

Linamar Corporation

A Global
Powerhouse in
Diversified
Advanced
Manufacturing

May 2019



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

Key Investment Themes



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

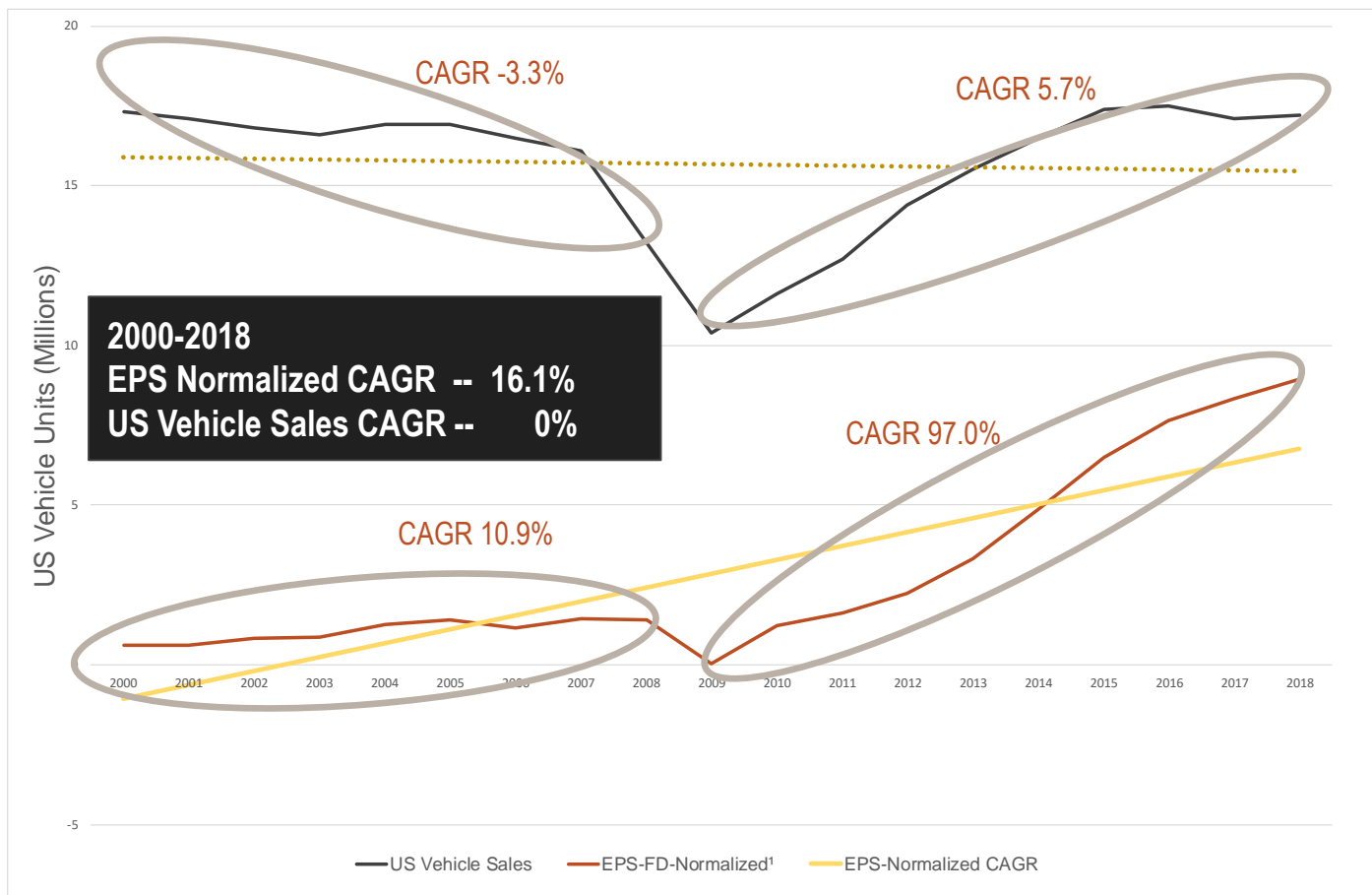
- Consensus earnings growth for Linamar 6% normalized vs average of peers 4%



Focus on our Shareholders

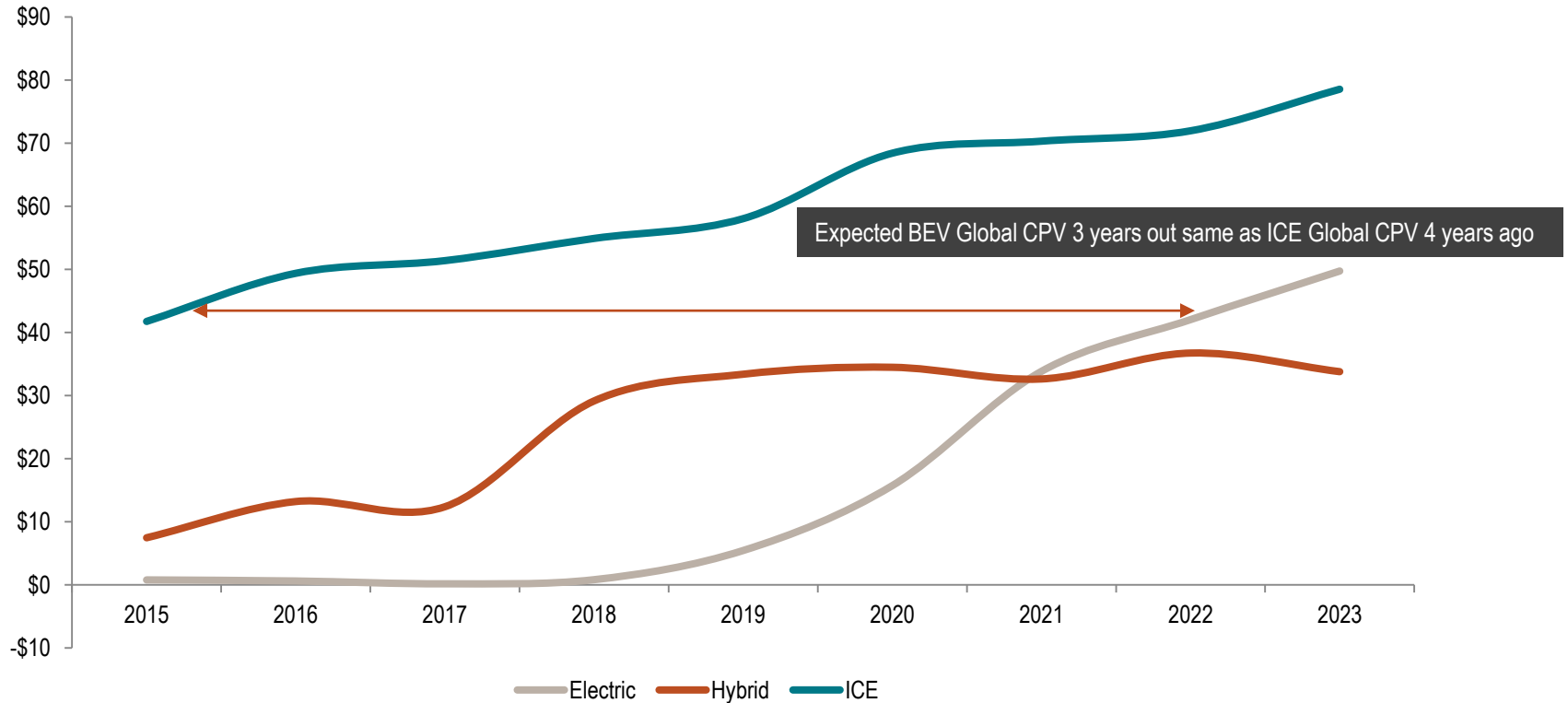
- NCIB returning cash to shareholders this year

Track Record of Growth Regardless of Auto Cycle

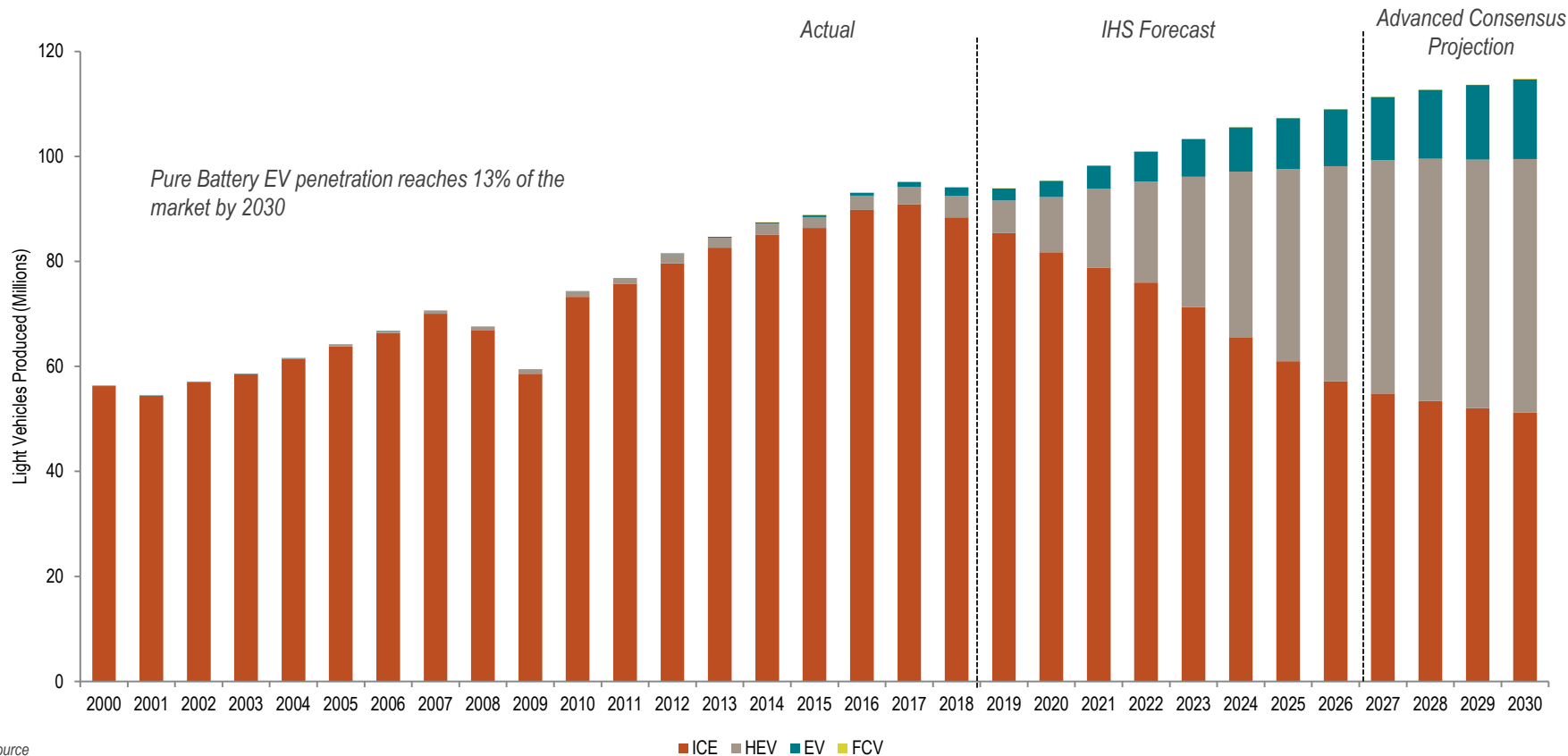


1- Earnings per Share (EPS) before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax effected. Pre 2010, EPS-Normalized is EPS before unusual items.

Electrified Vehicles Key Growth Opportunity for Linamar



Global Light Vehicle Production Growing

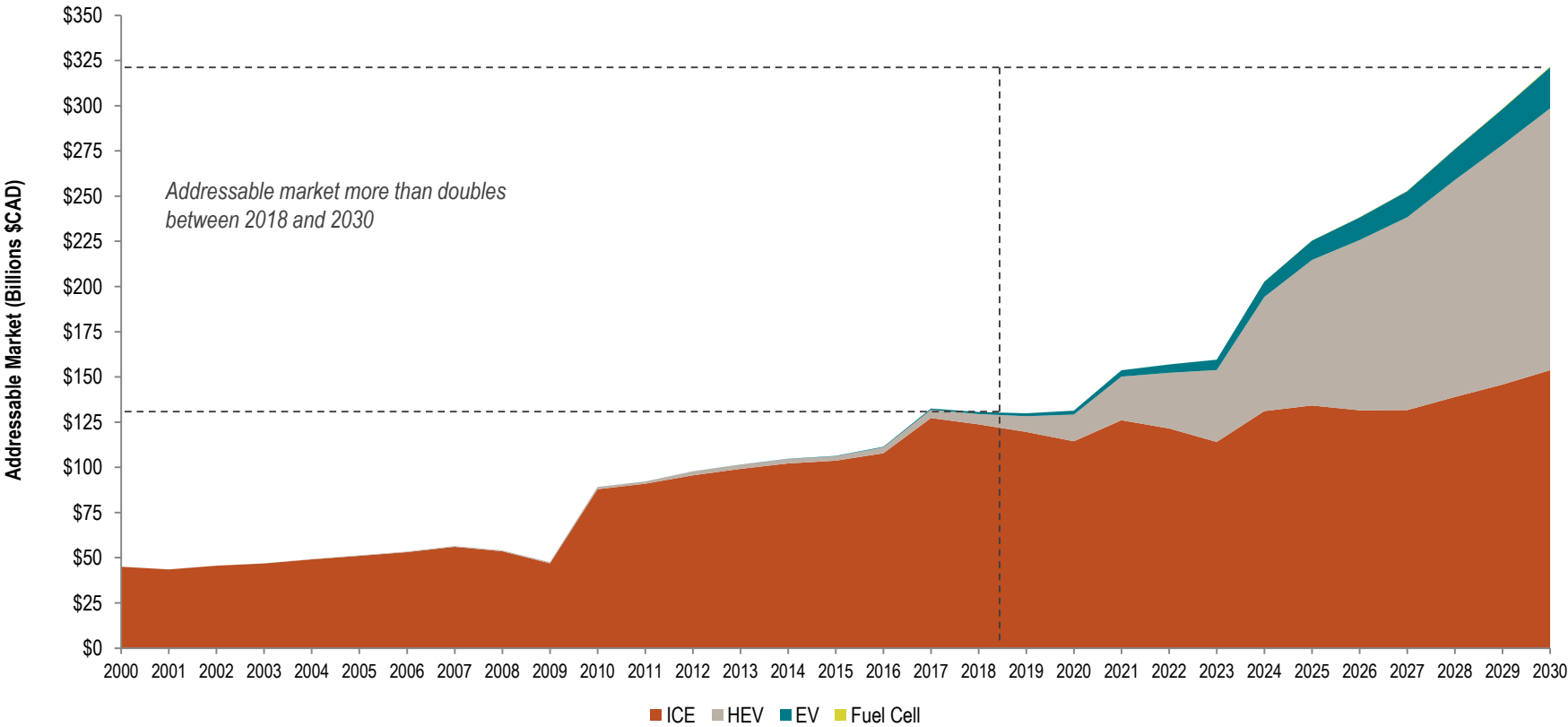


Source

IHS Forecasting 2000-2026 Advanced Consensus Projection 2026-2030

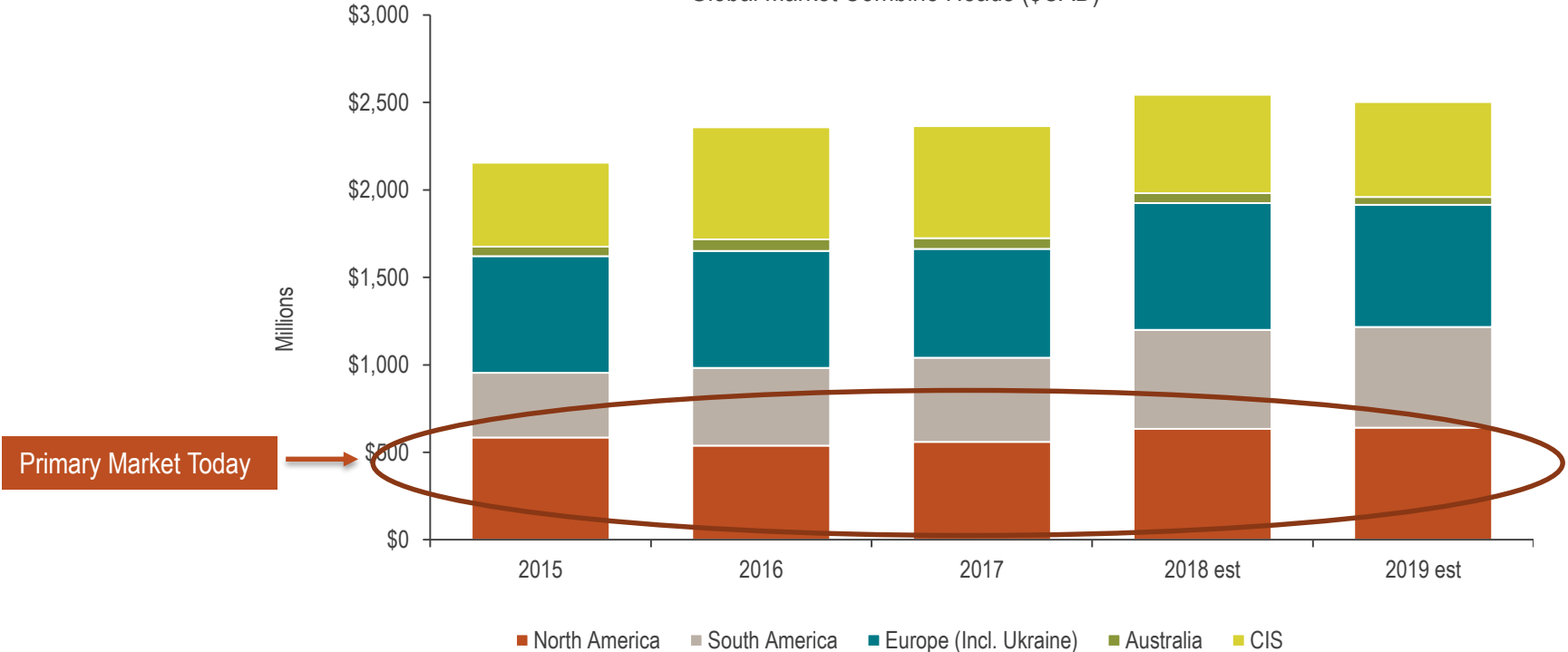
ii) Production Share of Technologies by 2031 of ICE 44%, HEV 42%, EV 14%, Fuel Cell 0.1%. (Based on Consensus Average of External Industry Expert Forecasts for EV adoption, Updated Q1 2019)

Global Total Addressable Market



Significant Global Growth Opportunity

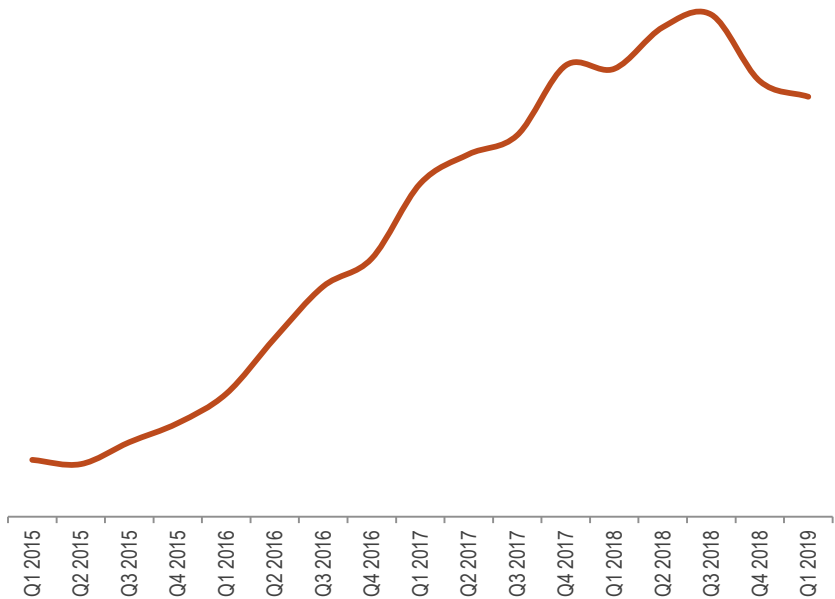
Global Market Combine Heads (\$CAD)



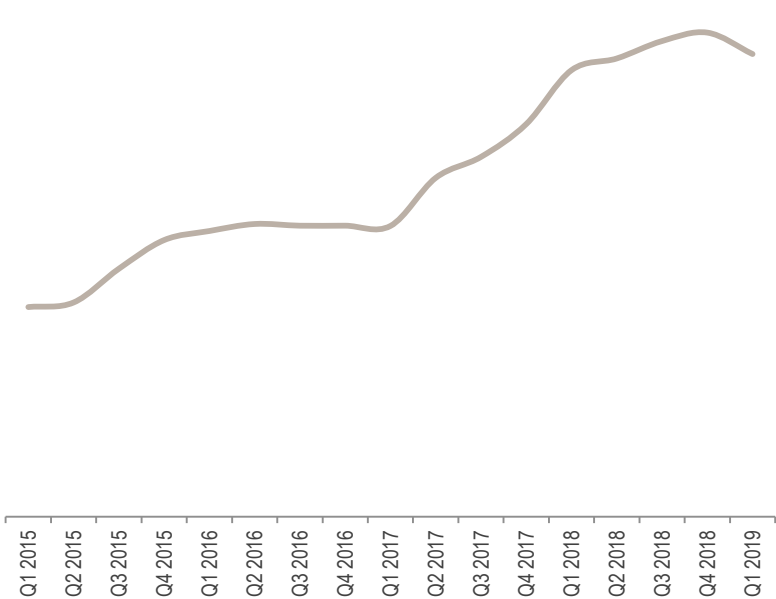
Market Share Penetration Access - Key Growth Driver



Telehandler Market Share (NA Only)



Boom Market Share (Global)

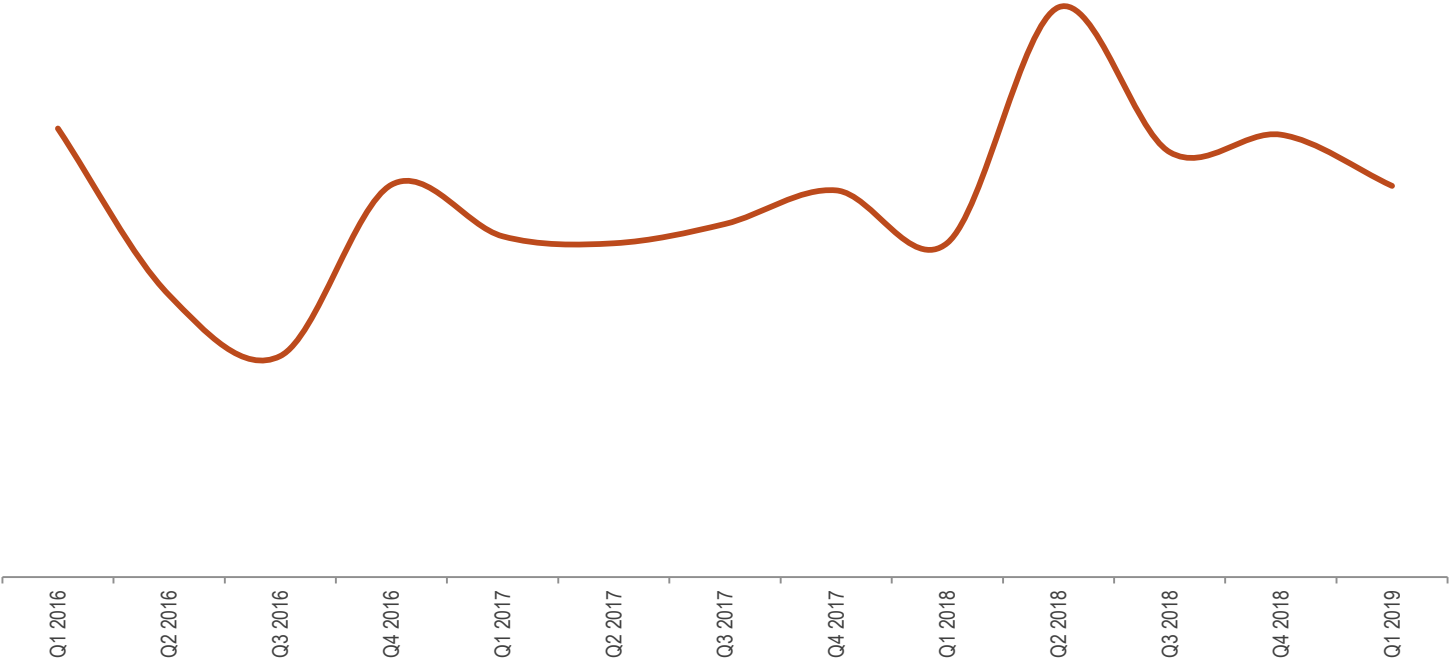


Source: Skyjack Internal, April 2019. Market share is rolling 12 month average.

Market Share Penetration Ag - Key Growth Driver

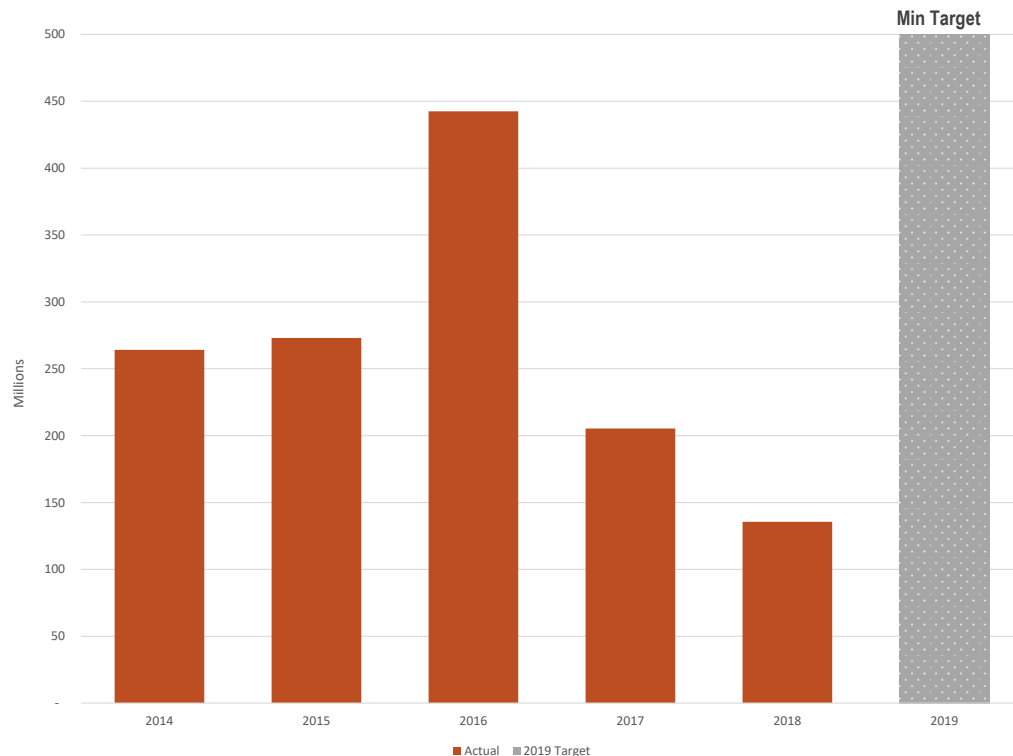


Combine Drapers Market Share (Global)



Source: MacDon Internal, April 2019.

2019 Expected to Drive Solid Free Cash Flow

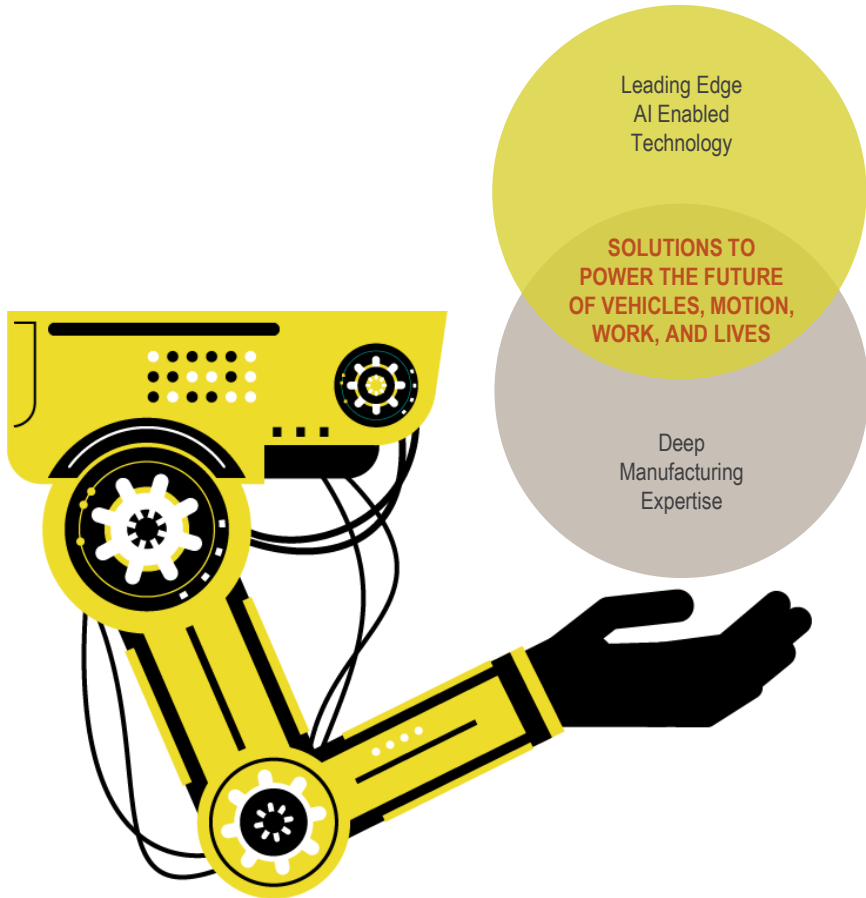


- 2019 expected to generate between \$500 and \$700 million through
 - Higher earnings over 2018;
 - Lower Capex than 2018;
 - Focused NCWC Improvements; and
 - Long Term AR ("LTAR") Improvements
- NCWC Improvements focused on
 - Inventory reductions
 - Improvements at recently acquired companies (MacDon,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

Company Overview



Linamar - A Leading Global Advanced Manufacturing Company LINAMAR



Transportation

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

Infrastructure

- Safe & Efficient Man & Work to Height

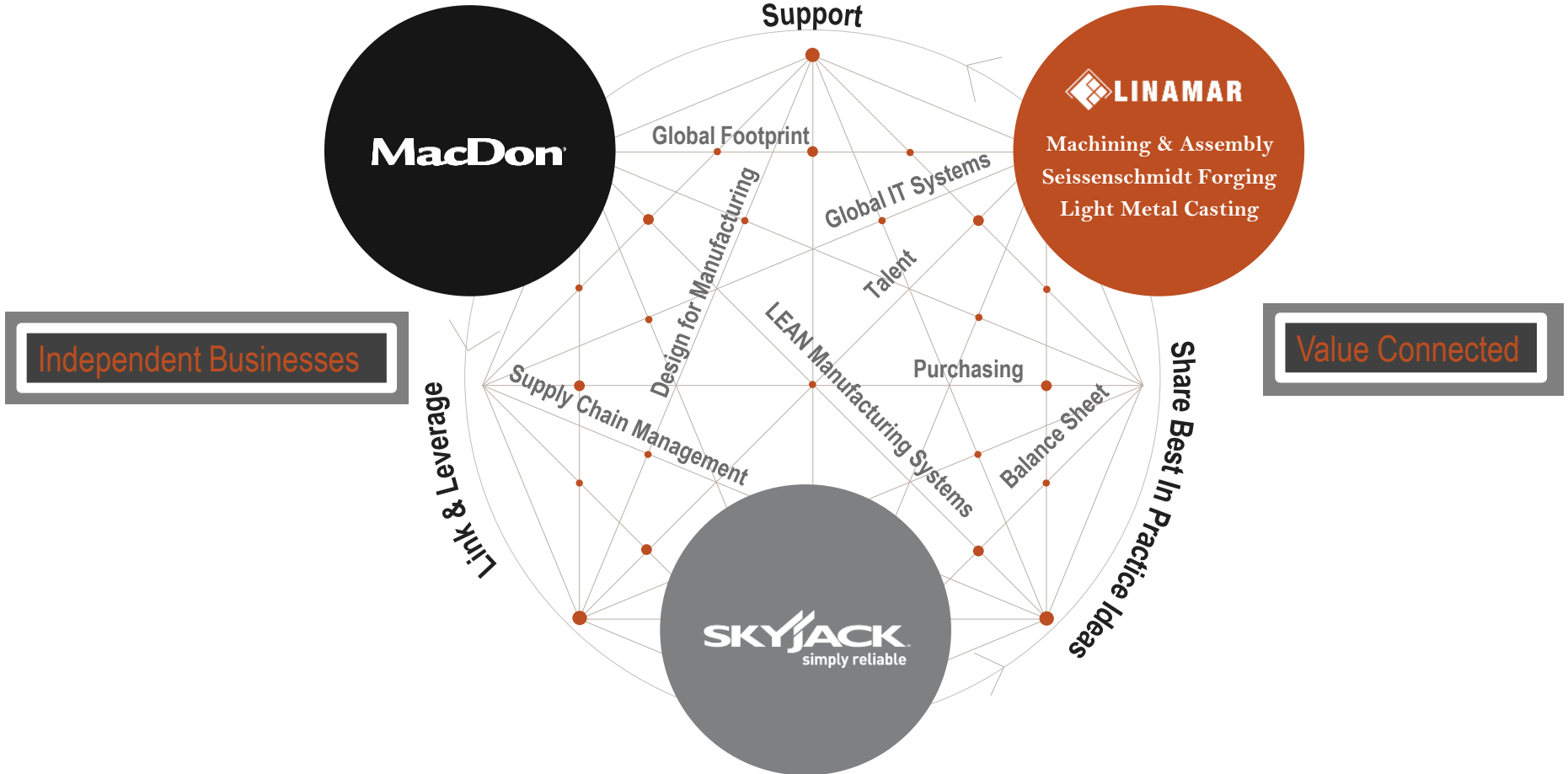
Agriculture

- Optimized Harvest Yield & Availability of Food

Linamar's Unique Value Creation Model



Deeply Interconnected Businesses Driving Value Across Multiple Vectors



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



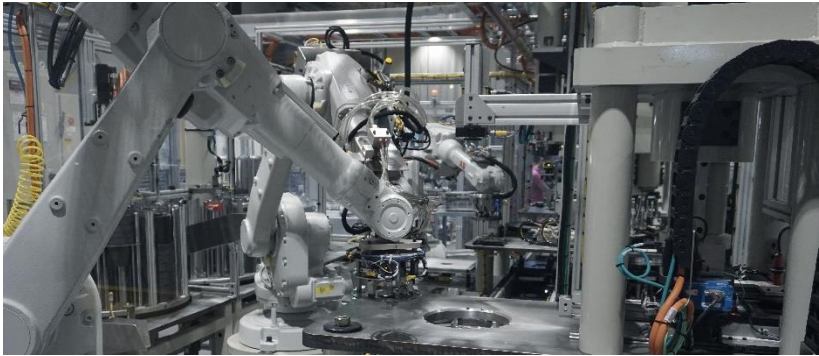
SKYJACK



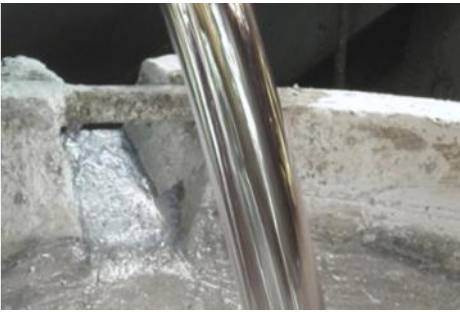
MacDon

- Infrastructure
- Food
- Transportation

- Power
- Water
- Age



Linamar Machining & Assembly



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



Linamar Seissenschmidt Forging

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%



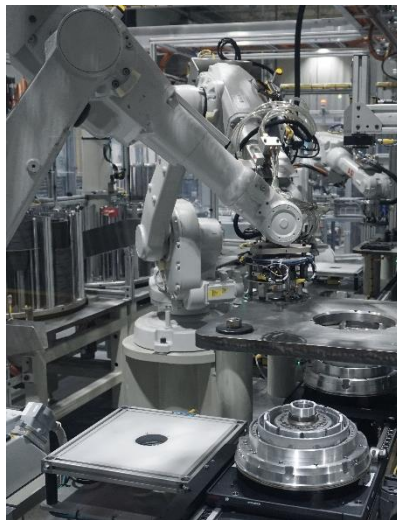
**COMMERCIAL
VEHICLE**
3.9%

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

Engine



Transmission



Body & Chassis



+GF+  **LINAMAR**

Driveline



Key Market Strategies - Flexible & Opportunistic



Transportation

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



Infrastructure

- Globalize and expand product lineup in all 3 regions



Food

- Build on MacDon acquisition as the foundation from which to expand global ag business overall



Power, Water, Age

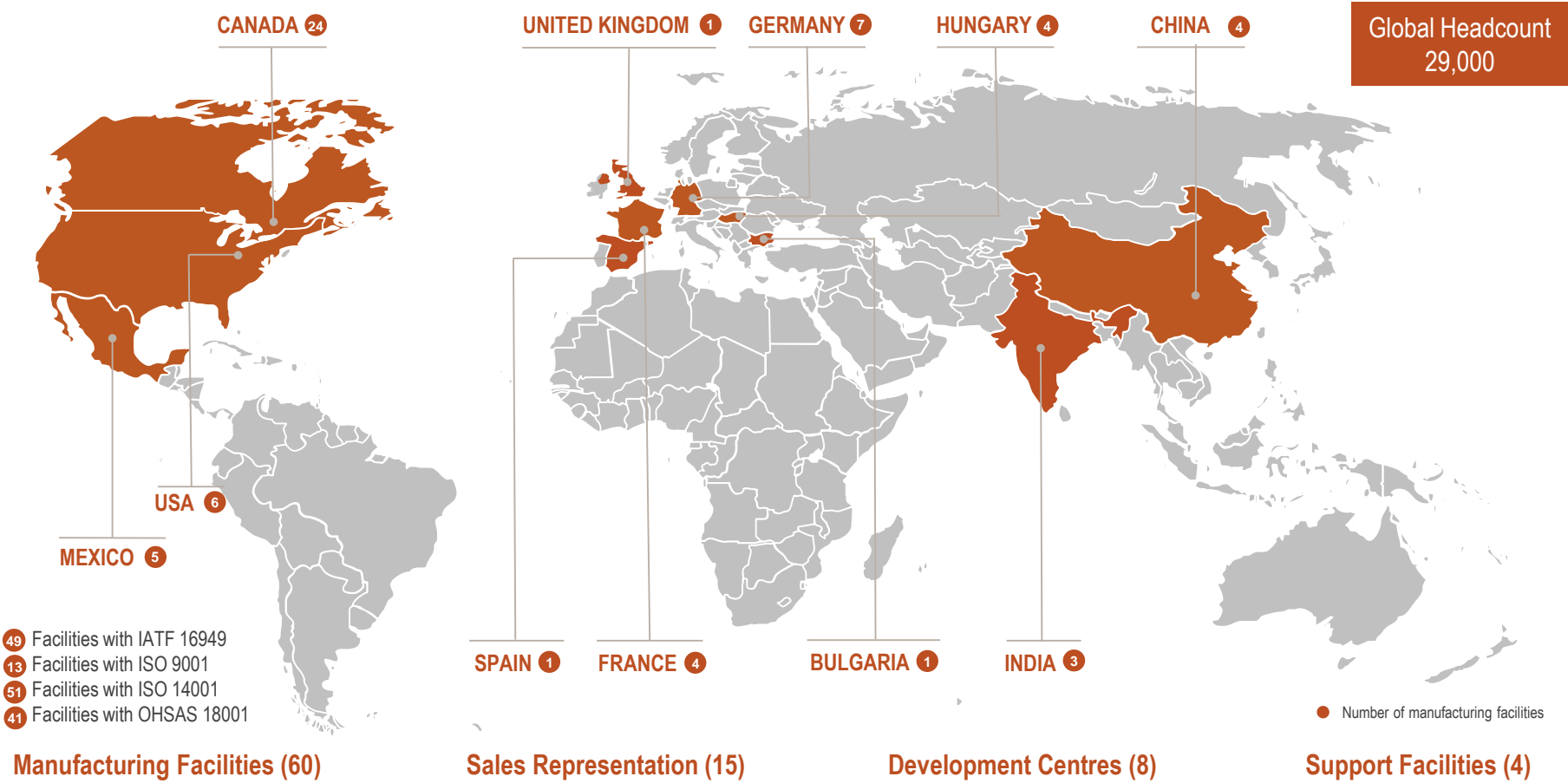
- Invest lightly in the short term
- Focus on Advisory Councils, research markets, develop strategy
- Target 5-7 year intervals for major diversifications



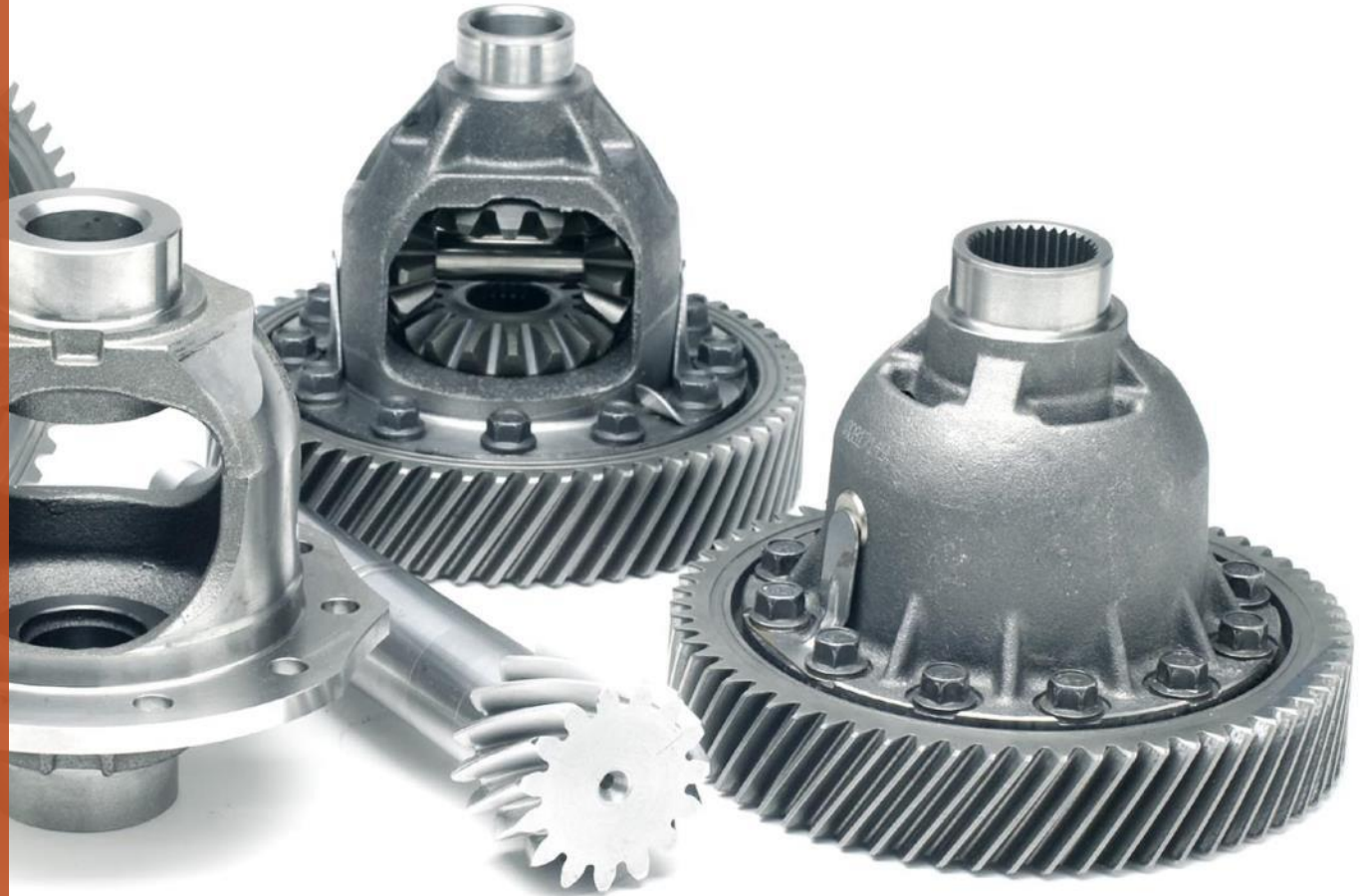
Overall

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

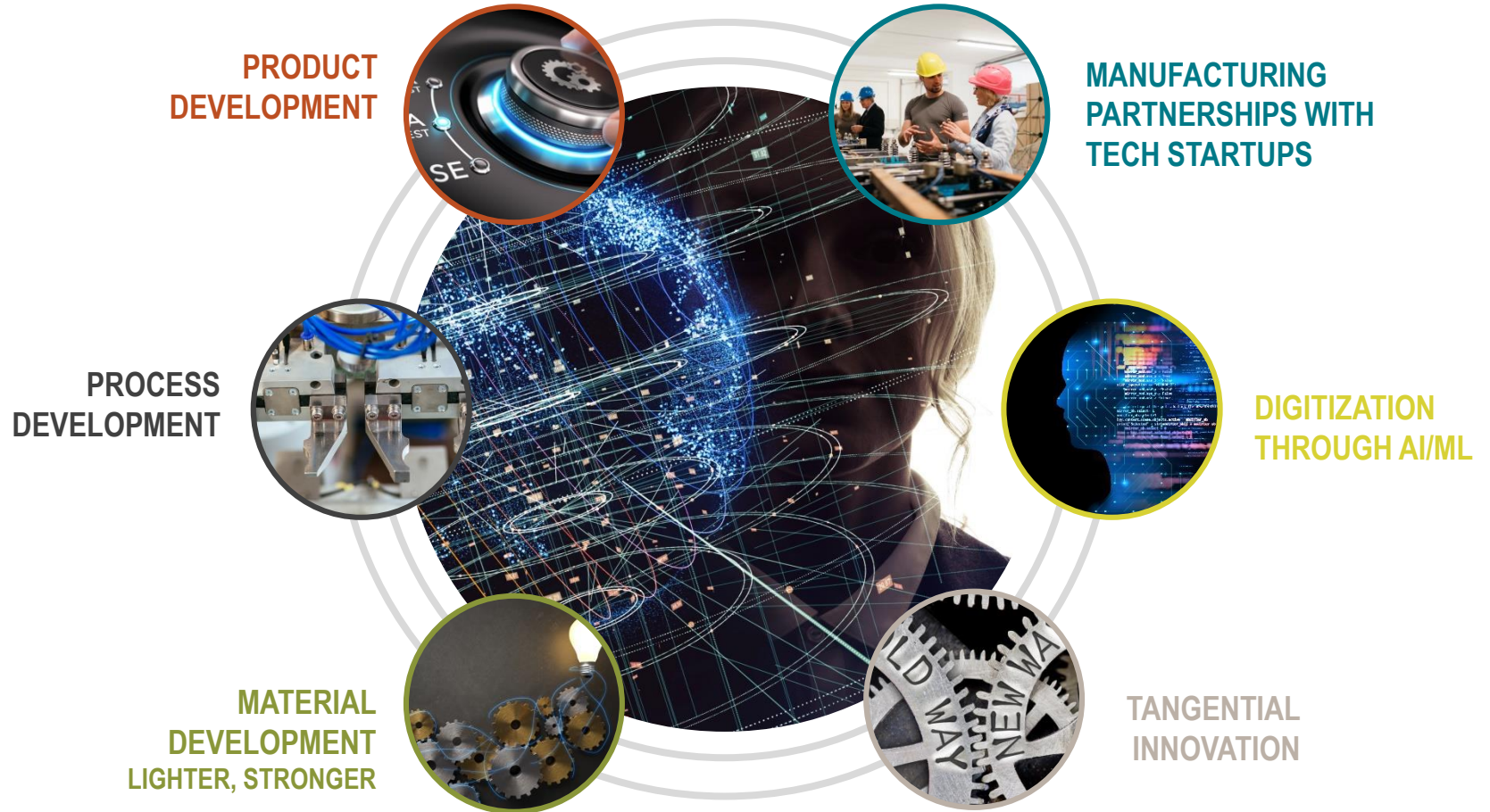
Strong Global Footprint



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



2,845

Connected Machines



2,201

LMMS Data
Collection Connections

1,699

RFID Stations



1,825



Traceability Read Stations

2,921

Robots



909



Vision Systems

824

Traceability
Marking
Stations



8

AGVs



Quarter Highlights



■ Commercializing Innovation

- New Business Wins in key strategic areas
 - Development program awarded for conformable hydrogen fuel tank for fuel cell vehicle
 - Key quarter for casting business wins
 - Key quarter for commercial vehicle business wins
- CPV growth in NA & EU despite volatile markets
- Continued market share growth for Skyjack notably in scissors
- Market share growth for MacDon in core draper header products

■ Coaching & Developing

- Launched refreshed LLDP1 training – all supervisors and managers to be trained/re-trained
- Significant increase in E1T1 enrollees to over 900
- Big efforts leading Connect launch – initiative to increase WIL positions in Manufacturing
- >600 apprentices globally and trend showing positive momentum

■ Simplification

- Top line growth of 4.3% despite soft markets
- Normalized EBITDA flat to last year despite market conditions
- Outlook solid for another record year in 2019 of mid single digit growth to top and bottom line and significant free cash flow of \$500 to \$700 million

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



	Q1 2019	Q1 2018	% Δ
Sales	1,974.5	1,893.9	4.3%
Industrial OE – Normalized ¹	77.9	62.7	24.2%
Transportation OE – Normalized ¹	119.8	146.8	(18.4%)
OE – Normalized ¹	197.7	209.5	(5.6%)
OE – Normalized Margin	10.0%	11.1%	
EBITDA – Normalized ²	296.8	301.9	(1.7%)
EBITDA – Normalized Margin	15.0%	15.9%	
NE – Normalized ³	139.4	153.4	(9.1%)
NE – Normalized Margin	7.1%	8.1%	
EPS – Normalized ⁴	2.11	2.32	(9.1%)

Q1 2019

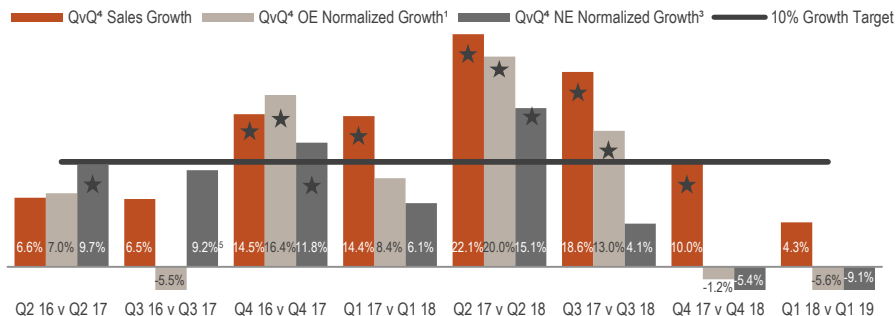
- Sales up 4.3% despite most global markets down
 - Global Vehicle markets down 5.1%
- Normalized OE and NE down but Normalized EBITDA flat to last year
- Industrial segment normalized earnings up 24%, margins up as well

Helped By:

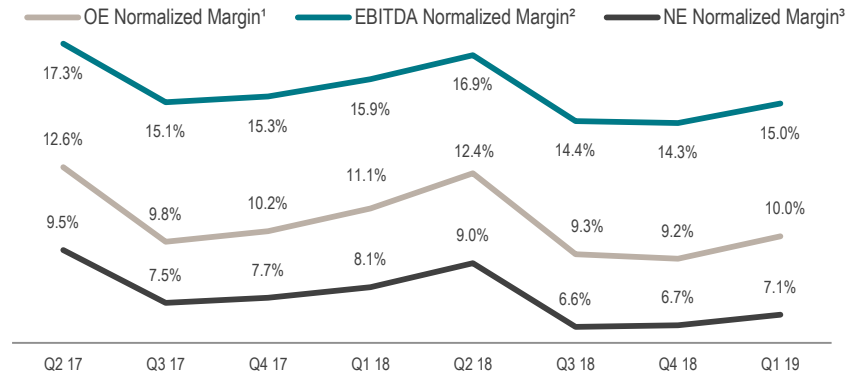
- MacDon performance
- Strong launches in Transportation

Hurt By:

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



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



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

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

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

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

Q2 Expectations

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

Market Snapshot 2019, 2020

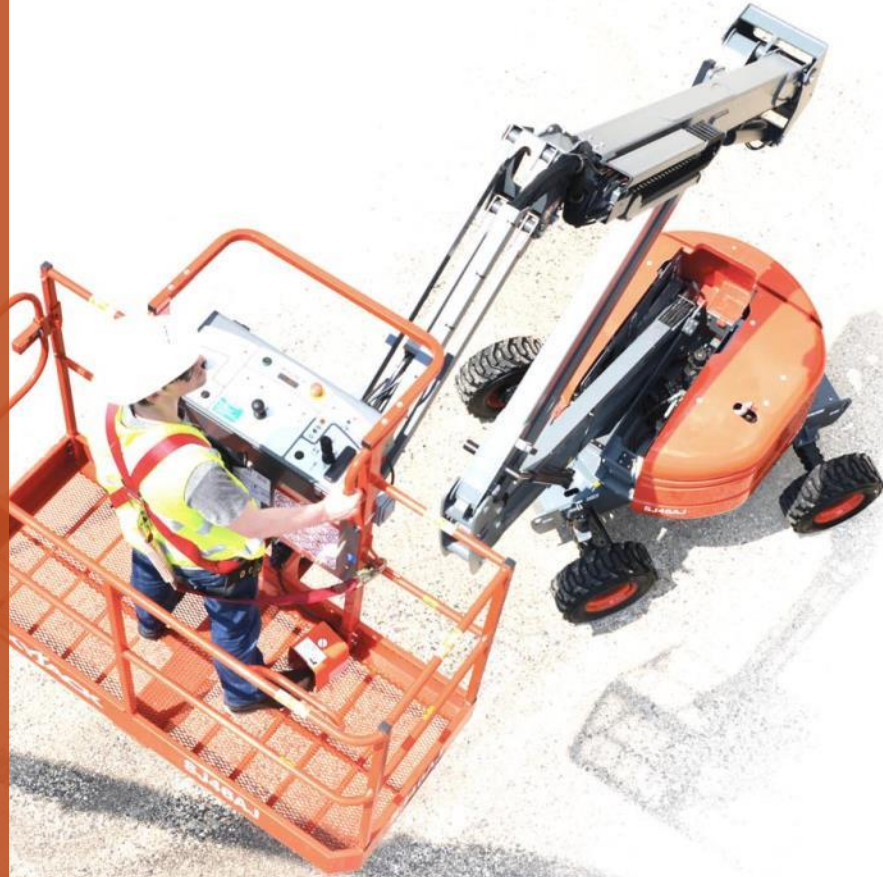
2019	Transportation		Agriculture	Industrial Skyjack
	Automotive (LV)	Commercial Truck		
North America	Flat	Growth	Flat	Growth
Europe	Flat	Growth	Decline	Moderate Growth
Asia	Flat	Decline	Decline	Growth

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

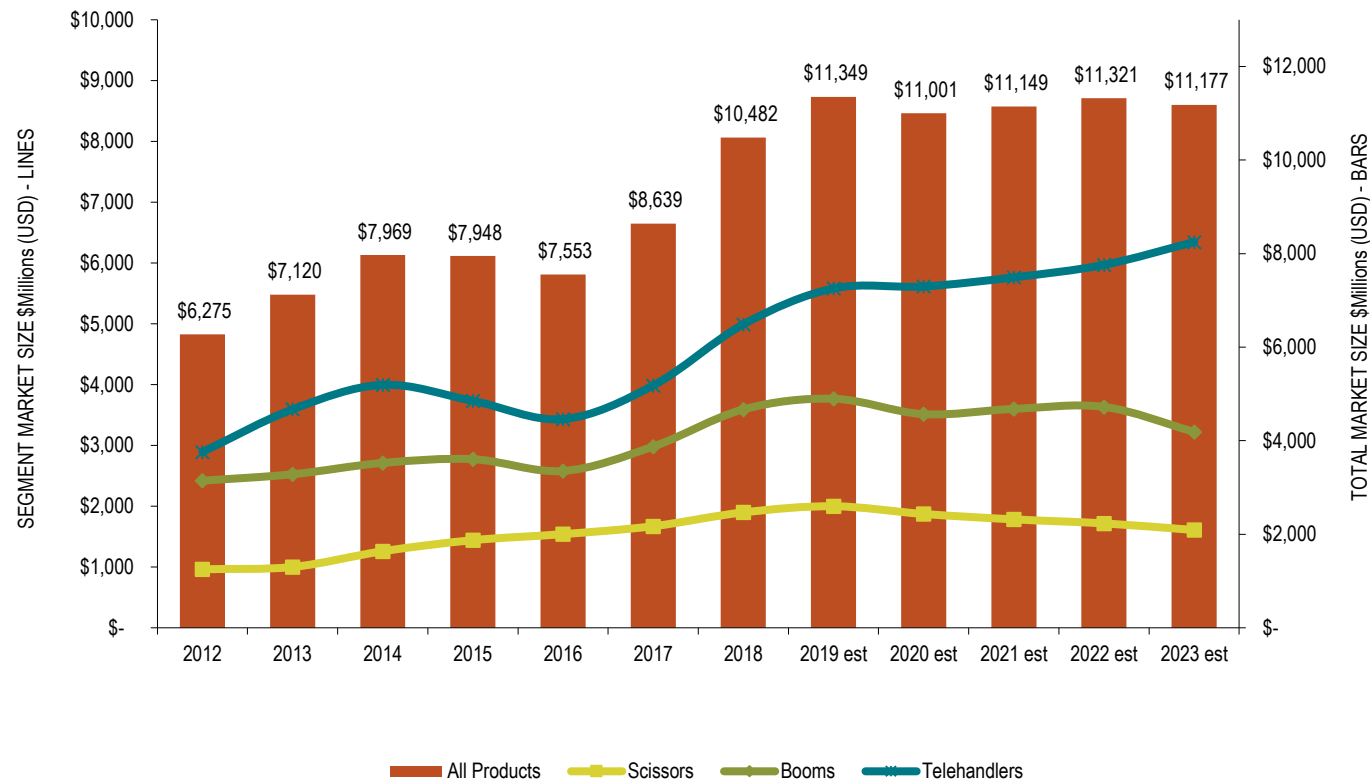
LEGEND	Ranking	Score	Growth Expectation
	Decline	0.00	<2%
	Flat	1.00	Between -2% and 2%
	Moderate Growth	2.00	>2%, <=5%
	Growth	3.00	>5%, <15%
	Strong Growth	4.00	>=15%

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

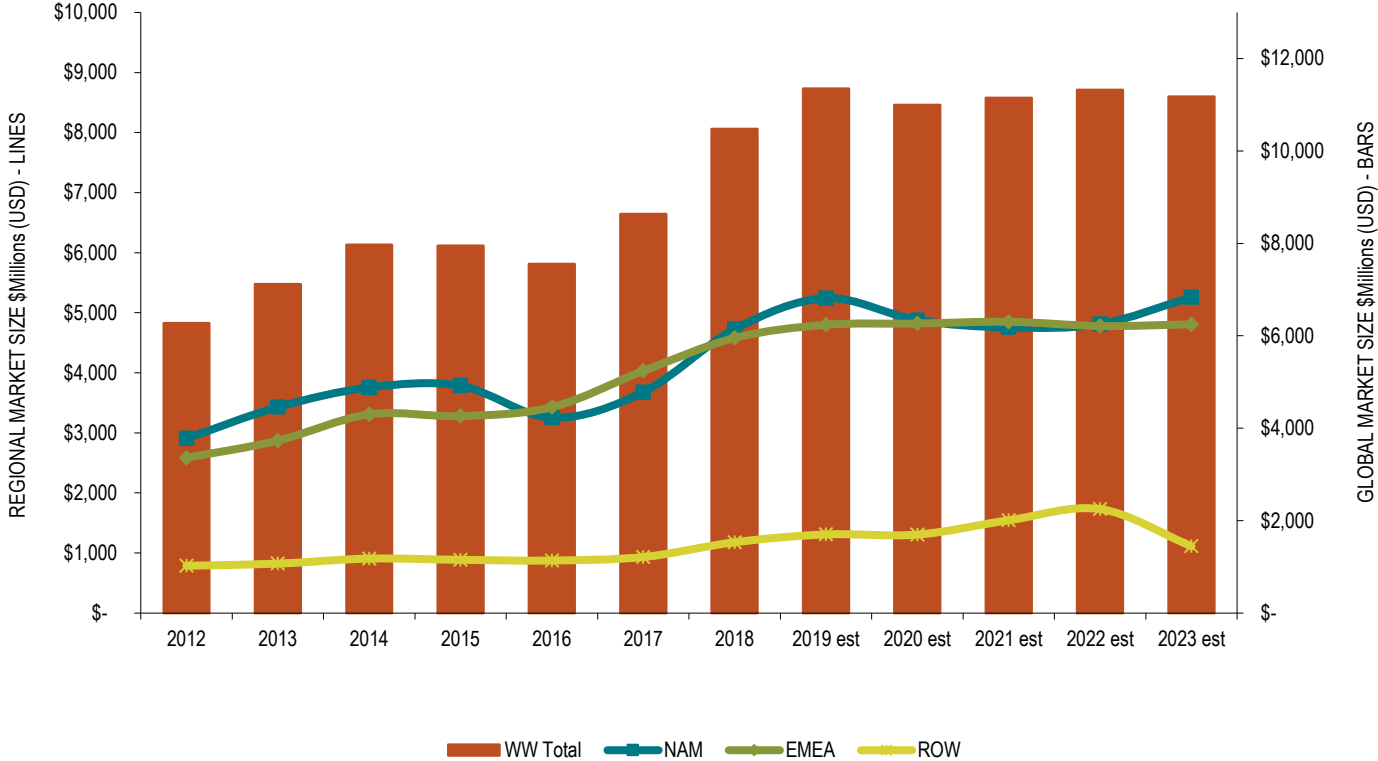
Infrastructure



Access & Material Handling Equipment – Product Mix

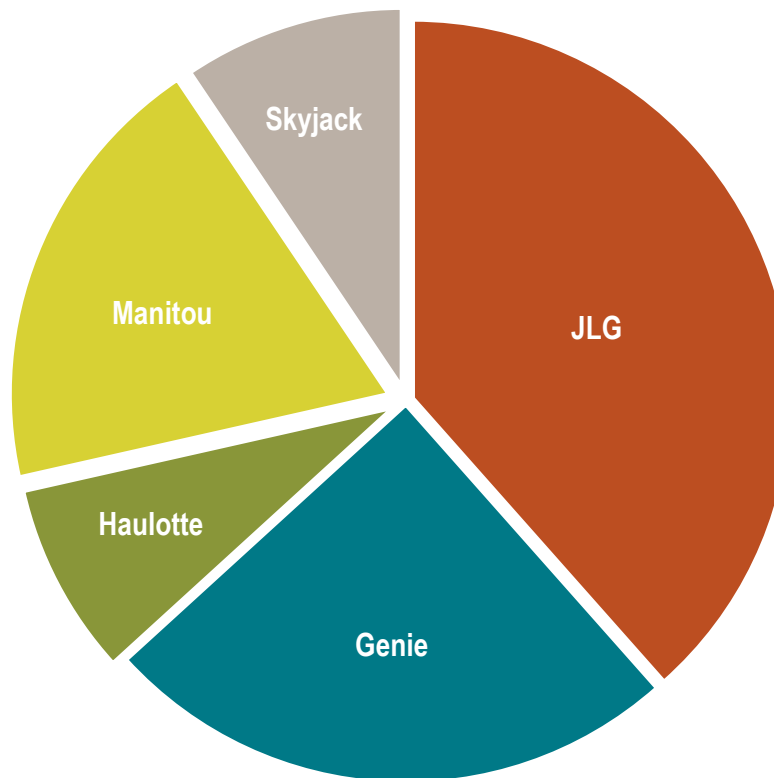


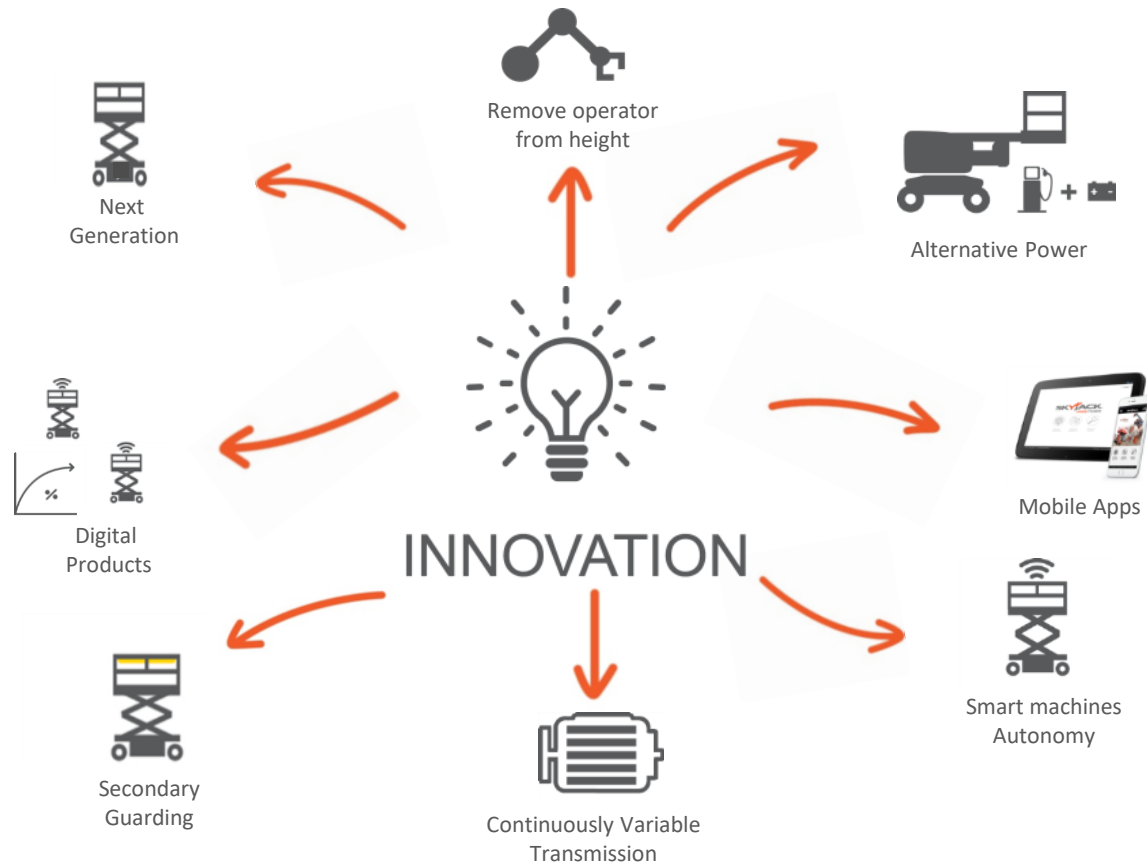
Access & Material Handling Equipment – Geographic Mix



Access to Large Target Market with Limited Competition

2018 Global Market of \$10.3 Billion





Food Agriculture



MacDon Industry Leading Business and Market Share



Strong Market Position in Key Product Categories



Combine
FlexDraper®
Headers

Rigid
Draper
Headers

Self-Propelled
Windrowers
(mid-horsepower)

North American
Estimated Market Position

#1

#1

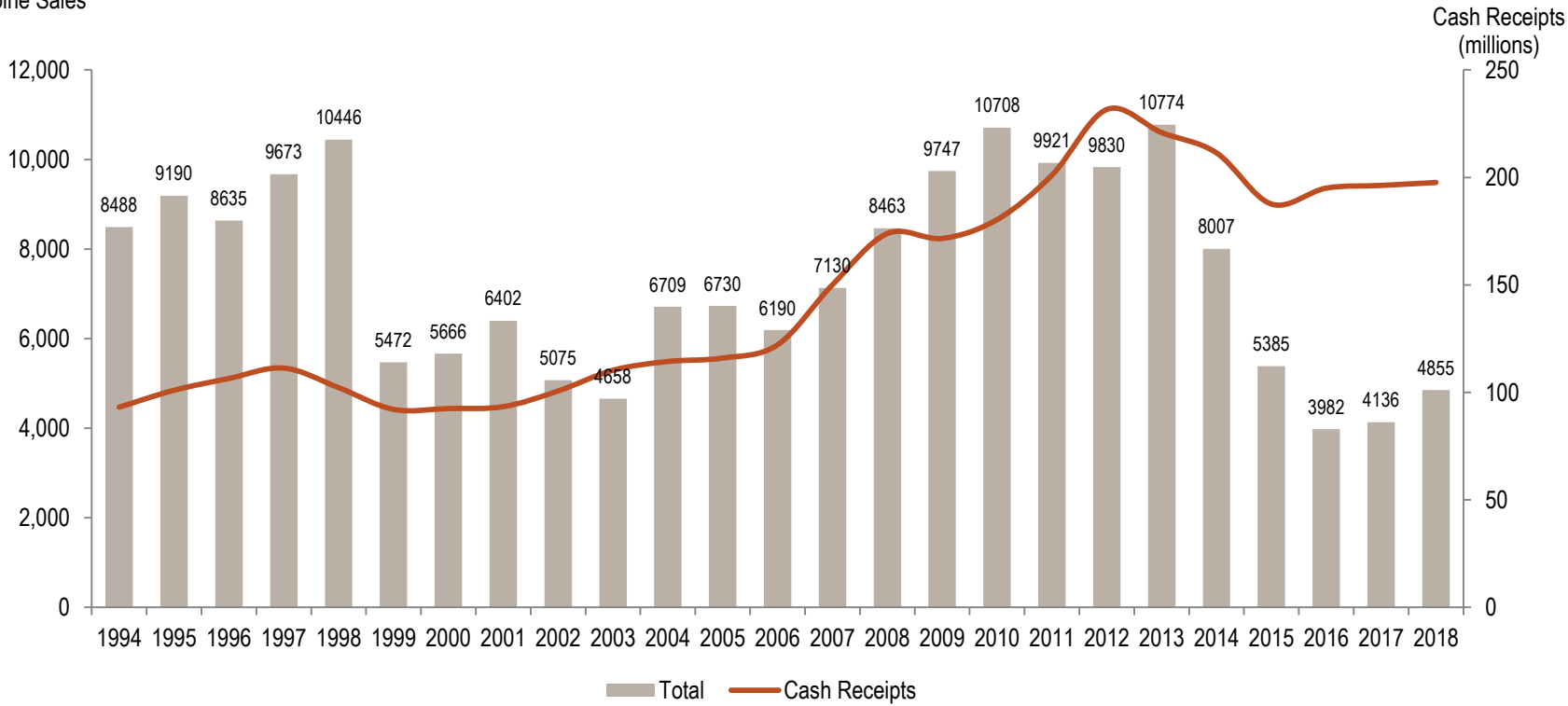
#1

MacDon

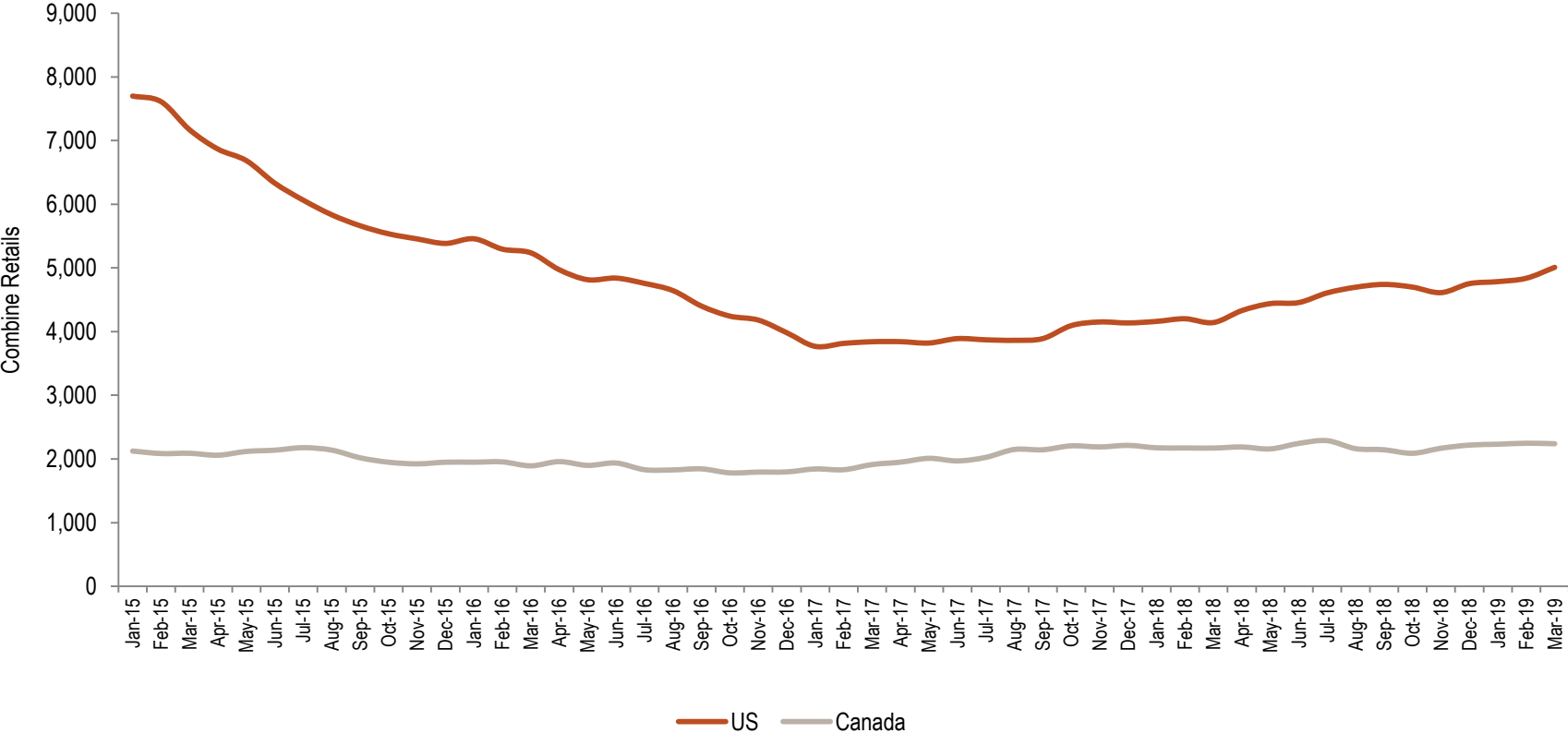
Total US Combine Sales Historical Market



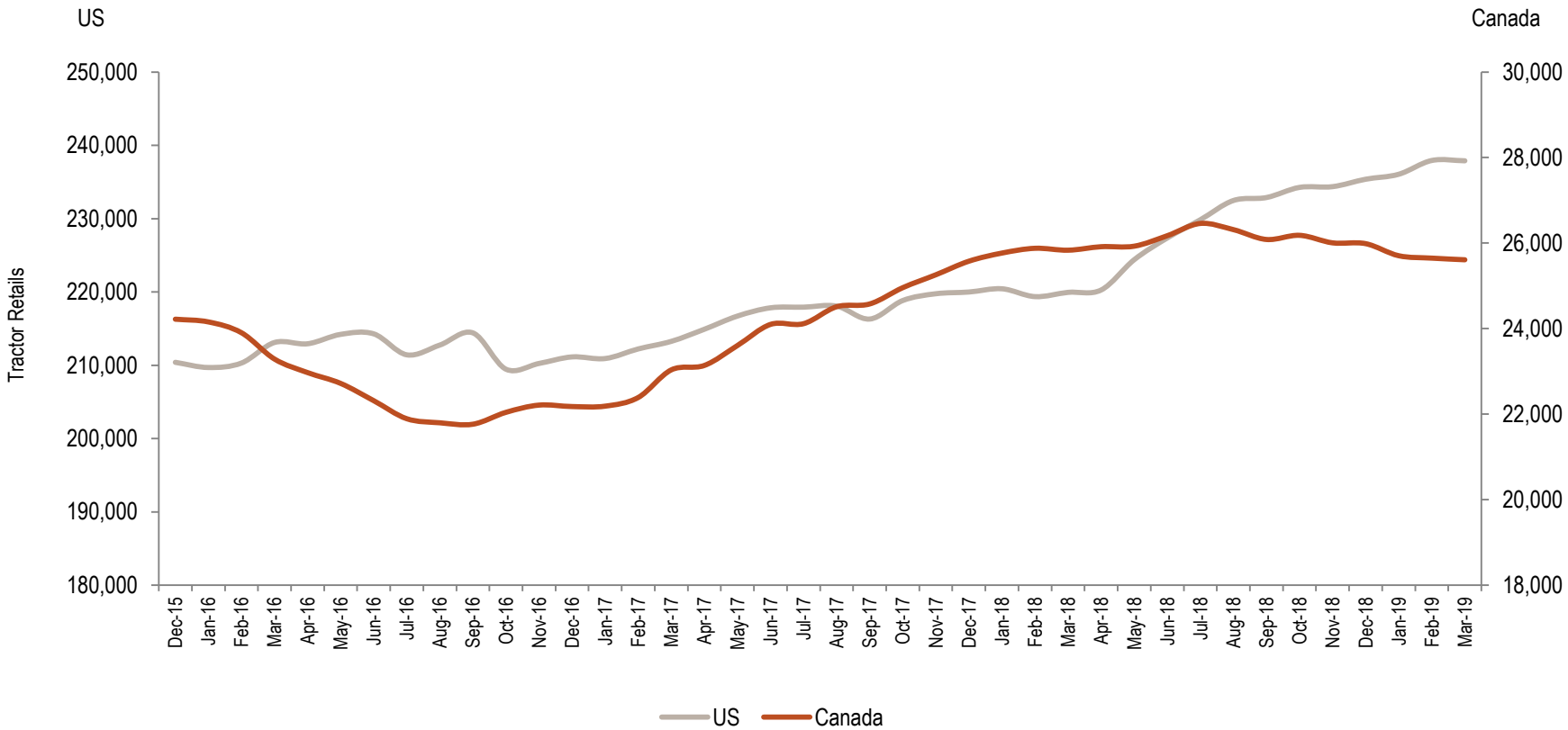
Combine Sales



North America Combine Market US Recovery, Canada Flat so Far



North America Tractor Market



Agriculture Strategic Road Map



- 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

Transportation

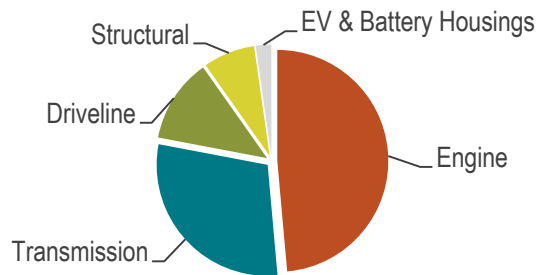


TOTAL GLOBAL POWERTRAIN / DRIVELINE MARKET

Global Market	2018	2021	2030
Light Vehicle	\$373 B	\$384 B	\$429 B
Commercial Truck & Off Highway Vehicle	\$129 B	\$124 B	\$130 B
Total:	\$502 B	\$508 B	\$ 559 B

Assumptions:

- Includes total system value for engines, transmissions and drivetrain
- Includes all material, VA component machining and assembly
- Includes all light vehicle system production
- Commercial Vehicle (CV) and Off Highway market size includes value for systems >50 HP



Competition:

- Key competitors OEM's themselves
- Handful of competitors with technical expertise in these products, fewer still with financial capacity

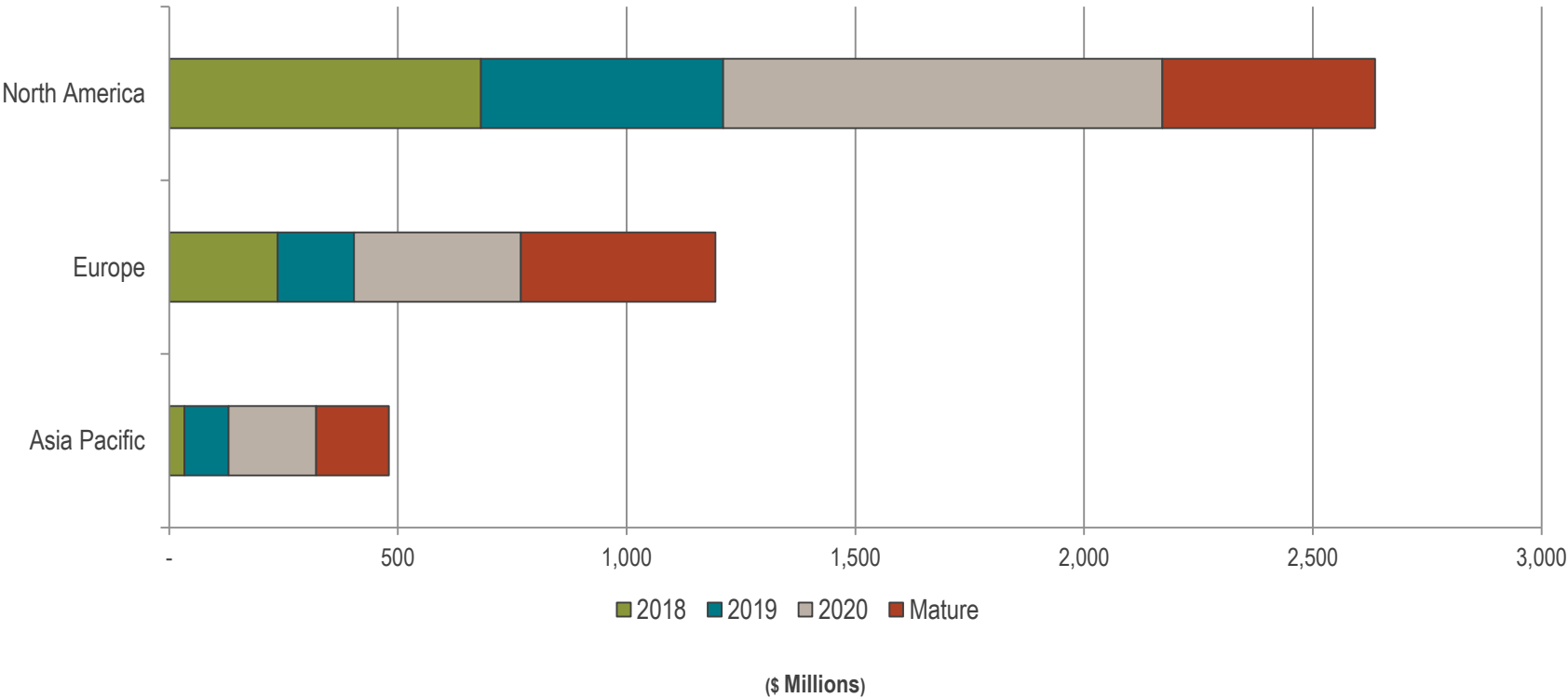
Drivers of Outsourcing:

- Increases variability of cost base for OEM
- Machining and assembly highly capital intensive – saves OEM capital
- Outsourcing to an expert in that process/product should result in better technology, quality and price

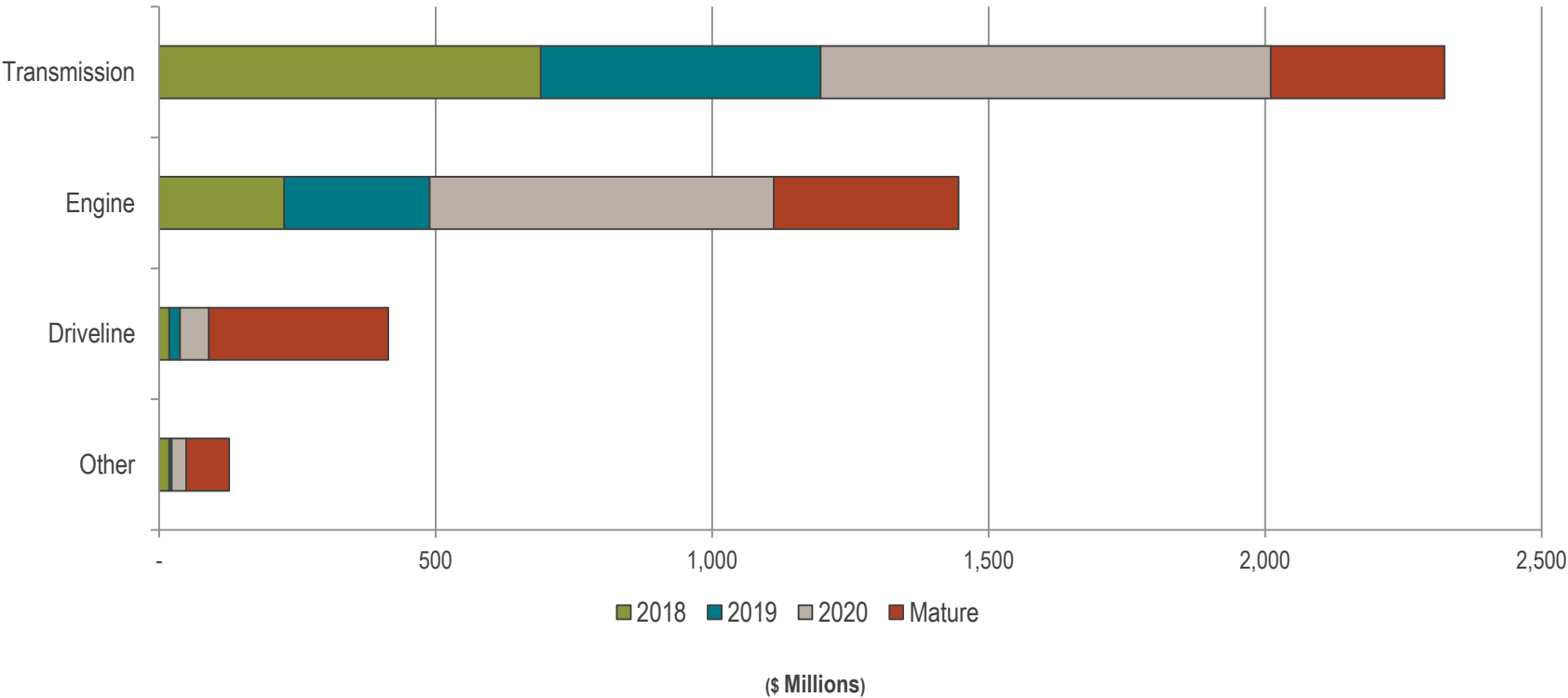
Global Launch Review – Geographic Mix



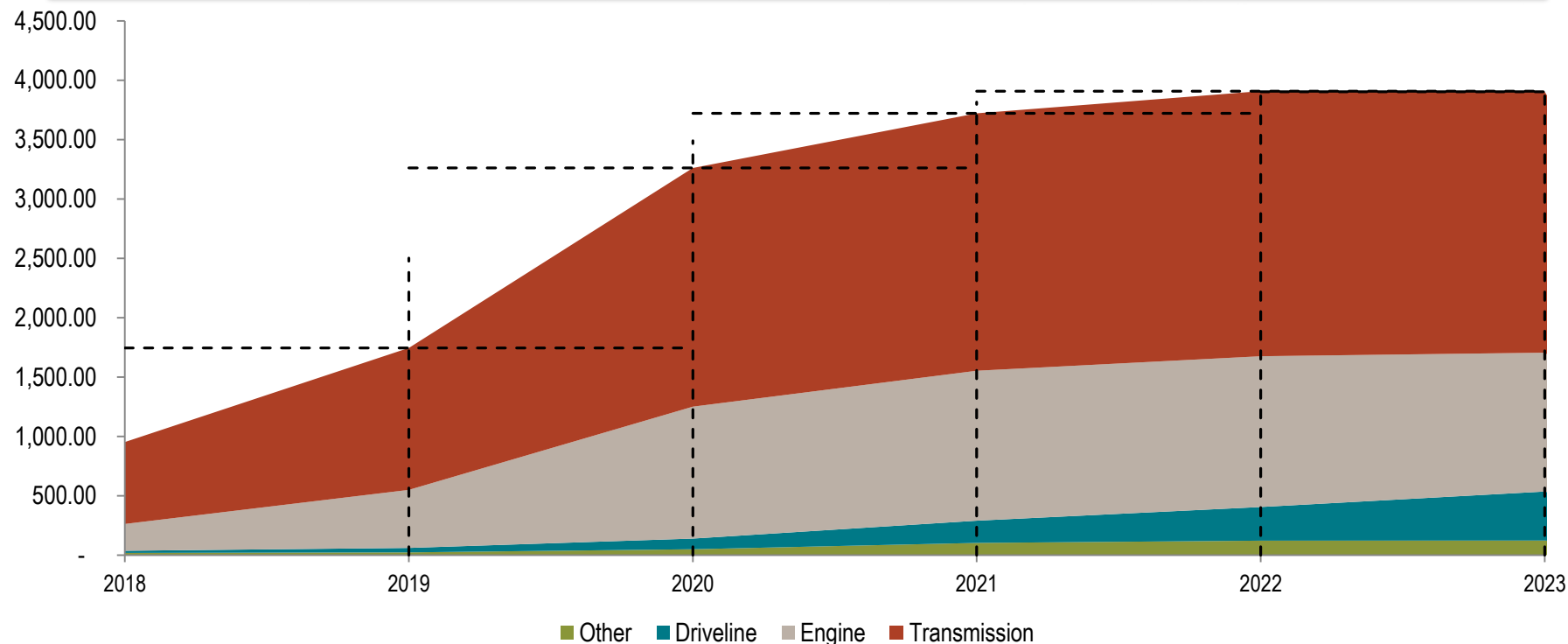
Launching more than \$4.3 billion of new work today



Launching more than \$4.3 billion of new work today



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

3 - Internal Combustion Engine (ICE)



- Focus on Light Weighting, Fuel Efficiency, Emissions Reduction solutions which offer a unique value to customers.
- Leverage global footprint, vertically integrated capabilities and manufacturing reputation to benefit from increased OEM Powertrain Outsourcing.

Hybrid Vehicle (HEV)



- Continue to increase Content Per Vehicle on Hybrid Electrics as it will be an important bridging technology to pure Battery Electric
- Offer solutions focused on increased power density, Noise Vibration Harshness (NVH), light weighting.

1 - Electric Vehicle (BEV) & Fuel Cell EV (FCEV)

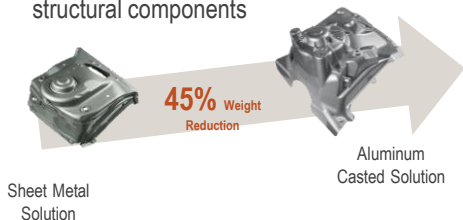


- Strong organizational focus on integrated eAxle technology solutions
- Provide Light Weight Aluminum and Magnesium Body & Structural Castings
- Look to augment eAxle offerings for Fuel Cell Vehicle (FCV) applications, which could play a key future role in market

Linamar objective is to pursue content in all Propulsion categories in order to be well positioned for multiple technology adoption scenarios.

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

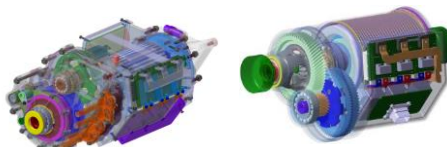


- Ex. Adapting forging gear designs & processes to achieve near net shape



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

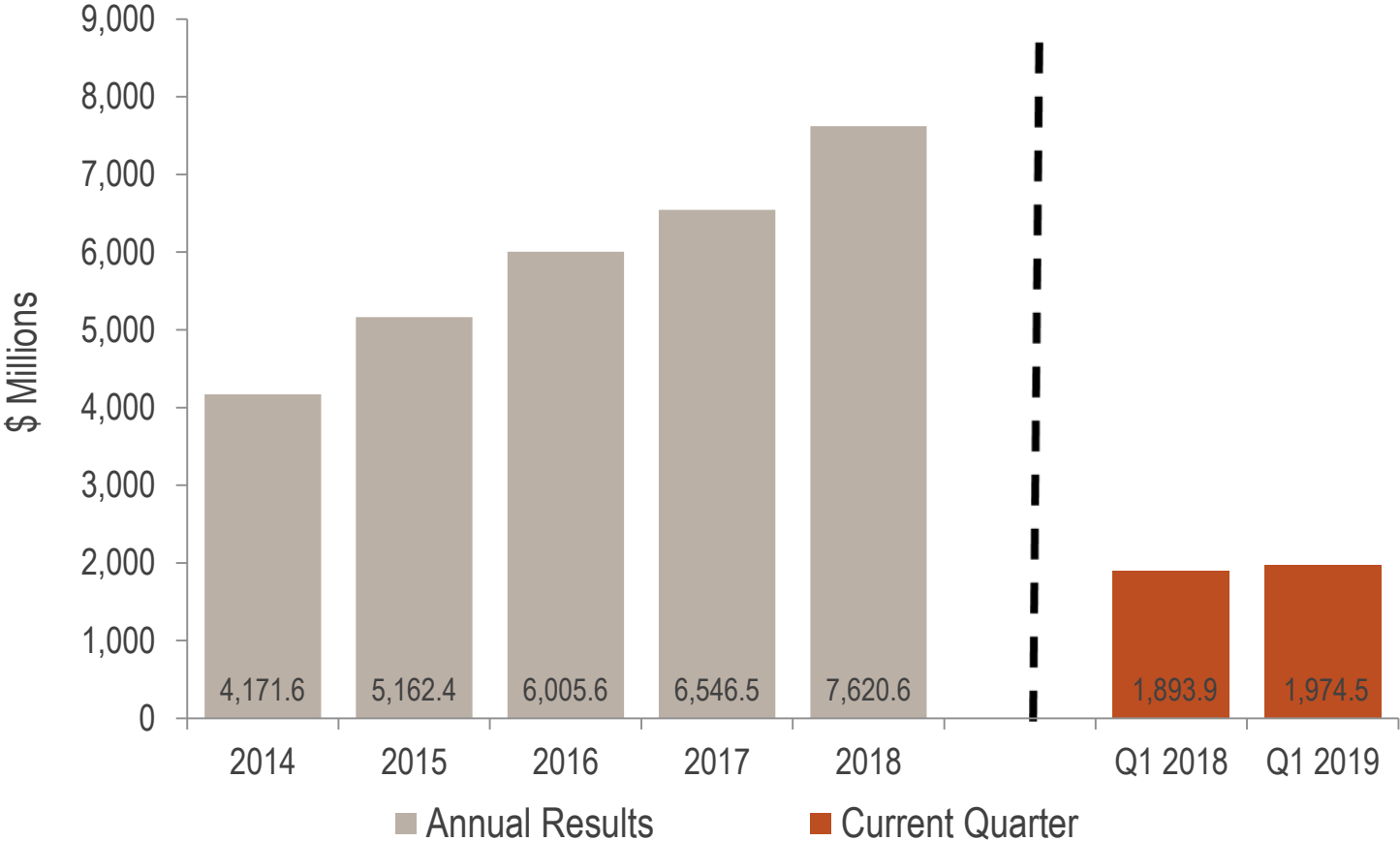
- Ex. Engineering & manufacturing next generation hydrogen storage tank for alternative fuel solutions



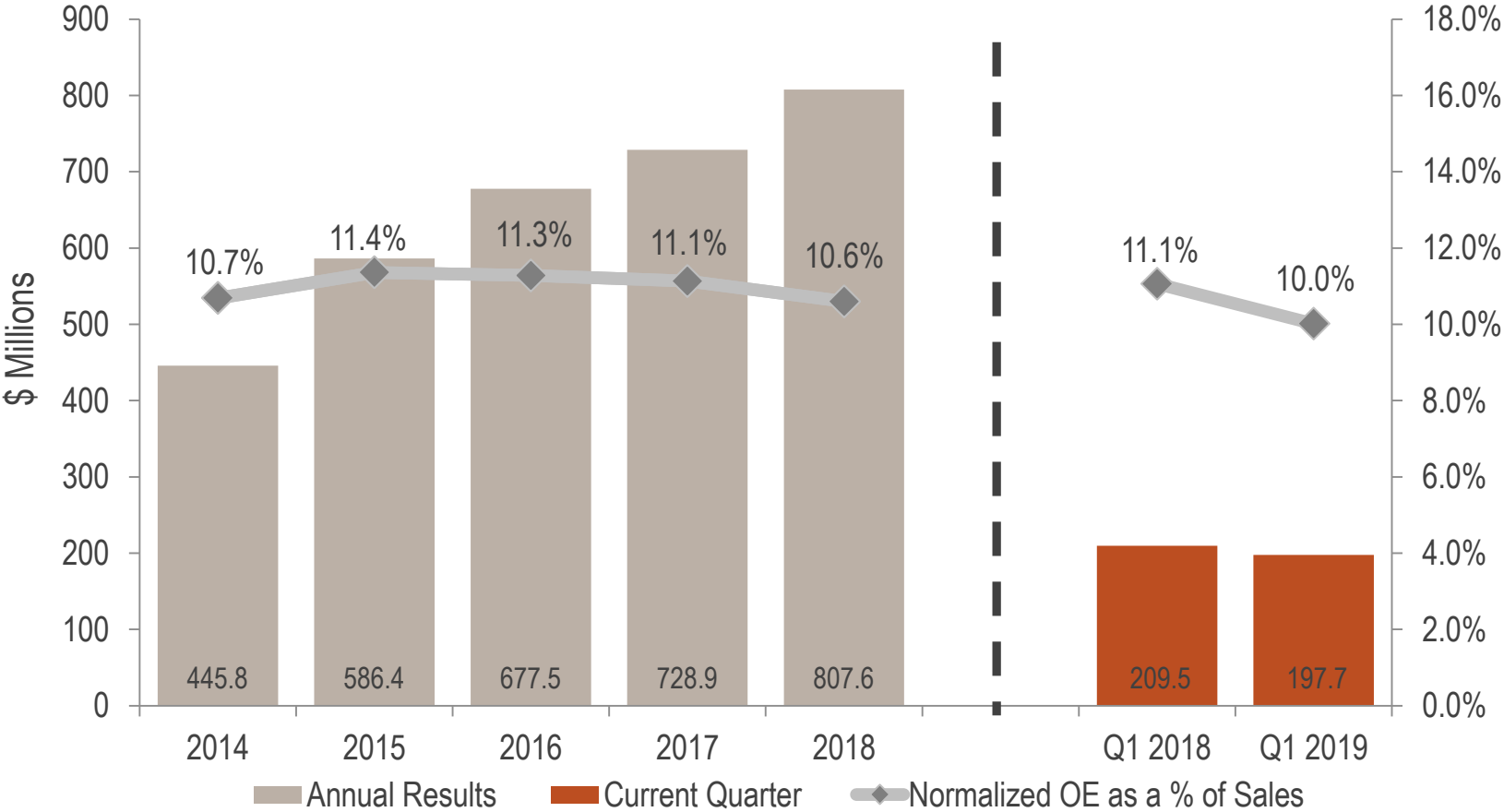
Financial Review



Yearly Sales Growth

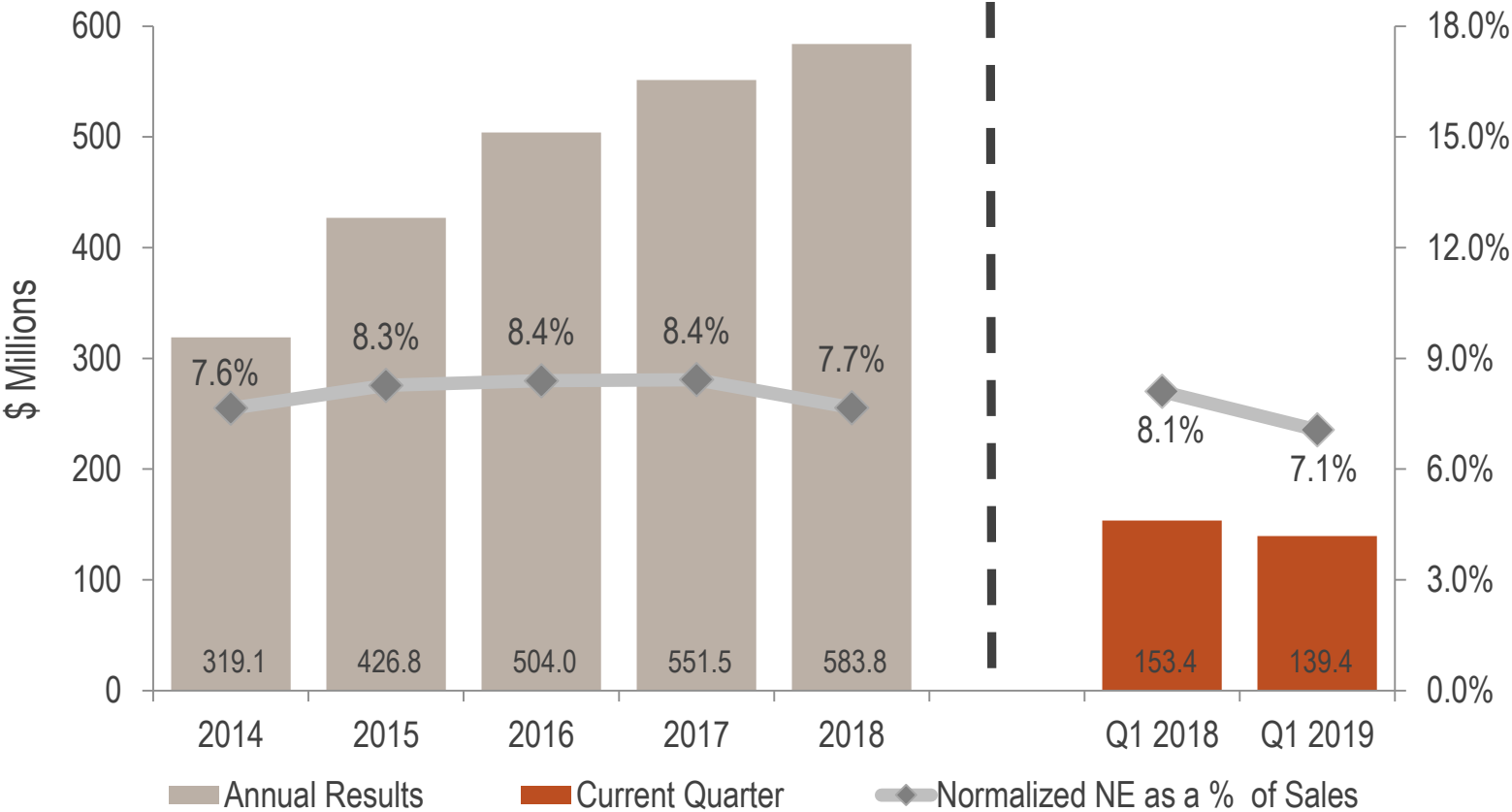


Normalized Operating Earnings¹



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

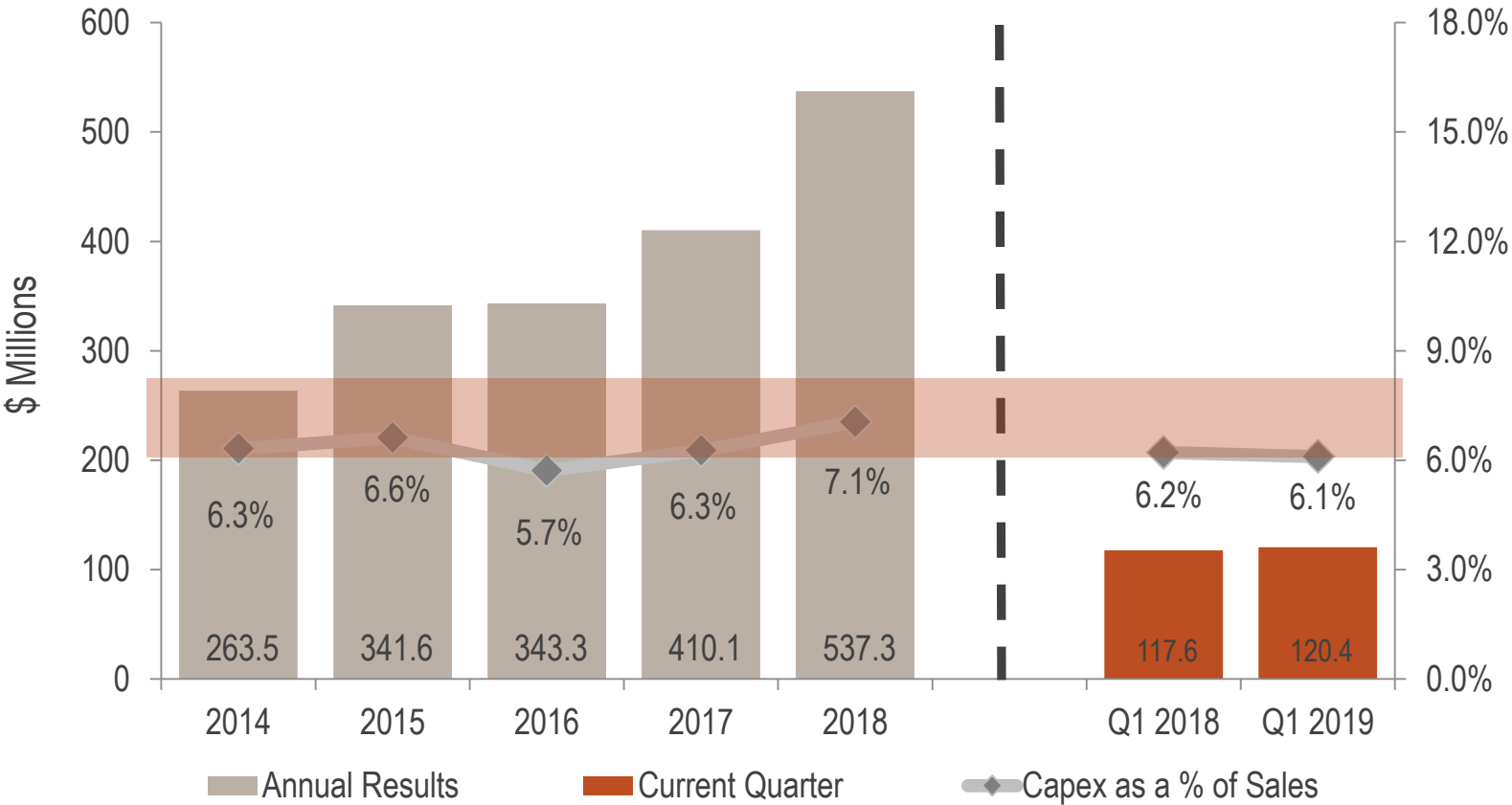
Normalized Net Earnings¹



Net Margin Expectations 2019: 7.25% to 7.75%

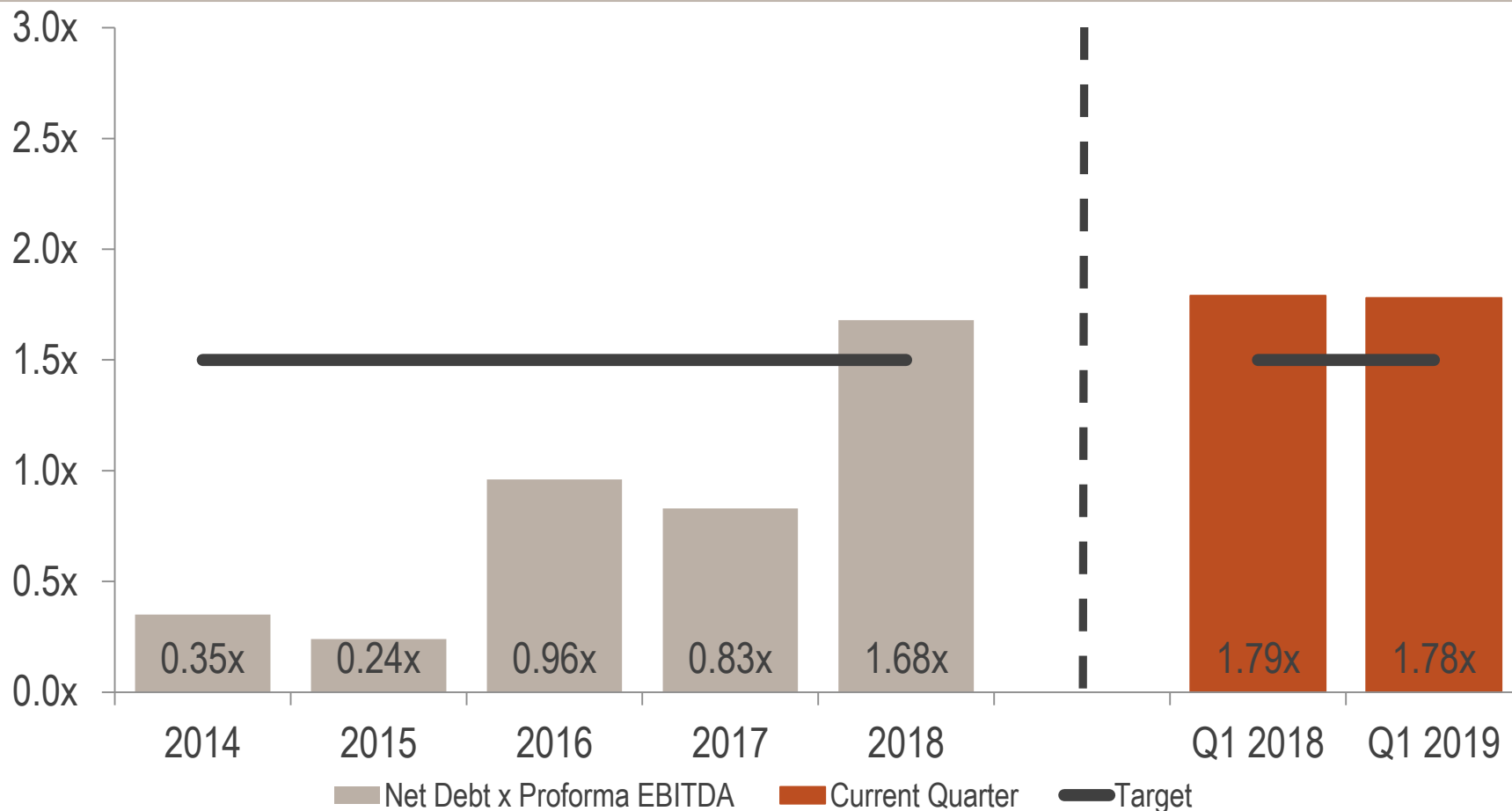
¹Net Earnings (NE) Normalized is NE before unusual items and foreign exchange impacts from revaluation of the balance sheet, tax affected

Operational Capital Expenditures



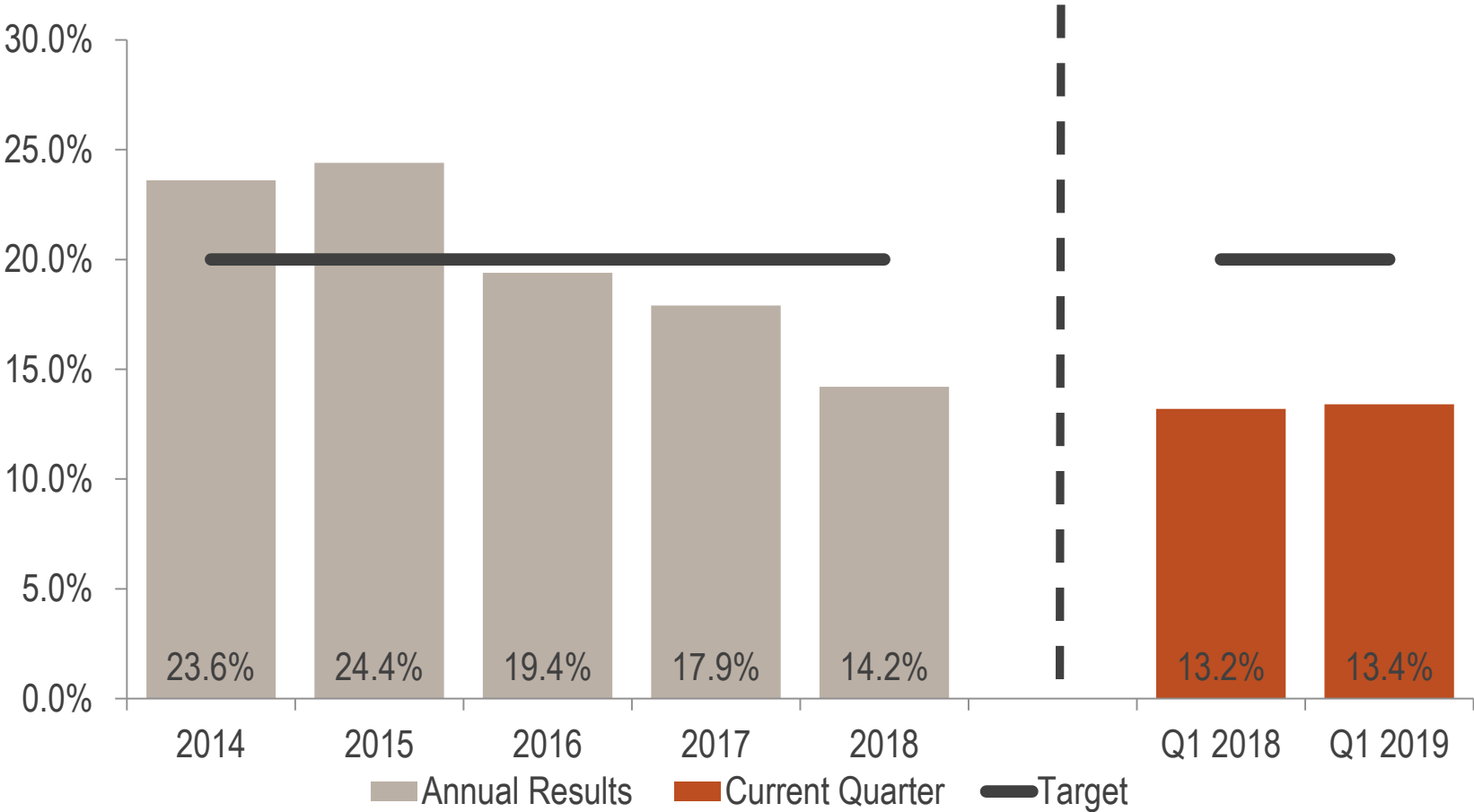
Capex as % of Sales – Normal Zone to Drive Double Digit Growth 6-8% of Sales

Net Debt to Proforma EBITDA¹

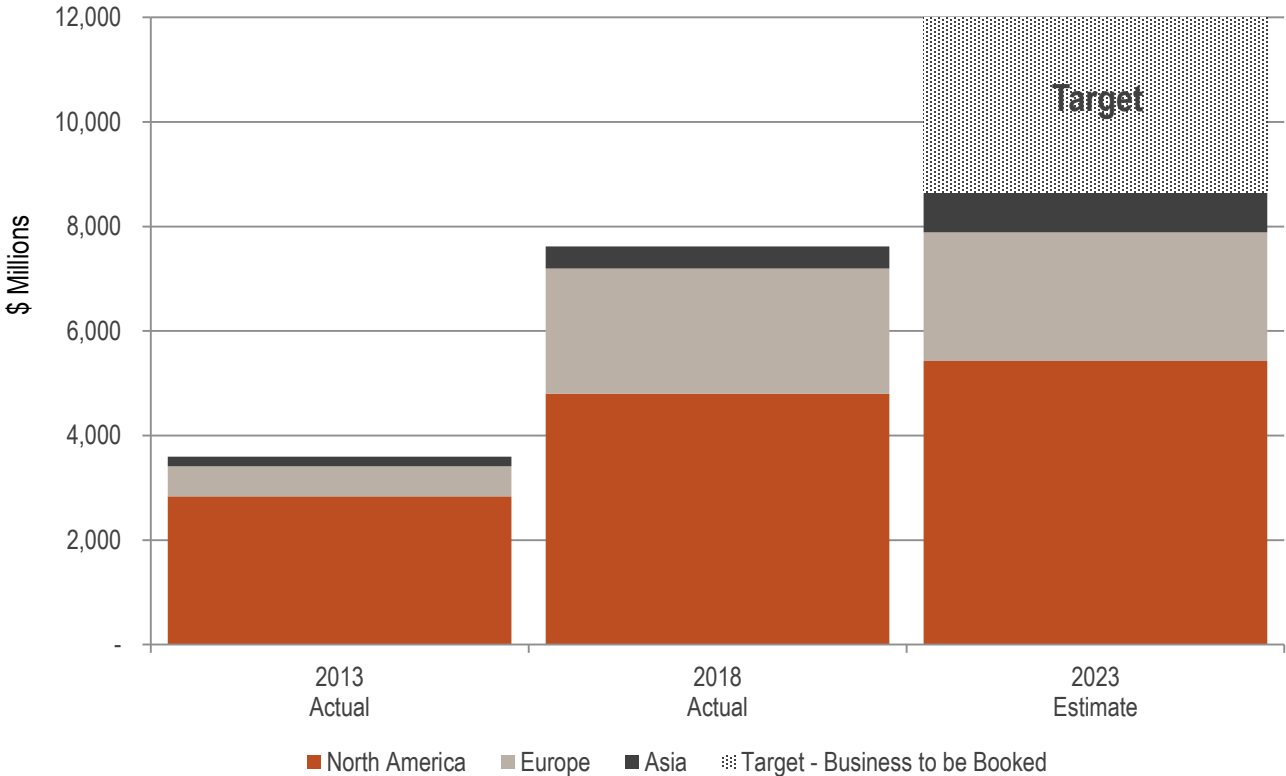


¹ Proforma EBITDA includes last 12 month rolling EBITDA on acquisitions.

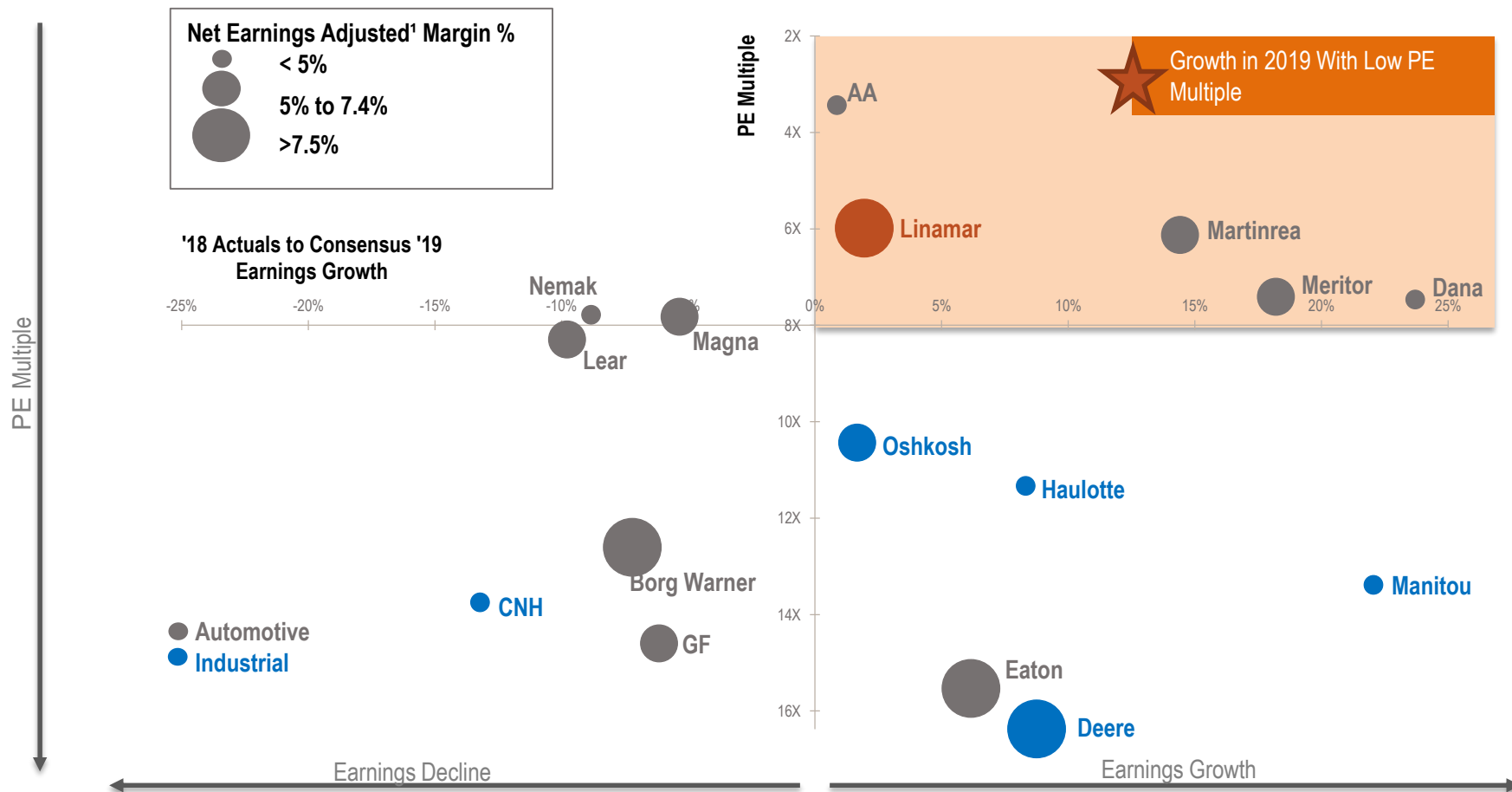
Return on Capital Employed



Sales by Region



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

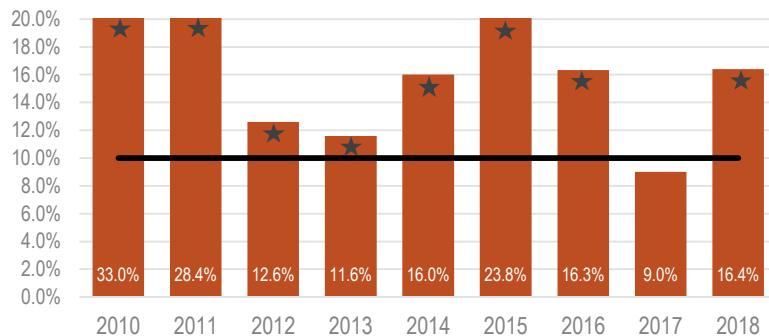


¹Net Earnings adjusted for unusual items. Data sourced from published public documents or Bloomberg at April, 2019

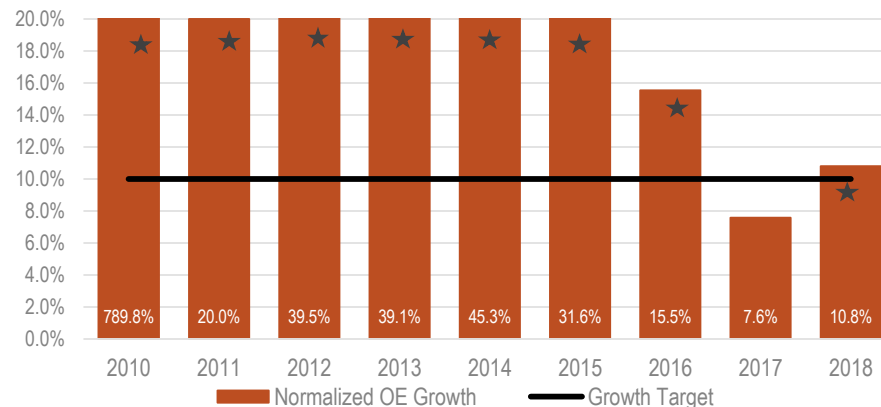
Strong, Consistent Track Record



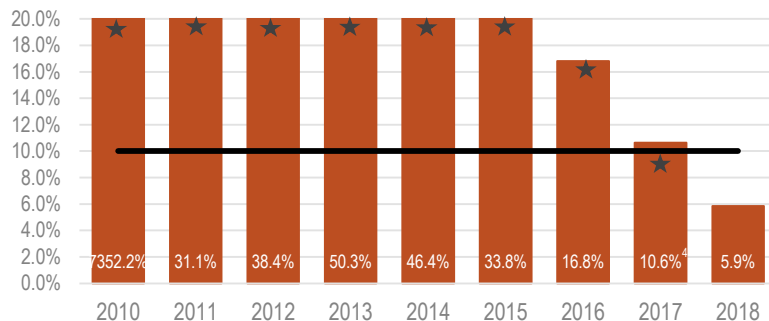
Sales Growth



Normalized OE¹ Growth³



Normalized NE² Growth³



NE Normalized Growth — Growth Target

**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 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

Thank You

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