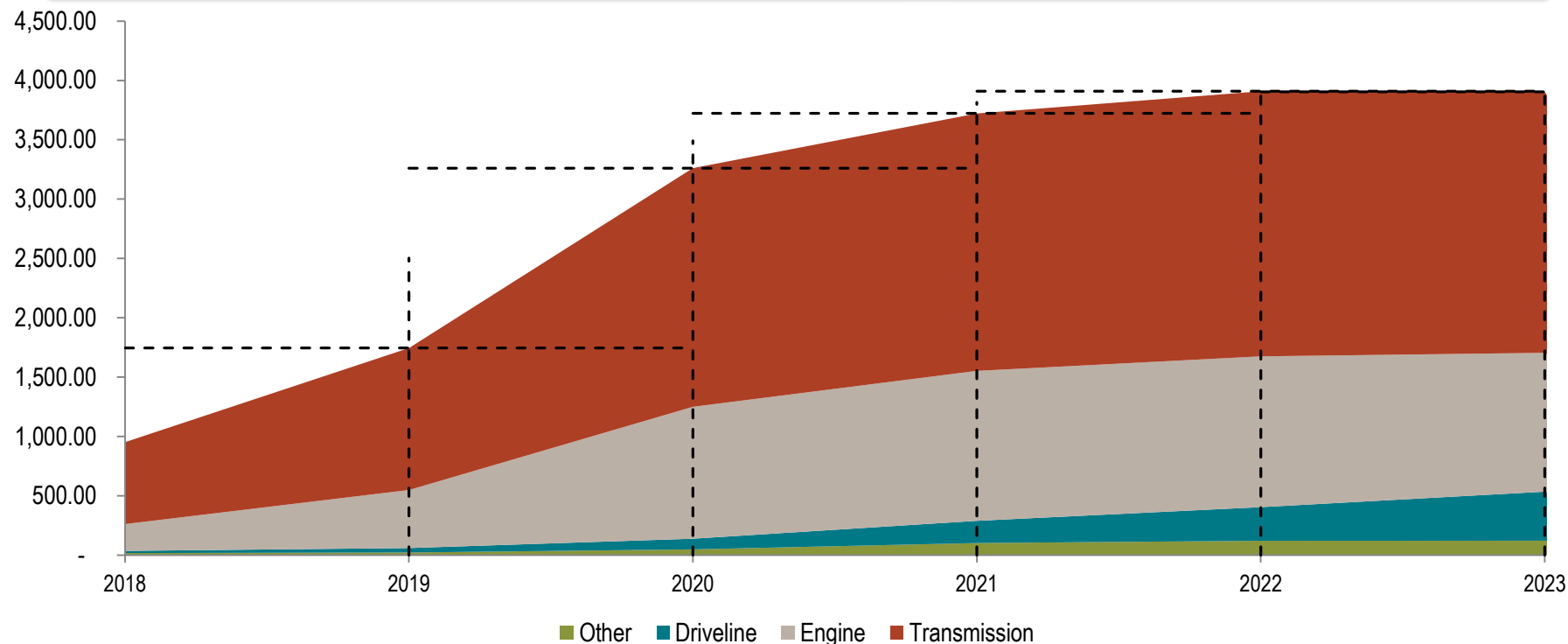
# Content Per Vehicle



# Electrified Vehicles Key Growth Opportunity for Linamar



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

# Key Market Strategies - Flexible & Opportunistic



Power



Water



Age



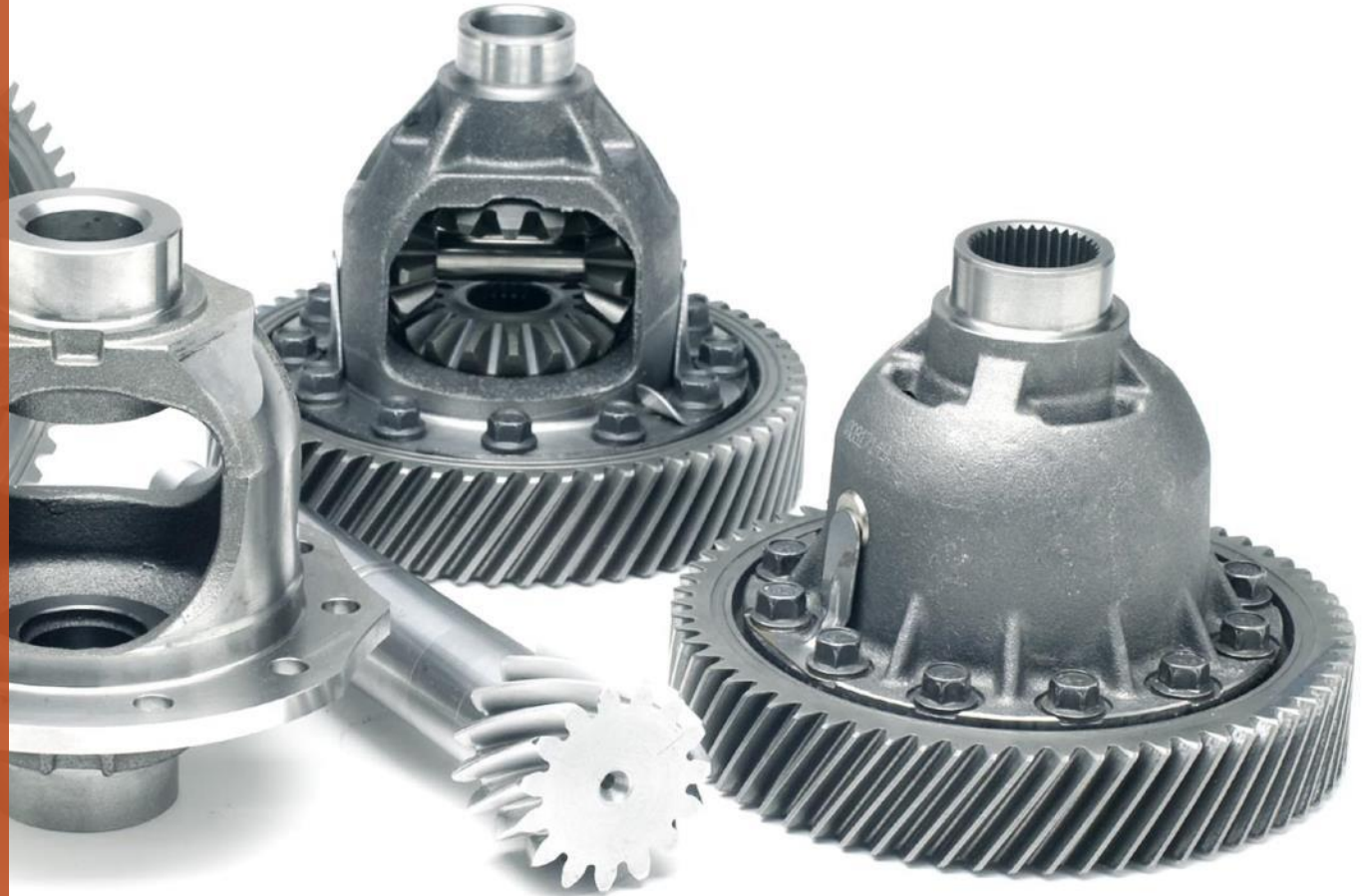
Overall

- Invest lightly in the short term
- Focus on Advisory Councils, research markets, develop strategy
- Target ~5 year intervals for major diversifications

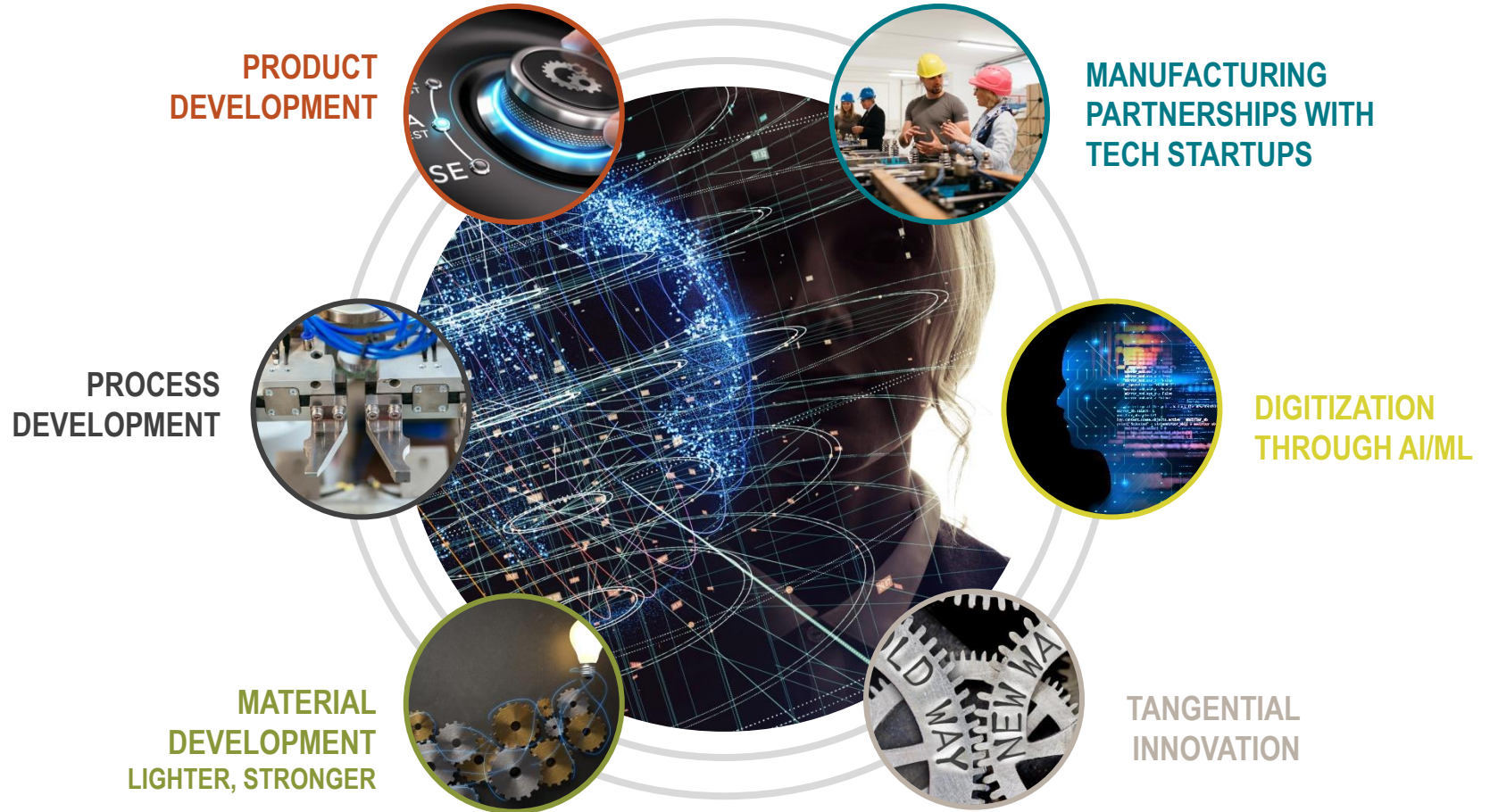
- Expand Asian footprint
- Focus primarily on Greenfield growth with some smaller acquisitions to enhance technology offering
- Focus on Innovation to drive growth



# Innovation – Driving the Advanced Manufacturing Agenda

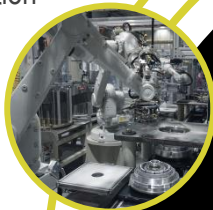


# Broad Innovation Strategy



## ADVANCED ROBOTICS

Development of advanced collaborative robots to drive more efficient and safer automation



## VISION SYSTEMS

Evolving vision systems to more accurately gauge & inspect products for better product integrity



## DATA COLLECTION

1. Creation of data collection & analysis systems to identify ways to improve equipment uptime, improve tool life & reduce cycle times
2. Utilizing sensors within products to drive product design improvements or enable product operational improvements through telematics



## ADDITIVE MANUFACTURING (3D PRINTING)

Identify applications today (proto, tooling), develop for future production potential



## PREDICTION & ANALYSIS

Assessing other processes of analysis & prediction that can be more efficiently & accurately done by machine



# 60

Plants



# 2,143

Connected Machines



# 2,230

LMMS Data  
Collection Connections

# 1,919

RFID Stations



# 1,933



Traceability Read Stations

# 2,982

Robots



# 1024



Vision Systems

# 824

Traceability  
Marking  
Stations



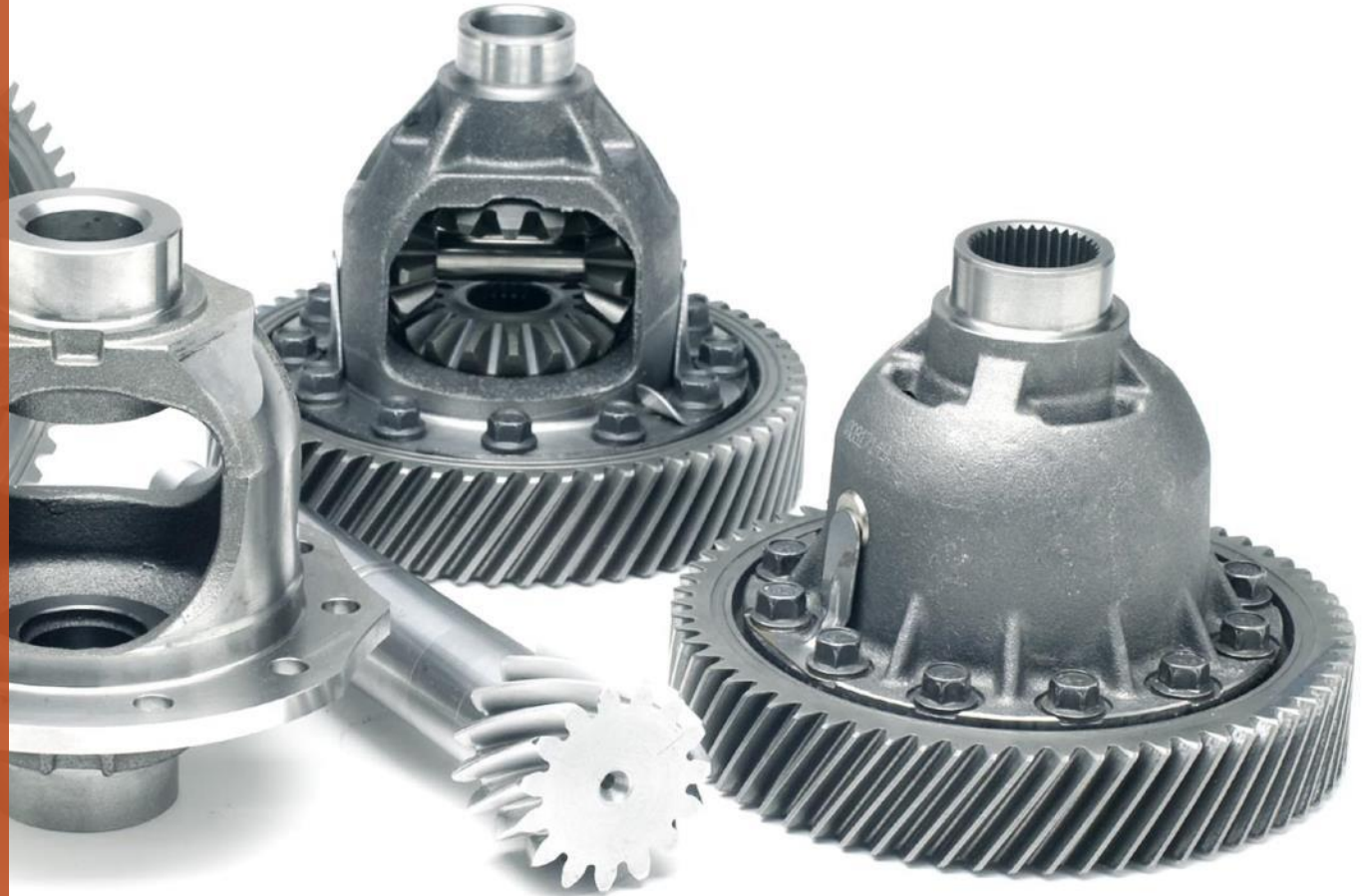
# 8

AGVs

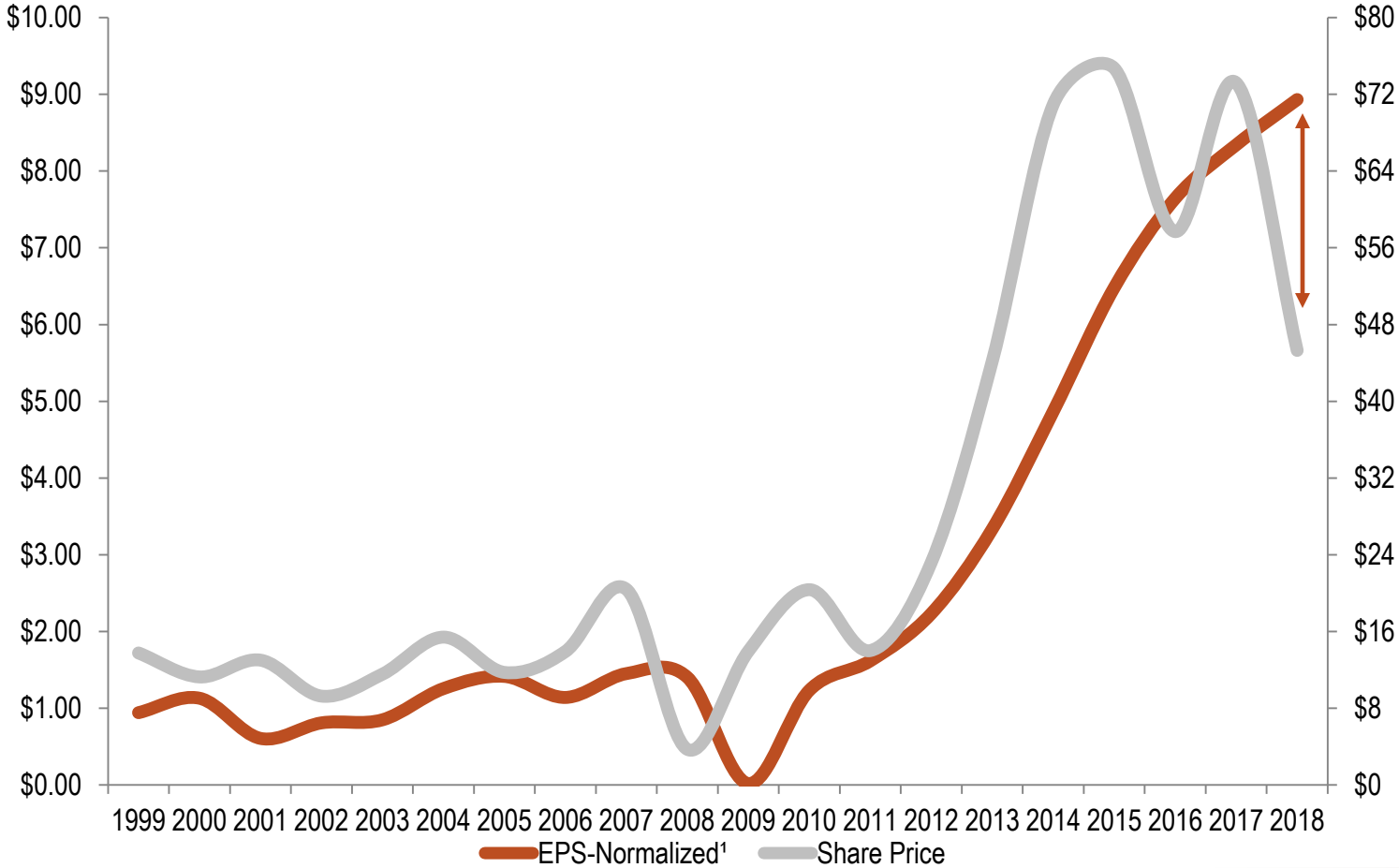




# Why is Share Price not Reflecting Performance



# Earnings Per Share Normalized<sup>1</sup> vs Share Price



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

- Linamar earnings are 40% industrial where PE multiples are much higher but we are being valued as an auto stock alone
  - Valuations with a “sum of the parts” approach yield much higher target prices
- All auto stocks are under pressure today:
  - Vehicle volumes have flattened/softened, market is predicting a down cycle in global vehicle production and selling auto stocks as a result
  - Powertrain suppliers are being hit the hardest -- electric and autonomous vehicles are expected to come faster than actually predicted/possible and anyone perceived not to be heavily in this field is trading at a discount
  - The Canadian auto stocks tend to trade at a discount to US peers
- Company size and liquidity correlates to multiple ie bigger co = higher multiple
- Market dynamics of increased passive (automated/algorithmic) trading driving more volatility and amplifying impact of small issues

# Trading Comparables

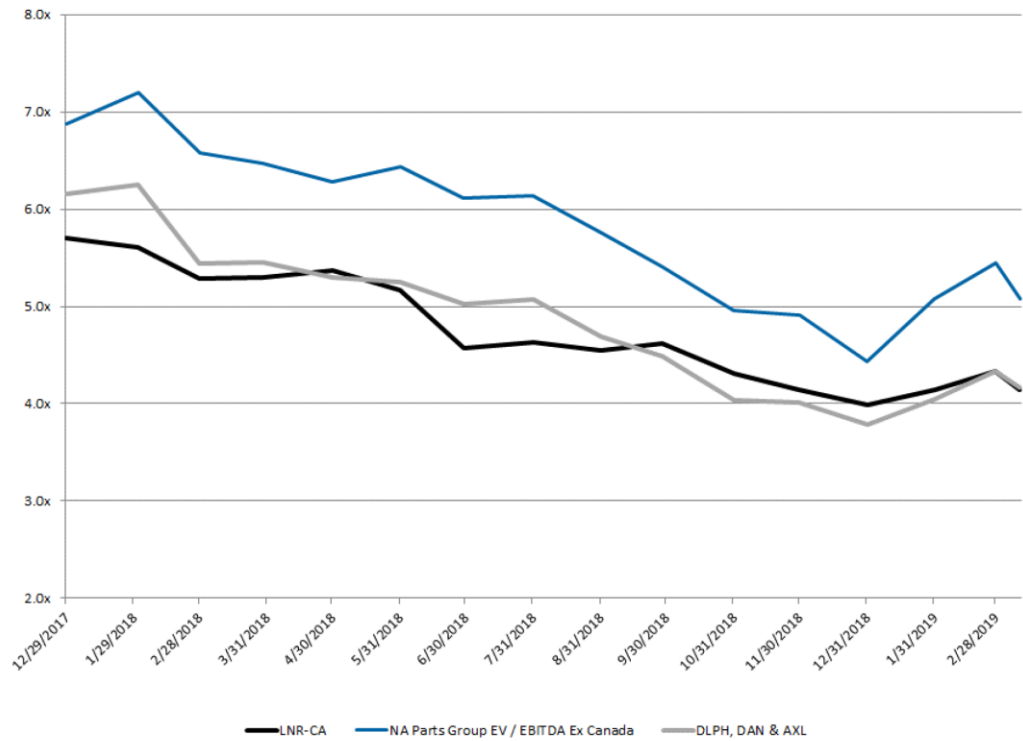
	Auto Part Peers								Industrial / Aerial Lift Peers			Agriculture Peers					
	Linamar	BorgWarner	Exco	Magna	American Axle	Tower	Martinrea	Average (excl. LNR)	Terex	Oshkosh	Average	Ag Growth	Deere & Company <sup>(1)</sup>	Alamo	AGCO	CNH <sup>(1)</sup> Industrial	Average
Equity Value (C\$ mm)	\$3,333	\$12,157	\$395	\$24,444	\$2,316	\$680	\$1,140		\$3,219	\$7,640		\$1,132	\$71,710	\$1,636	\$7,396	\$19,896	
Enterprise Value (C\$ mm)	\$5,361	\$13,834	\$407	\$27,525	\$6,800	\$660	\$1,826		\$4,362	\$8,524		\$1,787	\$78,456	\$1,705	\$8,461	\$21,750	
EV / CY19E EBITDA	4.4x	6.1x	5.2x	4.7x	4.2x	2.8x	3.7x	4.5x	6.6x	7.6x	7.1x	10.2x	10.1x	9.4x	7.2x	5.7x	8.5x
EV / CY20E EBITDA	4.4x	5.8x	4.9x	4.5x	4.3x	2.4x	3.4x	4.2x	6.7x	7.5x	7.1x	9.0x	9.8x	8.7x	6.8x	5.3x	7.9x
Price / CY19E EPS	5.5x	10.4x	8.7x	8.2x	5.3x	9.9x	5.4x	8.0x	8.7x	11.3x	10.0x	17.3x	16.0x	15.9x	15.5x	12.5x	15.4x
Price / CY20E EPS	5.3x	9.5x	8.1x	7.5x	5.2x	7.1x	4.9x	7.1x	8.6x	10.6x	9.6x	14.6x	13.6x	14.2x	13.4x	11.4x	13.4x
'19E - '21E Revenue Growth	4%	7%	(1%)	3%	(1%)	n.a.	2%	2%	(1%)	2%	1%	5%	3%	n.a.	4%	3%	3%
'19E - '21E EBITDA Growth	1%	7%	5%	5%	(1%)	n.a.	4%	4%	(0%)	1%	0%	5%	2%	n.a.	7%	1%	4%
'19E EBITDA Margin	15%	16%	16%	11%	16%	12%	13%	14%	11%	10%	10%	17%	16%	13%	9%	10%	13%
'19E Capex as % of Sales	6%	6%	5%	4%	6%	6%	8%	6%	2%	2%	2%	3%	3%	3%	3%	4%	3%
Net Debt / LTM EBITDA	1.8x	0.8x	0.2x	0.9x	2.8x	1.2x	1.5x	1.2x	2.9x	0.8x	1.8x	4.8x	0.9x	0.4x	1.4x	0.7x	1.6x

Sources: Capital IQ

Note: Market data as of 23-Apr-19. Enterprise values shown have been adjusted for subsequent events.

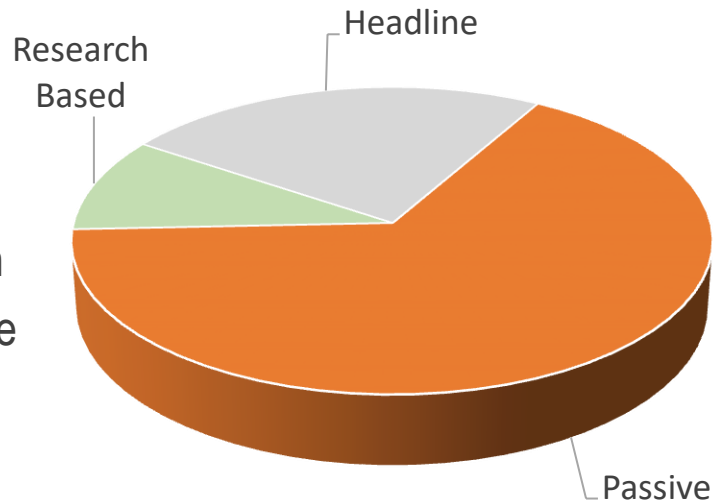
1. Enterprise value and net debt are adjusted to exclude debt and cash from finance division.

Linamar 1-year Forward EV/EBITDA vs. DLPH, DAN, AXL (Powertrain peers)



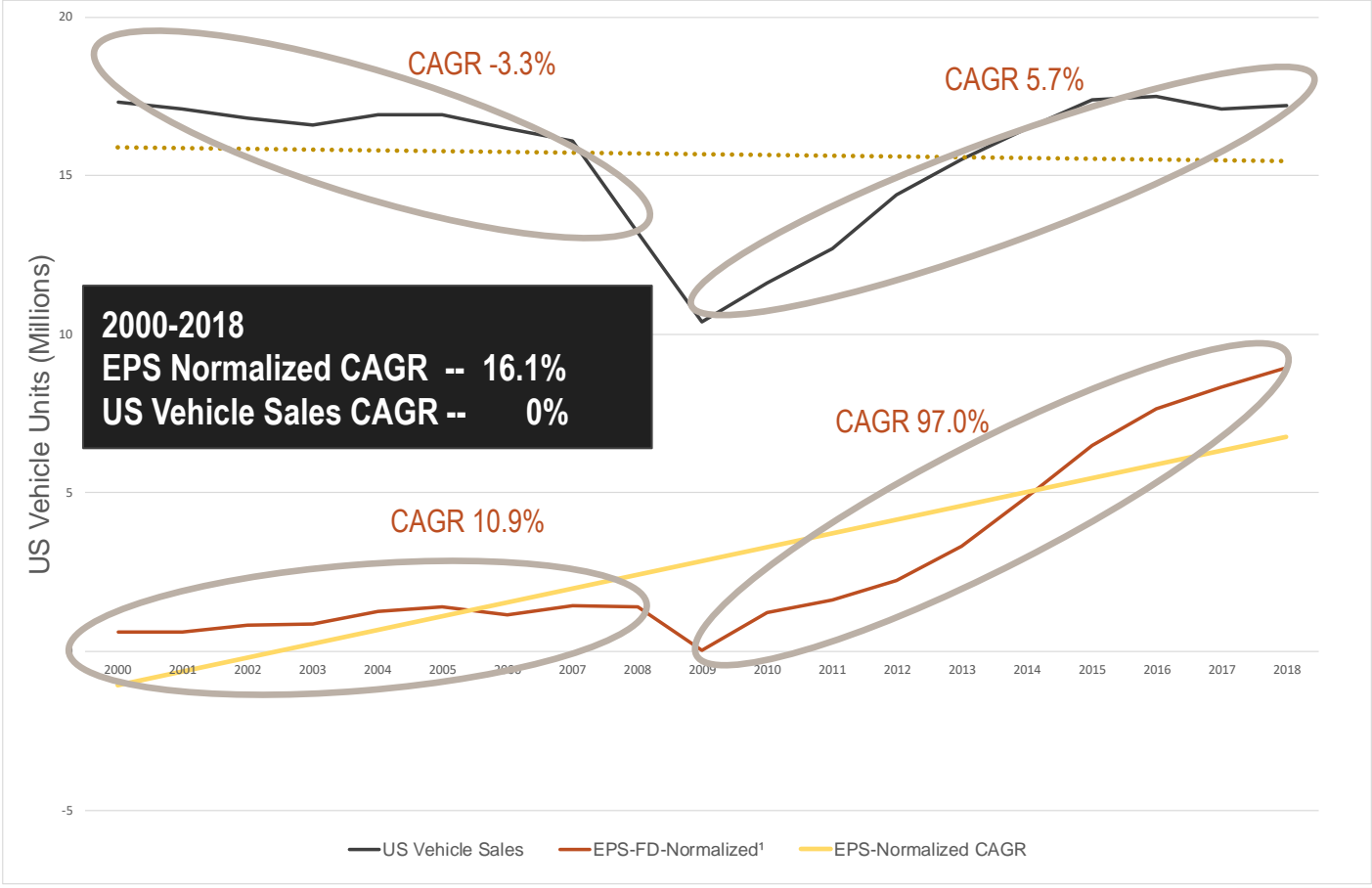


- Majority of trades in market today are “Passive”
  - Passive trades follow momentum of other trades
  - They **magnify the trading of active traders**
- 25% of trades today are “Headline Traders”
  - **Reactive trades based on headlines not research**
  - By definition will trade frequently acting on immediate news, correcting mistakes later
  - Headlines today are against us and driving a sell off
    - “Auto industry end of cycle”
    - “Auto industry evolving and only New Tech players will survive”
- 10% of trades today are “Research Based Traders”
  - Study, research, make long term plays based on where they see value
  - **By definition trade infrequently**



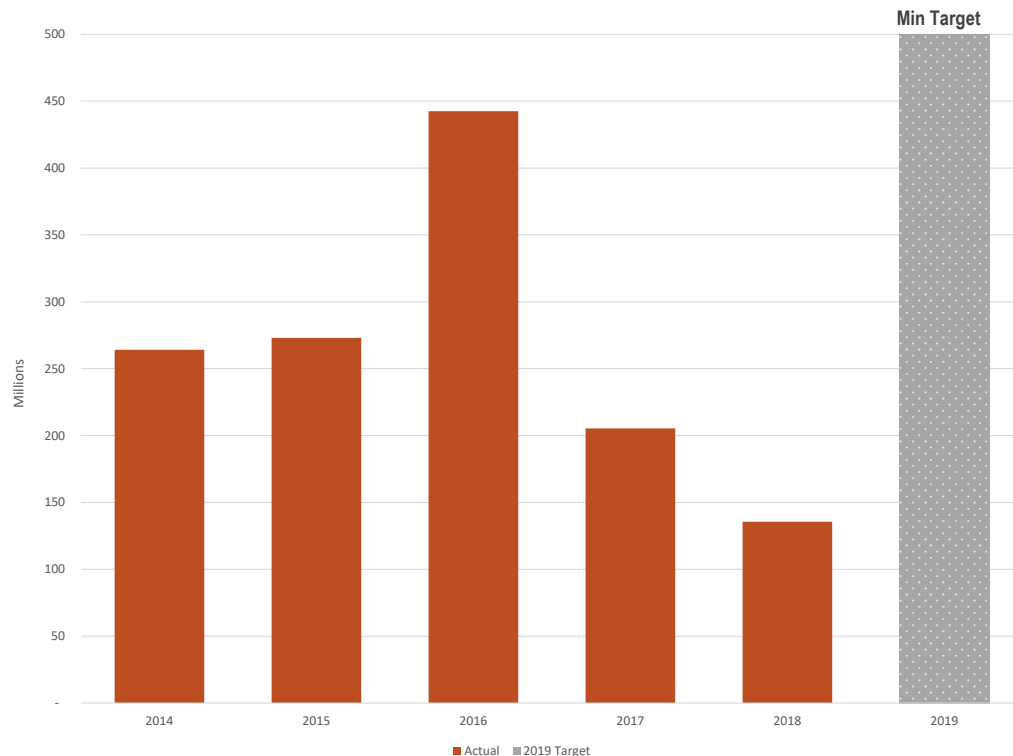
- **Reiterate independence of 3 key businesses with the benefit of deep interconnection and value creation to encourage sum of parts valuation**
- **Can't control auto industry headline but we can correct the perception of Linamar**
  - Reiterate significant growth potential and booked business in hybrid and electric vehicles – we are New Tech
  - Emphasize our track record of growth through cycles
- **Continue to perform**
  - Deliver earnings growth in 2019
  - Deliver significant free cash flow in 2019
  - Focus on NBW & Strategic Opportunities to keep growth coming
- **Continue to invest in innovation as the key to our competitiveness and growth**
- **Focus on shareholders through NCIB announced early in the year**

# 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.

# 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



## Consistent Performance

- History of growth despite auto cycles
- Sales & earnings growth consistent & well above market
- Double digit normalized earnings growth 9 years running
- Booked business for 2023 \$8.5 to \$9 billion



## Massive Market Opportunity in All Businesses

- MacDon growth potential 4x current footprint, market share growing
- Skyjack -- access market \$10 billion, few players, market share growing
- Transportation addressable market growing, significant opportunity in electrified vehicles



## Strong Free Cash Flow Expected in 2019

- Earnings up, capex down, improvements in NCWC should drive significant FCF
- Net Debt to EBITDA under 1 by year end



## 2019 Earnings Growth Leads Many Peers

- Consensus earnings growth for Linamar 6% normalized vs average of peers 4%



## Focus on our Shareholders

- NCIB returning cash to shareholders this year





# Annual General Meeting

Jim Jarrell  
President & COO

May 30<sup>th</sup>, 2019



## Tuesday, May 28, 2019

- 10-4pm Leadership AIM team offsite
- 8:00-3:00pm Stepping Stool Workshops

### **Stepping Stool Banquet**

## Wednesday, May 29, 2019

Theme: Focus on Youth

- 8:30-10:30 Co-op Team Building
- 11:00-11:50am Presentation + Lunch (LH and JJ)

11:50-5:00pm Tech Day – Recruitment Focus Tours

1. The Centre Innovation (FlexForm, Additive, Thermolift, Softwheel)
2. EV: Passcar eAxe, eAxe DOE + GearLab Tour
3. FoF video in Canada Room + VR + GF Linamar video; and tour of GF Linamar part display
4. MacDon display and presentation
5. PowerCor Tour: (LMMS; Vision; Automation)
6. Skyjack Customer Access Centre + P2 Tours (Project 2023, Autonomous Drive, Autonomous Self-Check, Instant Access Data)

## Thursday, May 30, 2019

Theme: Focus on Investors

- 10-11:30am AGM Presentation

11:50-5:00pm Investor Day – Tech Focus Tours


1. The Centre Innovation (FlexForm, Additive, Thermolift, Softwheel)
2. EV: Passcar eAxe, eAxe DOE + GearLab Tour
3. FoF video in Canada Room + GF Linamar video; and tour of GF Linamar part display
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Technology of tomorrow  
through our Products,  
Plants & People

Products, Plants  
& People



**LINAMAR**  
Power to Perform





# Creating & Launching Technologies of Tomorrow that Profitably Grow Linamar



Technology of tomorrow  
through our Products,  
Plants & People

**Products**

 **LINAMAR**  
Power to Perform







## Machining & Assembly

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



## Forging

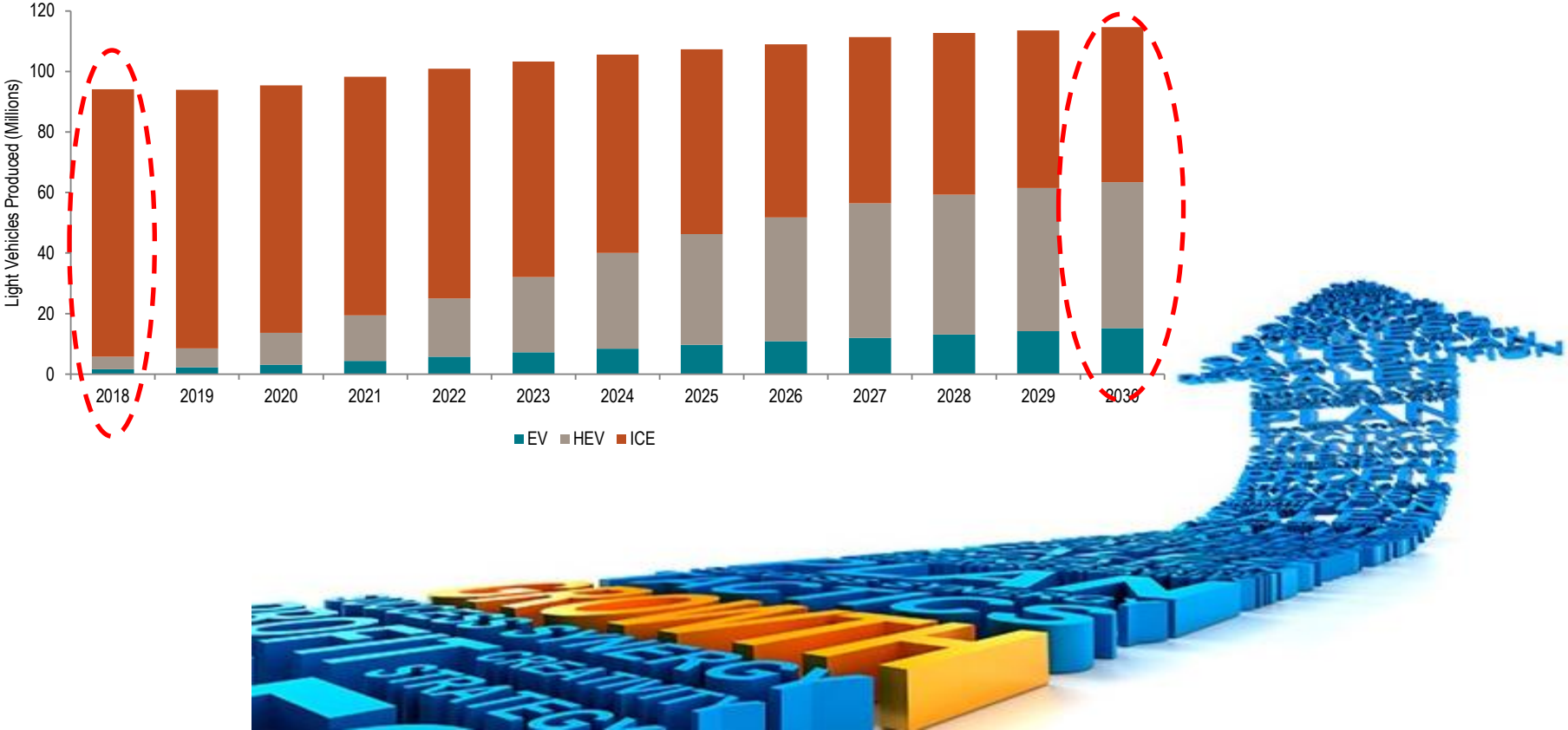
- Hatebur High Speed Hot Horizontal Forging
- Conventional Vertical Forging
- Cold Forming
- Ring Rolling
- Radial Forging



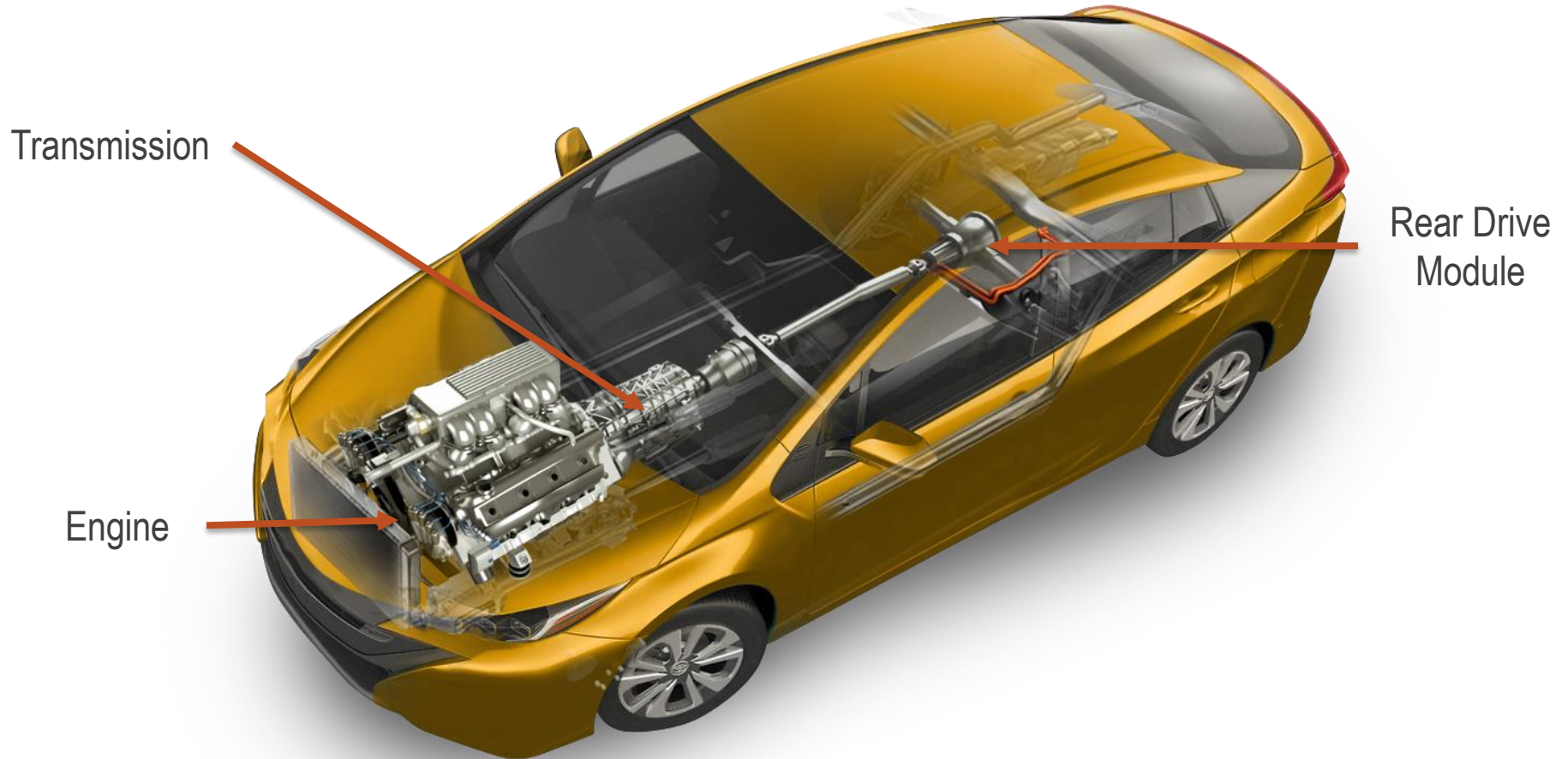
## Light Metal Casting

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

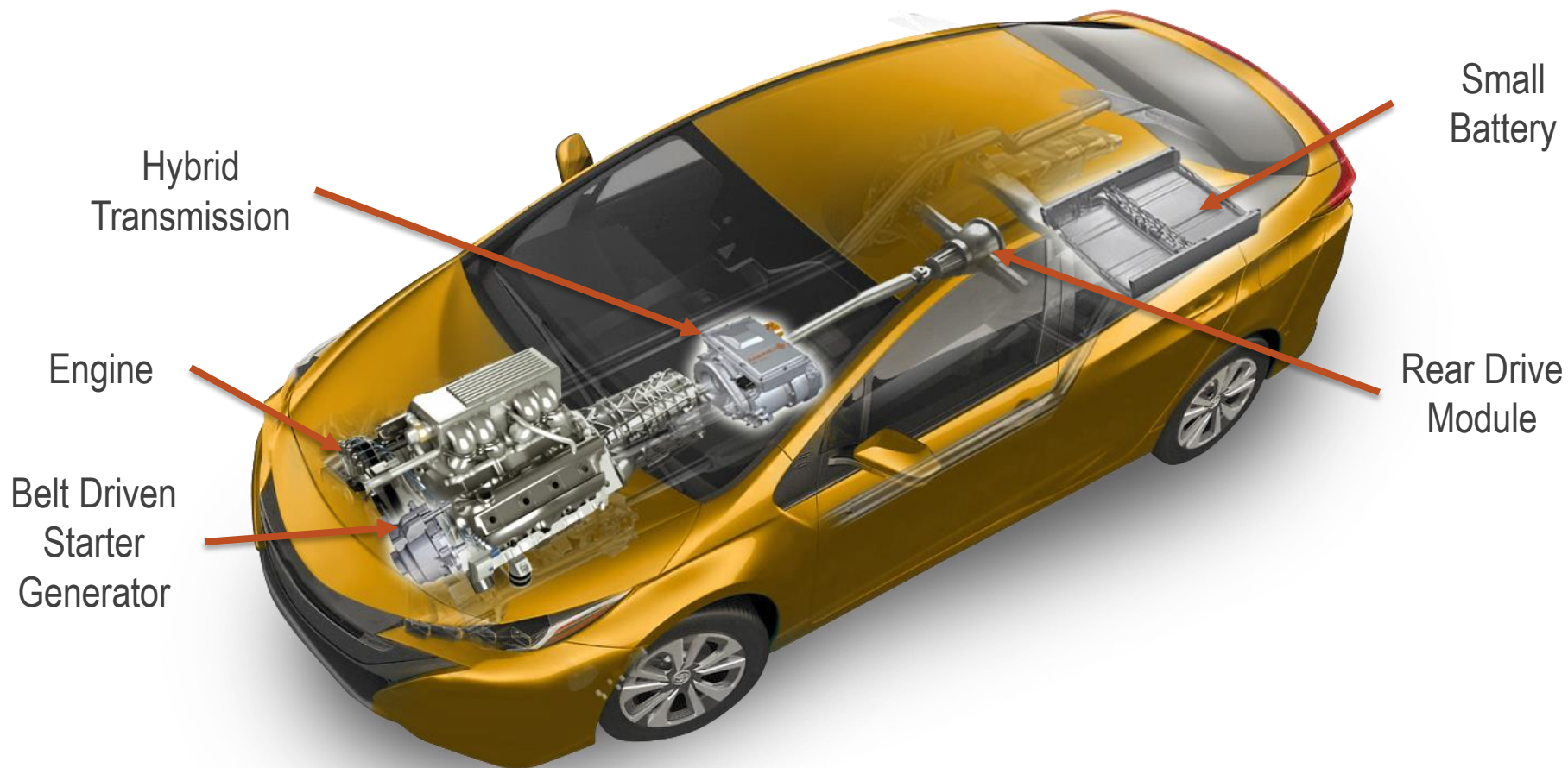
# Grow Content and Market Share



# Conventional ICE Vehicle

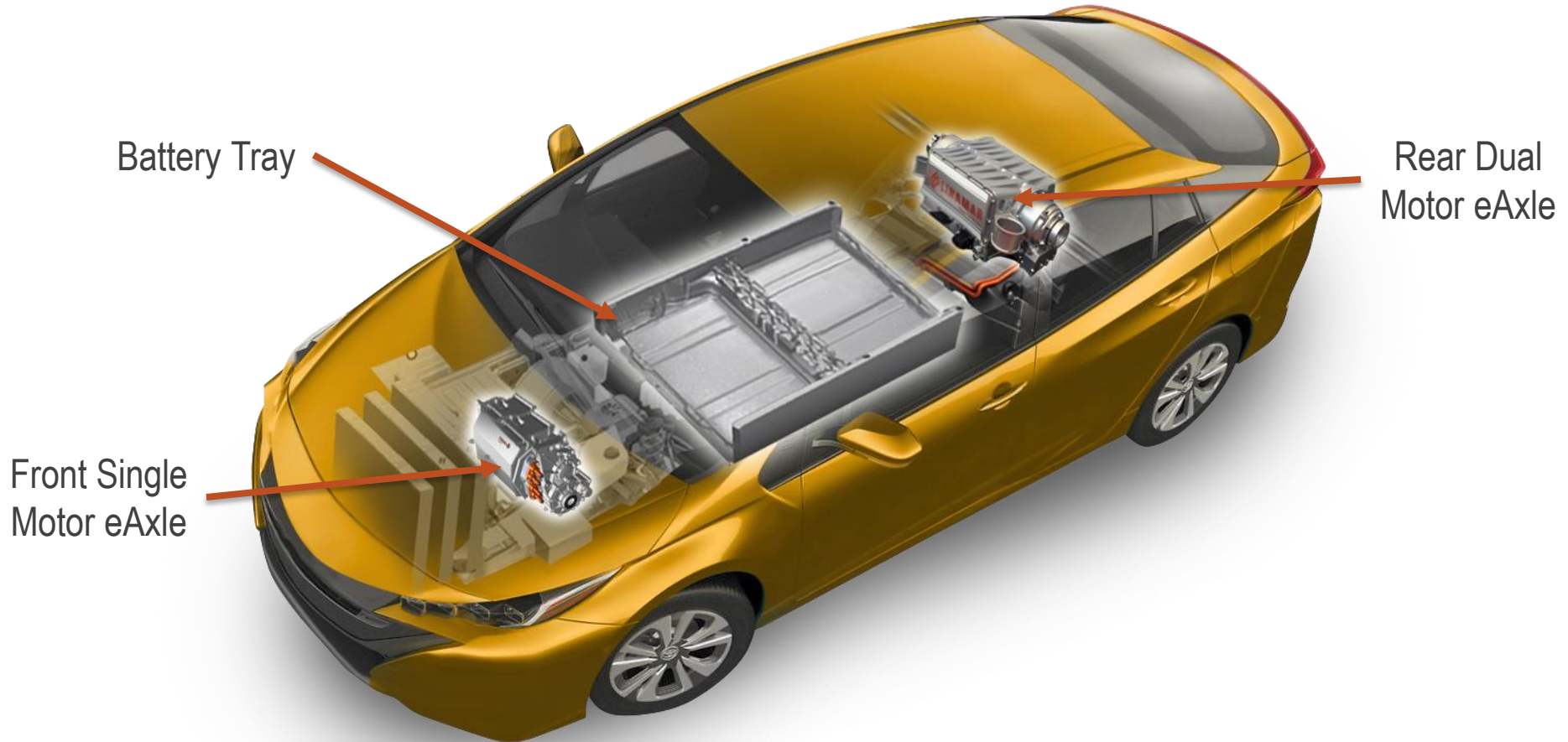


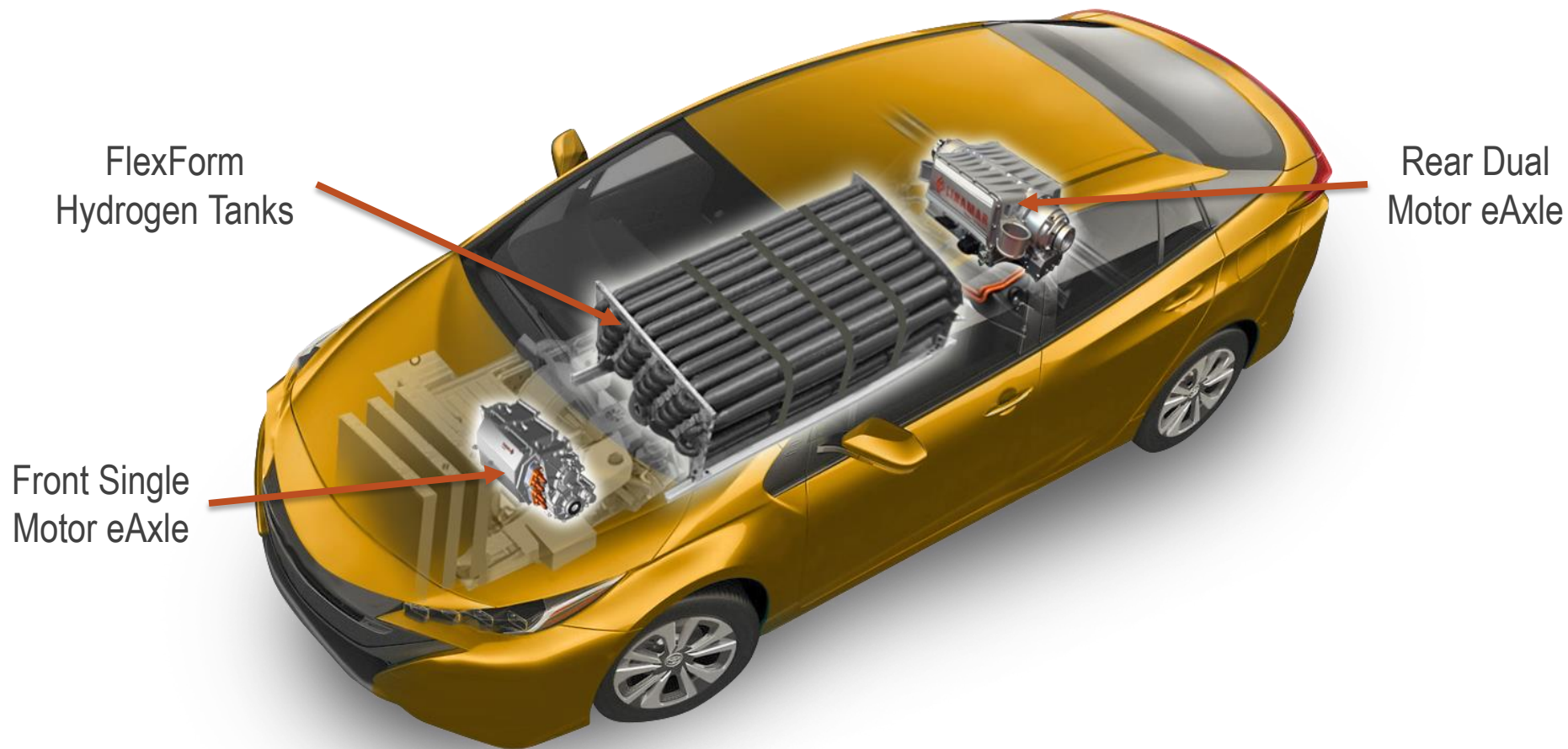
# Hybrid Vehicle

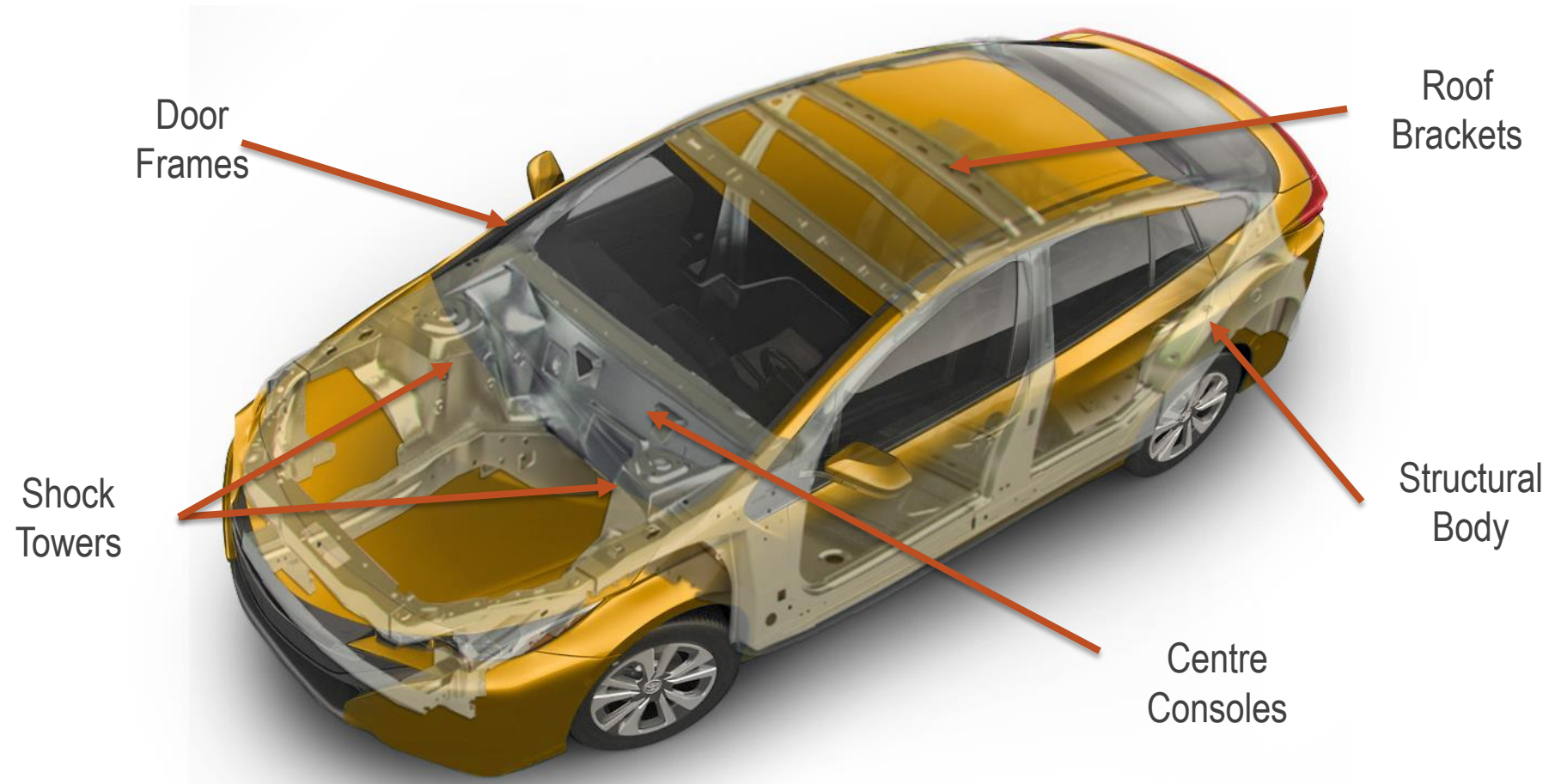




# Battery Electric Vehicle







## Engine



Camshafts



Cast and Cubed / Fully Machined  
Cylinder Blocks & Heads



Connecting Rods



Turbo Charger  
Assemblies



Balance Shaft Modules



Camshaft / Cylinder Head  
Cover Modules



Lower Engine Crankcase  
Assemblies

## Transmission



Gears



Shaft & Shell  
Assemblies



Differential Housings &  
Assemblies



Transmission  
Cases



Full Clutch Module  
Assembly



Full Clutch Module  
Superstructure Assembly

## Driveline



Engineered Gear Sets



Differential Housings &  
Assemblies



PTUs



RDMS



Disconnecting  
AWD Systems



eAssist Micro Hybrid



Single Motor eAxe

## Body & Chassis



Knuckles



Subframes & Corner Nodes



Shock Towers



Cross Car Beams



Centre Consoles



Door Frames



Seat Frames

## Driveline Systems



Single Motor eAxe



Dual Motor eAxe



Commercial Vehicle  
Solid Axle ePower Unit



Multi-Speed eGearboxes



In-Wheel Motors

## EV Motor & Battery Modules



Battery Tray Housings



Electric Motor Housings

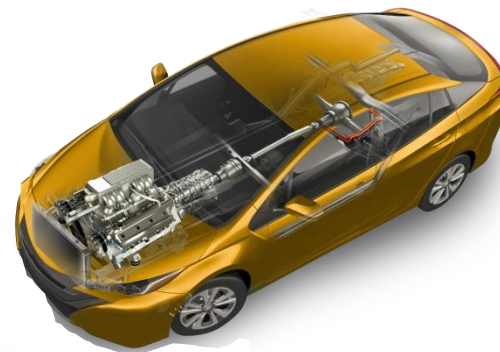


Hydrogen Storage Tank



Gears

# Today & Tomorrow: Linamar has the Products!!





# McLaren Engineering



Hydrogen Fuel  
Tanks



## 5 Engineering Locations



Global Design and Development Capabilities



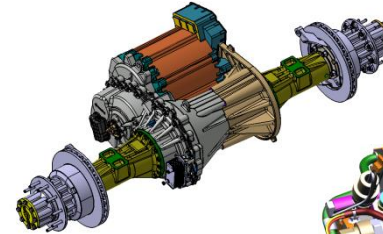
## Engineering Products to Exceed Customer Demands



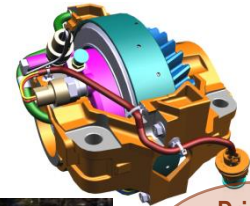
Complex Gear  
Technology



Vehicle Level Development Capabilities

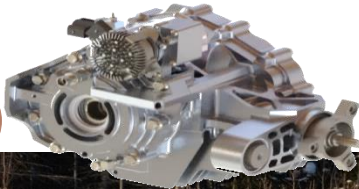


Electric Truck  
Axles



Driveline  
Disconnect  
Systems

Electrically  
Controlled Torque  
Management



# Innovation Hub (iHub)



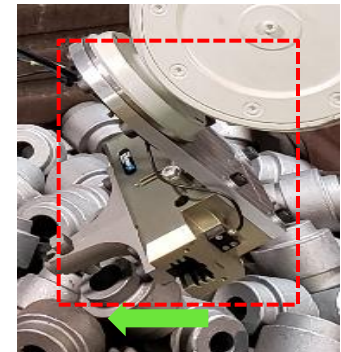
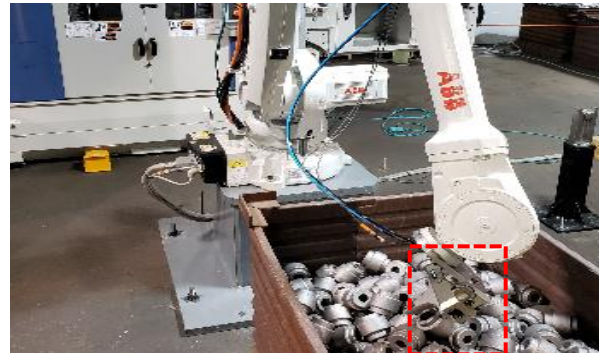


# Samples of Innovation

## Conformable Carbon Fibre Hydrogen Tank

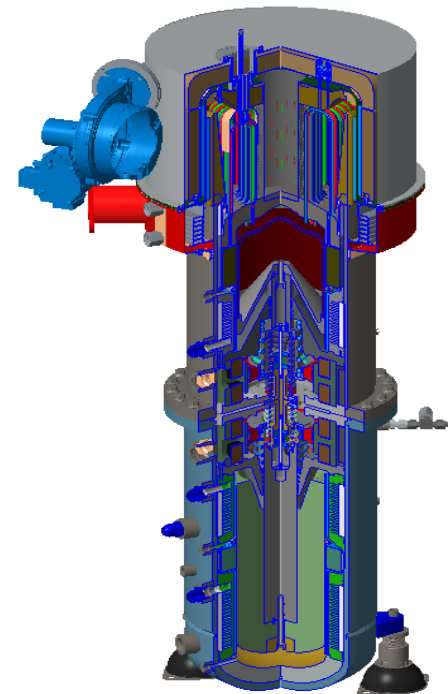


## Robotic Random Bin Picking





What if you could  
replace your furnace,  
air conditioner,  
and your hot water  
heater with 1  
appliance?



...And a claimed 40% to 50% reduction in utility costs

Skyjack proudly provides companies globally with quality engineered, simple and reliable access and telehandler equipment so that they maximize utilization and their return on investment.





Thank you for joining us  
for today's presentation

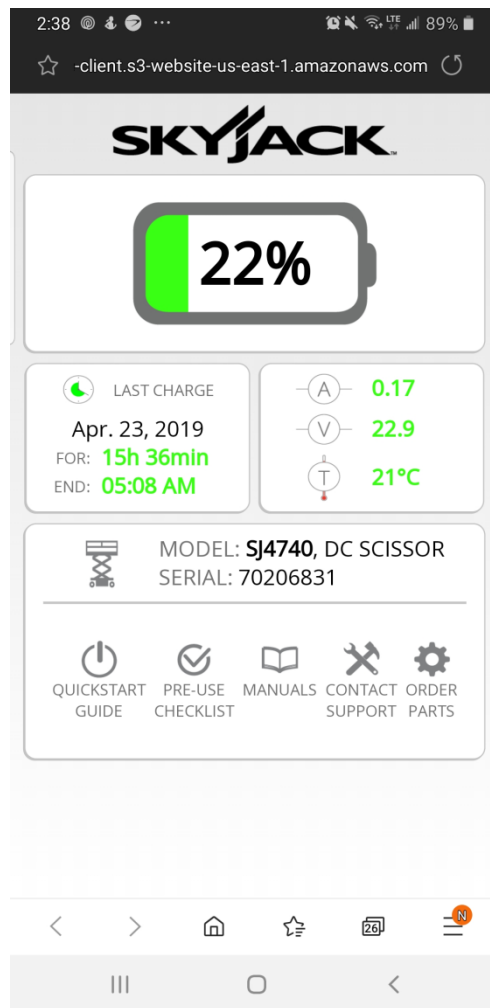


Please share your photos of  
this event for a chance to win  
a \$25 Starbucks gift card!  
[photos@linamar.com](mailto:photos@linamar.com)



Learn more about our  
career opportunities







- Elevate has revenues by \$700 per machine
- 2018 – 16%
- 2019 – 50%
- 2023 – Autonomous tasks



# Skyjack Scissor Portfolio Expands

## VERTICAL MAST LIFTS



SJ12



SJ16

## DC SCISSOR LIFTS



SJIII 3215



SJIII 3219



SJIII 3220



SJIII 3226



SJIII 4620



SJIII 4626



SJIII 4632



SJIII 4740

## RT SCISSOR LIFTS



SJ6826RT



SJ6832 RT



SJ6832 RTE



SJ8831 RT



SJ8841 RT



SJ9241 RT



SJ9250 RT

# Skyjack Boom Portfolio Expands

## TELESCOPIC BOOMS



SJ40 T



SJ45 T



SJ61 T



SJ66 T



SJ82 T



SJ86 T

## ARTICULATING BOOMS



SJ30 AJE



SJ30 ARJE



SJ46 AJ



SJ51 AJ



SJ63 AJ



SJ85 AJ

# Skyjack Telehandler Portfolio Expands

## TELEHANDLERS



SJ519 TH



SJ643 TH



SJ843 TH



SJ1044 TH



SJ1056 TH



SJ1256 TH



ZB2044

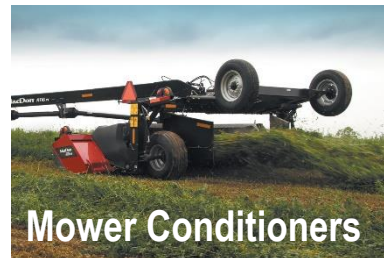
# MacDon: Harvesting Specialist



FlexDraper™ Headers



C Series Corn Headers



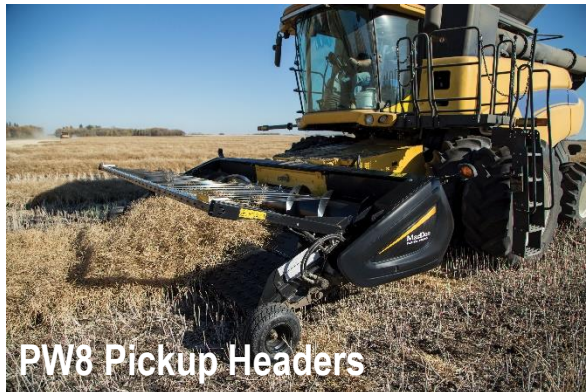
Mower Conditioners



M Series Windrowers



Rigid Draper Headers

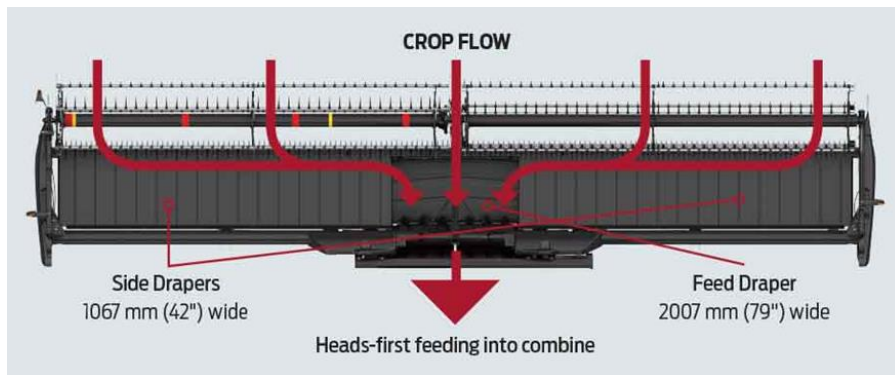


PW8 Pickup Headers

**MacDon** Performance Parts







## Active Crop Flow:

- Crop is gently cut and placed on the side drapers belts
- Crop is then fed smoothly and evenly into the combine promoting peak combine efficiency
- This system works in less than ideal conditions (eg. damp crop, flat laying crop, dirty crop (weeds)), allowing an earlier start and later end to the day

**MacDon®**



## True Ground Following:

- Header is suspended independently from the combine and flexes in three sections
- The entire frame, cutterbar, and reel follow ground contours as a unit
- Maximize crop recovery and ease of operation



# MacDon®

## *The People | The Passion | The Product:*

- Long history of building best-in-class harvesting equipment
- A customer focused organization
- World-class aftersales Parts & Product Support
- Delivering on time
- Through an extensive wholesale distribution network

*Our Dealers and Farmers are loyal to MacDon*



*Technology of tomorrow  
through our Products,  
Plants & People*

# Plants



## Quality and Delivery

ON TIME DELIVERY  
PERFORMANCE

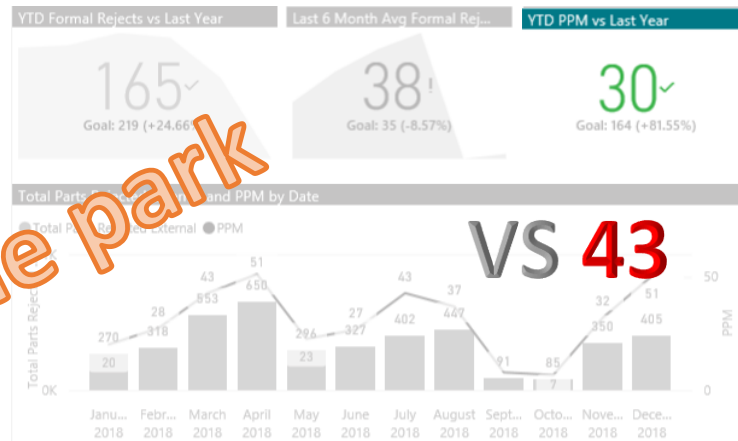


**97.4% VS 94.2%**  
**LNR Industry**



**Strong  
Launch  
Performance**

**PPM – 30% better than industry**



Hitting it out of the park



**SKY JACK**  
simply reliable



**MacDon**



# Intensity of Stepping Stool – 2018 Winners: PowerCor | LDS | Corvex

December 2018 YTD | Linamar Wide

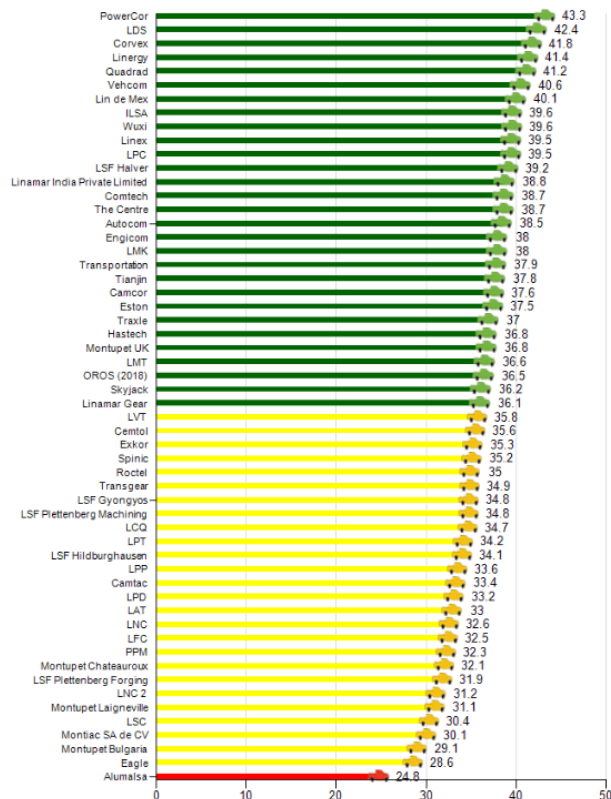


STEPPING  
STOOL OF  
SUCCESS



CUSTOMER LEG		EMPLOYEE LEG		FINANCIAL LEG	
Controlled Shipping	1.0	5S Visual Facility	3.0	Meet Monthly Compass - Sales	2.8
Customer Delivery	2.4	H&S Live Audit Score	2.8	Meet Monthly Compass - OE	2.8
Formal Rejects with Severity	2.4	Lost Time Accident (LTA) Frequency	1.8	Meet Monthly Compass - Capex	2.8
Launch PPAR Performance	4.0	Reviews On Time	1.7	Meet Monthly Compass - NCWC	2.8
VA/VE Appropriate Suggestions Submitted to the Customer	1.8	Employee Turnover	1.9	Inventory Reduction	0.0
TOTAL	12.4	TOTAL	11.2	Lean Suggestions	1.9
				Operating Earnings as a % of Sales	2.4
				Return On Capital Employed	0.5
				Waste Reduction	0.4
				TOTAL	8.1

Stepping Stool Race, Linamar, September, 2018



# SUPPLIER COLLABORATION



SUPPORT



TEAMWORK



COMMUNICATION



TRUST



MOTIVATION



INSPIRATION



SUCCESS



# Supplier Partnerships Work!!



Supplier  
Launches



Supplier  
Quality



Supplier  
Waste Reduction

\$267 Million  
Over Last 5 Years

Opportunities to  
Reduce Waste  
Together

\$81 Million



**CAT's | PAT's**  
\$ 165 Million x 3 years =  
Approx. ½ Billion in  
Waste Reduction


**PRICELESS!**

TARGET \$130,000,000	
PROCESS	NOT ATTAINABLE
\$2,412,341	\$8,245,220

ste...

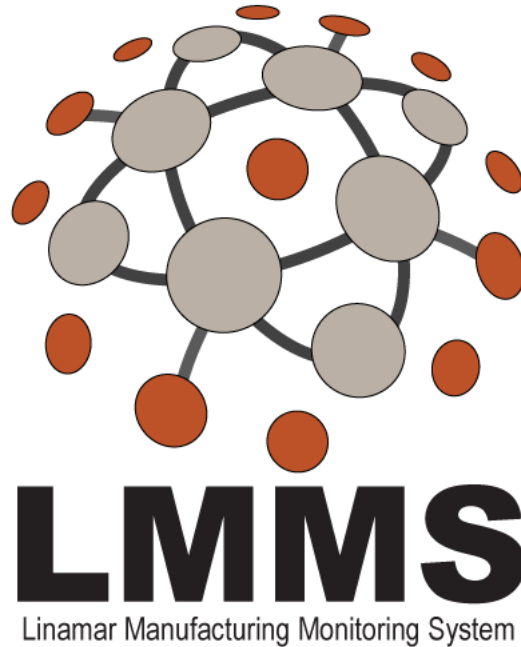


SPONSORED BY: YOUR COMPASS



Sales Net Income Capital Expenditure

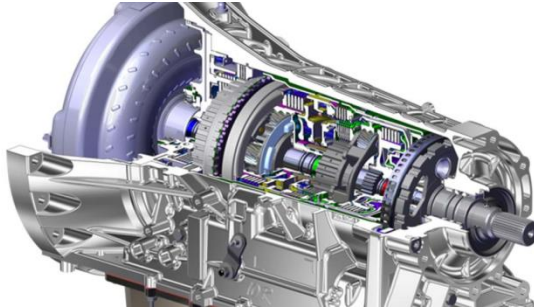
12/19



An example of Linamar's Artificial Intelligence (AI)  
“Cheap Prediction adding Customer, Employee & Shareholder Value”

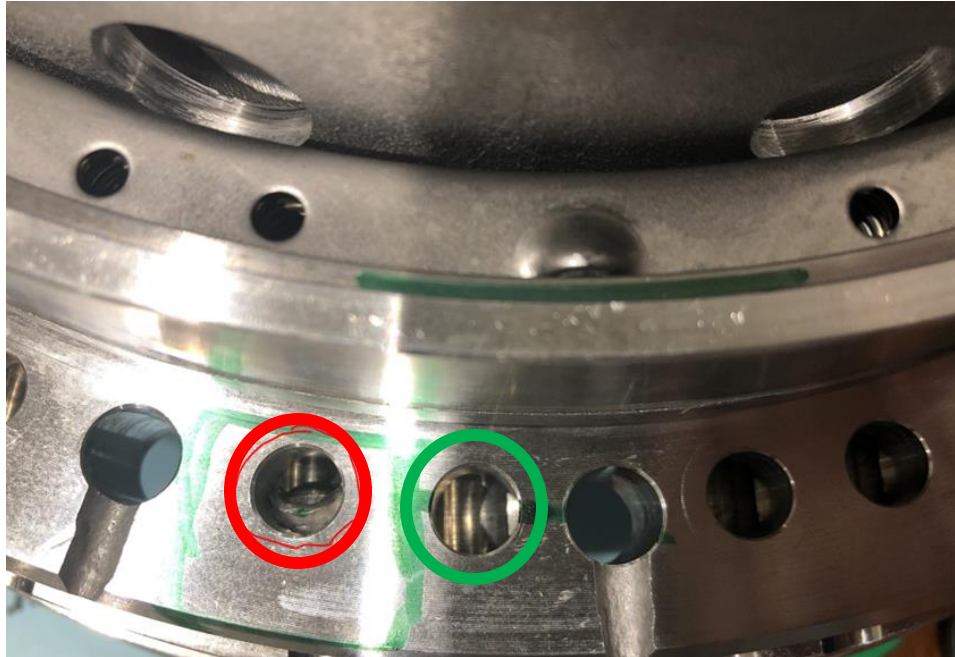


- Two Transmissions failed to shift gears in desired time on functional test

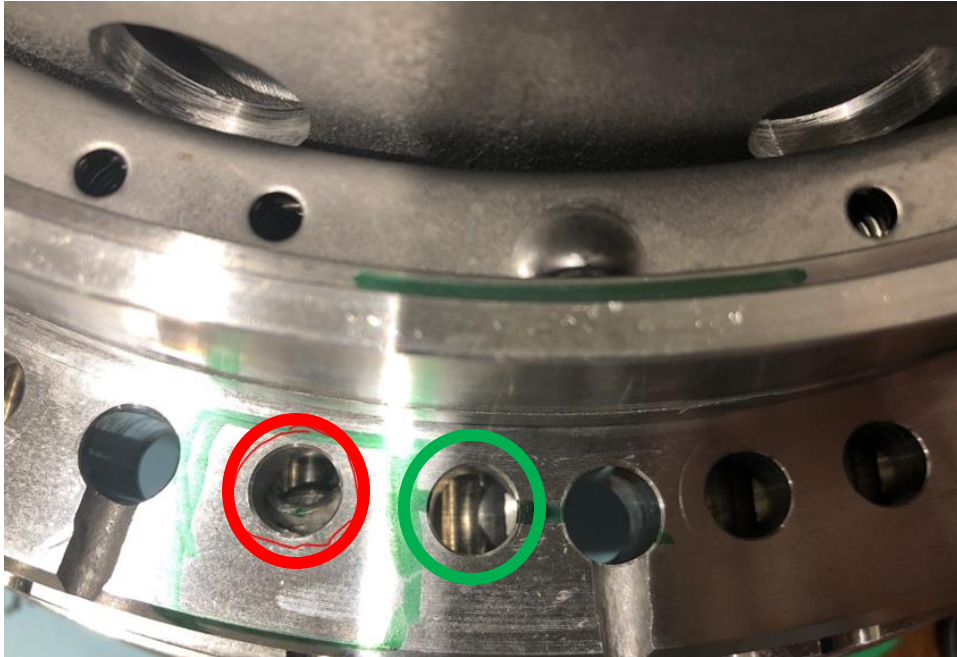




- Parts were assembled in such a way that oil flow was restricted causing a delay in shift times



- Parts could be visually inspected for assembly defect
- Each part must be removed from Finished Goods Dunnage, Inspected and Re-packed



- Unknown Suspect Window – No Process Data
  - **Must Assume all Pipeline Product is Suspect**
- **Exposure**
  - Customer: **7,000pcs** or 175 skids
  - In Transit: **3,200pcs** or 2 full trucks
  - Internal: **18,000pcs** or 450 skids

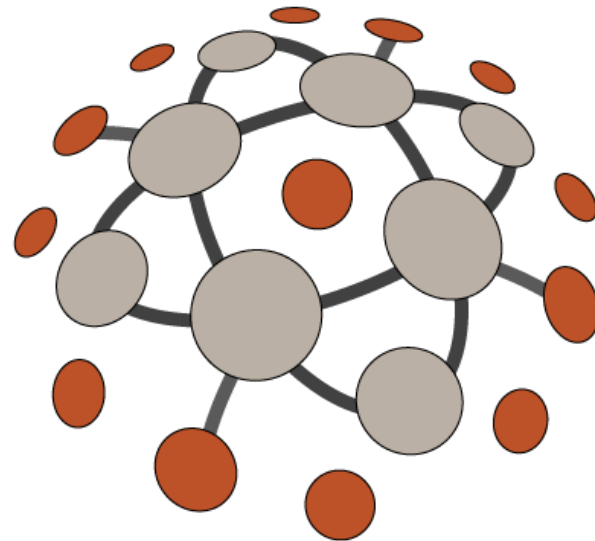


- External Sorting Costs: \$18,511
- In Transit Sorting Costs: \$18,511
- Internal Sorting Costs: \$18,511

Oh yeah.....  
Reputation.  
What's that  
worth??



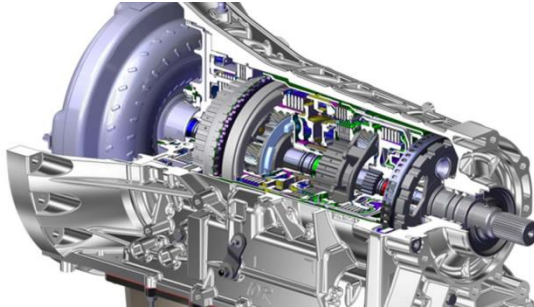
- **Total Cost of Poor Quality: \$86,243**
- Time Elapsed for Certification: 6 days



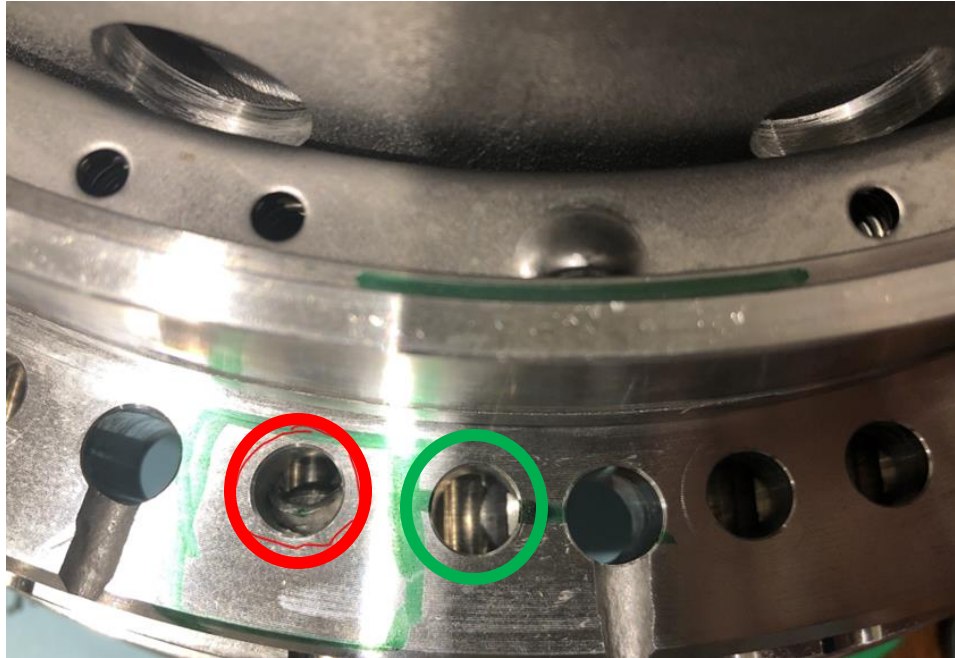
**LMMS**  
Linamar Manufacturing Monitoring System



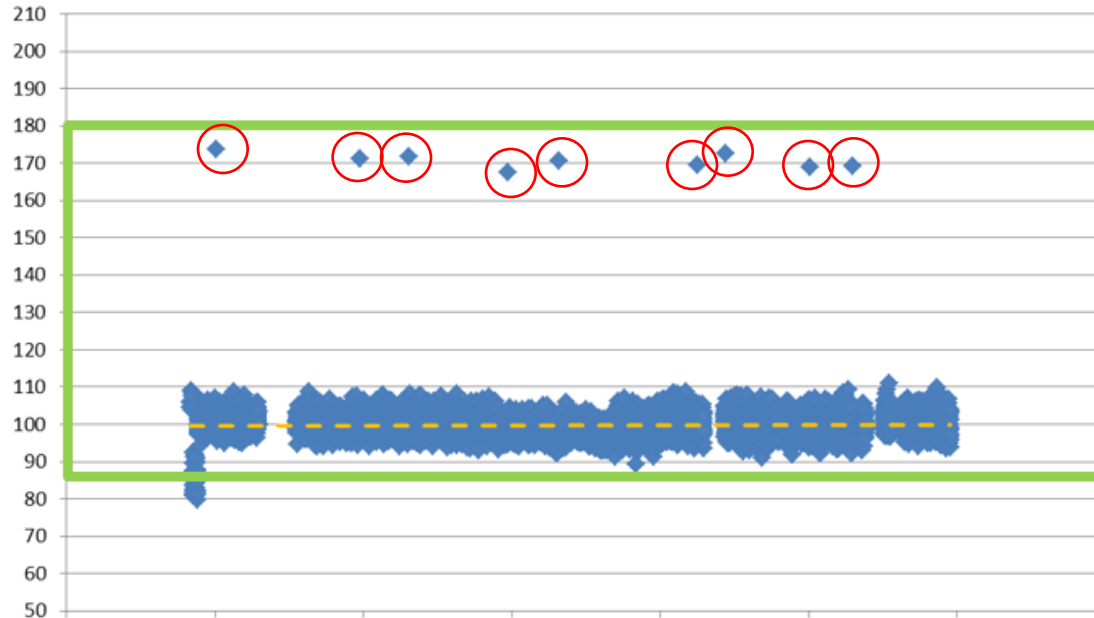
- Two Transmissions failed to shift gears in desired time on functional test



- Parts were assembled in such a way that oil flow was restricted causing a delay in shift times



- According to LMMS traceability data, both failed parts found at the customer show plug install force at the top limit, all other production parts are much closer to nominal or even low limit



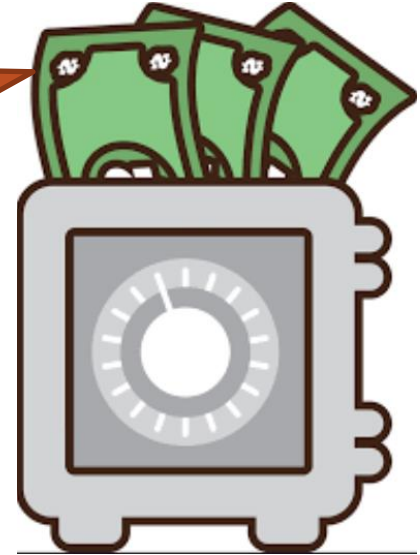
- Four weeks of production data(100,000 parts) were analyzed from LMMS database
- Only **9 parts** show the same top limit for plug install force
- **Exposure**
  - Customer: 4pcs – two already found on final test as rejects
  - In Transit: 0pcs
  - Internal: 5pcs in 3 different skids



- External Sorting Costs: \$1,140
- In Transit Sorting Costs
- Internal Sorting Costs

Oh yeah.....  
Customer  
Satisfied!!

- **Total Cost: \$3,**
- Time Elapsed for Certification: 4 Hours





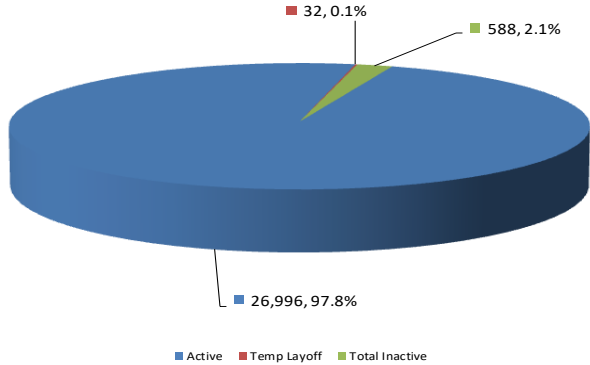
*Technology of tomorrow  
through our Products,  
Plants & People*

**People**

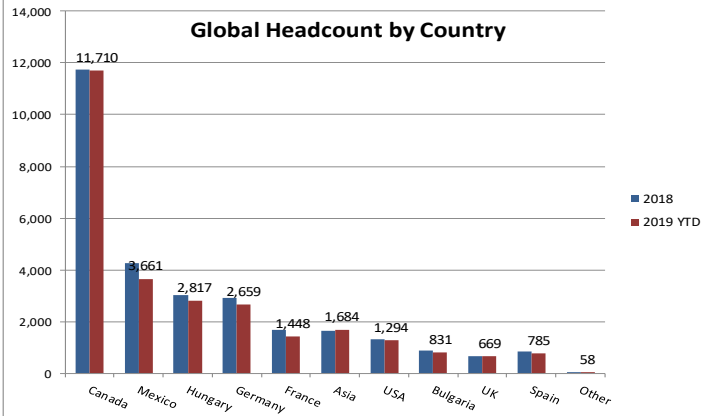


# Global Team Members & Numbers

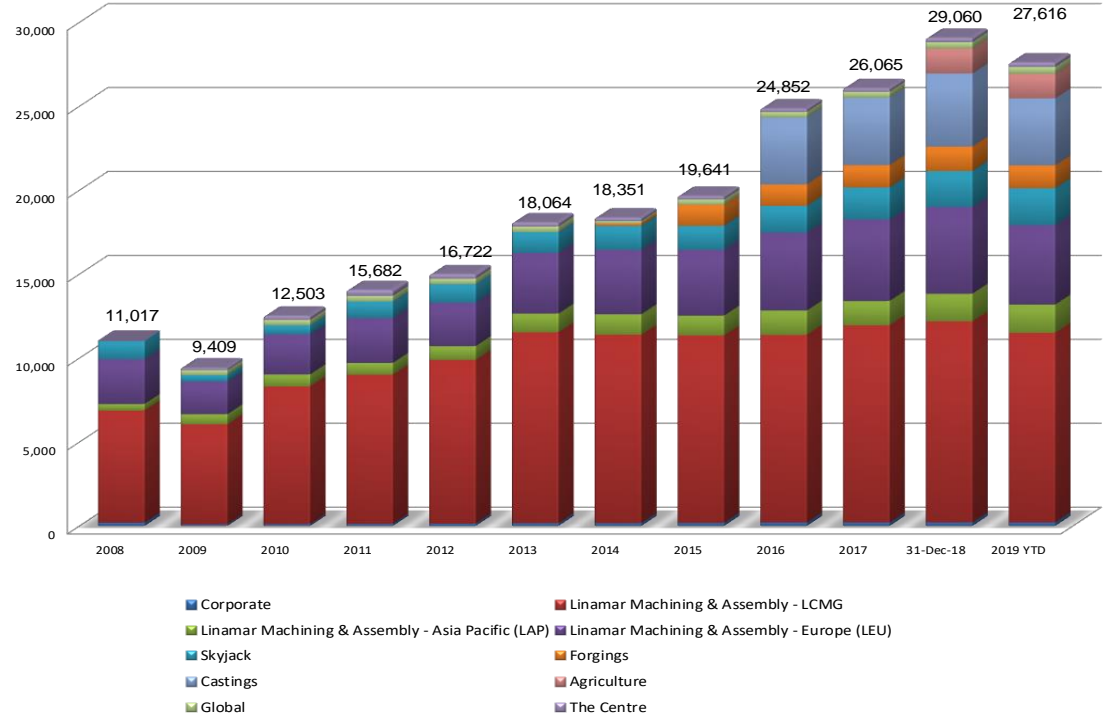
Global Workforce Status



Global Headcount by Country



Global Headcount by Year



# Apprentices



Grow With Us 



TOTAL OF  
**578**  
APPRENTICES

005 Machine Tool Builder & Integrator  
017 CNC Programming  
001 Heavy Duty Equipment Technician  
036 Welder  
136 Electrical  
150 Machinist  
233 Maintenance



# Each One, Teach One



**TOTAL OF**  
**955**

- 22 Administration
- 125 Engineering
- 90 Finance/Accounting
- 49 HR
- 13 IT
- 72 Materials/Purchasing/Logistics
- 489 Production/Operations
- 65 Quality Assurance
- 30 Sales/Service





## Grow with Us

PUT DOWN SOME ROOTS AT LINAMAR

### ATTRACT

Recruitment  
 Scholarships

### DEVELOP

**Operational Acumen:**  
Safety  
Quality  
Manufacturing  
Technology  
Financial Literacy  
Project Management  
SWAF

**Personal Development:**  
GTD  
Coaching  
Team Building  
Tough Talks  
Meetings that matter  
Presentation Skills

**Leadership Development:**  
Pre-LLDP - Emerging Leaders  
LLDP 1 - Front Line Leaders & Managers  
LLDP 2 - Executive Program

### INVOLVE

Stepping Stool  
OWL  
Linamar Production System  
Employee Suggestion Program  
STAR

### RETAIN

LEAP  
LAMP  
E1T1



# Diversity Drives Results

We want a leadership team at Linamar that reflects the communities we work in and that maximizes our access to the whole talent pool. Talent drives results and diversity maximizes talent!



## Operational

See it • Be it • STEM Initiative  
Skills Ontario Summer Camps  
Women in Trades Apprenticeship Program  
Women in Trades Mentor Workshop  
and Dinner  
Western Women in Engineering and  
Business Scholarship

## Launching This Year

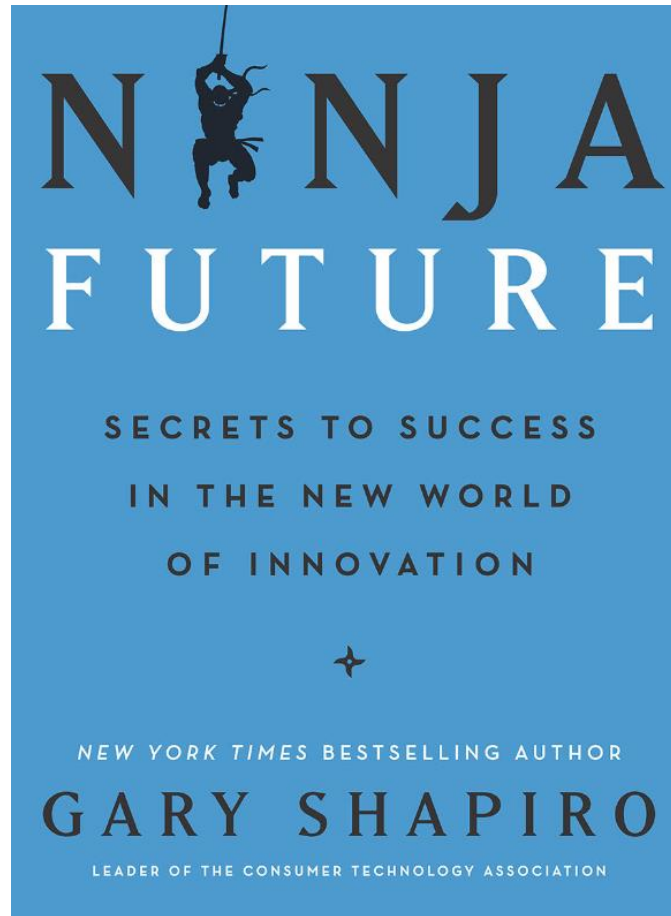
De-bias Job Descriptions & Postings  
Unconscious Bias Training  
Linamar Leadership Stories  
Youth, Gender and Cultural Diversity  
Training – Connecting and Motivating  
Pass The Torch Program

Three young children, two boys and one girl, are standing in front of a green chalkboard. They are all wearing glasses and school uniforms consisting of white shirts, bow ties, and argyle sweaters. The boy on the left is wearing a blue and white argyle sweater and a light blue bow tie. The boy in the middle is wearing a dark blue sweater with red and white argyle patterns and a red bow tie. The girl on the right is wearing a teal sweater with green and white argyle patterns and a pink bow tie. They are all smiling and have their arms crossed. A green arrow points from the text box on the left towards the children.

Preparing for Linamar Teammates of Tomorrow







*Technology of tomorrow  
through our Products,  
Plants & People*

**Products, Plants  
& People**



# A WINNING TEAM!!





GF Linamar

# Welcome to GF Linamar

A Joint-Venture between GF Casting Solutions & Linamar

# **Facts and Figures**

# GF Linamar LLC

## Facts & Figures







**490 Ferncliff Park Drive**  
**Mills River, NC 28732, USA**

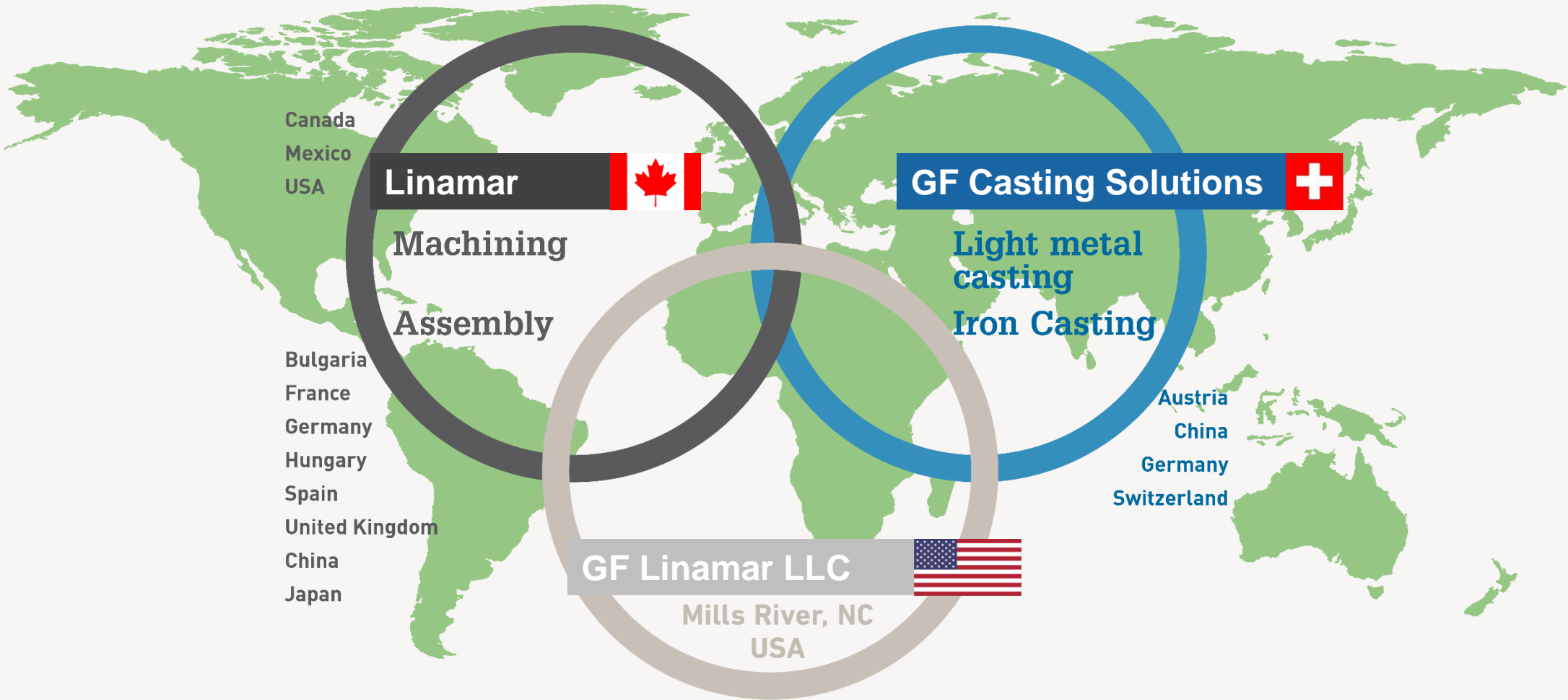


GF Linamar LLC

# Global Alliance



Our world is becoming a smaller place





# **What is our Mission?**

# Challenges of the Automotive Industry

**CO<sub>2</sub>**  
**Reduction**



Alternative Powertrain  
& Sustainability



Lightweight Materials



Lightweight Design

# GF Linamar LLC

## Sustainability

- 100% recyclability of our Aluminum and Magnesium die-casting products
- Latest technologies and leading expertise
- Continuous contribution to light-weighting
- LEED certification for our new facility in Mills River, NC





**GF Linamar LLC**  
**We provide ready-to-mount solutions**



**Casting**



**CNC machining**



**Heat treatment**



**E-coating & Passivation**



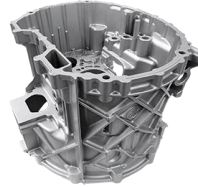
**Assembly**



# GF Linamar LLC

## Product Scope

### Powertrain



Large housings like transmission cases, converter housings, e-motor housings & engine blocks

### Structural Parts



Structural parts: Shock towers, CCBs, hang-on parts like door frames, battery housings, center consoles



# GF Linamar LLC

## Future Outlook



# Phase 1B: Mach. & Assembly Ext.





# Thank you!

A Joint-Venture between GF Casting Solutions & Linamar

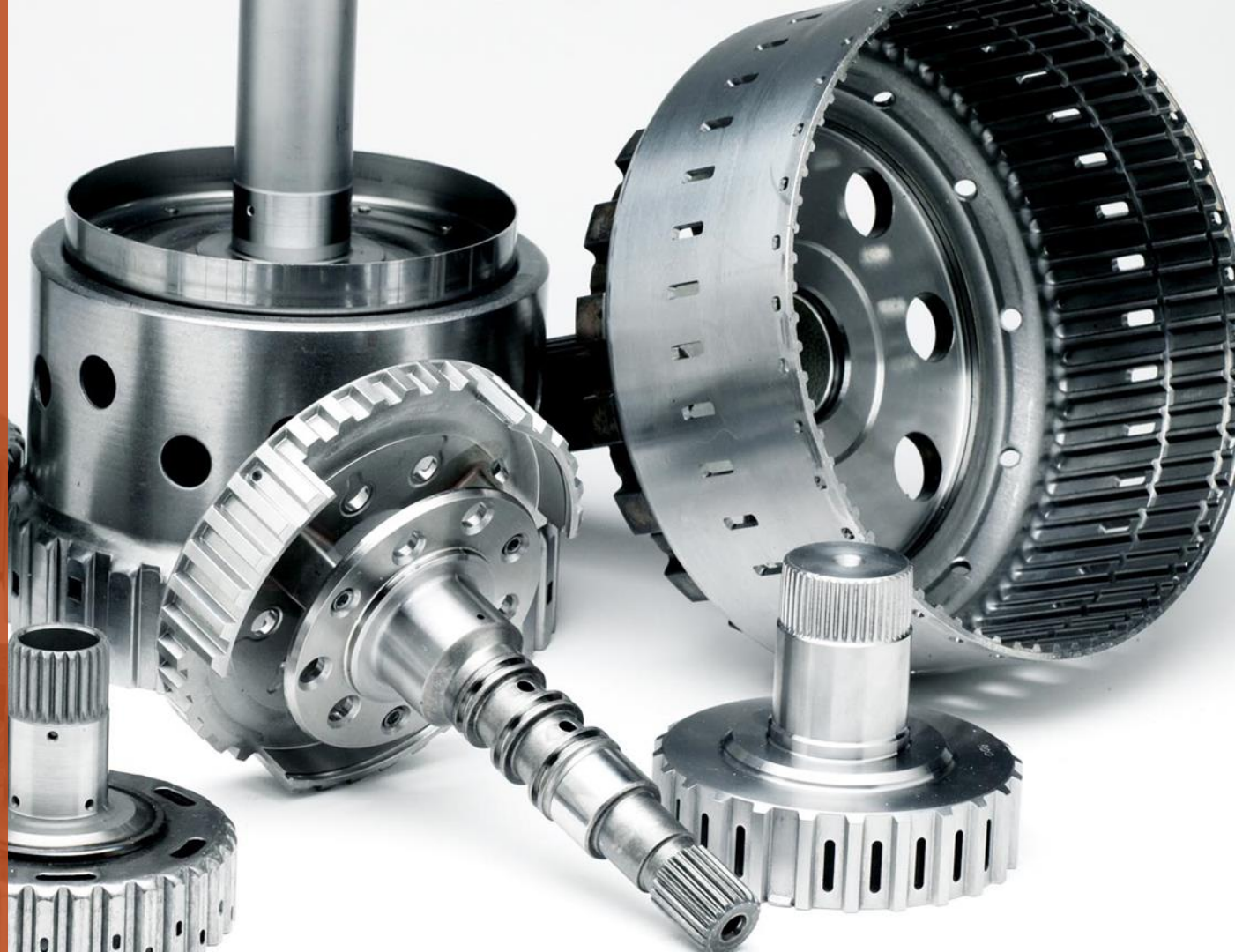
# Disclaimer

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Opinions expressed herein reflect the current judgement of the management of GF Linamar. The presentation contains forward-looking statements that involve risks and uncertainties. The actual results of GF Linamar may differ materially from those anticipated in these forward-looking statements and forecasts as a result of a number of factors.

The management of GF Linamar does not accept any liability whatsoever with respect to the use of this presentation.

# Financial Update

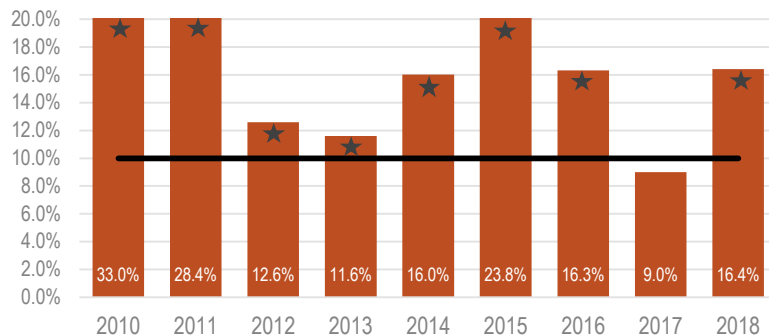


Dale Schneider  
CFO

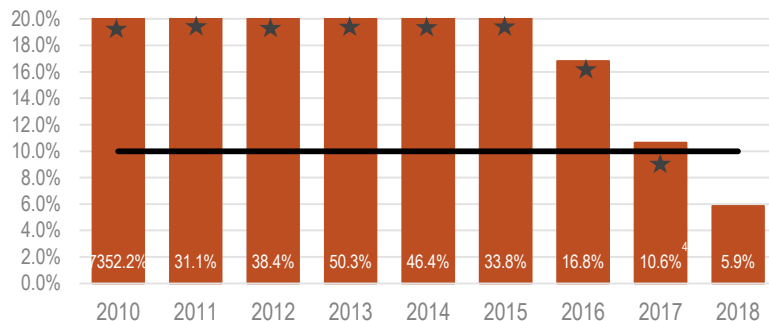


# Strong, Consistent Track Record

Sales Growth

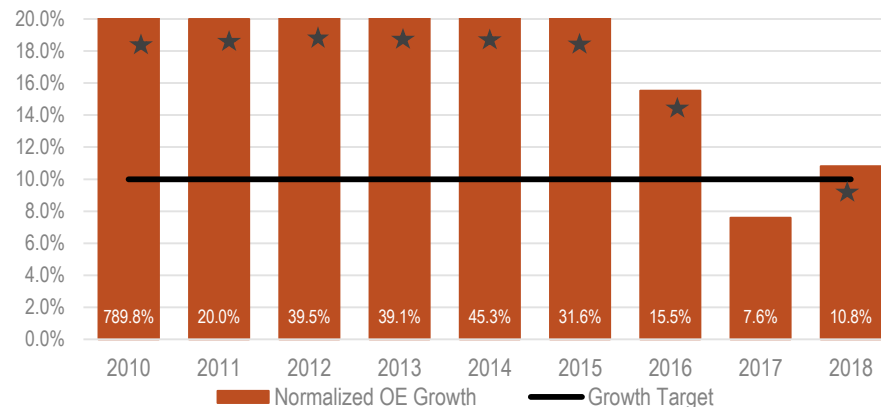


Normalized NE<sup>2</sup> Growth<sup>3</sup>



■ NE Normalized Growth    — Growth Target

Normalized OE<sup>1</sup> Growth<sup>3</sup>



**Double Digit Earnings  
Growth 9 years Running**

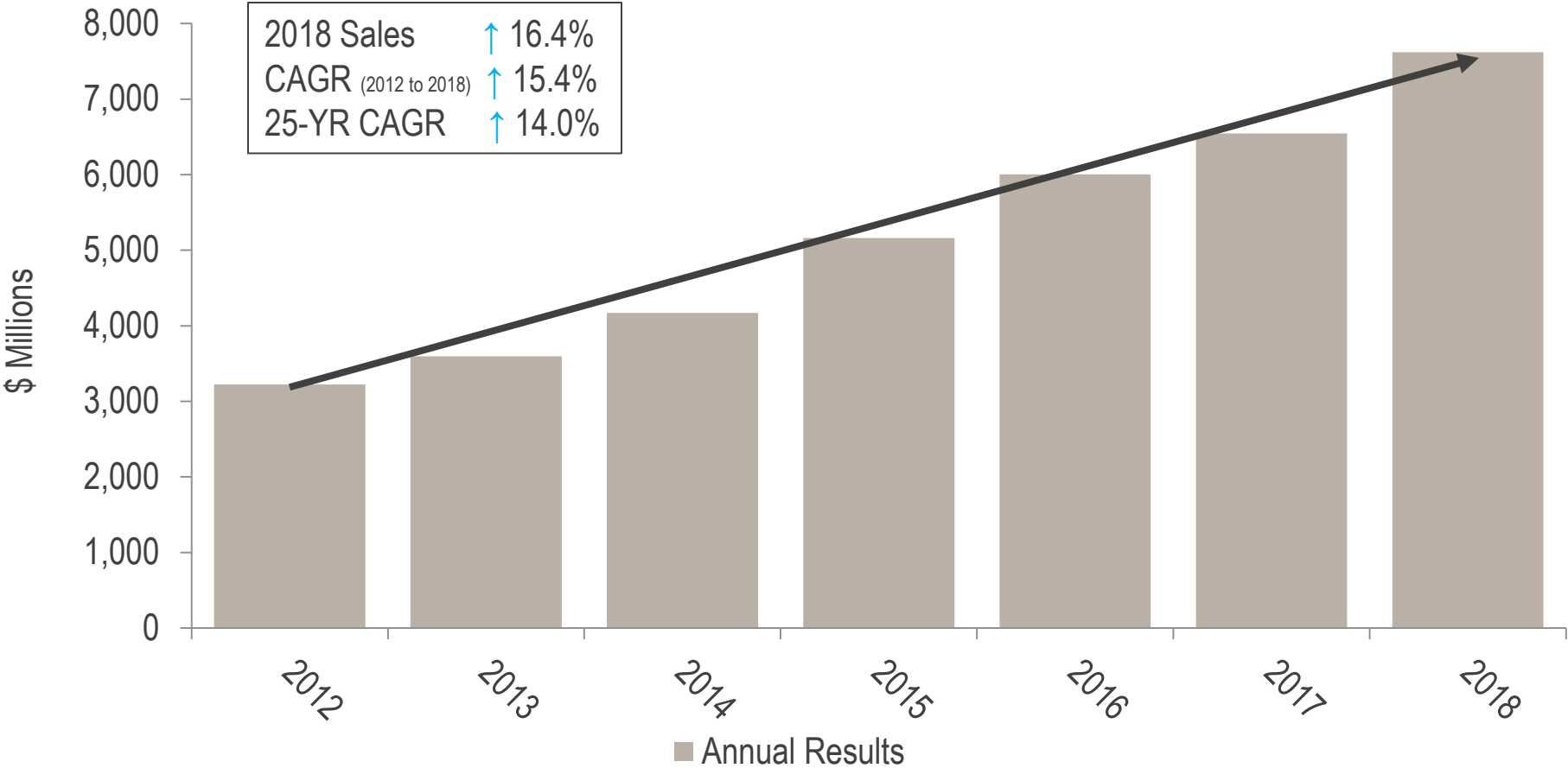
1 – Operating Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet.

2 – Net Earnings before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax effected.

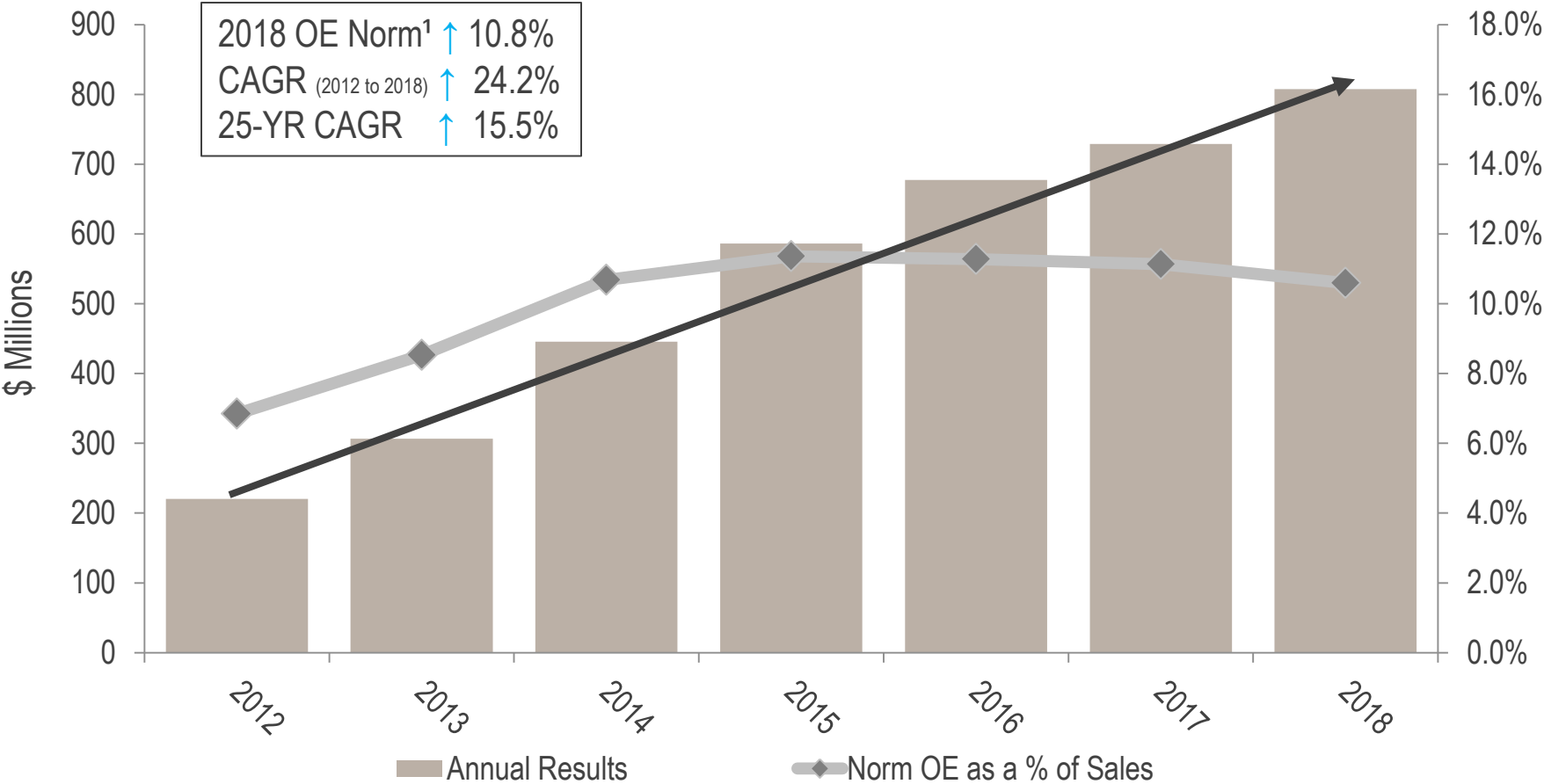
3 – Growth indicates year over year comparison.

4 – Net Earnings before unusual items, non-recurring items, and foreign exchange impacts from revaluation of the balance sheet, tax effected

# Consistent Sales Growth



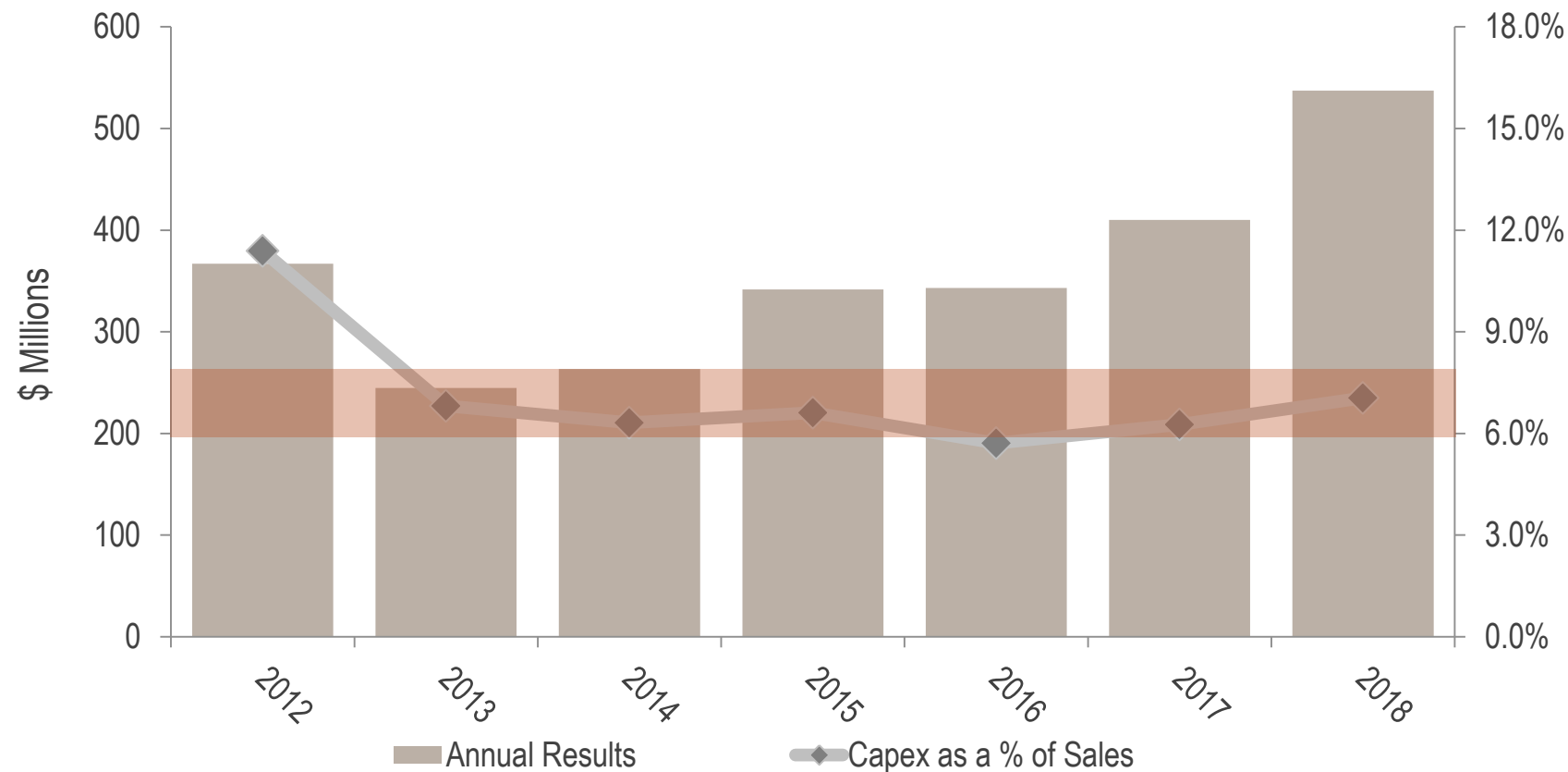
# Consistent Normalized Operating Earnings Growth<sup>1</sup>



<sup>1</sup>Operating Earnings Normalized for unusual items and foreign exchange impacts from revaluation of the balance sheet

# Investing in the Future

## Operational Capital Expenditures

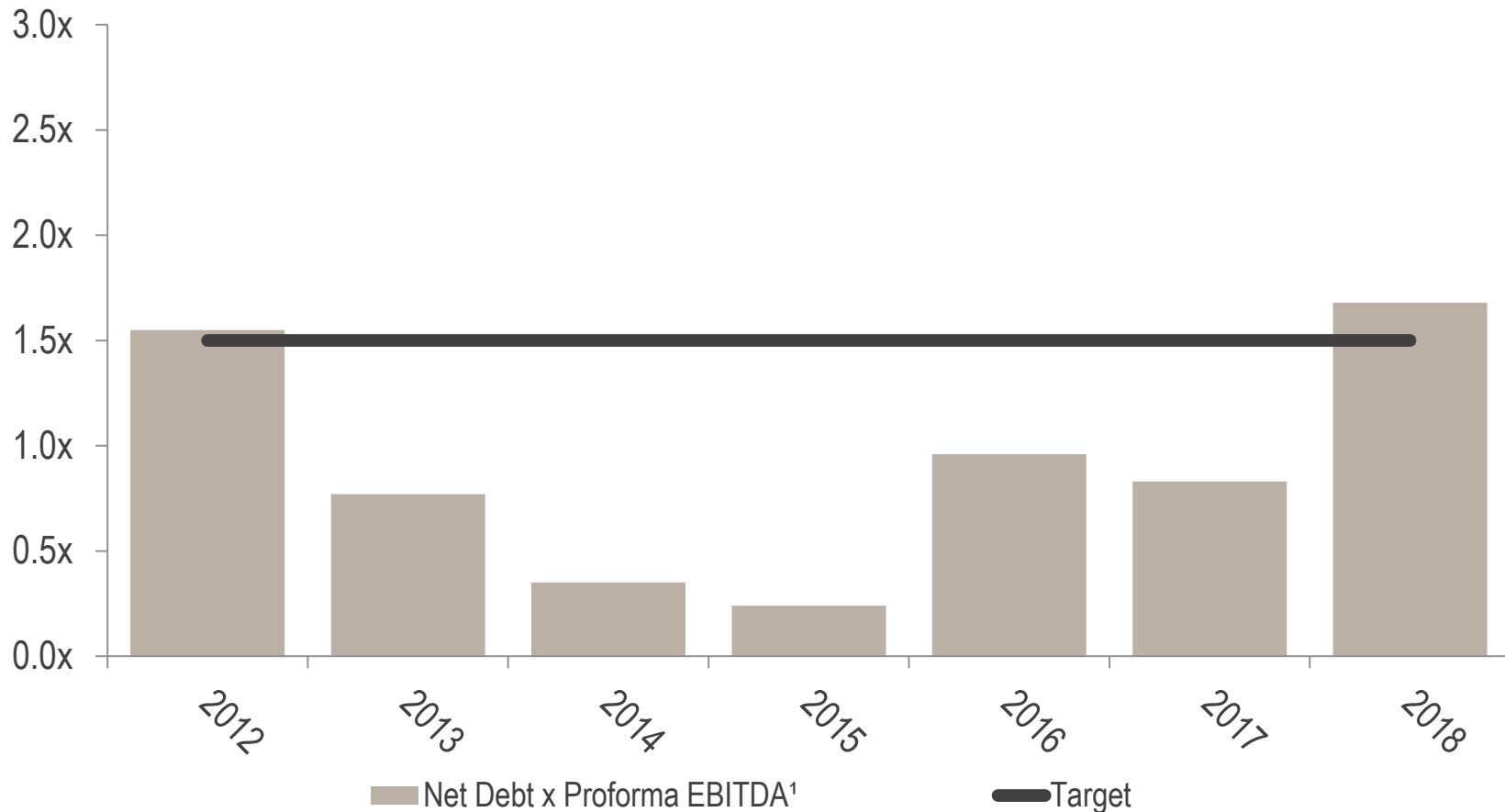


Capex as % of Sales – Normal Zone to Drive Double Digit Growth 6-8% of Sales



# Consistently Strong Balance Sheet

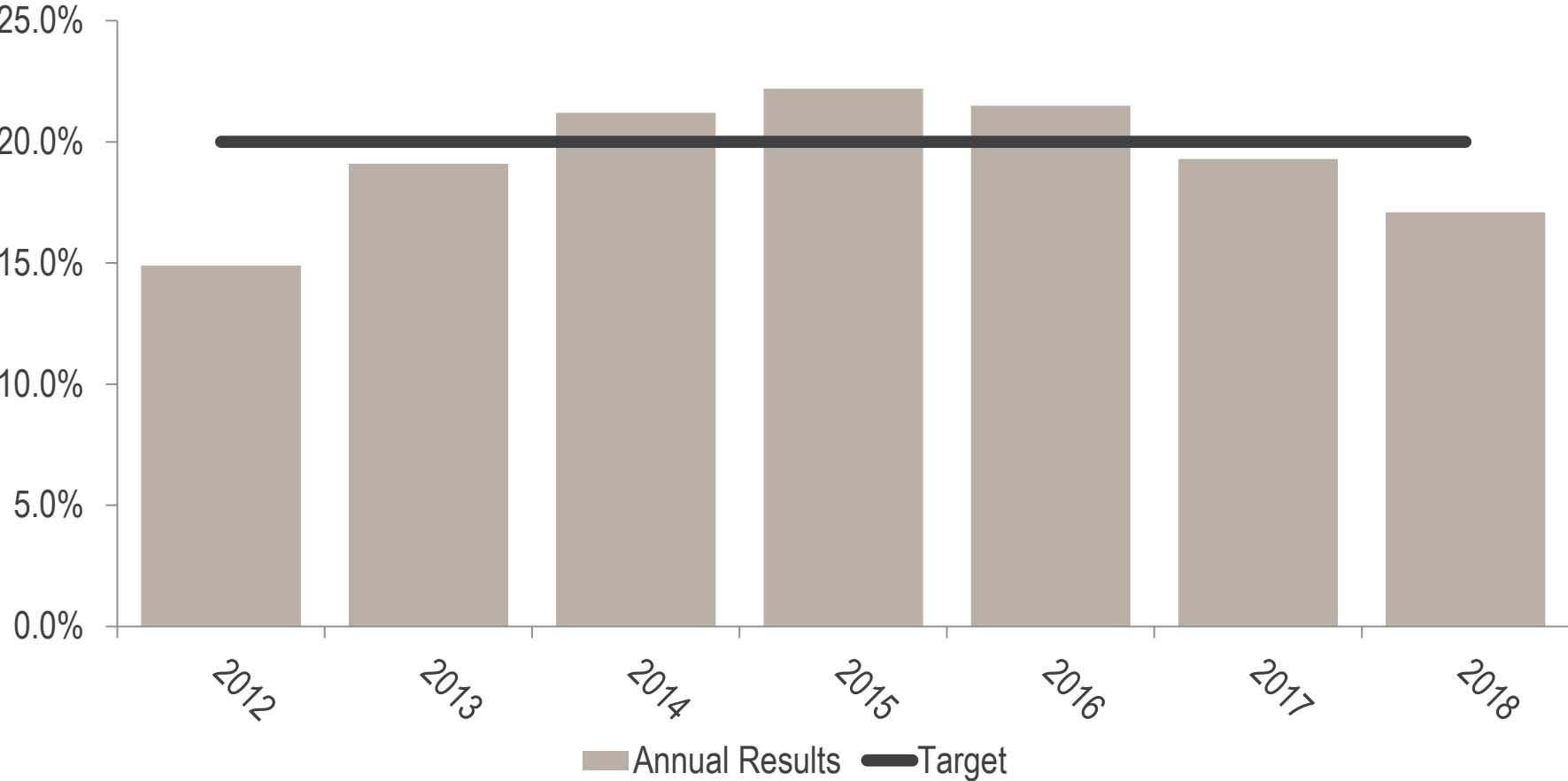
*Net Debt to Proforma EBITDA <sup>1</sup>*



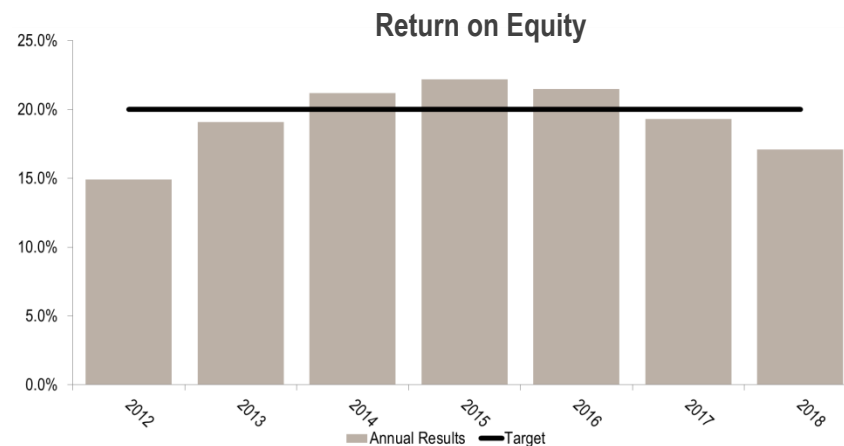
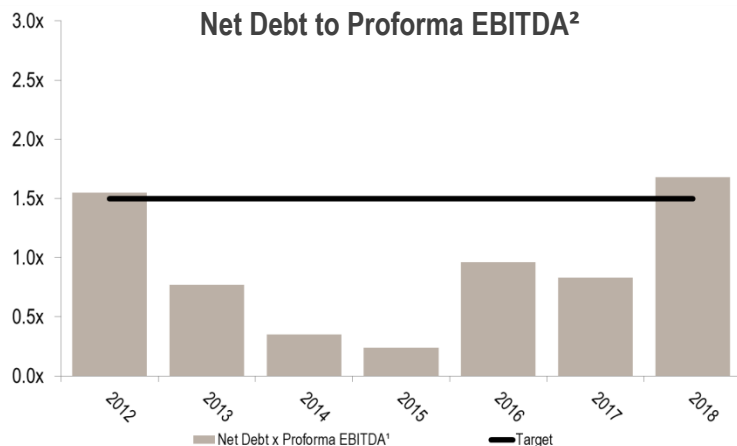
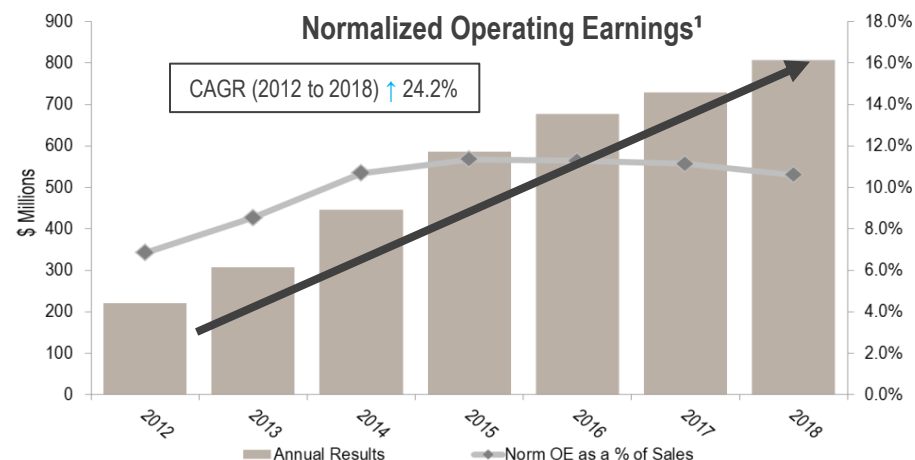
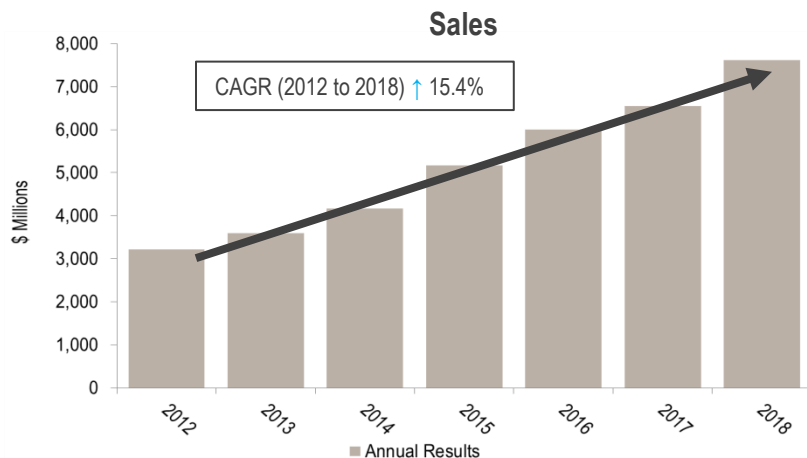
<sup>1</sup>Proforma EBITDA includes last 12 months rolling EBITDA on acquisitions after 2015.

# Solid Return Performance

*Return on Equity*



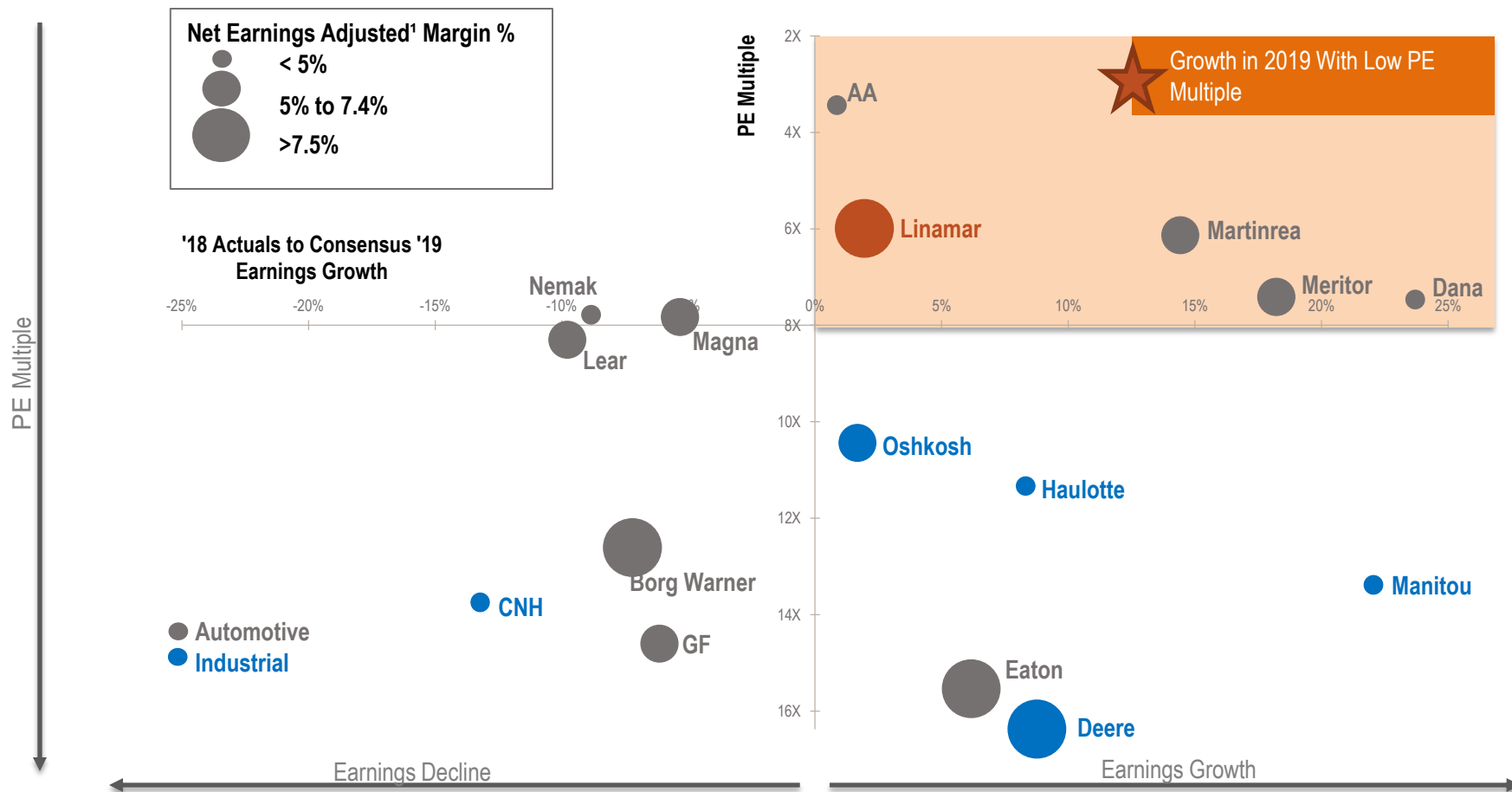
# Excellent Performance Consistently



<sup>1</sup>Operating Earnings Normalized for unusual items and foreign exchange impacts from revaluation of the balance sheet

<sup>2</sup>Proforma EBITDA includes last 12 months rolling EBITDA on acquisitions after 2015.

# Linamar 2019 Consensus Growth Expectation Coupled with Low Valuation Major Buy Opportunity



<sup>1</sup>Net Earnings adjusted for unusual items. Data sourced from published public documents or Bloomberg at April, 2019

# Conclusion

Linda Hasenfratz







## Consistent Performance

- History of growth despite auto cycles
- Sales & earnings growth consistent & well above market
- Double digit normalized earnings growth 9 years running
- Booked business for 2023 \$8.5 to \$9 billion



## Massive Market Opportunity in All Businesses

- MacDon growth potential 4x current footprint, market share growing
- Skyjack -- access market \$10 billion, few players, market share growing
- Transportation addressable market growing, significant opportunity in electrified vehicles



## Strong Free Cash Flow Expected in 2019

- Earnings up, capex down, improvements in NCWC should drive significant FCF
- Net Debt to EBITDA under 1 by year end



## 2019 Earnings Growth Leads Many Peers

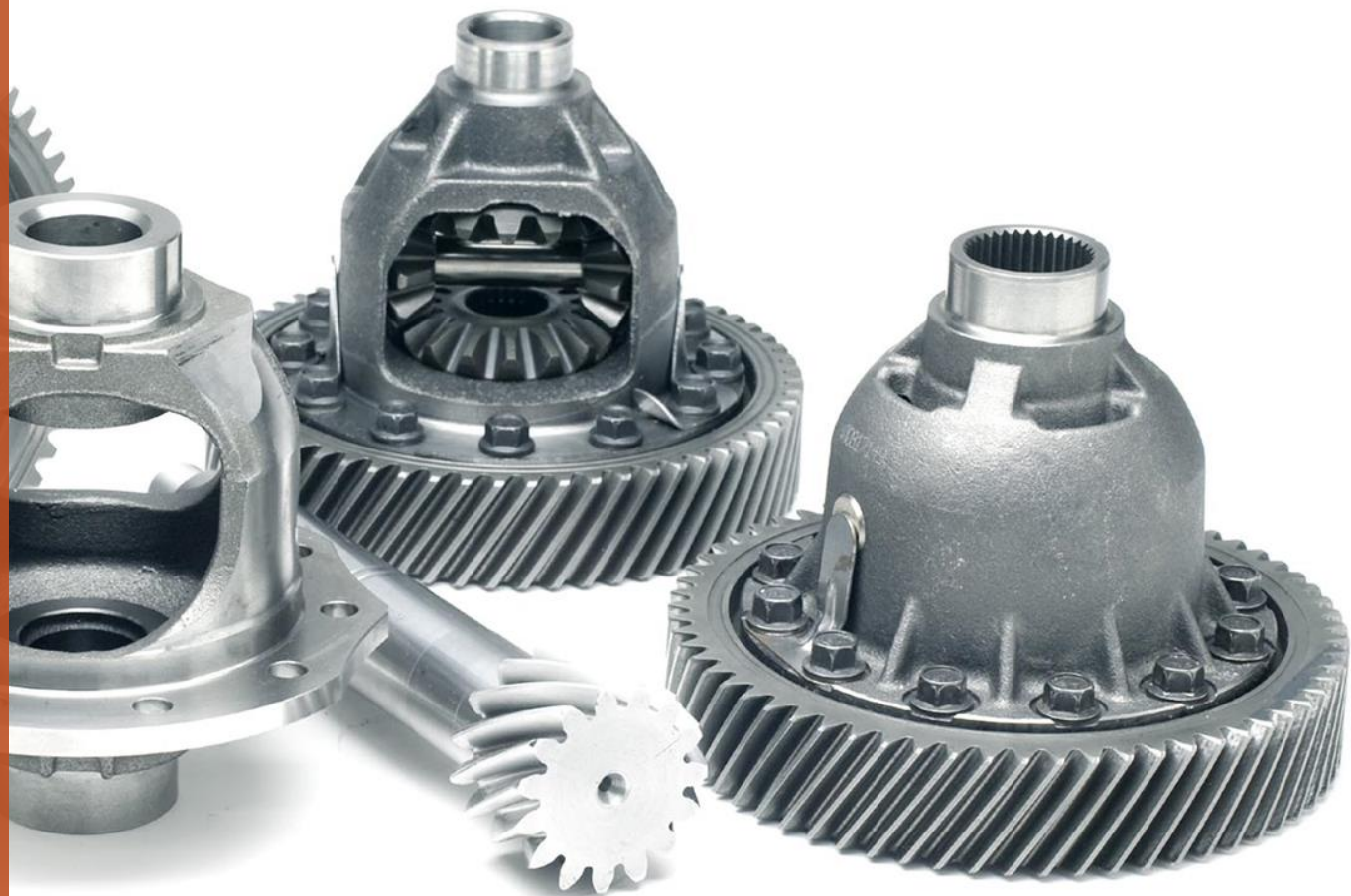
- Consensus earnings growth for Linamar 6% normalized vs average of peers 4%



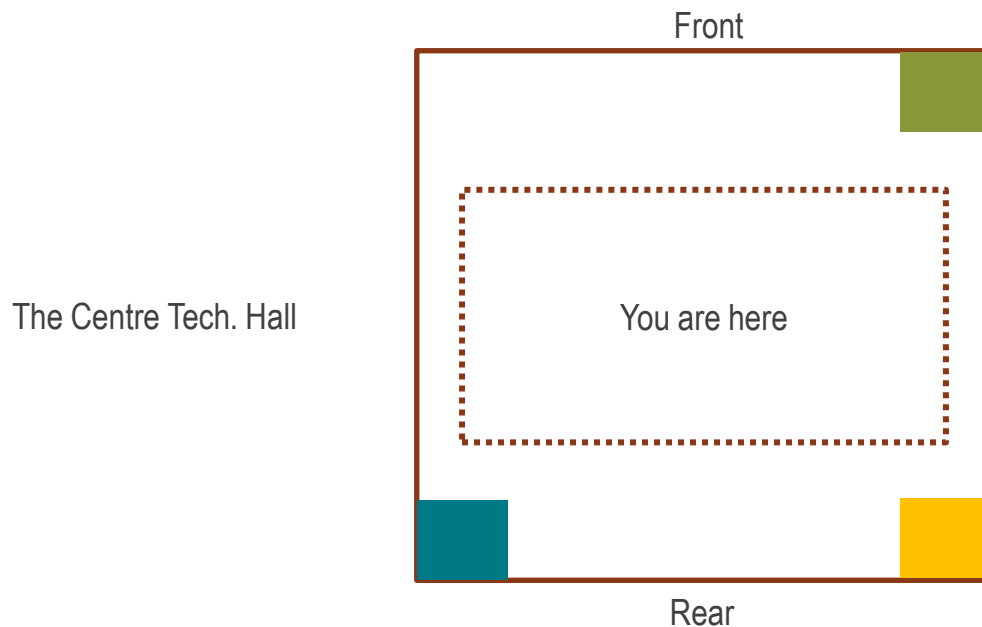
## Focus on our Shareholders

- NCIB returning cash to shareholders this year

# Q&A



INVESTORS	SUPPLIERS	EMPLOYEES



# Thank You

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