

Impressive Cash Flow Drives Dividend Increase, Buyback at Linamar

November 9, 2021, Guelph, Ontario, Canada (TSX: LNR)

- Free cash flow¹ was \$223.9 million for the third quarter of 2021 (“Q3 2021”) continuing the company’s excellent balance sheet management;
- Liquidity, measured as cash and cash equivalents and available credit as at September 30, 2021, is \$1.8 billion an increase from \$1.3 billion at September 30, 2020;
- During Q3 2021, the Company experienced modest sales growth versus the third quarter of 2020 (“Q3 2020”);
- Industrial segment sales up 45% and normalized operating earnings up 50% compared to Q3 2020:
 - Strong access equipment sales from the market recovery and market share growth for certain targeted products and regions; and
 - Increased agricultural sales from market growth amplified by global market growth in all core products.
- Mobility segment continues to experience adverse conditions associated with semi conductor supply related issues leading to a sales decline;
- Strong content per vehicle in all regions from launching business and content on prioritized vehicles; and
- New business wins grow strong launch book to more than \$3.7 billion, more than 22% year to date new business wins for electrified vehicles.

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
(in millions of dollars, except per share figures)	\$	\$	\$	\$
Sales	1,645.0	1,637.4	5,002.1	4,110.7
Operating Earnings (Loss)				
Industrial	70.0	41.2	179.4	108.6
Mobility	86.2	134.9	351.7	160.2
Operating Earnings (Loss) ¹	156.2	176.1	531.1	268.8
Net Earnings (Loss)	108.8	125.5	370.3	166.1
Net Earnings (Loss) per Share – Diluted	1.66	1.92	5.65	2.54
Earnings before interest, taxes and amortization (“EBITDA”) ¹	260.6	288.9	854.6	597.9
Operating Earnings (Loss) – Normalized¹				
Industrial	72.9	48.7	185.1	116.6
Mobility	77.8	148.7	339.2	165.0
Operating Earnings (Loss) – Normalized	150.7	197.4	524.3	281.6
Net Earnings (Loss) – Normalized¹	104.8	140.5	370.0	185.6
Net Earnings (Loss) per Share – Diluted – Normalized¹	1.60	2.15	5.64	2.84
EBITDA – Normalized¹	255.2	309.3	855.8	615.4

Operating Highlights

Sales for Q3 2021 were \$1,645.0 million, up \$7.6 million from \$1,637.4 million in Q3 2020.

The Industrial segment (“Industrial”) product sales increased 45.4%, or \$135.5 million, to \$433.9 million in Q3 2021 from Q3 2020. The sales increase was due to:

- additional access equipment sales primarily due to market recovery since Q3 2020 which was significantly impacted by the COVID-19 pandemic;
- market share growth in access equipment for certain targeted products and regions; and
- an increase in agricultural sales from market growth amplified by global market share growth in all core products; partially offset by
- an unfavourable impact on sales from the changes in foreign exchange rates from Q3 2020.

Sales for the Mobility segment (“Mobility”) decreased by \$127.9 million, or 9.6% in Q3 2021 compared with Q3 2020. The sales in Q3 2021 were impacted by:

- a sales decline primarily attributed to adverse conditions associated with semi conductor supply related issues; and
- an unfavourable impact on sales from the changes in foreign exchange rates from Q3 2020; partially offset by
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; and
- increased sales related to material pass through pricing offsetting the associated raw material increases.

¹ 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”).

The Company's normalized operating earnings for Q3 2021 was \$150.7 million. This compares to normalized operating earnings of \$197.4 million in Q3 2020, a decrease of \$46.7 million.

Industrial segment normalized operating earnings in Q3 2021 increased \$24.2 million, or 49.7% from Q3 2020. The Industrial normalized operating earnings results were predominantly driven by:

- an increase in agricultural sales; and
- an increase in access equipment volumes; partially offset by
- an increase in labour, material and freight costs associated with ongoing supply chain issues;
- an unfavourable impact from the changes in foreign exchange rates from Q3 2020; and
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic.

Q3 2021 normalized operating earnings for Mobility were lower by \$70.9 million, or 47.7% compared to Q3 2020. The Mobility segment's earnings were impacted by the following:

- a sales decline primarily attributed to adverse conditions associated with semi conductor supply related issues;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic;
- an unfavourable impact from the changes in foreign exchange rates from Q3 2020; and
- an increase in energy and freight costs associated with ongoing supply chain issues; partially offset by
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with.

"There are certainly challenges we are facing in markets today but we are managing them and still expect to see double digit top and bottom line growth this year." said Linamar CEO Linda Hasenfratz, "Cash flow is excellent allowing us to increase the dividend and commence the process to launch a buyback for our shareholders. We see significant opportunities out there for growth, and with continued strong market demand, we envision a solid future for us as supply chain challenges ease in coming quarters."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2021 of CDN\$0.20 per share on the common shares of the company, payable on or after December 3, 2021 to shareholders of record on November 22, 2021.

Forward Looking Information, Risk and Uncertainties

Certain information provided by Linamar in this press release, MD&A, the consolidated financial statements and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; public health threats; cyclical and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

The foregoing is not an exhaustive list of the factors that may affect Linamar's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar's forward-looking statements. Linamar 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.

Conference Call Information

Q3 2021 Release Information

Linamar will hold a webcast call on November 9, 2021, at 5:00 p.m. ET to discuss its third quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/event/q3-2021-earnings-call> and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 3374269, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on November 9, 2021, and at www.sedar.com by the start of business on November 10, 2021. The webcast replay will be available at <https://www.linamar.com/event/q3-2021-earnings-call> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on November 9, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 3374269. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q3-2021-earnings-call>.

Q4 2021 Release Information

Linamar will hold a webcast call on March 9, 2022, at 5:00 p.m. ET to discuss its fourth quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/event/q4-2021-earnings-call> and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 7163205, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on March 9, 2022, and at www.sedar.com by the start of business on March 10, 2022. The webcast replay will be available at <https://www.linamar.com/event/q4-2021-earnings-call> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on March 9, 2022, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 7163205. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q4-2021-earnings-call>.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Mobility segment is subdivided into three regional groups: North America, Europe, and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered on and off highway vehicle markets. The Mobility segment products are focused on both systems and components for new energy powertrains, body and chassis, driveline, engine, and transmission systems of these vehicles. McLaren Engineering, the global engineering division of Linamar, provides full-service technical capabilities for the Mobility segment, including design, development, and testing services. The newly formed eLIN Product Solutions Group focuses on developing electrified products concentrating on four key areas: Power Generation, Energy Storage, Propulsion Systems, and Structural & Chassis offerings for electrified vehicles in all of Linamar's businesses globally. Linamar has over 25,000 employees in 60 manufacturing locations, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia, which generated sales of \$7.4 billion in 2019. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

* * * * *

For further information regarding this release please contact Linda Hasenfratz at (519) 836-7550.

Guelph, Ontario
November 9, 2021