



Q4 Conference Call Presentation

For Audio Only Dial in:

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Conference ID 8860535

Linda Hasenfratz

March 10, 2021

Forward Looking Information, Risk and Uncertainties

Certain information regarding Linamar set forth in this presentation and oral summary, including management's 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 and public health threats, may in turn have a material adverse effect on the Company's financial results. Please also refer to Linamar's most current Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and Annual Information Form ("AIF"), as replaced or updated by any of Linamar's subsequent regulatory filings, which set out the cautionary disclaimers, including the risk factors that could cause actual events to differ materially from these indicated by such forward looking statements. These documents are available at <https://www.linamar.com/investors>. 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.

COVID-19 Update



Pandemic Crisis Management

Assemble Team



Communicate



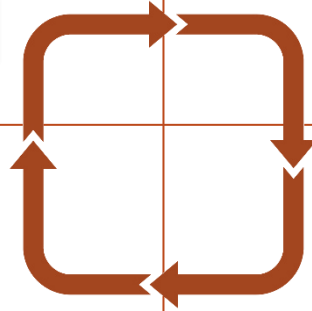
Employees



Investors



Customer



Gather Data



Employees

Financially

Customers

Community

Make a Plan & Execute

Linamar Health First Action Plan Achievements

- **Shareholders**

- Implemented significant costs savings rapidly to offset negative impact of lost sales
- Generated 50% more free cash flow than any year in our history
- After a tough first half, turned the second half of 2020 into growth over prior year

- **Employees**

- Safety protocols kept our people safer at work than not at work
- 99% of employees back to full time work
 - 98% of these are physically on site

- **Customers**

- Safely shut and then rapidly restarted all global facilities flawlessly
- Auto customers running strong in most regions
- Ag market running strong
- Access market recovering

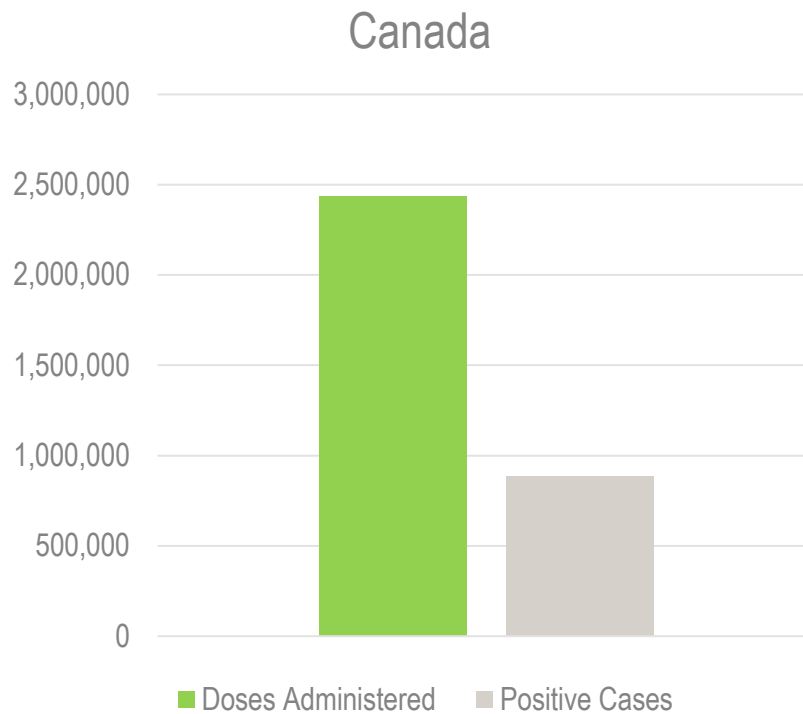
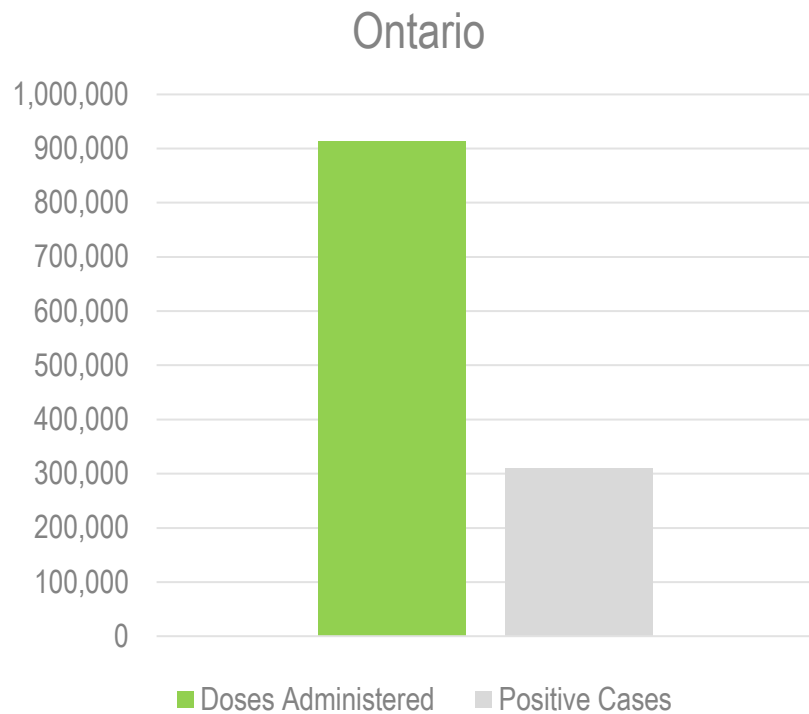
- **Communities**

- Significant programs executed on globally to support communities with PPE, ventilators, testing, vaccines

Linamar Culture Key to Crisis Management

- Strong Communicators
 - Consistently kept employees, shareholders and customers informed
- Balanced
 - We have always run our business as a balance of Customer, Employee and Financial satisfaction.
 - Linamar Health First Action Plan focused on employees as well as financial health, the health of customers and our community
- Responsive & Fast Moving, Focused on Execution
 - We have always been incredibly entrepreneurial and quick to jump on an opportunity
 - We are not bureaucratic, meaning we make quick, insightful decisions and get things done
 - We quickly created and implemented cost teams, flexible financial models and highest-level cash controls to manage the crisis
 - We saw an opportunity to help with ventilators, went after it and made it happen
- De-centralized with autonomous profit centres run by full teams
 - We do not rely on centralized groups to launch or run business, we rely on our entrepreneurs and full management teams in every plant that are autonomous and run as profit centres
 - Plants and groups are self-contained, capable and accountable
- Flexible
 - Flexible equipment means we can quickly reallocate equipment to scale lines and tool new jobs up
 - Flexible workforce that is accustomed to change quickly, adapted to a new reality

Vaccinations Key to Recovery



Linamar's Current Focus

■ Safe Workplace

- Ensure we continue to maintain a safe work environment
- Vigilance around protocols is key
- Now is not the time to become complacent, protocols must be kept in place until we have herd immunity

■ Testing

- Testing running on a regular basis for Linamar employees and families as required
- System in place to do wide-spread plant testing when necessary
- Investigating how to implement wider scale testing rotating through plants to reduce community spread
 - Not disruptive to employees or production
 - Using government provided test kits
 - Identify positive pre-symptomatic cases (they are most contagious at that stage)

■ Vaccinations

- Encouraging employees to be vaccinated as soon as their turn comes to accelerate achieving herd immunity
- Launching a community Vaccination Clinic at a Linamar site

Project Safeguard

- Established vaccination site in Guelph to supplement local Public Health Unit capacity
- Linamar will provide capacity for 2,000 shots per day of targeted 10,000 per day for local public health unit
- Launch March 11th, ramp up through April based on vaccine availability
- Local public health registers and books patients from the community, Linamar administers vaccine
- Playbook on Process and Best-in-Practice ideas to be posted on Linamar website for other businesses and Public Health Units to replicate



Sales, Normalized¹ 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)

| | Q4 2020 | Q4 2019 | % Δ |
|---|---------|---------|-------|
| Sales | 1,704.8 | 1,616.1 | 5.5% |
| EBITDA – Normalized ² | 304.5 | 222.4 | 36.9% |
| EBITDA – Normalized Margin | 17.9% | 13.8% | |
| Industrial OE – Normalized ¹ | 39.9 | 39.4 | 1.3% |
| Industrial OE – Normalized Margin | 12.6% | 11.7% | |
| Transportation OE – Normalized ¹ | 136.5 | 73.2 | 86.5% |
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| NE – Normalized ³ | 129.1 | 75.4 | 71.2% |
| NE – Normalized Margin | 7.6% | 4.7% | |
| EPS – Normalized ⁴ | 1.97 | 1.15 | 71.3% |

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

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

4 – Earnings per share (EPS) before unusual items, and foreign exchange impacts from revaluation of the balance sheet, tax affected.

Q4 2020

The **key factors impacting results in the quarter** are:

- Continued strong performance in the auto sector in Asia and NA
- Launching business continuing to drive margin improvement
- Continued careful cost controls
- Government support programs still reflected in results but at a significantly lower level than in Q3; partially offset by
- Continued market softness for Skyjack

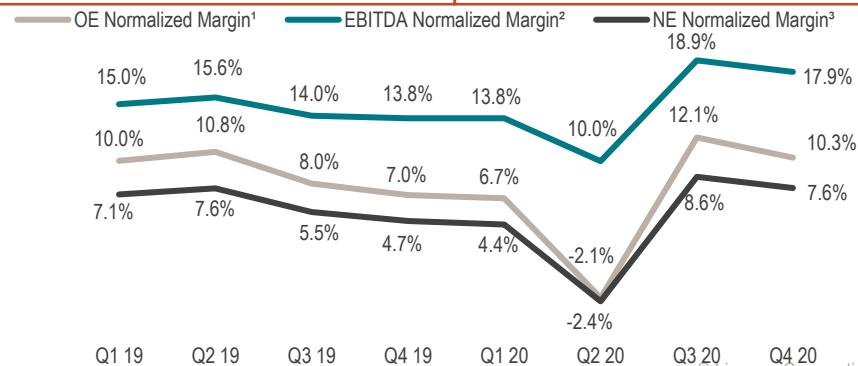
The **key impacts to the segments vs prior year** are:

Transportation

- Launching business driving better volumes and margins
- Global markets up 4.6%
- Cost savings & subsidies

Industrial

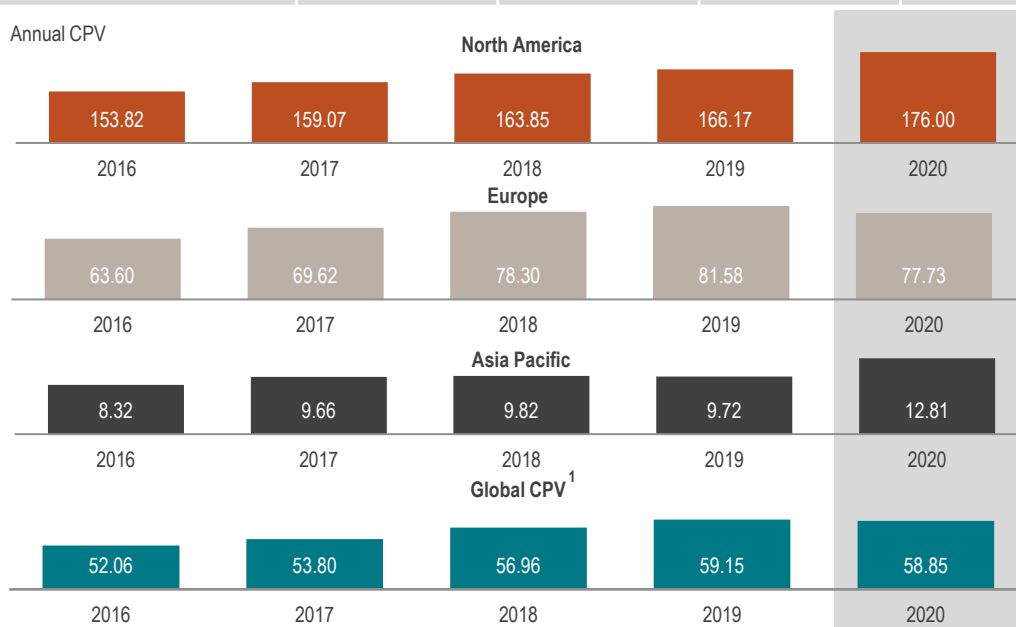
- Weaker Skyjack sales related to COVID-19; partially offset by
- Cost savings & subsidies



Automotive Sales & Content Per Vehicle (CPV)

| | CPV Q4 2020 | CPV Q4 2019 | CPV % Change | Vehicle Production Units % Change | Automotive Sales Q4 2020 (CAD Millions) | Automotive Sales Q4 2019 (CAD Millions) | Automotive Sales % Change |
|-------------------------|-------------|-------------|--------------|-----------------------------------|---|---|---------------------------|
| North America | 171.57 | 156.80 | 9.4% | 0.8% | 680.3 | 617.4 | 10.2% |
| Europe | 70.65 | 77.01 | (8.3%) | 2.5% | 371.1 | 394.6 | (6.0%) |
| Asia Pacific | 13.55 | 9.92 | 36.6% | 6.6% | 178.7 | 122.6 | 45.8% |
| Global CPV ¹ | 54.92 | 52.97 | 3.7% | 4.6% | 1,230.1 | 1,134.6 | 8.4% |
| Other Automotive Sales | - | - | - | - | 83.1 | 82.9 | 0.2% |

Annual CPV



- CPV up meaningfully in NA and AP as our customers capture market share
- Global CPV is also up driven mainly by the strong growth in NA, and to a lesser extent AP

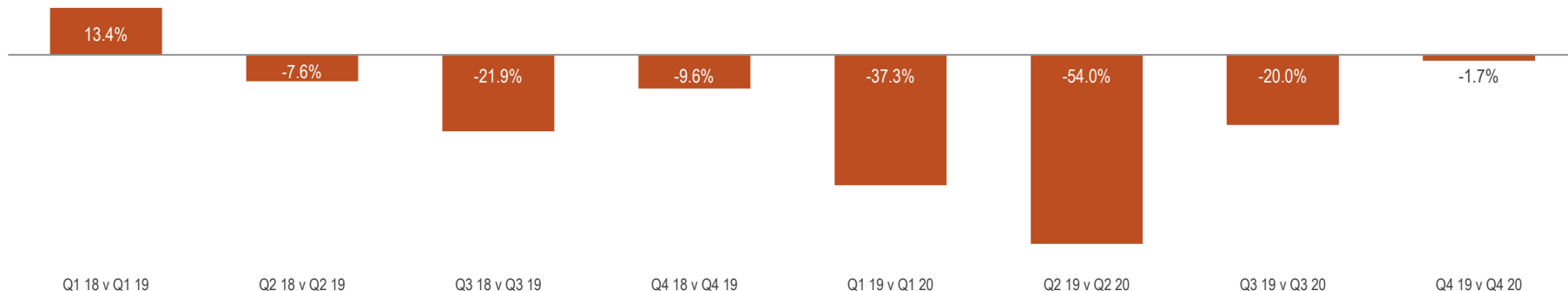
¹ – Global CPV includes only the markets that Linamar serves of North America, Europe, and Asia Pacific. Source: IHS Markit, February, 2021

Commercial & Industrial Sales (in millions CAD)

| | Q4 2020 | Q4 2019 | % Change |
|-------|---------|---------|----------|
| Sales | 391.7 | 398.6 | (1.7%) |

- Skyjack
 - Core NA market down 22% in Q4 partially offset by market share growth in all products
- New Medical Equipment sales improves year over year comparison
- MacDon
 - Draper header market flat in NA in Q4
 - Solid market share gains in EU, SA and Australia

■ QvQ¹ Change in Commercial & Industrial Sales Growth

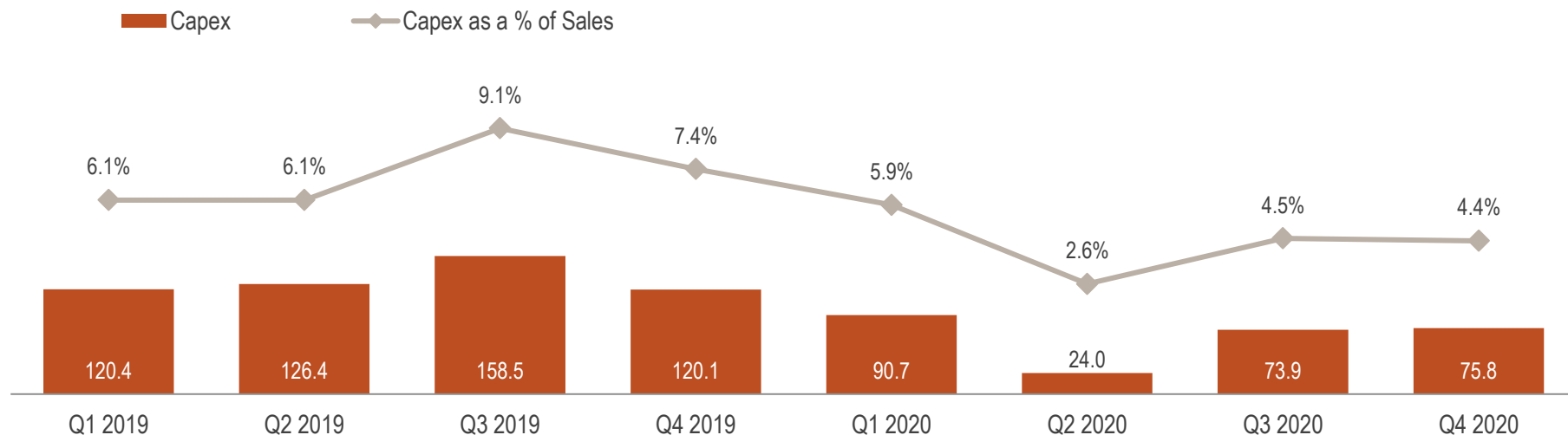


1 – Quarter versus quarter ("QvQ") indicates year over year comparison of two of the same quarters.

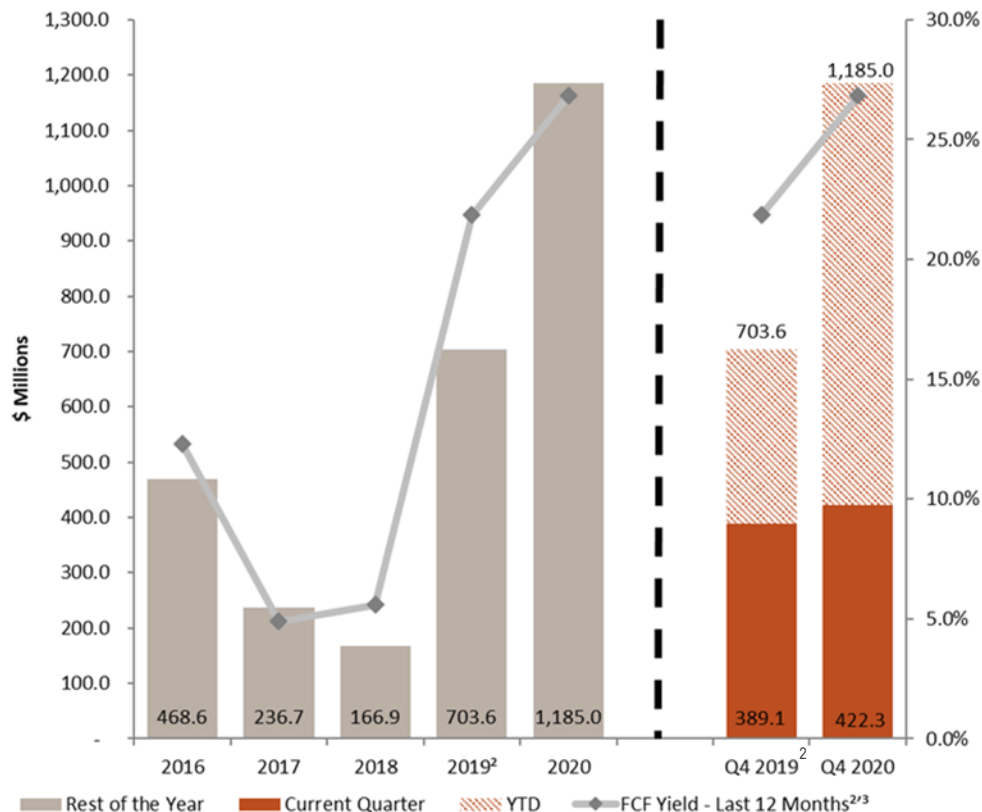
Capital Expenditures (in millions CAD)

| | Q4 2020 | Q4 2019 |
|------------------------------|---------|---------|
| Capital Expenditures (Capex) | 75.8 | 120.1 |
| Capex as a % of Sales | 4.4% | 7.4% |

- Capex down 37% from Q4 2019 as we continued to conserve cash
- Full year capex was down 50% from 2019



Cash Flow Continues to be a Key Priority



- FCF¹ >50% higher than 2019, our previous record
- Liquidity¹ excellent with \$1.6 billion of cash available at quarter end
- Solid liquidity and balance sheet positions us well for takeover and acquisition opportunities as they arise
- Results have prompted us to increase the dividend again to \$0.16 per share

¹ - For more information on the Free Cash Flow measure and Liquidity refer to sections entitled "Non-GAAP and Additional GAAP Measures" and "Liquidity and Capital Resources" respectively, in the Company's separately released Management Discussion and Analysis ("MD&A").

² - Free cash flow has been adjusted for additions of property, plant and equipment related to the dissolution of a joint venture.

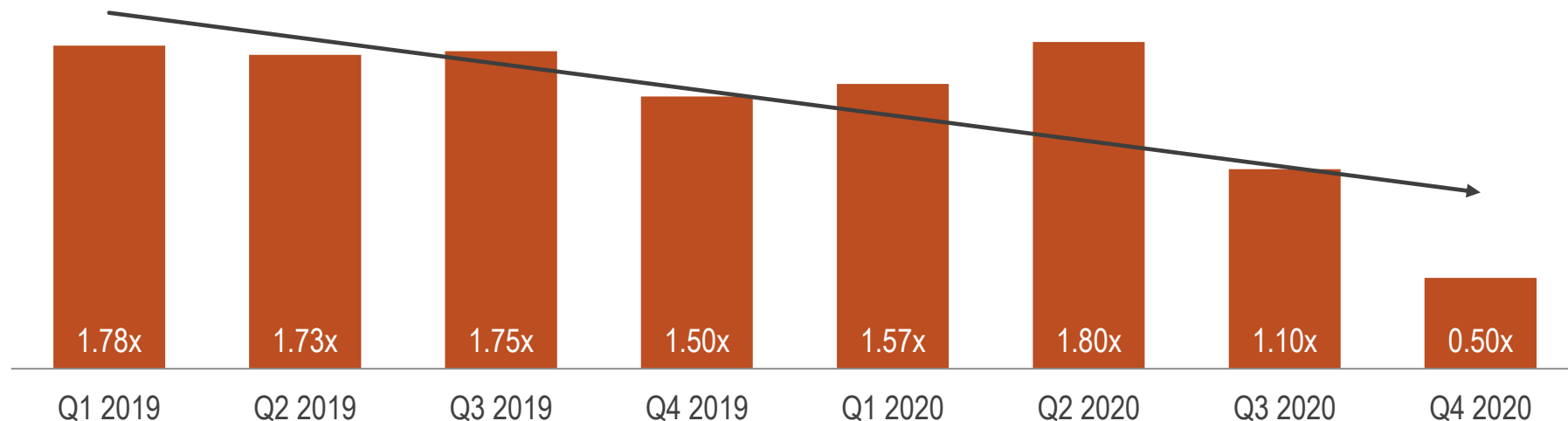
³ - Free cash flow yield is calculated as free cash flow divided by fully diluted shares divided by share price.

Leverage (in millions CAD)

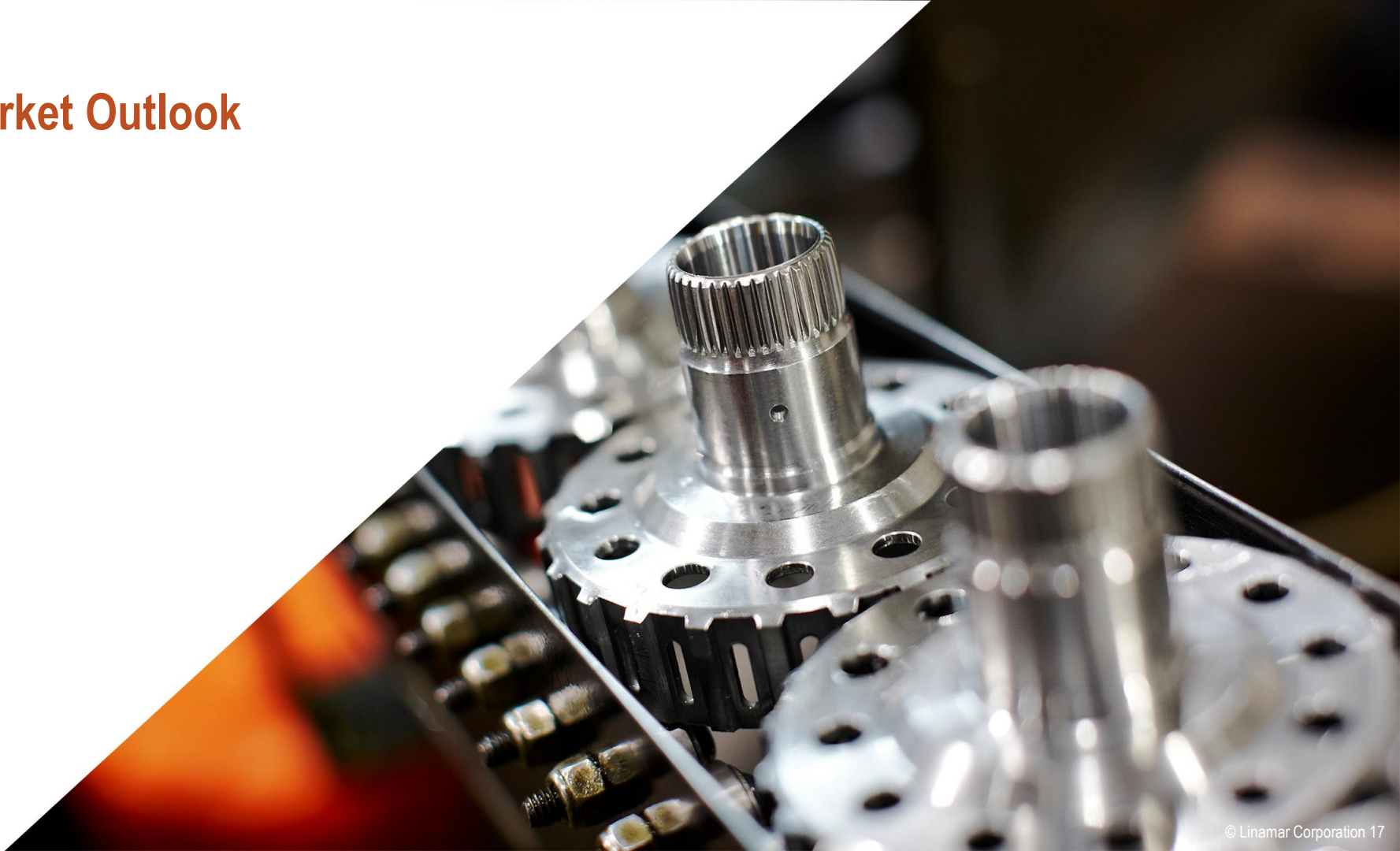
| | Q4 2020 | Q3 2020 | Q4 2019 |
|--------------------|---------|---------|---------|
| Net Debt | 442.1 | 876.7 | 1,559.5 |
| Net Debt to EBITDA | 0.50x | 1.10x | 1.50x |

■ Net debt now down >\$1.6 billion from early 2019 post the MacDon acquisition





■ Net Debt to EBITDA



Market Outlook



Market Snapshot

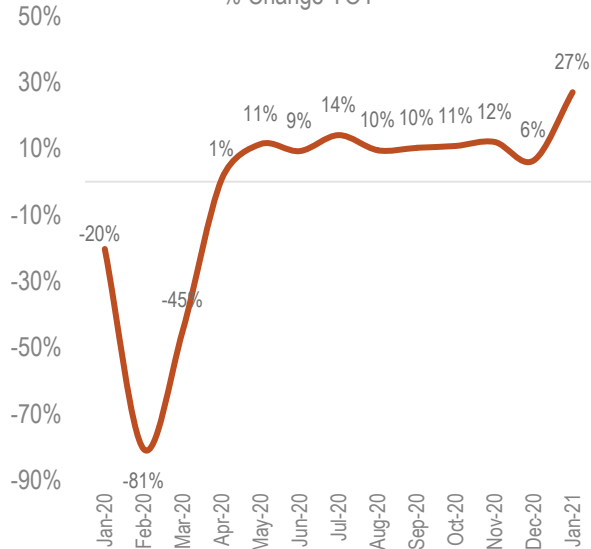
| |  |  |  |  |
|---------------|---|--|---|---|
| 2021 | Light Vehicle | Commercial Truck | Combine Heads | Access |
| North America | ▲ 24.4% | ▲ 28.4% | ▲ 15.0% | ▲ 20.3% |
| Europe | ▲ 14.3% | ▲ 11.6% | ▲ 6.0% | ▲ 19.9% |
| Asia | ▲ 8.5% | ▼ 32.3% | n/a | ▲ 7.4% |
| Rest of World | ▲ 24.6% | n/a | ▲ 8.5% | n/a |

Above projections are external industry expert estimates for total market % unit change as a whole vs. prior year in each of the respective market segments. They are not internal expectations of Linamar's results.

Light Vehicle Sales

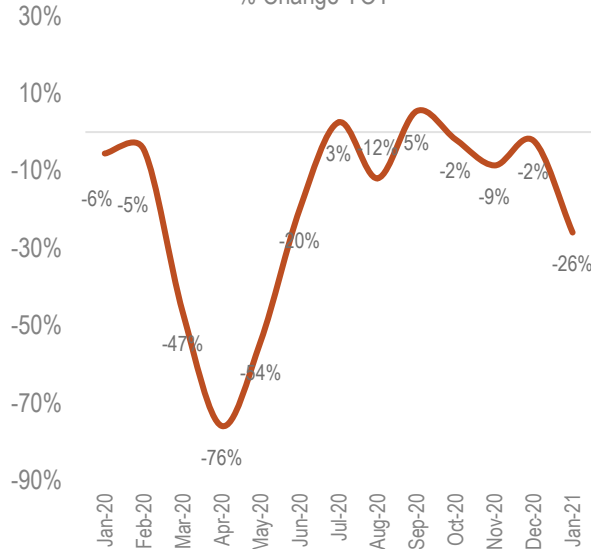
Recovery in global light vehicle markets

China Light Vehicle Sales
% Change YOY



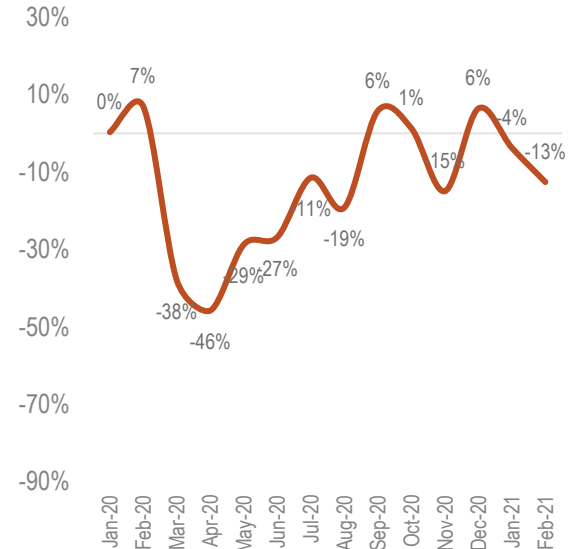
- China sales expected to be up 27% In January (low prior year comparison)
- 2021 sales expected to increase by 6% to 25.1M, highest since 2018

Europe Light Vehicle Sales
% Change YOY



- January sales expected to be down 26% YOY as second wave of COVID related lockdowns and restrictions limited new vehicle sales. February 2021 sales expected to decline by double-digits before returning to growth in March
- 2021 sales still expected to increase by 10%

US Light Vehicle Sales
% Change YOY



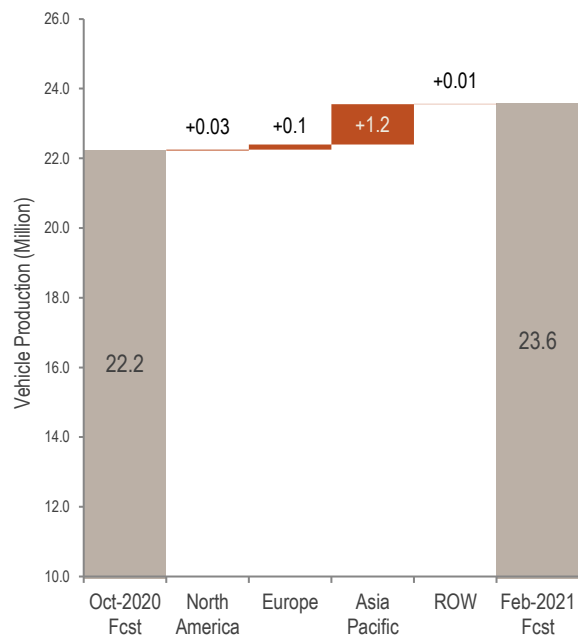
- US sales down 13% in February, mainly due to lean inventory, further depleted by global semiconductor shortage, severe weather in Texas
- 2021 US sales expected to grow by 11% to 16.1M

Global LV Auto Market: Q4-2020, Q1-2021 and 2021

Q4 global light vehicle production increased by 1.3M vs. prior forecast. Q1-2021 forecast reduced by 800,000 due to global semiconductor shortage but full year expected up 1.5M

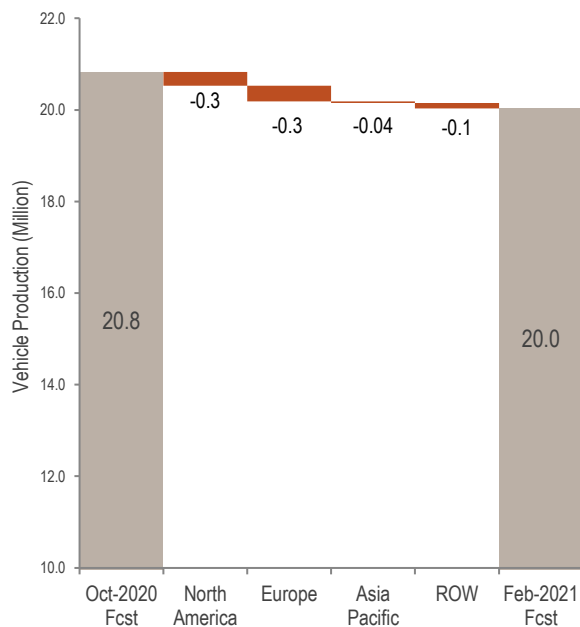
**Q4-2020 Global Vehicle Production
Forecast By Region**

Change in Forecast Feb-2021 vs. Oct-2020



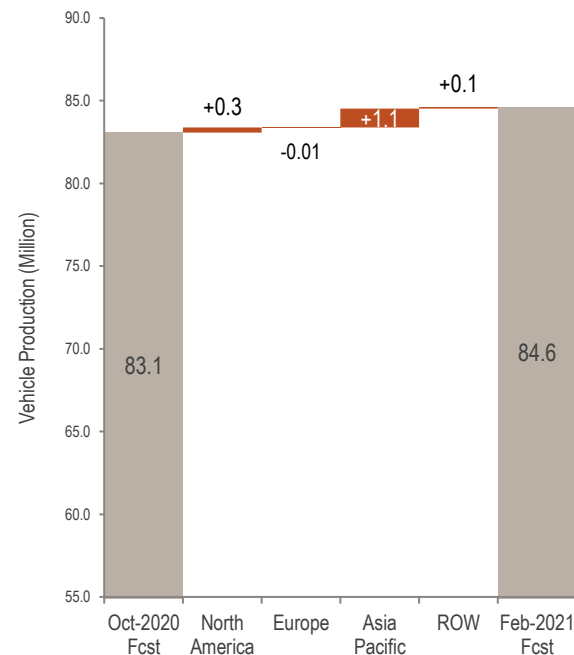
**Q1-2021 Global Vehicle Production
Forecast By Region**

Change in Forecast Feb-2021 vs. Oct-2020



**2021 Global Vehicle Production Forecast
By Region**

Change in Forecast Feb-2021 vs. Oct-2020



Industrial Segment Impacts - Skyjack

Access Equipment Market Commentary

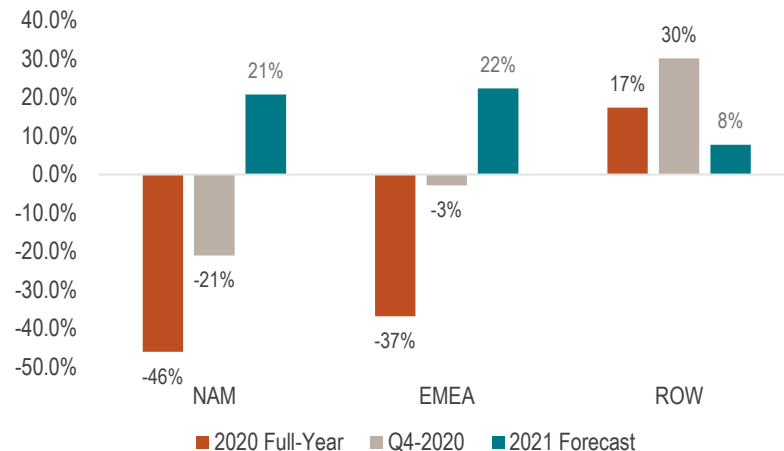
- AWP market experienced steep declines in 2020 but a definite trend to improvement was seen in Q4
- Equipment utilization levels continue to look more positive. In the last 2 months, utilization levels are between 99% and 107% of 2019 levels, which is a very good sign.
- 2021 is expected to see double-digit growth levels in core NA and EMEA markets

Source: Industry and Internal Management Reports



2020 Mobile Aerial Work Platform (AWP) Industry Forecast & YTD Results

% Change vs. Prior Year



- Access markets in NA and EMEA showing initial signs of recovery in Q4, with both NA and EMEA posting best quarterly YOY results of 2020
 - NA AWP market down 21% in Q4, down 46% in 2020
 - EMEA down 3% in Q4, down 37% in 2020
- Access market in ROW, driven by China, outpaced growth expectations for the year
 - ROW AWP market up 30% in Q4, up 17% in 2020
- 2021 global AWP market expected to be up 15%
 - NA up 21%, EMEA up 22%, ROW up 8%

Agricultural Market

Agriculture Market Commentary

- Ag. retailers seeing reduced inventory backlog
 - Commodity price rally, improved farm net income outlook boosting retails
- 2020 North America combine retails ended year flat vs. 2019 (+0.2%)
 - Canada combine retails were down 22% in Q4 , down 14% in 2020
 - US combine retails were up 9% in Q4, up 5% in 2020
- We are seeing positive signs indicating market growth in NA for 2021 with fall order intake running well above last year at this time.
 - January combine retails up 72% YOY
- ROW market growing in high single or double digits as well



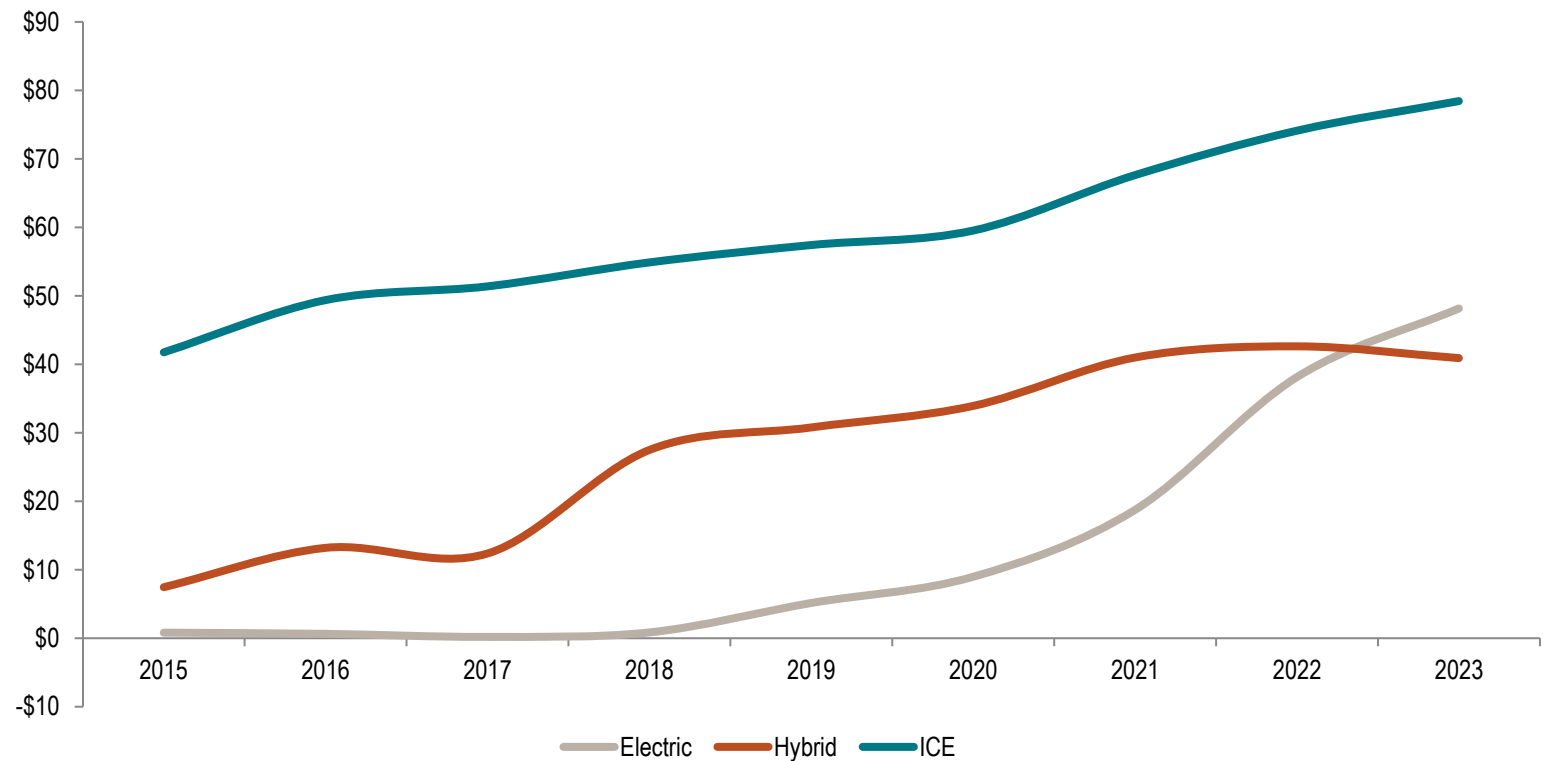
NA Combine Retails



Growth Update and Outlook

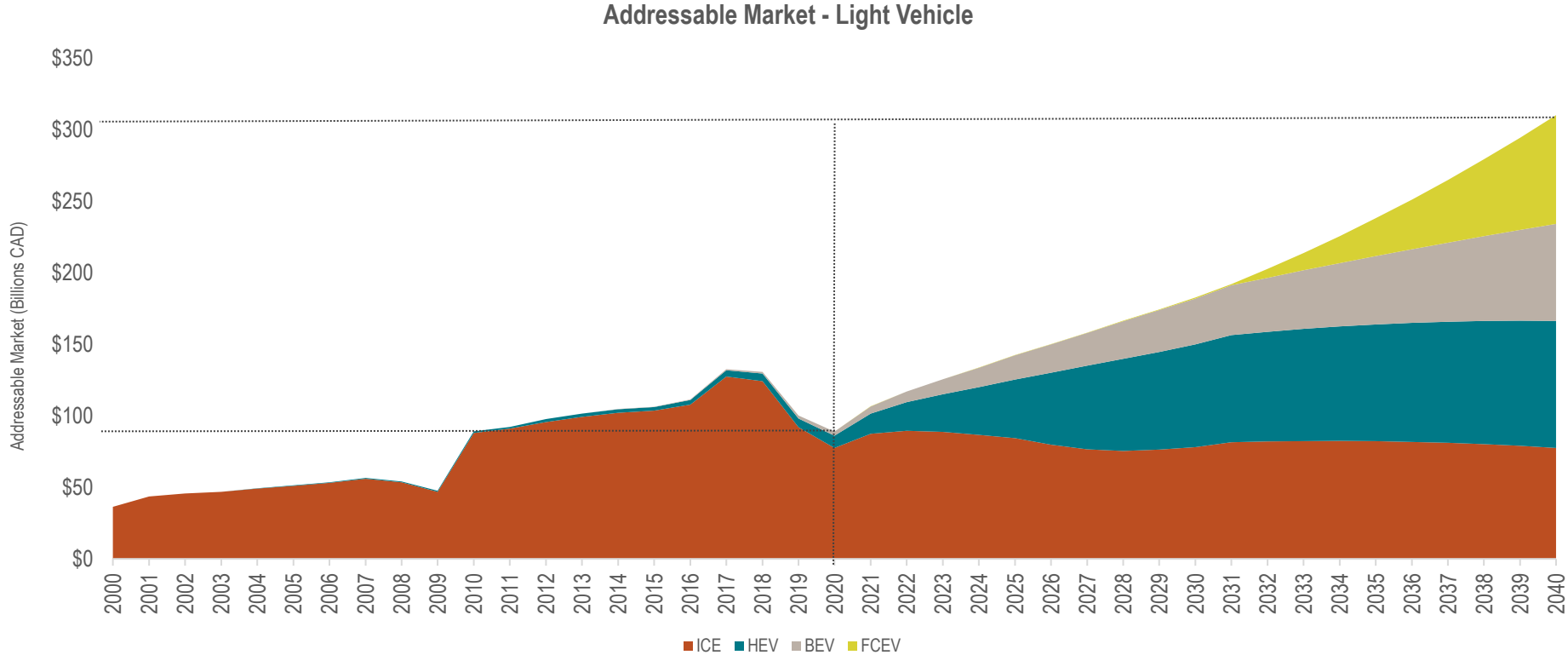


Electrified Vehicles Key Growth Opportunity for Linamar



Updated: February 21, 2021. Estimates based on current projections and EV applications in market.

Global Addressable Market Grows More Than 3X in 20 Years

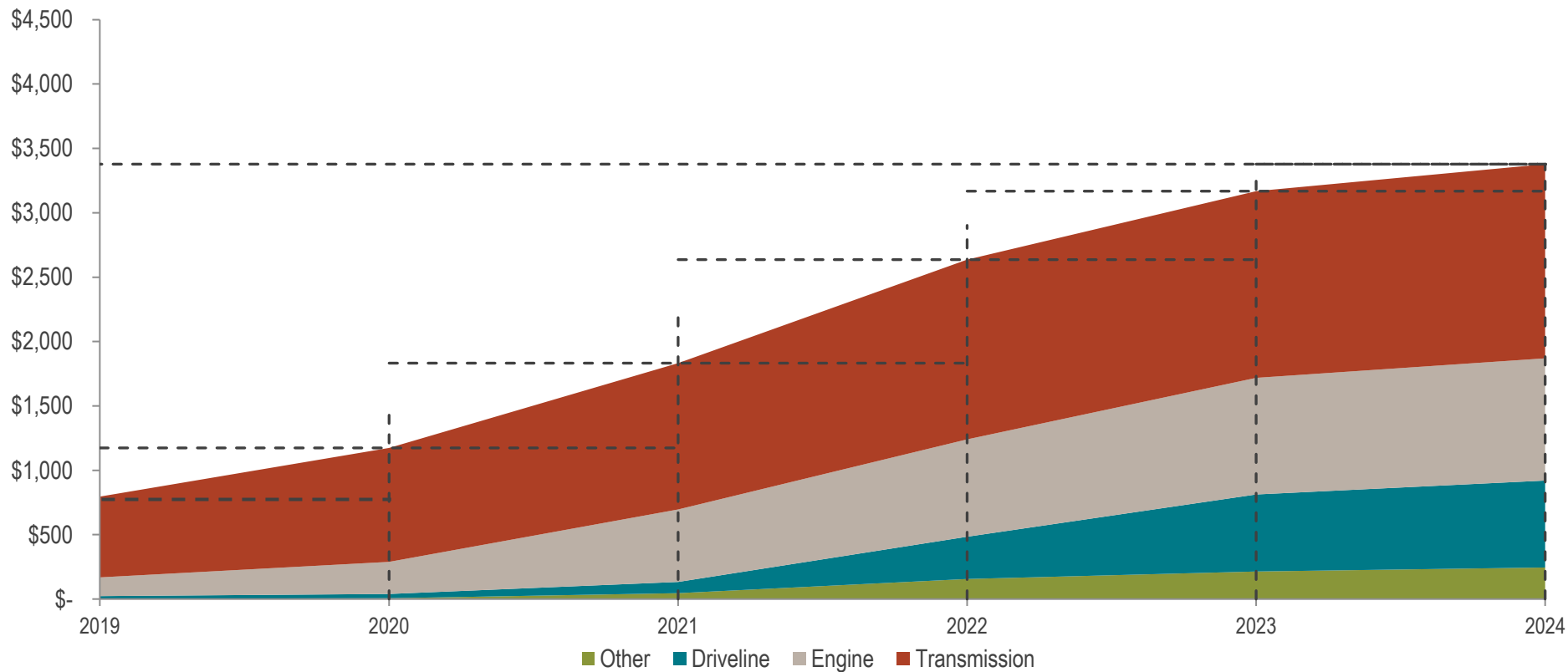


Source

IHS Forecasting 2000-2027 Advanced Consensus Projection 2028-2040
ii) Production Share of Technologies by 2040 of ICE 26%, HEV 34%, BEV 30%, Fuel Cell 10%. (Based on Consensus Average of External Industry Expert Forecasts for BEV adoption, Updated March 5, 2021)

Launches

Launching nearly \$3.8 billion of new work today



Outlook

Q1 Expectations

- **Auto**
 - Expect continued growth from launches and vehicle production increases globally
 - Risk of supply chain challenges to Q1 vehicle production levels which may impact powertrain builds
- **Ag**
 - Growth over prior year
- **Access**
 - Starting to see growth over prior year
- **Cash**
 - Expect cash use on normal NCWC increases
- **General**
 - Impacts from the COVID-19 outbreak and subsequent supply chain challenges are currently not fully understood or determinable in terms of their impact to all segments at this point
 - Expect to see continued dial backs on government support as recovery continues

| Consolidated | Normal Ranges | 2019 Actuals | 2020 Actuals | Expectations 2021 |
|----------------------------|---------------|--------------|--------------|--------------------------------|
| Sales Growth | | (2.7%) | (21.6%) | Double Digit Growth |
| Normalized Earnings Growth | | | | Strong Double Digit Growth |
| EPS | | (20%) | (32%) | |
| EBITDA | | (8%) | (15%) | |
| Normalized Net Margin | 7.0% - 9.0% | 6.3% | 5.4% | Expansion Towards Normal Range |
| Capex (% of Sales) | 6.0% - 8.0% | 525m | 264m | Within Normal Range |
| | | 7.1% | 4.5% | |
| Leverage Net Debt:EBITDA | | 1.50x | 0.50x | Continued Improvement |
| Free Cash Flow | | \$ 703 m | \$ 1,185 m | Continued Positive |

| Industrial | | | | |
|-----------------------------|---------------|-------|-------|--------------------------------|
| Sales Growth | | | | |
| Skyjack | | | | Double Digit Growth |
| MacDon | | | | Double Digit Growth |
| Normalized Operating Margin | 14.0% - 18.0% | 14.5% | 13.4% | Expansion Towards Normal Range |

| Transportation | | | | |
|---|--------------|--------|--------|----------------------------------|
| Factors Influencing Sales Growth | | | | |
| Launch Book \$3.8 Billion Driving Incremental Sales Of: | | \$586m | \$376m | \$500 to \$600 million |
| Business Leaving (% Consolidated Sales) | 5.0% - 10.0% | | | Low End of Normal Range |
| Normalized Operating Margin | 7.0% - 10.0% | 7.3% | 6.5% | Expansion Back into Normal Range |

New Business



New Business Win

Driveline differential assembly win for next generation BEV delivery vans and trucks

Average Annual Volume

110,000 / year

SOP Year

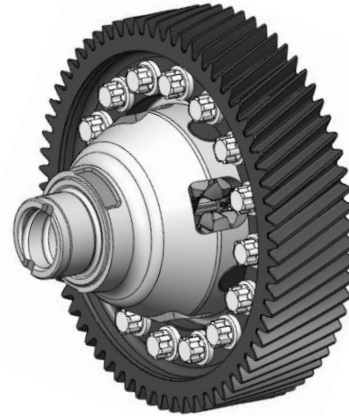
2023

Peak Volume Year

2026

Production Location

Mexico



New Business Win

Major gear win for a new Asian-based customer in North America to be used in a new 8-speed automatic transmission

Average Annual Volume

300,000 / year

SOP Year

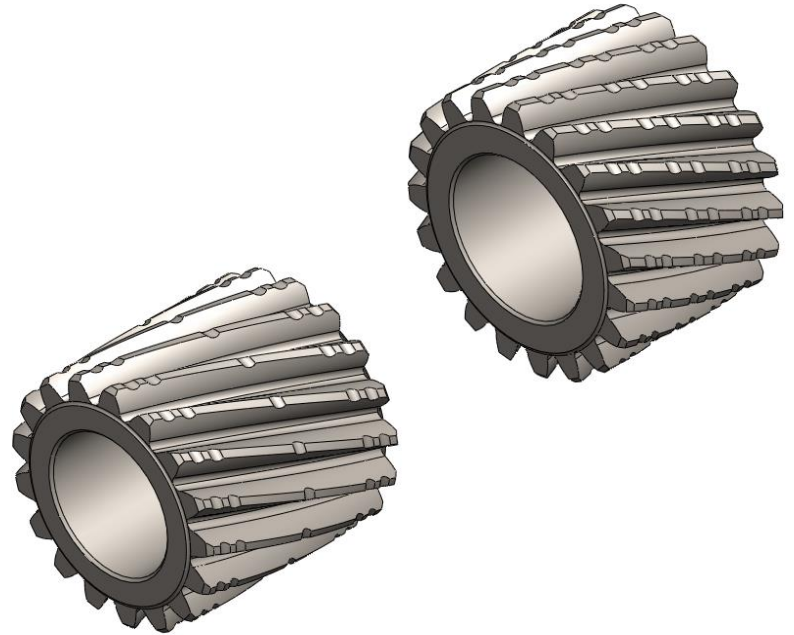
2023

Peak Volume Year

2028

Production Location

Mexico



New Business Win

Camshaft module win for new 3-cylinder engine program, 50% Hybrid application

Average Annual Volume

280,000 / year

SOP Year

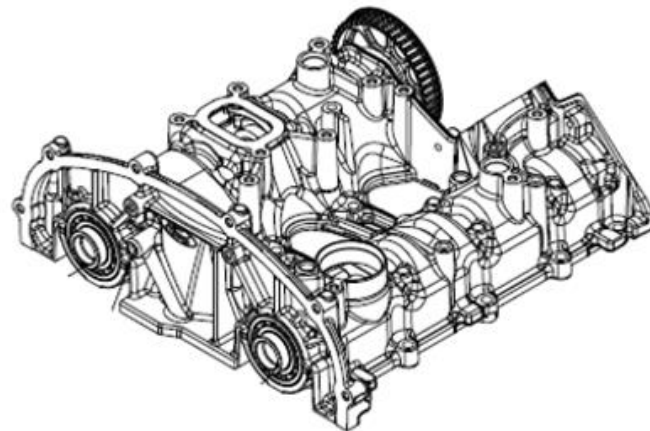
2023

Peak Volume Year

2023

Production Location

Germany



New Business Win

Rear Differential Carrier for Major North American OEM

Average Annual Volume

180,000 / year

SOP Year

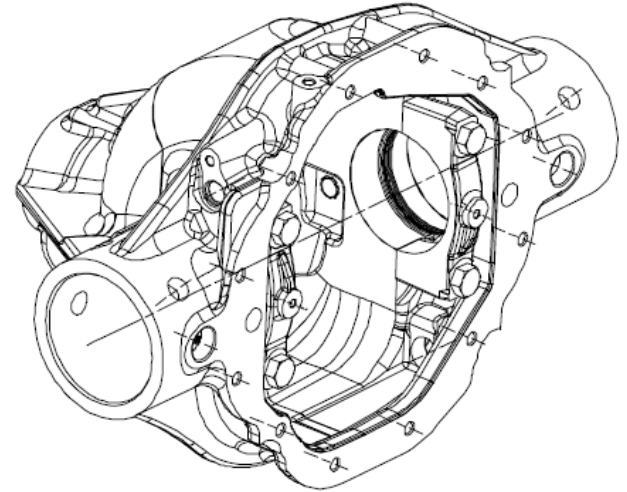
2024

Peak Volume Year

2025

Production Location

Canada



New Business Win

Nearly \$150M in cylinder head wins for next generation engines, including significant win for a domestic Chinese OEM

Average Annual Revenue
~\$150 M / year

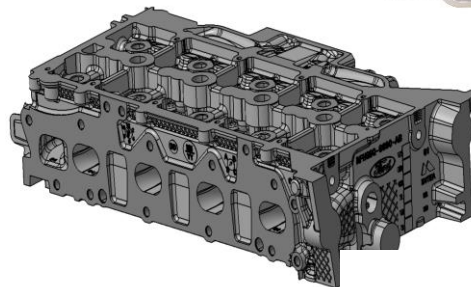
SOP Year
2021

Peak Volume Year
2025

Production Locations

Global

- Canada
- United Kingdom
- Germany
- Hungary
- China



Innovation



Skyjack 40 and 60 ft Booms



- Skyjack's new 40ft and 60ft booms have been redesigned to improve customer return by using SMARTORQUE™ technology and data-driven design.
- Skyjack's SMARTORQUE™ utilizes improved gearing, high torque engines, and a simplified, high-efficiency hydraulic package, so that the boom series is able to employ smaller 25hp engines or less to deliver the same onsite job performance.
- With these changes, rental companies can quickly improve their return on investment.



RE-VISUALIZED, RE-POWERED, RETURN

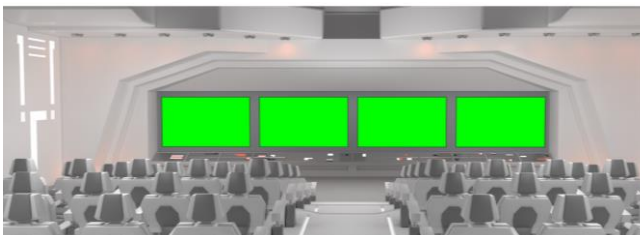
Skyjack SJ3013/14 Micro Scissor



- Skyjack's new SJ3013/14 micro represents a significant new presence in the low-level access arena.
- Ideal for easy accessibility into tight spaces, it has a quiet and swift all electric drive, and AGM (*advanced glass material*) batteries. The SJ3014 micro combines low cost of ownership with Skyjack's renowned product support – all at a price that means business.



MIGHTY MICRO, MEANS BUSINESS



Digitization with AI/ML and Our Digitization Journey

February 2021

61

Plants



3,975



LMMS Data
Collection Connections

3,439

Robots



2,481

Connected
Machines



1,926



RFID Stations

2,319



Traceability Read Stations

1,155



Vision Systems

9

AGVs

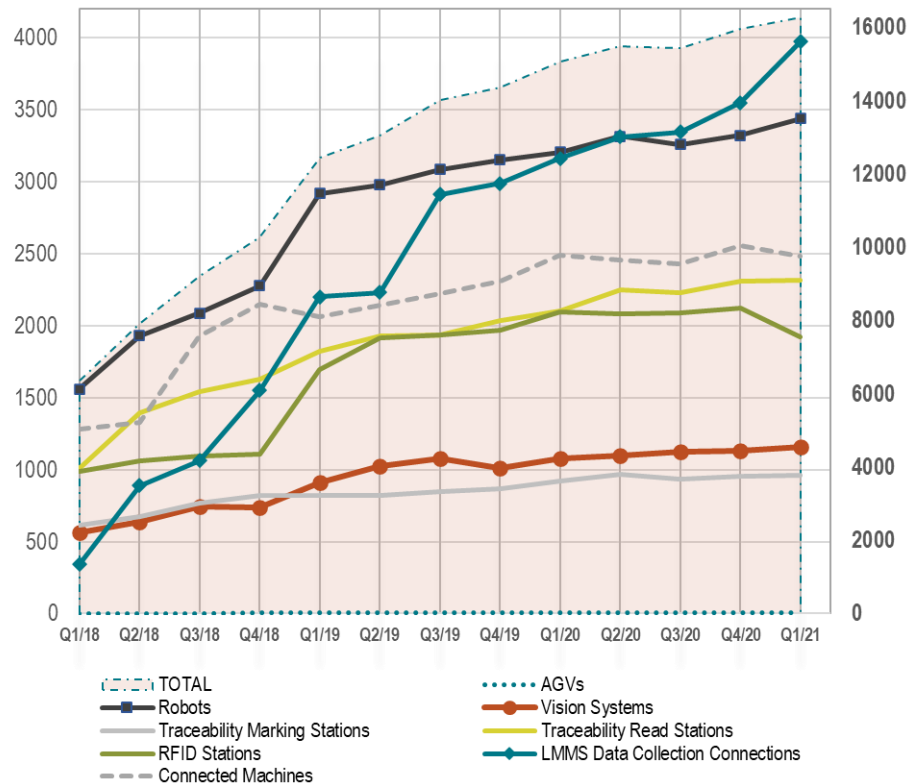


963

Traceability
Marking
Stations



Category Counts by Quarter



Financial Review

Dale Schneider



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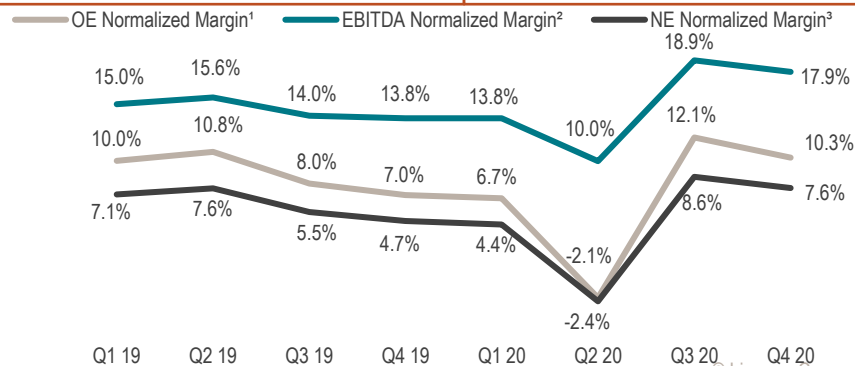
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- Continued careful cost controls
- Government support programs still reflected in results but at a significantly lower level than in Q3; partially offset by
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Unusual Items

- Restructuring costs primarily in Europe
 - European operations were reorganized in Q2 2020.
 - Since this time, a number of operational efficiencies were identified and implemented in Q4 2020.
 - OE impact \$8.6
 - Impacted EPS by 10 cents.



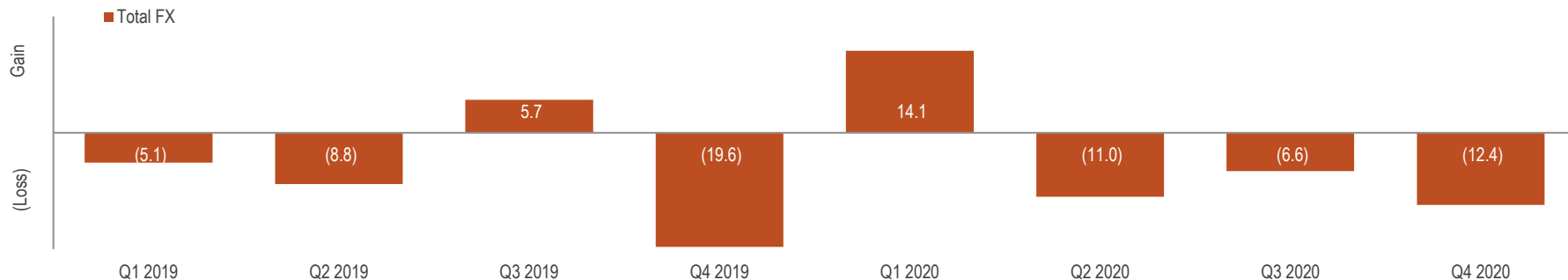
Foreign Exchange Gain/Loss (in millions CAD)

| | Q4 2020 | Q4 2019 | +/- |
|---|---------|---------|-----|
| FX Gain/(Loss) – Operating ¹ | (12.4) | (19.6) | 7.2 |
| FX Gain/(Loss) – Financing | 0.0 | 0.0 | 0.0 |
| Total FX Gain/(Loss) | (12.4) | (19.6) | 7.2 |

| | | |
|--|-------|------|
| Operating Margin | 9.1% | 4.9% |
| Operating Margin – Normalized ² | 10.3% | 7.0% |

| | | |
|--|--------|--------|
| FX Gain/(Loss) – Impact on EPS FD ³ | (0.14) | (0.23) |
|--|--------|--------|

- Total FX Loss was \$12.4 which was related to the revaluation of operating balances.
- FX Loss – Operating was a \$7.3 loss in Industrial and \$5.1 loss in Transportation.
- FX Loss impacted EPS by 14 cents in the quarter.



1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

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

3 – 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)

| | Q4 2020 | Q4 2019 |
|---|---------|---------|
| Sales | 315.6 | 335.9 |
| Operating Earnings | 32.6 | 26.6 |
| Unusual Item | - | 7.3 |
| Foreign Exchange ¹ (Gain)/Loss | 7.3 | 5.5 |
| Operating Earnings – Normalized ² | 39.9 | 39.4 |
| Operating Earnings Margin | 10.3% | 7.9% |
| Operating Earnings Margin – Normalized ² | 12.6% | 11.7% |

- **Industrial sales** decreased by 6.0% or \$20.3 to \$315.6
- The sales were hurt by:
 - Access Equipment sales declines associated with the global COVID-19 pandemic.
- The sales were helped by:
 - market share gains at Skyjack in scissors, booms and telehandlers.
- **Normalized Industrial OE** increased \$0.5 or 1.3% to \$39.9
- The Normalized OE was helped by:
 - cost savings achieved; and
 - the government COVID-19 support programs that were available in the quarter.
- The Normalized OE was hurt by:
 - the lower sales volumes of our Access Equipment business; and
 - increase in provisions related to receivables.

1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

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

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

| | Q4 2020 | Q4 2019 |
|---|---------|---------|
| Sales | 1,389.2 | 1,280.2 |
| Operating Earnings | 122.8 | 52.7 |
| Unusual Item | 8.6 | 6.4 |
| Foreign Exchange ¹ (Gain)/Loss | 5.1 | 14.1 |
| Operating Earnings – Normalized ² | 136.5 | 73.2 |
| Operating Earnings Margin | 8.8% | 4.1% |
| Operating Earnings Margin – Normalized ² | 9.8% | 5.7% |

- **Transportation sales** increased by \$109.0 to \$1,389.2
- The sales were helped by:
 - increasing volumes on launching programs;
 - increasing volumes on certain programs related to some of our more significant customers;
 - increasing volumes as the Q4 2019 labour disruptions at a key customer did not recur; and
 - a favourable impact on sales from the changes in foreign exchange rates from Q4 2019.
- The sales were hurt by:
 - the soft European market that are still being impacted by the effects of COVID-19.
- **Normalized operating earnings** were higher by \$63.3 to come in at \$136.5
- Transportation normalized earnings were helped by:
 - the net volume increases that occurred in the quarter;
 - utilization of support programs related to the global COVID-19 pandemic;
 - a favourable impact on sales and expenses from the changes in foreign exchange rates from Q4 2019; and
 - cost reductions implemented in the quarter.

1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

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

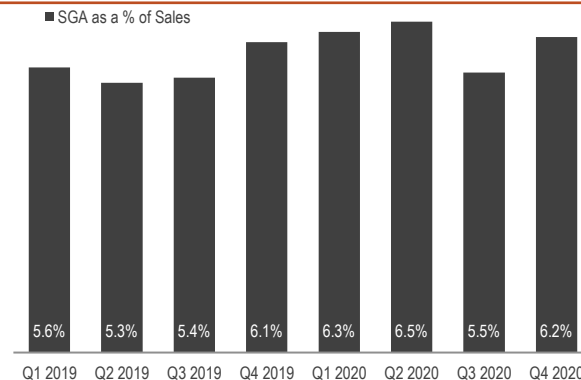
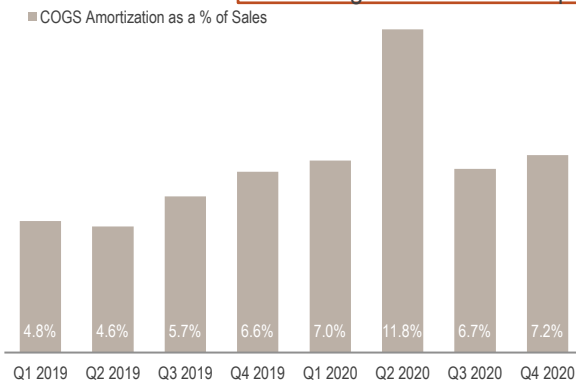
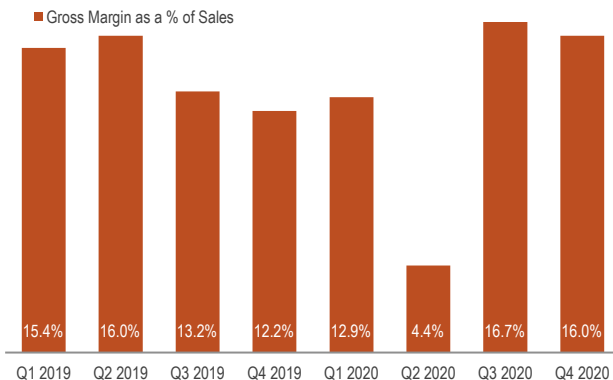
Operating Expenses (in millions CAD)

| | Q4 2020 | Q4 2019 | +/- | % |
|------------------------------|---------|---------|------|-------|
| Sales | 1,704.8 | 1,616.1 | 88.7 | 5.5% |
| Cost of Goods Sold | 1,431.3 | 1,418.6 | 12.7 | 0.9% |
| Gross Margin | 273.5 | 197.5 | 76.0 | 38.5% |
| Gross Margin as a % of Sales | 16.0% | 12.2% | | |

| | | | | |
|-----------------------------------|-------|-------|------|-------|
| Cost of Goods Sold Amortization | 123.1 | 106.3 | 16.8 | 15.8% |
| COGS Amortization as a % of Sales | 7.2% | 6.6% | | |

| | | | | |
|--------------------------------------|-------|------|-----|------|
| Selling, General, and Administrative | 106.0 | 98.9 | 7.1 | 7.2% |
| SGA as a % of Sales | 6.2% | 6.1% | | |

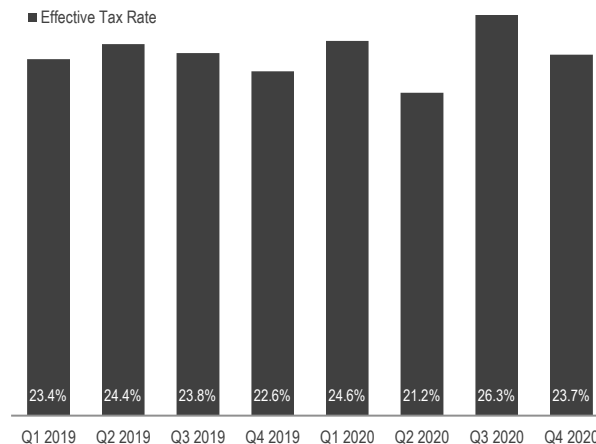
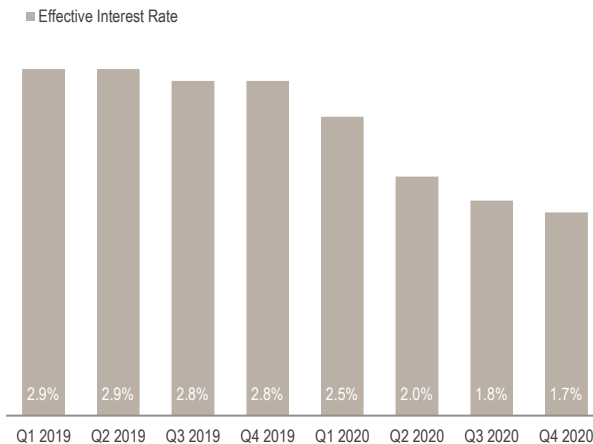
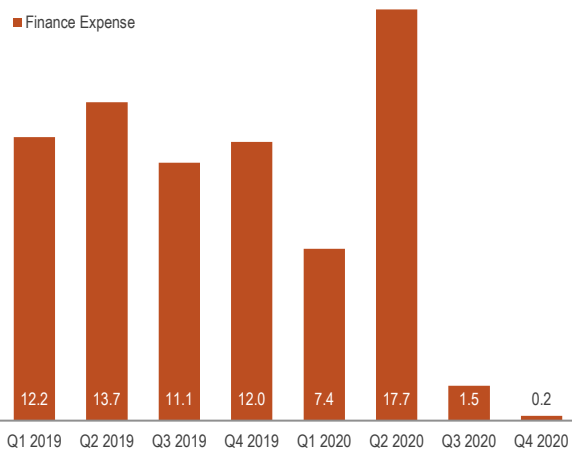
- Gross Margin was \$273.5 in the quarter and was impacted by:
 - the margin improvement from the various increases in volumes within the Transportation segment;
 - the utilization of government support programs related to the global COVID-19 pandemic;
 - a favourable impact on sales and expenses from the changes in foreign exchange rates from Q4 2019; and
 - continued focus on cost reductions; partially offset by
 - the lower volumes in both segments primarily attributed to the adverse impacts that COVID-19 had in North America and Europe.
- Amortization increased to 7.2% mainly due to the launching programs and products.
- SG&A increased by \$7.1 as a result of the receivable provisions taken less costs savings achieved in the quarter.



Finance Expenses & Income Tax (in millions CAD)

| | Q4 2020 | Q4 2019 | +/- |
|-------------------------|---------|---------|--------|
| Finance Expense | (0.2) | (12.0) | 11.8 |
| Effective Interest Rate | 1.7% | 2.8% | (1.1%) |
| Effective Tax Rate | 23.7% | 22.6% | 1.1% |

- Finance expenses decreased \$11.8.
- Finance expenses were helped by:
 - lower interest expense as a result of reducing average daily debt balances by \$830 since Q4 2019; and
 - lower effective interest rates which improved by 110 bps.
- The effective interest rate declined to 1.7%.
- The tax rate increased to 23.7% in the quarter from last year but improved from Q3 2020.
- Full year 2020 tax rate was 25.4%.
- Full year 2021 tax rate expected to be in the range of 24% to 26%.

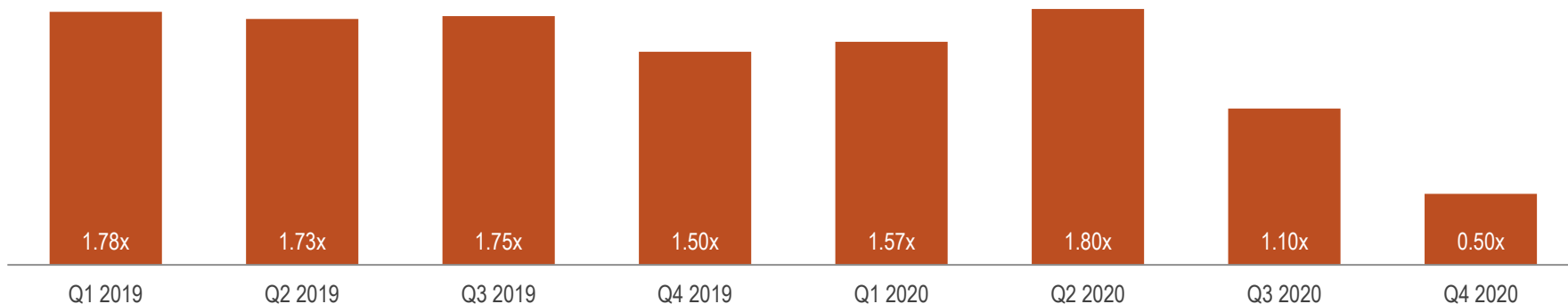


Leverage (in millions CAD)

| | Q4 2020 | Q4 2019 |
|-------------------------------------|---------|---------|
| Cash Position | 861.1 | 338.2 |
| Available Cash on Credit Facilities | 773.4 | 771.1 |
| Net Debt to EBITDA | 0.50x | 1.50x |
| Debt to Capitalization | 23.6% | 32.4% |

- Cash position at the end of the quarter was \$861.1.
- Linamar generated \$489.6 in Cash from Operating Activities.
- Linamar generated \$422.3 of Free Cash Flow¹ in the quarter.
- Net Debt to EBITDA was decreased significantly to 0.50x.
- Based on current estimates, we expect Net Debt to EBITDA to continue to improve by the end of 2021.
- Liquidity¹ remains strong and improved to \$1.6 billion.

■ Net Debt to EBITDA



1 - For more information on the Free Cash Flow measure and Liquidity refer to sections entitled "Non-GAAP and Additional GAAP Measures" and "Liquidity and Capital Resources" respectively, in the Company's separately released Management Discussion and Analysis ("MD&A").

Conclusion

- Strong Sales and Earnings performance
- Operations have continued to recover
- Excellent cash generation in the quarter
- Free Cash Flow¹ generation of \$422.3 million
- Free Cash Flow¹ generation of \$1.2 billion in 2020 which is a record year
- Available Liquidity¹ increased to \$1.6 billion

1 - For more information on the Free Cash Flow measure and Liquidity refer to sections entitled "Non-GAAP and Additional GAAP Measures" and "Liquidity and Capital Resources" respectively, in the Company's separately released Management Discussion and Analysis ("MD&A").

Question and Answer



Outlook

Q1 Expectations

- **Auto**
 - Expect continued growth from launches and vehicle production increases globally
 - Risk of supply chain challenges to Q1 vehicle production levels which may impact powertrain builds
- **Ag**
 - Growth over prior year
- **Access**
 - Starting to see growth over prior year
- **Cash**
 - Expect cash use on normal NCWC increases
- **General**
 - Impacts from the COVID-19 outbreak and subsequent supply chain challenges are currently not fully understood or determinable in terms of their impact to all segments at this point
 - Expect to see continued dial backs on government support as recovery continues

| Consolidated | Normal Ranges | 2019 Actuals | 2020 Actuals | Expectations 2021 |
|----------------------------|---------------|--------------|--------------|--------------------------------|
| Sales Growth | | (2.7%) | (21.6%) | Double Digit Growth |
| Normalized Earnings Growth | | | | Strong Double Digit Growth |
| EPS | | (20%) | (32%) | |
| EBITDA | | (8%) | (15%) | |
| Normalized Net Margin | 7.0% - 9.0% | 6.3% | 5.4% | Expansion Towards Normal Range |
| Capex (% of Sales) | 6.0% - 8.0% | 525m | 264m | Within Normal Range |
| | | 7.1% | 4.5% | |
| Leverage Net Debt:EBITDA | | 1.50x | 0.50x | Continued Improvement |
| Free Cash Flow | | \$ 703 m | \$ 1,185 m | Continued Positive |

| Industrial | | | | |
|-----------------------------|---------------|-------|-------|--------------------------------|
| Sales Growth | | | | |
| Skyjack | | | | Double Digit Growth |
| MacDon | | | | Double Digit Growth |
| Normalized Operating Margin | 14.0% - 18.0% | 14.5% | 13.4% | Expansion Towards Normal Range |

| Transportation | | | | |
|---|--------------|--------|--------|----------------------------------|
| Factors Influencing Sales Growth | | | | |
| Launch Book \$3.8 Billion Driving Incremental Sales Of: | | \$586m | \$376m | \$500 to \$600 million |
| Business Leaving (% Consolidated Sales) | 5.0% - 10.0% | | | Low End of Normal Range |
| Normalized Operating Margin | 7.0% - 10.0% | 7.3% | 6.5% | Expansion Back into Normal Range |

Key Messages



**\$422 Million Cash Generation to
Top Year of \$1.2 Billion**



**Solid Growth in
Transportation Segment**



**Markets Improving and Market
Share Growing**





Thank You

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