

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

14 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Mobility: The Mobility segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Mobility and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,211,050	7,899	86,189	3,826,392	21,846	351,733
Industrial	433,955	2,462	70,016	1,175,740	6,910	179,392
Total	1,645,005	10,361	156,205	5,002,132	28,756	531,125

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,338,947	4,170	134,883	3,254,131	17,253	160,131
Industrial	298,445	2,691	41,218	856,597	8,929	108,646
Total	1,637,392	6,861	176,101	4,110,728	26,182	268,777

The Company operates in four geographic segments. The sales to external customers in Canada, Rest of North America, Asia Pacific and Europe are as follows:

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Canada	864,190	821,293	2,526,822	2,020,284
Rest of North America	187,622	215,837	591,777	534,917
Asia Pacific	182,037	157,338	456,440	366,273
Europe	411,156	442,924	1,427,093	1,189,254
Total	1,645,005	1,637,392	5,002,132	4,110,728