



**Linamar Corporation**

**Q2 Update on Market Conditions**

July 9, 2021

# Forward Looking Information, Risk and Uncertainties

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# External Market Conditions Commentary

## Summary of Key Highlights

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The commentary on the following slides is an update to the Q2 market outlook which was shared during our Q1 Earnings Call on May 6, 2021.

### Mobility Segment

- Q2 global light vehicle production forecast **decreased by 1.65M units vs. prior forecast**, the majority of the decline being in NA.
- 2021 forecast revised down by 1.01M units suggesting some but not all Q2 volume cuts will be recovered in H2
- The volume reductions were primarily due to the ongoing global semiconductor shortage **which remains a fluid and unpredictable situation**

### Industrial Segment

- Agriculture
  - May Q2 QTD (two months) North America combine retails are up 18%.
  - **Supply chain commodity prices , logistic costs and product availability are impacting both revenue and margins negatively**
- Access Market
  - May Q2 QTD (two months) global market up 2.5x prior year, driven primarily by Asia.
  - **Supply chain commodity prices, logistic costs and product availability are impacting both revenue and margins negatively**

### Supply Chain

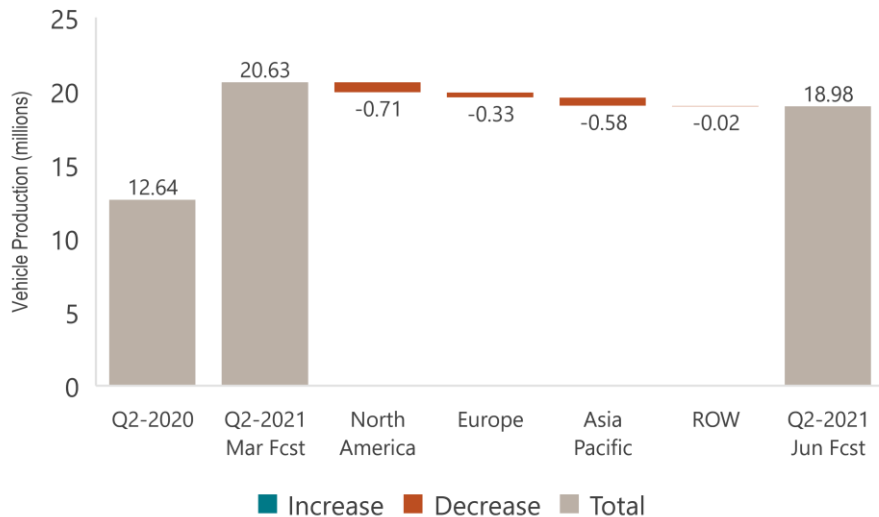
- Significant supply chain constraints are impacting our ability to ship to meet market demand as well as costs in terms of both commodity pricing and logistics
  - This is primarily impacting the industrial segment.

# Global LV Auto Market: Q2 & 2021FY

Q2 global light vehicle production forecast down 1.65M units versus prior forecast. 2021 forecast down 1.01M units.

### Q2-2021 Global Light Vehicle Production By Region

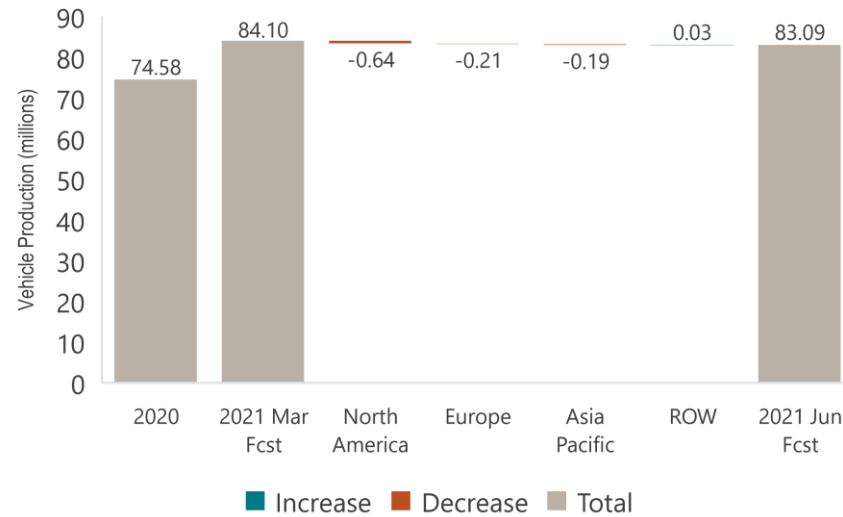
Change in Forecast Jun-2021 vs. Mar-2021



- Q2-2021 global light vehicle production forecast revised downward by 1.65M units versus prior Q2 forecast, largely due to global shortage of semi-conductors.
- Q2-2021 production is now expected to be up 50% versus Q2-2020.

### 2021 Global Light Vehicle Production By Region

Change in Forecast Jun-2021 vs. Mar-2021



- The 2021 full-year forecast decreased by 1.01M units reflecting global shortage of semiconductors.
- 2021 full-year production is now expected to be up 11% versus 2020.

# Industrial Segment

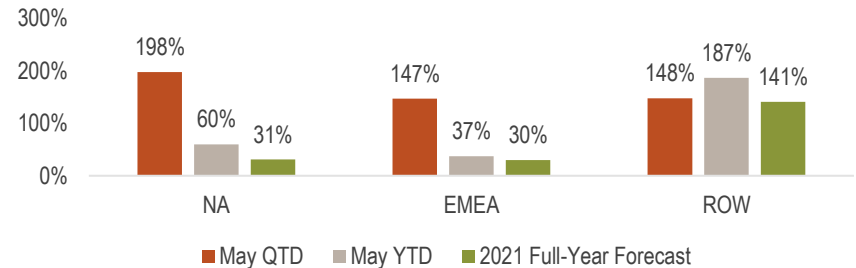
## Access Equipment Market Commentary

- Supply chain disruptions including shipping container shortages and higher commodity prices are negatively impacting production, shipments and costs in 2021.
- Access market continuing to show signs of recovery. Customer fleet utilization levels remain within 5% of 2019 levels.
  - NA access market up 198% May Q2 QTD (two months). May YTD up 60%. FY2021 expected to be up 31%.
  - EMEA access market up 147% May Q2 QTD (two months). May YTD up 37%. FY2021 expected to be up 30%.
  - ROW access market up 148% May Q2 QTD (two months). May YTD up 187%. FY2021 expected to be up 141%, driven primarily by China.

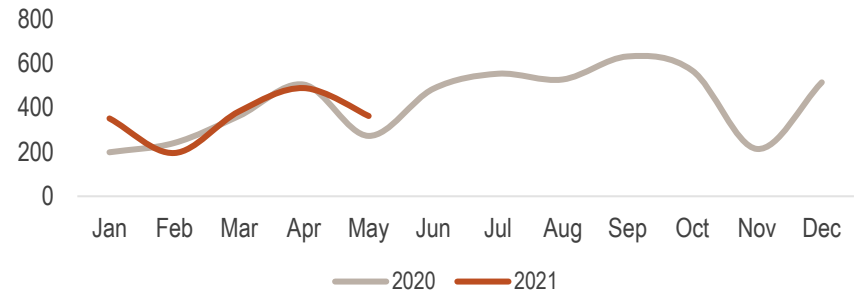
## Agriculture Market Commentary

- Supply chain disruptions including shipping container shortages and higher commodity prices are negatively impacting production, shipments and costs in 2021.
- Ag. Retailers are seeing lean inventory supply indicating retail demand is high.
- Commodity price rally, improved farm net income outlook boosting retails.
- North America combine retails are up 18% May Q2 QTD (two months). May YTD up 17%. FY2021 expected to be up 15%.
  - Canada combine retails are up 65% May Q2 QTD (two months). May YTD up 40%.
  - US combine retails are up 9% May Q2 QTD (two months). May YTD up 13%.

2021 Access Industry Forecast, QTD & YTD Results  
% Change vs. Prior Year



North American Combine Retails





# Thank You

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