



Linamar Corporation
Q4 Update on Market Conditions

January 18, 2022

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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 9, 2021.

Supply Chain and Labour Availability

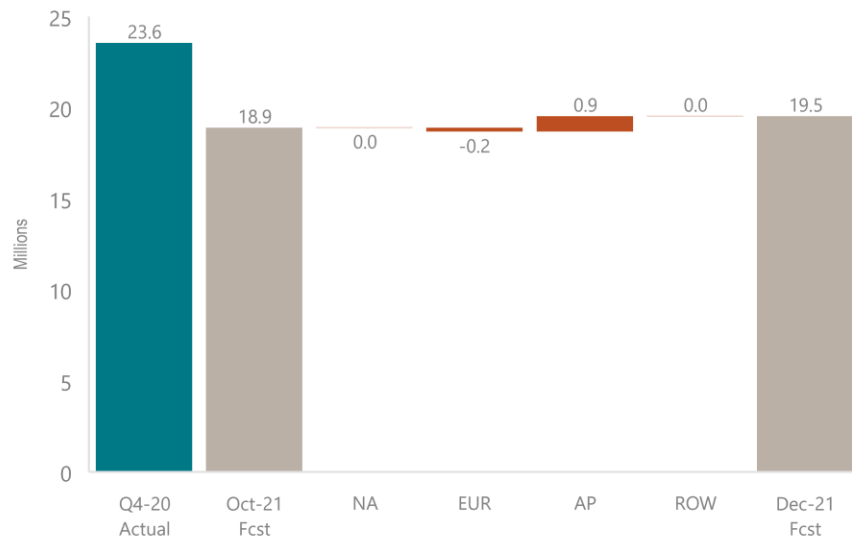
- Significant supply chain and labour constraints are impacting our ability to ship to meet market demand as well as costs in terms of both pricing and logistics in both segments.
- Mobility Segment
 - Q4 global light vehicle production forecast increased by 630,000 vs prior forecast. 2021 full-year forecast revised up by 695,000 units.
 - **The forecast upgrades are a result of better-than-expected Q4 deliveries of semiconductors in Asia-Pacific, partially offset by lower vehicle builds in Europe.**
 - The supply of semiconductors **remains a fluid and unpredictable situation.**
 - Supply chain costs and labour availability are **impacting both revenue and margins negatively**
- Industrial Segment
 - Agriculture
 - **Combine retails up in the quarter, however, supply chain challenges and labour availability acutely impacted our ability to deliver product.**
 - Raw material availability, labour availability, commodity pricing and logistic costs persist, **impacting both revenue and margins negatively.**
 - Access Market
 - **Access market up through Nov QTD, however, supply chain challenges and labour availability acutely impacted our ability to deliver product in the quarter.**
 - Raw material availability, labour availability, commodity pricing and logistic costs persist, **impacting both revenue and margins negatively.**

Global LV Auto Market: Q4 & 2021FY

Q4 global light vehicle production forecast up 630,000 units versus prior forecast. 2021 forecast revised up by 695,000 units.

Q4-2021 Global Vehicle Production Forecast By Region

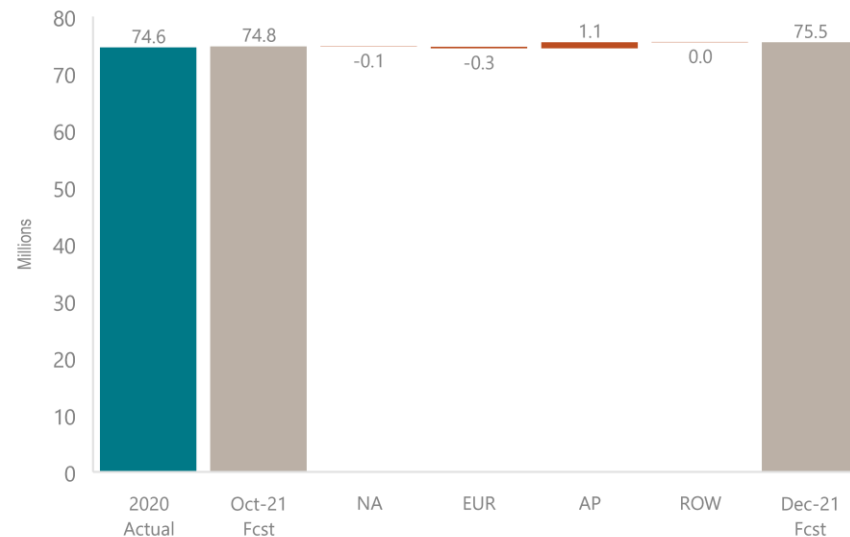
Change in Forecast Dec-2021 vs. Oct-2021



- Q4 2021 global light vehicle production forecast revised up by 630,000 units on better-than-expected deliveries of semi-conductors in Greater China and South Asia partially offset by lower production in Europe.
- Q4 2021 production is now expected to be down 17% versus Q4 2020.

2021 Global Vehicle Production Forecast By Region

Change in Forecast Dec-2021 vs. Oct-2021



- The 2021 full-year forecast revised up by 695,000 units reflecting improved semiconductor deliveries in Greater China and South Asia partially offset by declines in Europe.
- 2021 full-year production is now expected to be up 1.2% versus 2020.

Industrial Segment

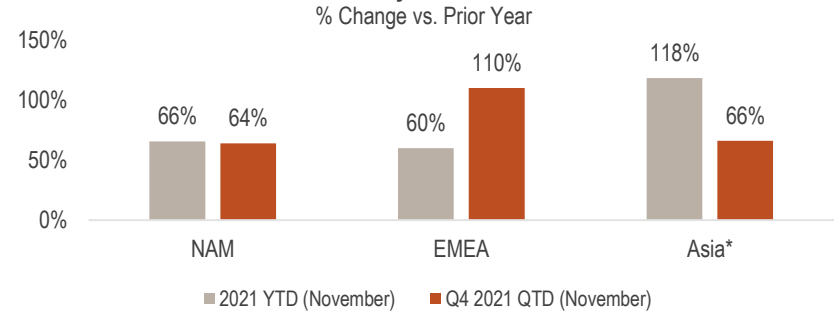
Access Equipment Market Commentary

- **Despite markets being up, supply chain and labour constraints are significantly impacting our ability to deliver product.**
- Supply chain disruptions including labour shortages, shipping container shortages and higher costs continued to **negatively impact production, shipments and costs** at the close of 2021.
- Equipment utilization continues to look positive. Throughout 2021 utilization levels have been consistent within 3% of peak 2019 levels.
- 2022 is expected to see continued double digit market growth in core NAM and EMEA but single digit growth in Asia.

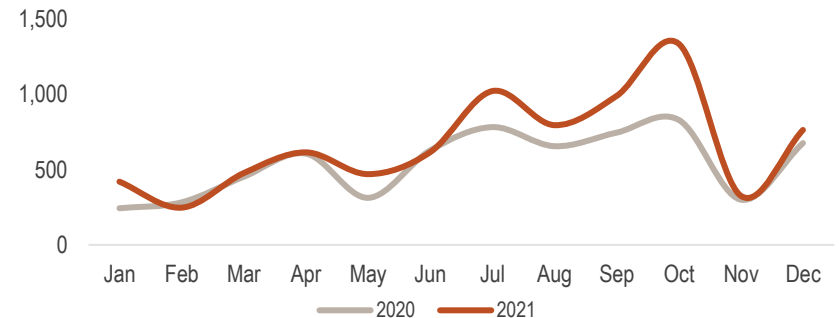
Agriculture Market Commentary

- **Despite markets being up, supply chain and labour constraints are significantly impacting our ability to deliver product.**
- Supply chain disruptions including labour shortages, shipping container shortages and higher costs continued to **negatively impact production, shipments and costs** at the close of 2021.
- Agriculture Retailers are seeing very lean inventory supply indicating retail demand is high.
- Commodity prices remain high, the underlying retail demand is strong.

2021 Access Industry YTD Results & Forecast






North American Combine Retails





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