



**Linamar Corporation**  
**Q4 Update on Market Conditions**

January 13, 2020

## 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.

# External Market Conditions Commentary

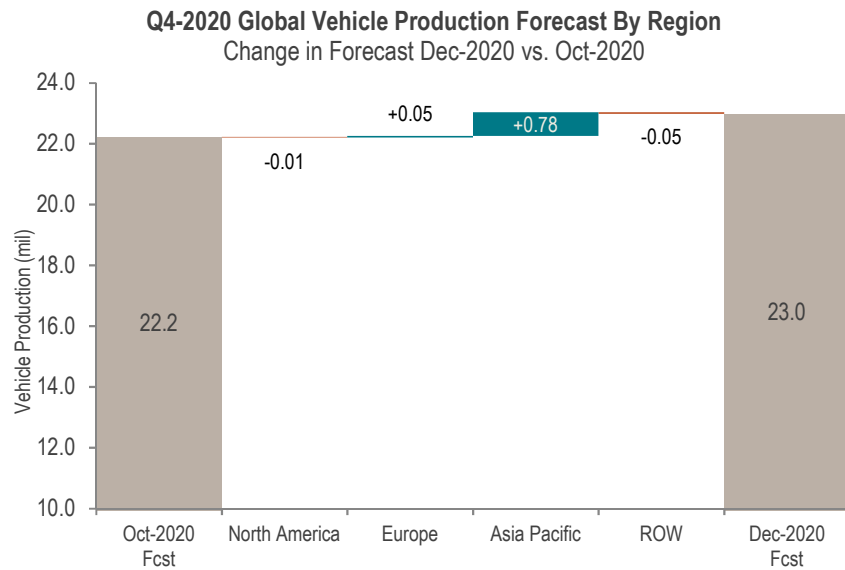
## Summary of Key Highlights

---

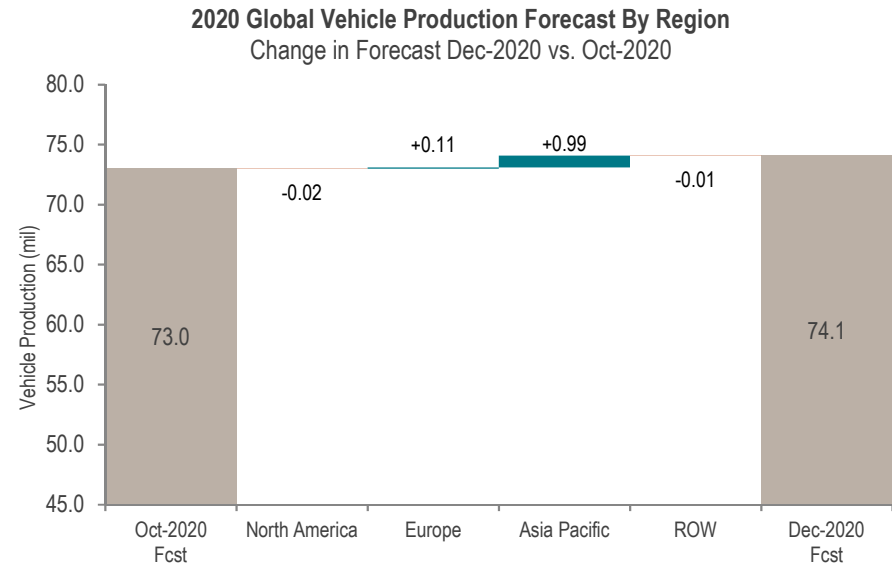
- The commentary on the following slides is an update to the Q4 market outlook which was shared during our Q3 Earnings Call on November 10, 2020
- In Transportation, Q4 auto sales and production have trended more positively than previously expected
  - 2020FY market forecasts published on October 15th have since been revised upward as sales and production levels improved in Asia-Pacific
- In Industrial, the general market view is relatively unchanged vs. prior commentary
  - The Access market for core Scissors and Booms in North America and EMEA is still expected to be down 40-50% in 2020.
  - The North American combine market ended the year flat, as expected. Outlook for this market is trending positively for 2021 with order intake levels well above prior year

## Global LV Auto Market: Q4 & 2020FY

Q4 global light vehicle production forecast up 770,000 units vs. prior forecast. 2020 Forecast up 1.1M units.



- Globally, the 4th quarter is forecasted to end higher than was expected in October. Forecast upgrades centered in Asia-Pacific (China) as strong sales levels continue to boost production



- The 2020FY estimate for global light vehicle production has increased by 1.1M units since the October forecast, reflecting the improved outlook for the auto industry

# Industrial Segment

## Access Equipment Market Commentary

- Access market continuing to show signs of recovery in Q4, but North America and EMEA still expected to be down 40-50% in 2020
  - NA AWP market down 21% November QTD, down 48% November YTD
  - EMEA down 0.4% November QTD, down 38% November YTD
- Access market in ROW, driven by China, continues to outpace growth expectations
  - ROW AWP industry up 33% November QTD, up 17% November YTD

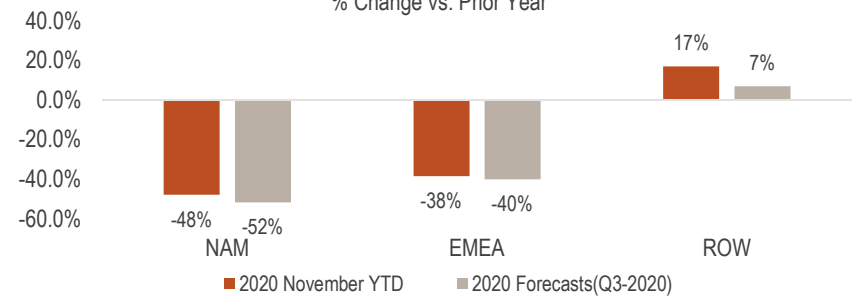
Source: Industry and Internal Management Reports

## Agriculture Market Commentary

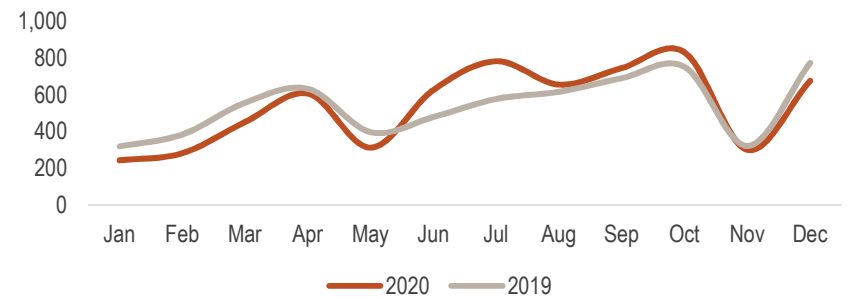
- Ag. retailers seeing reduced inventory backlog
  - Commodity price rally, improved farm net income outlook continue to boost retails
- North America combine retail sales overall were down 2% in Q4, Full Year essentially flat at +0.2%
  - Canada combine retails were down 22% in Q4, down 14% for Full Year
  - US combine retails were up 9% in Q4, up 5% for Full Year
- We are seeing positive signs indicating market growth for 2021 with current levels of order intake well above prior year levels

Source: Industry and Internal Management Reports

2020 Mobile Aerial Work Platform (AWP) Industry Forecast & YTD Results  
% Change vs. Prior Year

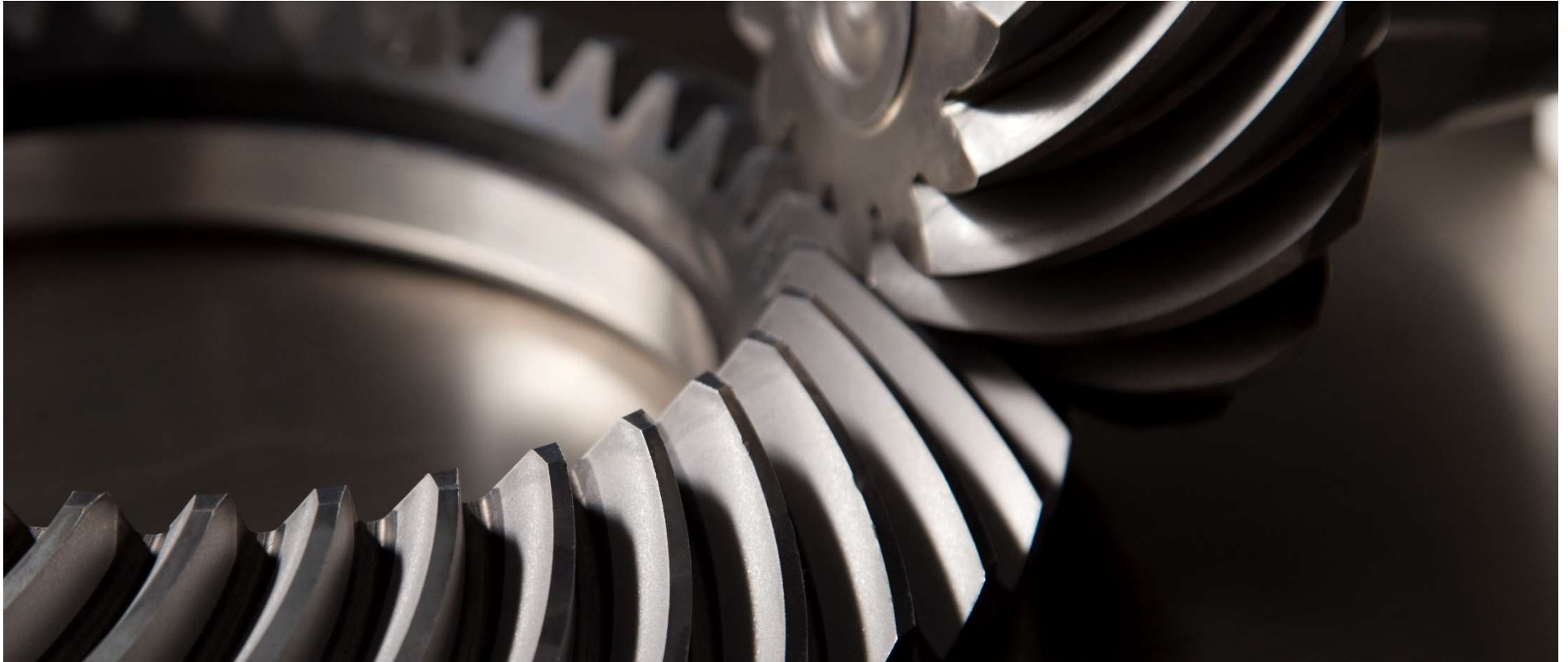


North American Combine Retails



## Q1 2021 Market Developments

- Ontario, home to many of Linamar's operations, will have a provincially mandated Stay-at-Home Order come into effect beginning January 14<sup>th</sup> . The order is currently not expected to have an impact on Linamar operations given it is designated an essential manufacturing business.
  - Operations will continue to run production in line with customer demands, who remain open and building.
- At this time, the global semiconductor chip shortage issue is expected to have a negative impact on global production levels, currently primarily in Asia and to some extent Europe
  - Reduced light vehicle production levels at our customers will result in some impact on Linamar however at this time it is not expected to be material
- Global Light Vehicle production is currently forecast to increase 15% in Q1 2021 vs. Q1 2020, with 2021 Full Year production forecast to increase by 13% vs. 2020
- On the industrial side, agricultural and access markets are trending positively for 2021



For More Information, Visit:  
[www.linamar.com](http://www.linamar.com)

  @linamarcorp  
  Linamar Corporation