

Record Electrified New Business Wins; Two Acquisitions Announced; and a Strong Balance Sheet Start Linamar's 2022 Off on a Strategic High

May 11, 2022, Guelph, Ontario, Canada (TSX: LNR)

- Excellent new business wins ("NBW"), strongest Q1 in our history;
- Wins are primarily with electrified vehicles at nearly 75% of total wins, already nearly double in dollars all of 2021;
- NBWs take launch book to nearly \$4.4 billion;
- Sales at \$1.8 billion flat in a tough market;
 - Up 5.7% for Industrial; and
 - Relatively flat for Mobility despite down markets.
- 16th consecutive quarter of positive free cash flow¹ continuing the Company's excellent balance sheet management;
- Liquidity¹, measured as cash and cash equivalents and available credit as at March 31, 2022, was \$1.9 billion an increase from \$1.6 billion at March 31, 2021;
- Strong content per vehicle¹ growth in North America and Europe driven by growing sales despite very tough, down markets; and
- Sales growth for access equipment sales despite challenging supply chain conditions.

	Three Months Ended	
	March 31	
	2022	2021
(in millions of dollars, except per share figures)	\$	\$
Sales	1,778.1	1,781.9
Operating Earnings (Loss)		
Industrial	21.5	35.7
Mobility	112.6	185.5
Operating Earnings (Loss)	134.1	221.2
Net Earnings (Loss)	96.3	153.5
Net Earnings (Loss) per Share – Diluted	1.47	2.34
Earnings before interest, taxes and amortization ("EBITDA") ¹	238.7	332.7
Operating Earnings (Loss) – Normalized¹		
Industrial	13.4	45.9
Mobility	93.1	175.4
Operating Earnings (Loss) – Normalized	106.5	221.3
Net Earnings (Loss) – Normalized¹	70.9	158.3
Net Earnings (Loss) per Share – Diluted – Normalized¹	1.08	2.41
EBITDA – Normalized¹	210.8	341.3

Operating Highlights

Sales for the first quarter of 2022 ("Q1 2022") were \$1,778.1 million, down \$3.8 million from \$1,781.9 million in the first quarter of 2021 ("Q1 2021").

The Industrial segment ("Industrial") product sales increased 5.7%, or \$19.9 million, to \$368.2 million in Q1 2022 from Q1 2021. The sales increase was due to:

- additional access equipment sales primarily due to increased market volumes in North America for scissors, booms and telehandlers;
- increased pricing to help relieve increased supply chain costs; partially offset by
- agricultural sales declines due to supply chain and labour constraints which are significantly impacting our ability to deliver equipment; and
- an unfavourable impact on sales from the changes in foreign exchange rates from Q1 2021.

Sales for the Mobility segment ("Mobility") decreased by \$23.7 million, or 1.7% in Q1 2022 compared with Q1 2021. The sales in Q1 2022 were impacted by:

- a sales decline primarily attributed to adverse conditions associated with supply related issues experienced by our customers; and
- an unfavourable impact on sales from the changes in foreign exchange rates from Q1 2021; partially offset by
- increased sales related to index metal market pricing partially offsetting the associated raw material increases; and
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with.

¹ Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, EBITDA, EBITDA – Normalized, Liquidity, and Free Cash Flow are non-GAAP financial measures. Content per Vehicle is a Supplementary Financial Measure. Please see "Non-GAAP and Other Financial Measures" section of this press release.

The Company's normalized operating earnings for Q1 2022 was \$106.5 million. This compares to normalized operating earnings of \$221.3 million in Q1 2021, a decrease of \$114.8 million.

Industrial segment normalized operating earnings in Q1 2022 decreased \$32.5 million, or 70.8% from Q1 2021. The Industrial normalized operating earnings results were predominantly driven by:

- an increase in material, labour, freight and utilities costs;
- a decrease in agricultural sales;
- an unfavourable impact from the changes in foreign exchange rates from Q1 2021; and
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; partially offset by
- an increase in access equipment sales; and
- increased pricing to help relieve increased supply chain costs.

Q1 2022 normalized operating earnings for Mobility were lower by \$82.3 million, or 46.9% compared to Q1 2021. The Mobility segment's earnings were impacted by the following:

- an increase in material, utilities, freight and labour costs;
- a sales decline primarily attributed to adverse conditions associated with supply related issues experienced by our customers;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- an unfavourable impact from the changes in foreign exchange rates from Q1 2021; partially offset by
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with.

"2022 has started off very challenging in terms of supply chain and other constraints impacting our performance but despite such I feel we have had an excellent start to the year," said Linamar Executive Chair and CEO Linda Hasenfratz, "We had our best ever first quarter in terms of new business wins with huge wins on the electrified side – 72% of wins and already almost double the total level of electrified wins last year. We announced 2 strategic acquisitions and continue to generate positive free cash flow. Strategically we are firing on all cylinders. We feel we are slowly making gains on the volatility and supply chain side and remain focused on generating double digit EPS growth this year."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2022 of CDN\$0.20 per share on the common shares of the company, payable on or after June 8, 2022 to shareholders of record on May 27, 2022.

Non-GAAP And Other Financial Measures

The Company uses certain non-GAAP and other financial measures to provide useful information to both management, investors and other stakeholders in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company's underlying operational performance. For this reason, management uses certain non-GAAP and other financial measures when analyzing operational performance on a consistent basis.

These Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Normalized Non-GAAP Financial Measures and Ratios

All Non-GAAP financial measures denoted with 'Normalized' as presented by the Company are adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and other items.

Operating Earnings (Loss) – Normalized

Operating Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Operating Earnings (Loss) – Normalized is calculated as Operating Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

Net Earnings (Loss) – Normalized

Net Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) – Normalized is calculated as Net Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

Net Earnings (Loss) per Share – Diluted – Normalized

Net Earnings (Loss) per Share – Diluted – Normalized is a non-GAAP financial ratio and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) per Share – Diluted – Normalized is calculated as Net Earnings (Loss) – Normalized (as defined above) divided by the fully diluted number of shares outstanding as at the period end date.

EBITDA and EBITDA – Normalized

EBITDA is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA is calculated as Net Earnings (Loss) before income taxes, the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for amortization of property, plant and equipment, amortization of other intangible assets, finance costs, and other interest.

EBITDA – Normalized is a non-GAAP financial measure and the Company believes EBITDA – Normalized is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA – Normalized is calculated as EBITDA (as defined above) adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, non-cash asset impairments and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

All these other items contained in these non-GAAP financial measures are summarized as follows:

(in millions of dollars)	Three Months Ended	
	2022	March 31 2021
	\$	\$
Gain on sale of unused land	(22.1)	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) – Normalized	(22.1)	-
Gain on sale of unused land	(22.1)	-
Other items	(22.1)	-
Asset impairment provision, net of reversals	0.1	2.2
Other items and asset impairments impacting EBITDA – Normalized	(22.0)	2.2

Normalizing items for asset impairment provisions adjusted EBITDA and impacted the Mobility segment by \$0.1 million for the quarter (Q1 2021 – \$2.2 million).

During Q1 2022, a normalizing item related to a “gain on sale of unused land” adjusted the Mobility segment by \$22.1 million.

All normalized non-GAAP financial measures areas reconciled as follows:

(in millions of dollars)	Three Months Ended			
	2022	2021	March 31	
	\$	\$	+/-	+/-
			\$	%
Operating Earnings (Loss) – Normalized				
Operating Earnings (Loss)	134.1	221.2	(87.1)	(39.4%)
Foreign exchange (gain) loss	(5.5)	0.1	(5.6)	
Other items	(22.1)	-	(22.1)	
Operating Earnings (Loss) – Normalized	106.5	221.3	(114.8)	(51.9%)
Net Earnings (Loss) – Normalized				
Net Earnings (Loss)	96.3	153.5	(57.2)	(37.3%)
Foreign exchange (gain) loss	(5.5)	0.1	(5.6)	
Foreign exchange (gain) loss on debt and derivatives	(0.4)	6.3	(6.7)	
Other items	(22.1)	-	(22.1)	
Tax impact	2.6	(1.6)	4.2	
Net Earnings (Loss) – Normalized	70.9	158.3	(87.4)	(55.2%)

(in millions of dollars)	2022	2021	Three Months Ended	
			March 31	March 31
	\$	\$	+/-	+/-
Net Earnings (Loss) per Share – Diluted – Normalized			\$	%
Net Earnings (Loss) per Share – Diluted	1.47	2.34	(0.87)	(37.2%)
Foreign exchange (gain) loss	(0.08)	-	(0.08)	
Foreign exchange (gain) loss on debt and derivatives	(0.01)	0.10	(0.11)	
Other items	(0.34)	-	(0.34)	
Tax impact	0.04	(0.03)	0.07	
Net Earnings (Loss) per Share – Diluted – Normalized	1.08	2.41	(1.33)	(55.2%)
EBITDA and EBITDA – Normalized				
Net Earnings (Loss) before income taxes	127.5	207.4	(79.9)	(38.5%)
Amortization of property, plant and equipment	92.4	107.2	(14.8)	
Amortization of other intangible assets	13.9	11.9	2.0	
Finance costs	3.9	5.4	(1.5)	
Other interest	1.0	0.8	0.2	
EBITDA	238.7	332.7	(94.0)	(28.3%)
Foreign exchange (gain) loss	(5.5)	0.1	(5.6)	
Foreign exchange (gain) loss on debt and derivatives	(0.4)	6.3	(6.7)	
Asset impairment provision, net of reversals	0.1	2.2	(2.1)	
Other items	(22.1)	-	(22.1)	
EBITDA – Normalized	210.8	341.3	(130.5)	(38.2%)

All normalized non-GAAP financial measures areas impacting segments reconciled as follows:

(in millions of dollars)	Industrial	Mobility	Three Months Ended	
			March 31	March 31
	\$	\$	2022	2022
Operating Earnings (Loss) – Normalized			Linamar	\$
Operating Earnings (Loss)	21.5	112.6	134.1	
Foreign exchange (gain) loss	(8.1)	2.6	(5.5)	
Other items	-	(22.1)	(22.1)	
Operating Earnings (Loss) – Normalized	13.4	93.1	106.5	
EBITDA – Normalized				
EBITDA	34.3	204.4	238.7	
Foreign exchange (gain) loss	(8.1)	2.6	(5.5)	
Foreign exchange (gain) loss on debt and derivatives	(0.1)	(0.3)	(0.4)	
Asset impairment provision, net of reversals	-	0.1	0.1	
Other items	-	(22.1)	(22.1)	
EBITDA – Normalized	26.1	184.7	210.8	

(in millions of dollars)	Three Months Ended		
	Industrial	Mobility	Linamar
	\$	\$	\$
Operating Earnings (Loss) – Normalized			
Operating Earnings (Loss)	35.7	185.5	221.2
Foreign exchange (gain) loss	10.2	(10.1)	0.1
Other items	-	-	-
Operating Earnings (Loss) – Normalized	45.9	175.4	221.3
EBITDA – Normalized			
EBITDA	49.8	282.9	332.7
Foreign exchange (gain) loss	10.2	(10.1)	0.1
Foreign exchange (gain) loss on debt and derivatives	1.2	5.1	6.3
Asset impairment provision, net of reversals	-	2.2	2.2
Other items	-	-	-
EBITDA – Normalized	61.2	280.1	341.3

Other Non-GAAP Financial Measures

Free Cash Flow

Free Cash Flow is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to generate cash. Free Cash Flow is calculated as Cash from Operating Activities, the most directly comparable measure as presented in the Company's consolidated statements of cash flows, adjusted for payments for purchase of property, plant and equipment, and proceeds on disposal of property, plant and equipment.

Liquidity

Liquidity is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to satisfy its financial obligations as they come due. Liquidity is calculated as Cash, the most directly comparable measure as presented in the Company's consolidated statements of financial position, adjusted for the Company's available credit.

All other non-GAAP financial measures are reconciled as follows:

(in millions of dollars)	Three Months Ended	
	2022	March 31 2021
	\$	\$
Free Cash Flow		
Cash generated from (used in) operating activities	62.5	223.9
Payments for purchase of property, plant and equipment	(88.0)	(59.5)
Proceeds on disposal of property, plant and equipment	29.2	1.8
Free Cash Flow	3.7	166.2
Liquidity		
Cash	903.9	671.9
Available credit	957.6	957.5
Liquidity	1,861.5	1,629.4

Supplementary Financial Measures

Content per Vehicle

Content per Vehicle is a supplementary financial measure and is calculated within the Mobility segment for the region indicated as automotive sales less tooling sales divided by vehicle production units.

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; cyclicity 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

Q1 2022 Release Information

Linamar will hold a webcast call on May 11, 2022, at 5:00 p.m. ET to discuss its first quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/event/q1-2022-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 2056809, 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 Executive Chair and 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 May 11, 2022, and at www.sedar.com by the start of business on May 12, 2022. The webcast replay will be available at <https://www.linamar.com/event/q1-2022-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 May 11, 2022, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 2056809. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q1-2022-earnings-call>.

Q2 2022 Release Information

Linamar will hold a webcast call on August 10, 2022, at 5:00 p.m. ET to discuss its second quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/event/q2-2022-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 +1(888) 886-7786 (North America) or +1(416) 764-8658 (International) Conference ID 14490656, 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 Executive Chair and 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 August 10, 2022, and at www.sedar.com by the start of business on August 11, 2022. The webcast replay will be available at <https://www.linamar.com/event/q2-2022-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 August 10, 2022, for seven days. The number for the replay is +1(888) 886-7786 or +1(416) 764-8658, Conference ID: 14490656, Passcode: 490656#. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q2-2022-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 vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. In addition to the recently formed eLIN Product Solutions Group that focuses on Electrification, McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar has over 26,000 employees in 60 manufacturing locations, 11 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia, which generated sales of \$6.5 billion in 2021. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on our social media channels.

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

Guelph, Ontario
May 11, 2022