



LINAMAR

2022 Q2 Conference Call Presentation

Linda Hasenfratz, Executive Chair & CEO

August 10, 2022

For Audio Only Dial in:

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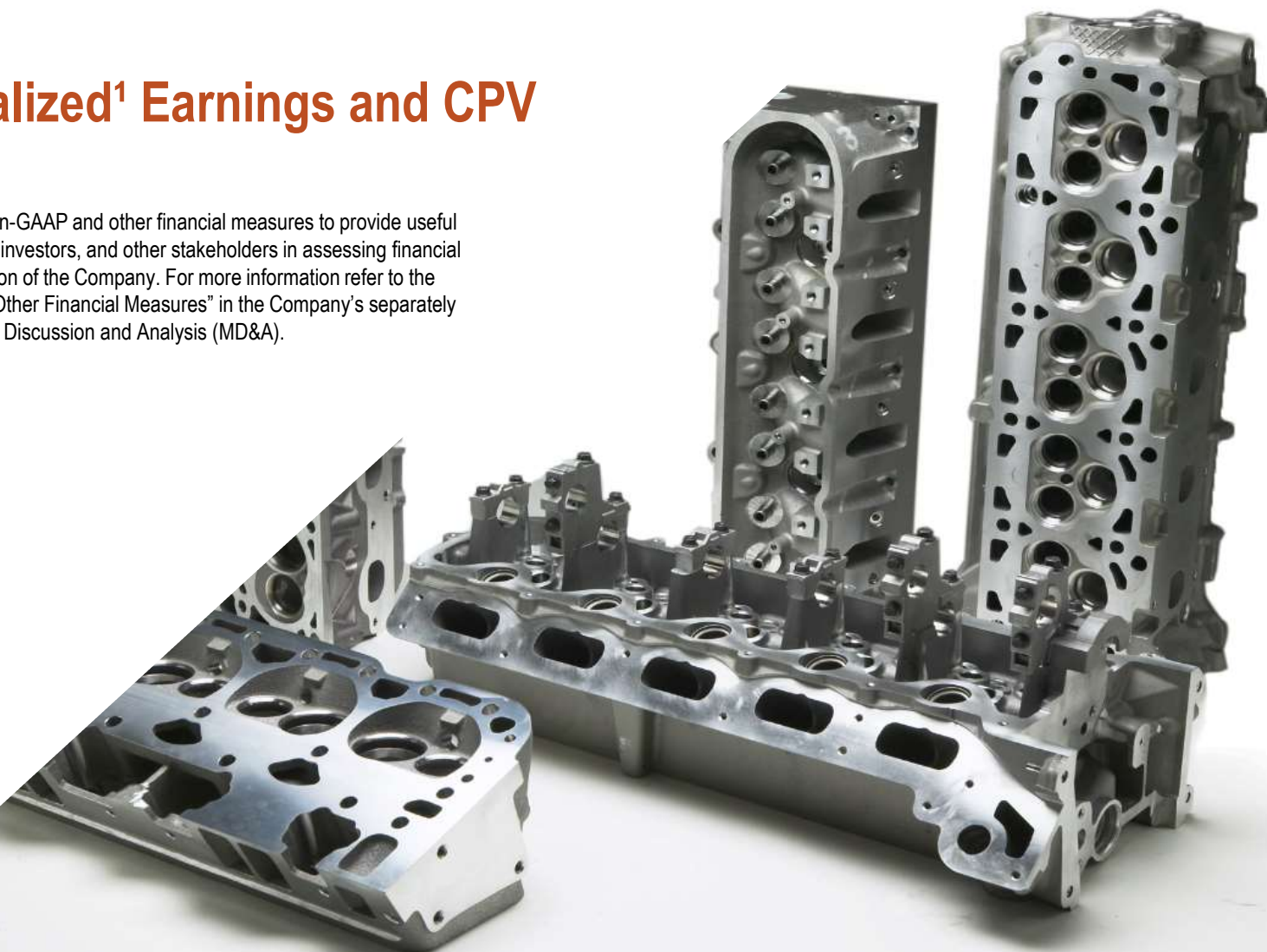


Forward Looking Information, Risk and Uncertainties

Certain information regarding Linamar set forth in this presentation and oral summary, including management's 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 and public health threats, may in turn have a material adverse effect on the Company's financial results. Please also refer to Linamar's most current Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and Annual Information Form ("AIF"), as replaced or updated by any of Linamar's subsequent regulatory filings, which set out the cautionary disclaimers, including the risk factors that could cause actual events to differ materially from these indicated by such forward looking statements. These documents are available at <https://www.linamar.com/investors>. 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.

Sales, Normalized¹ Earnings and CPV

1 - The Company uses certain non-GAAP and other financial measures to provide useful information to both management, investors, and other stakeholders in assessing financial performance and financial condition of the Company. For more information refer to the section entitled “Non-GAAP and Other Financial Measures” in the Company’s separately released Q2 2022 Management’s Discussion and Analysis (MD&A).



Sales, Normalized Earnings¹, and Margins (in millions CAD)

	Q2 2022	Q2 2021	% Δ
Sales	1,981.6	1,575.3	25.8%
Industrial Sales	504.6	393.5	28.2%
Mobility Sales	1,477.0	1,181.8	25.0%
EBITDA – Normalized ¹	262.9	259.2	1.4%
EBITDA – Normalized Margin ¹	13.3%	16.5%	
Industrial OE – Normalized ¹	49.4	66.3	(25.5%)
Industrial OE – Normalized Margin ¹	9.8%	16.8%	
Mobility OE – Normalized ¹	99.8	85.9	16.2%
Mobility OE – Normalized Margin ¹	6.8%	7.3%	
OE – Normalized ¹	149.2	152.2	(2.0%)
OE – Normalized Margin ¹	7.5%	9.7%	
NE – Normalized ¹	109.3	106.9	2.2%
NE – Normalized Margin ¹	5.5%	6.8%	
EPS – Normalized ¹	1.68	1.63	3.1%

Q2 2022

The **key factors impacting results in the quarter** are:

- Growth in all businesses amplified by market share growth
- Customer pricing agreements helping to partially offset higher costs; partially offset by
- No government subsidies in 2022 vs 2021
- The impact of our 2 acquisitions
- Negative impact of Foreign Exchange.

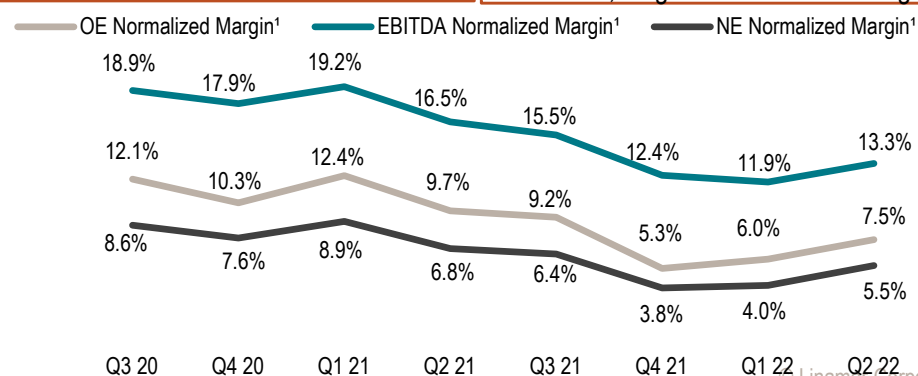
The **key impacts to the segments vs prior year** are:

Mobility

- Markets up 11.8% in NA , down 4.8% EU, down 2.6% AP
- Market recovery enhanced by launches;
- Increased pricing related to cost recovery partially offsetting associated material, utility and freight costs
- Impact of Mills River acquisition.

Industrial

- An increase in both access and ag market sales enhanced by market share growth and the Salford acquisition
- Non repeat of a customer bad debt reversal last year
- Significant cost issues related to material, labour, freight and utilities challenges

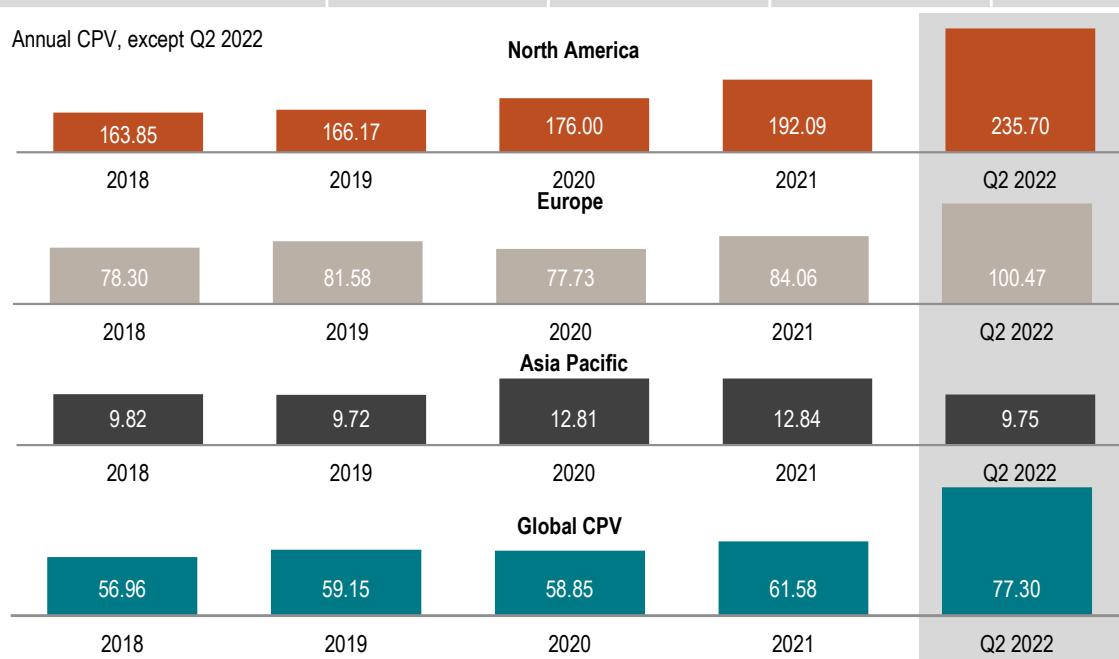


1 - EBITDA – Normalized, Operating Earnings (OE) – Normalized, and Net Earnings (NE) – Normalized are Non-GAAP Financial Measures. EBITDA – Normalized Margin, Operating Earnings – Normalized Margin, Net Earnings – Normalized Margin, (representing their respective measures as a percentage of sales) and Net Earnings (Loss) per Share – Diluted – Normalized (EPS) are non-GAAP financial ratios. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

Automotive Sales & Content Per Vehicle² (CPV)

	CPV Q2 2022	CPV Q2 2021	CPV % Change	Vehicle Production Units % Change	Automotive Sales Q2 2022 (CAD Millions)	Automotive Sales Q2 2021 (CAD Millions)	Automotive Sales % Change
North America	235.70	178.85	31.8%	11.8%	870.6	591.0	47.3%
Europe	100.47	80.18	25.3%	(4.8%)	396.0	332.3	19.2%
Asia Pacific	9.75	12.28	(20.6%)	(2.6%)	97.7	126.4	(22.7%)
Global CPV ¹	77.30	59.20	30.6%	(0.5%)	1,364.3	1,049.7	30.0%
Other Automotive Sales	-	-	-	-	41.2	56.9	(27.6%)

Annual CPV, except Q2 2022



- CPV growth to record levels in North America and Europe due to:
 - Programs we have significant business with that have enjoyed disproportionately higher volumes
 - Launching business
 - Sales from Mills River acquisition
- NA sales notable at 47% growth from 2021 levels

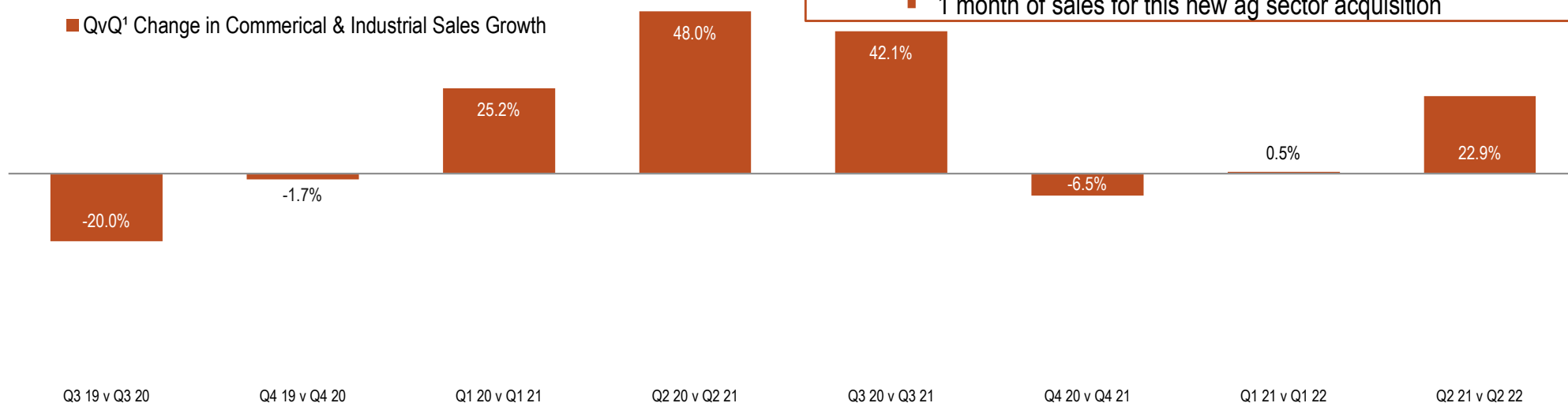
¹ – Global CPV includes only the markets that Linamar serves of North America, Europe, and Asia Pacific. Source: IHS Markit, July 2022.

² – CPV is a supplementary financial measure and is calculated within the Mobility segment for the region as indicated as automotive sales less tooling sales divided by vehicle production units.

Commercial & Industrial Sales² (in millions CAD)

	Q2 2022	Q2 2021	% Change
Sales	576.1	468.7	22.9%

- Skyjack
 - Global markets up near double digits
 - Growth enhanced by global market share growth in scissors
 - NA market share growth in booms
- MacDon
 - Supply chain issues starting to improve allowing MacDon to start to fulfill their deep backlog
 - Market share growth in all core products globally
 - Markets up slightly in Canada
- Salford
 - 1 month of sales for this new ag sector acquisition



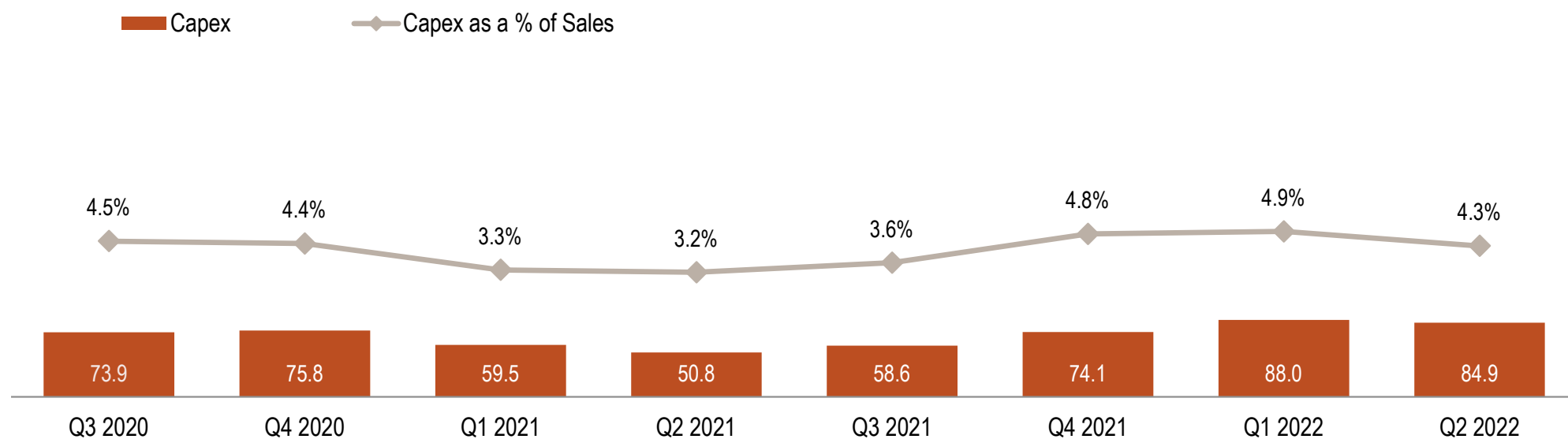
1 – Quarter versus quarter (QvQ) indicates year over year comparison of two of the same quarters.

2 – Commercial & Industrial Sales represent a supplementary financial measure due to being components of Sales within the Company's consolidated statement of earnings.

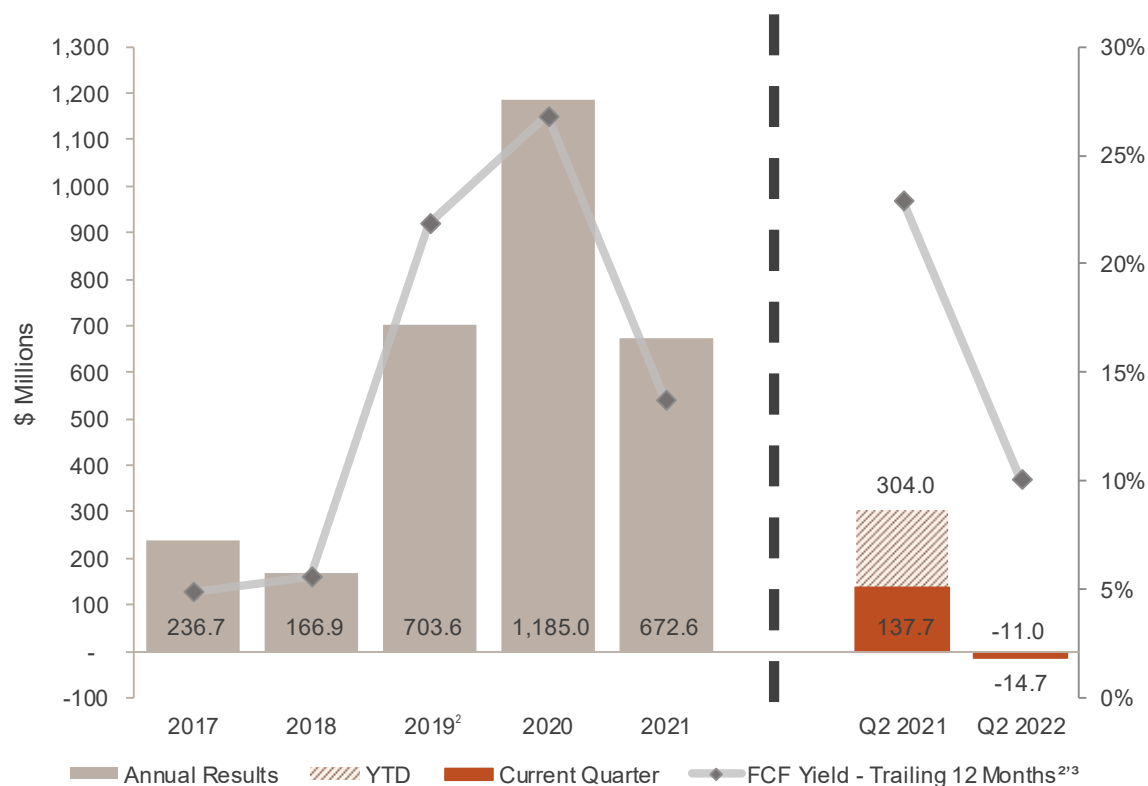
Capital Expenditures (in millions CAD)

	Q2 2022	Q2 2021
Capital Expenditures (Capex)	84.9	50.8
Capex as a % of Sales	4.3%	3.2%

- Capex continuing to climb back to higher levels to support launching business
- We will be back in our normal spending range of 6-8% of sales in 2022 and 2023



Cash Flow Continues to be a Key Priority



- FCF¹ slightly negative in the quarter thanks mainly to an increase in noncash working capital
- Liquidity¹ remains excellent with \$1.4 billion of cash available at quarter end

1 - Free Cash Flow and Liquidity are non-GAAP financial measures. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

2 - Free Cash Flow in 2019 has been adjusted for additions of property, plant and equipment related to the dissolution of a joint venture.

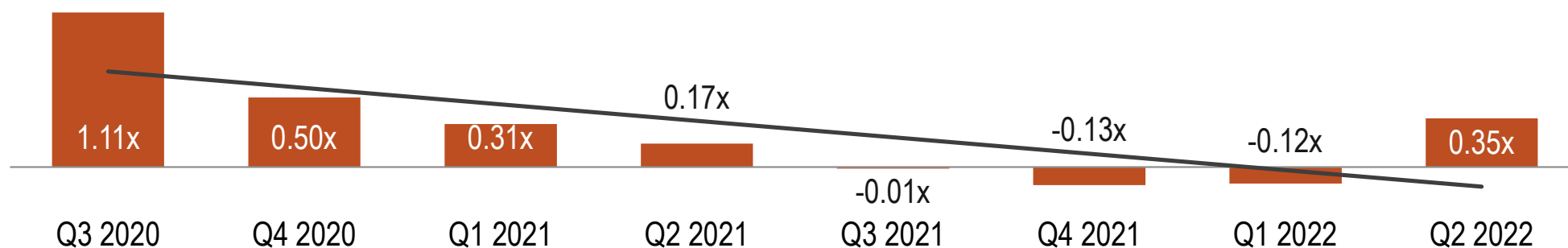
3 - Free Cash Flow Yield is a non-GAAP financial ratio and the Company believes it is useful in assessing the Company's ability to generate cash. Free Cash Flow Yield is calculated as the trailing twelve months (TTM) Free Cash Flow divided by fully diluted shares divided by share price. For Q2 2022 this calculation is TTM FCF of \$358 million (Q2 2021 - \$1,171 million) divided by fully diluted shares of 65 million (Q2 2021 - 66 million) divided by share price of \$54.54 (Q2 2021 - \$77.75).

Leverage (in millions CAD)

	Q2 2022	Q1 2022	Q2 2021
Net Debt ¹	337.4	(110.3)	198.7
Net Debt to EBITDA ²	0.35x	(0.12)x	0.17x

- Balance sheet is in excellent shape at 0.35x Net Debt to EBITDA despite very active NCIB and 2 acquisitions in the quarter
- 1.3 million shares purchased in the quarter under our NCIB taking us to 1.9 million YTD (before Q2 blackout started)
- Solid liquidity and balance sheet positions us well for continued acquisition opportunities as they arise

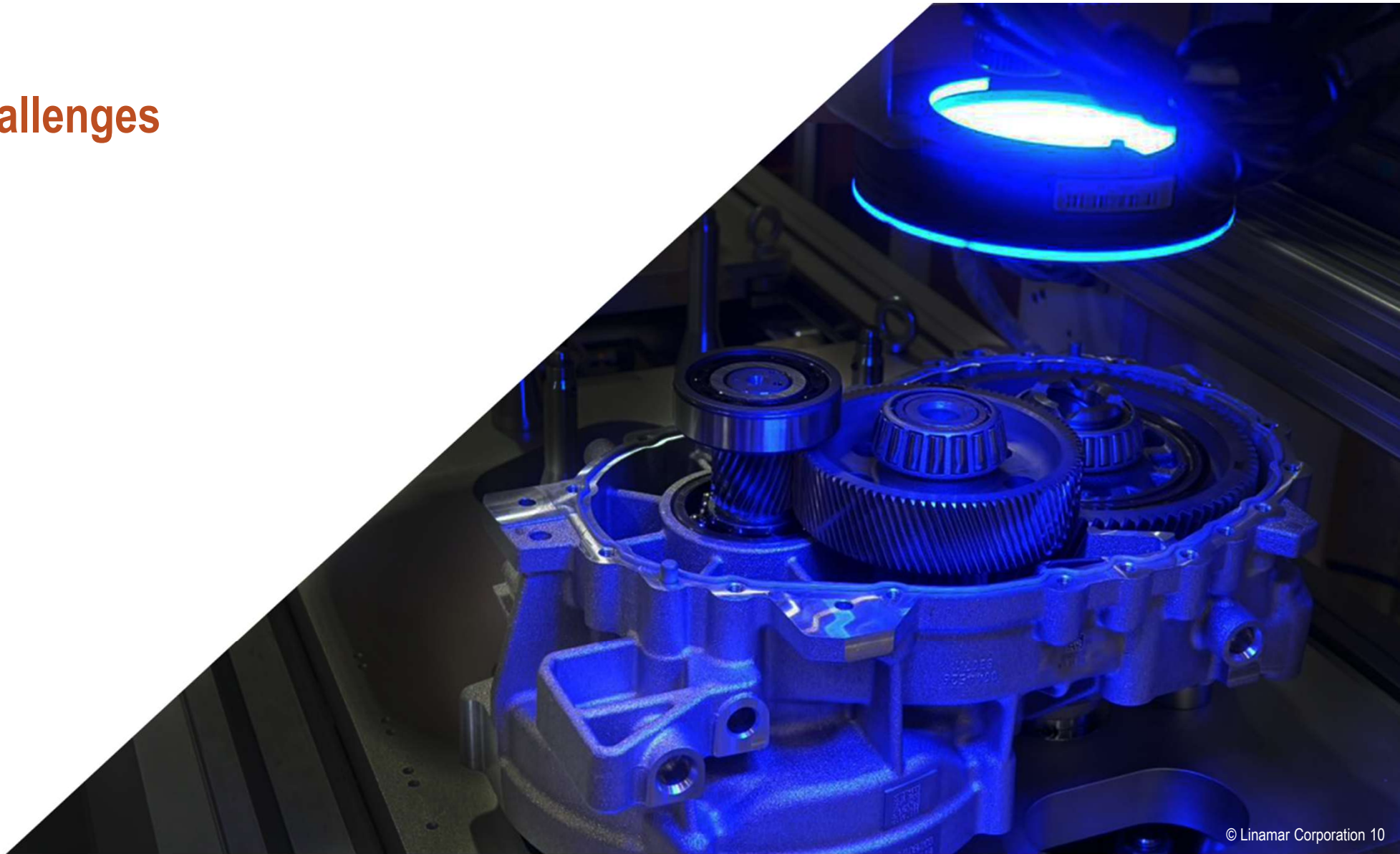
Net Debt to EBITDA



1 - Net Debt is a non-GAAP financial measure and the Company believes it is useful as an indicator of its financial position. Net Debt is calculated as Short-term Borrowings and Long-Term Debt (the most directly comparable measure as presented in the Company's Consolidated Statements of Financial Position) less Cash. For Q2 2022 this calculation is Short Term Borrowings of \$Nil (Q2 2021 - \$Nil) plus Long-Term Debt of \$1,215 million (Q2 2021 - \$930 million) less Cash of \$878 million (Q2 2021 - \$732 million).

2 - EBITDA includes trailing twelve months EBITDA on acquisitions, when applicable. 2020 Net Debt to EBITDA was restated in Q1 2021.

Challenges



Supply and Cost Challenges

Spiking Energy Costs



Unlikely to Improve Anytime Soon

Supply Chain Shortages



Slow Improvements

Spiking Commodity Prices



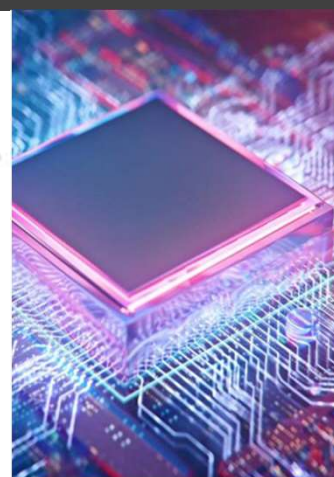
Generally declining, some areas of continued concern

Labour Challenges



Continued Challenges NA & EU, US most acutely

Semi Conductor Chip Shortages



Predictability of Shutdowns and Availability of Chips Improving Each Quarter, Better Improvement Expected in 2023

Major Increases in Freight Costs

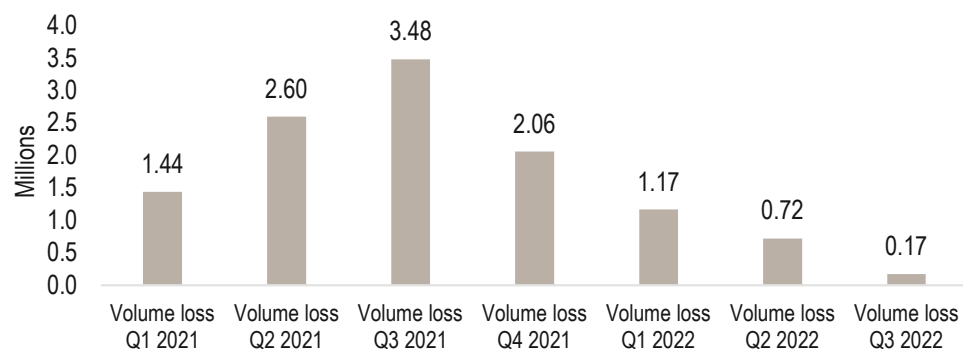


Trending Down But Still Well Above Pre Covid Levels

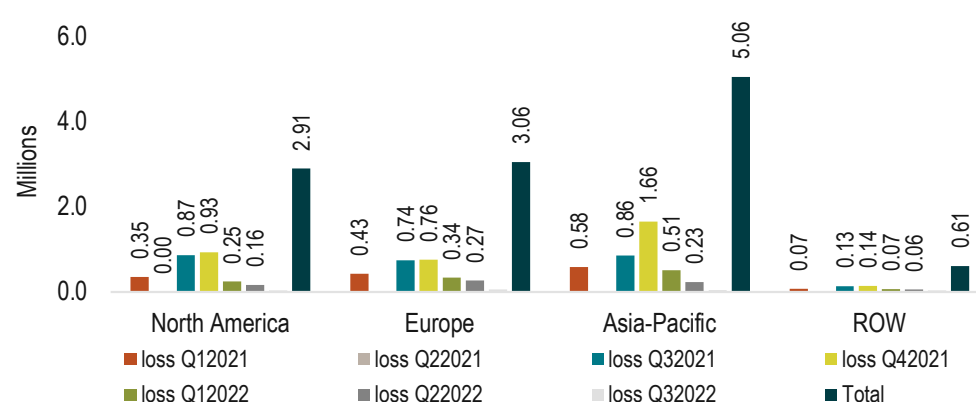
Semiconductor Chip Shortage – Light Vehicle Production Impact

Announced volume loss of 2.1M units 2022 YTD. Supply disruption expected to continue into 2023.

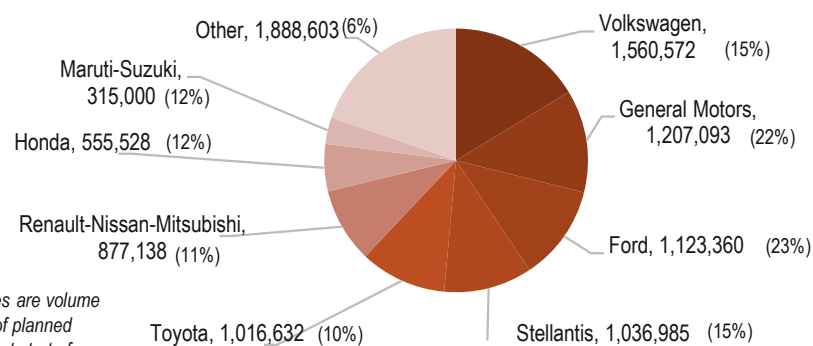
Announced Volume Loss by Quarter



Announced Volume Loss by Region

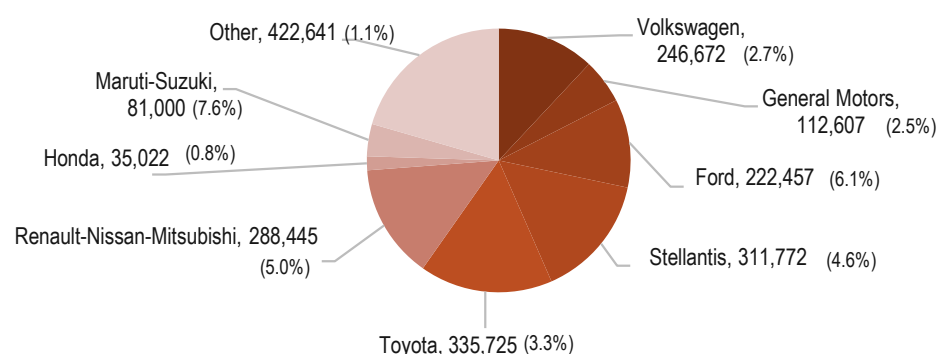


Announced Volume Loss by OEM
Total Q1-2021 to Q4 2021

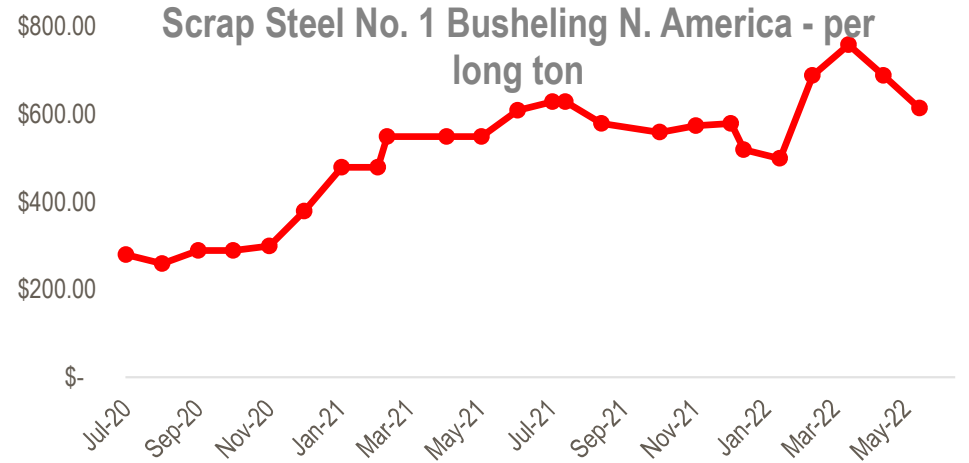
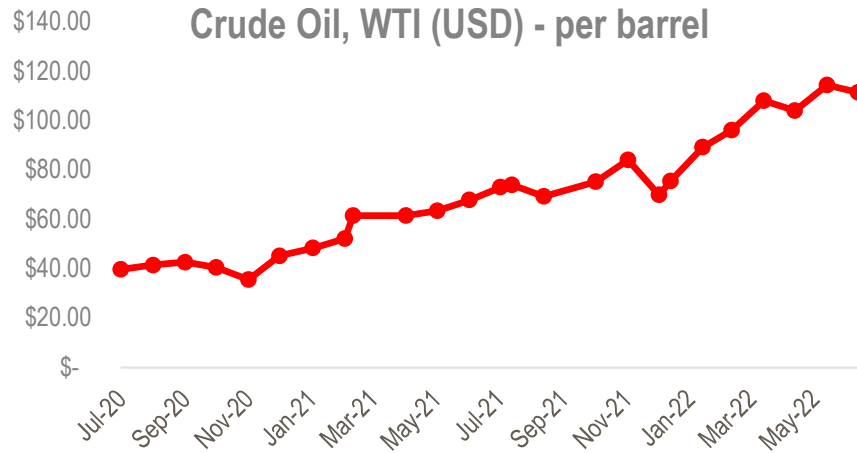
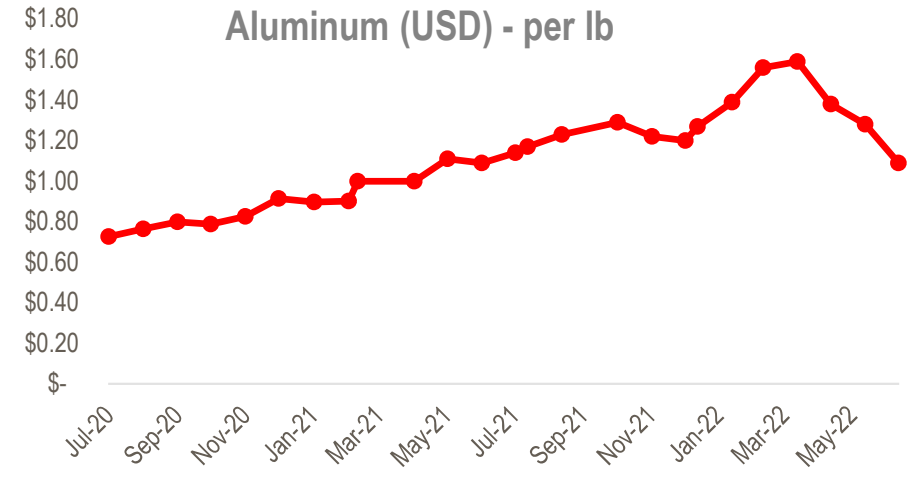
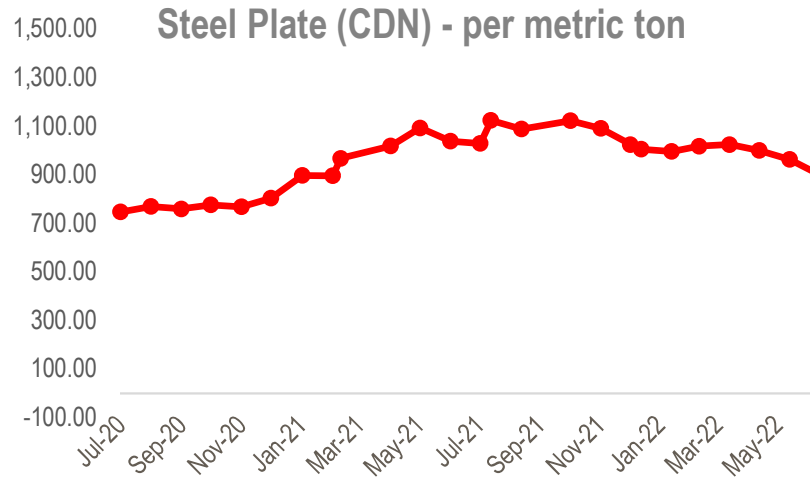


Percentages are volume loss as % of planned production at start of year

Announced Volume Loss by OEM
Total 2022 YTD



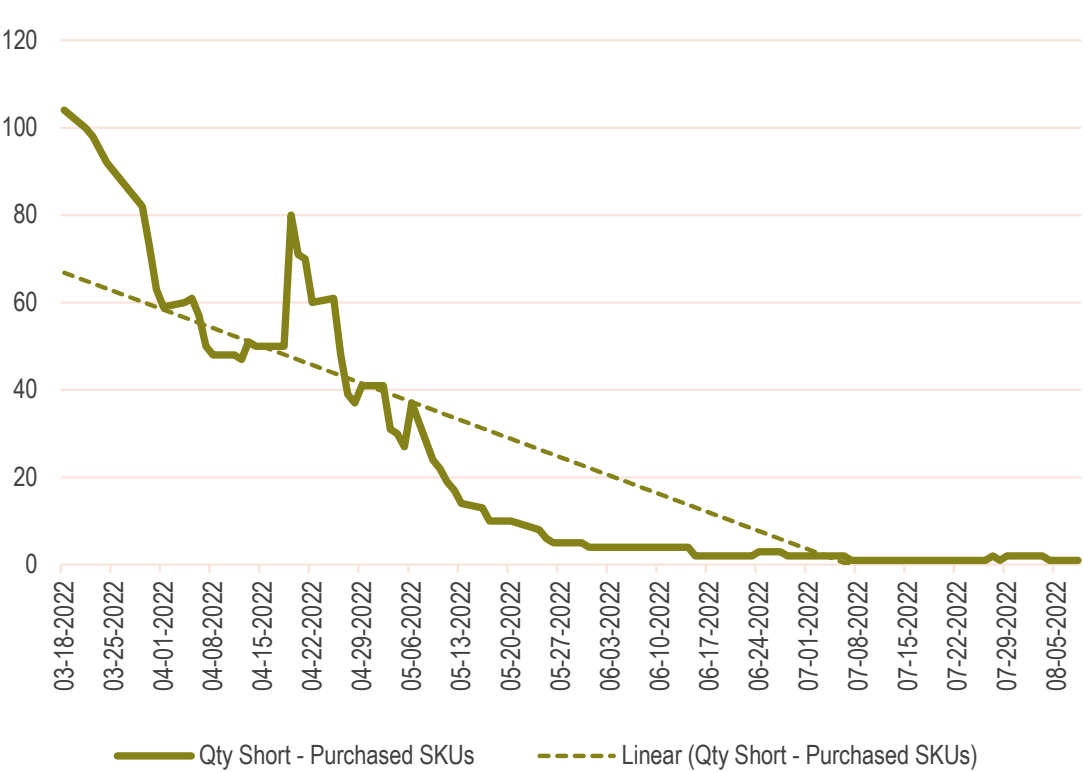
Commodity Prices Improving



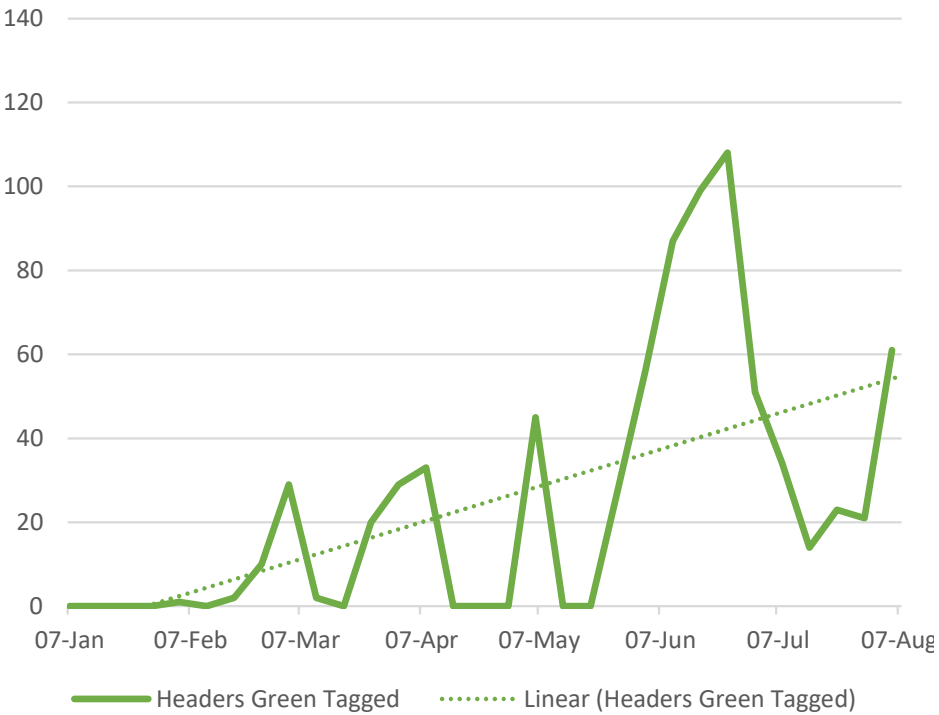
MacDon Supply Disruption Situation Improving...

Assembly Line Shortages:

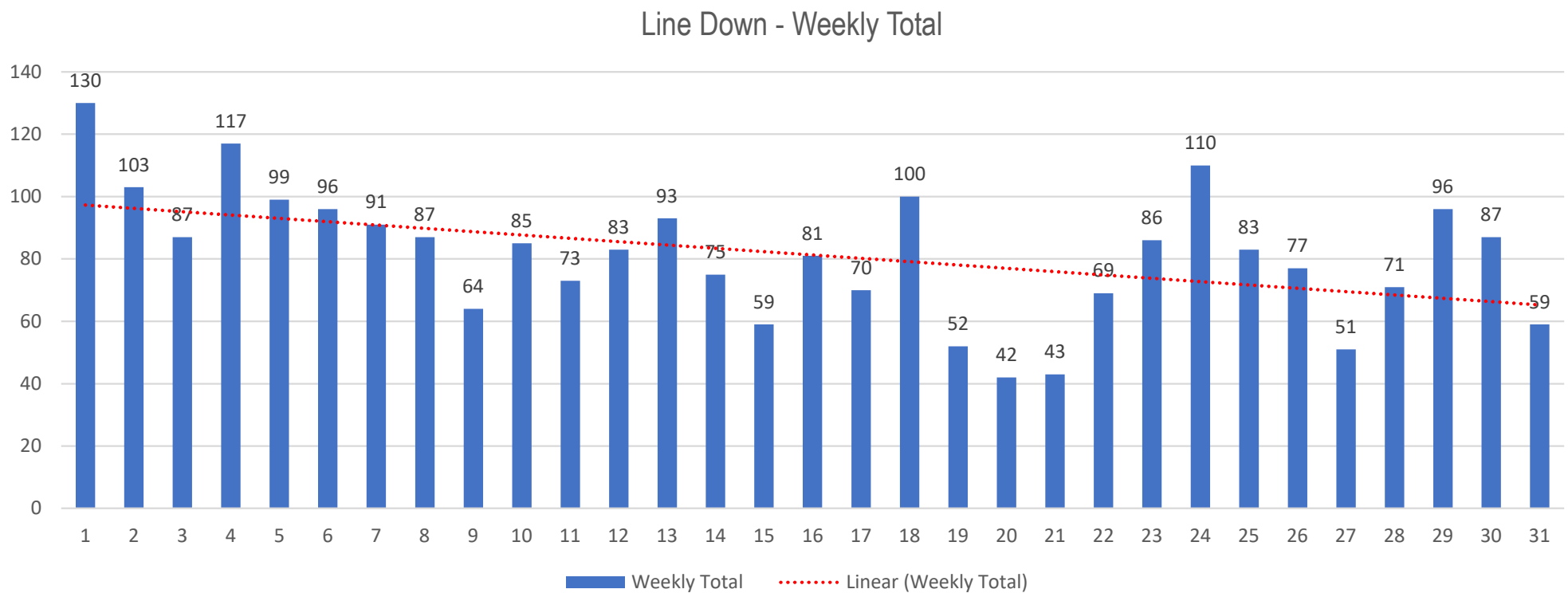
All released Projects, All Lines, by SKU including partials



Completed Header Production

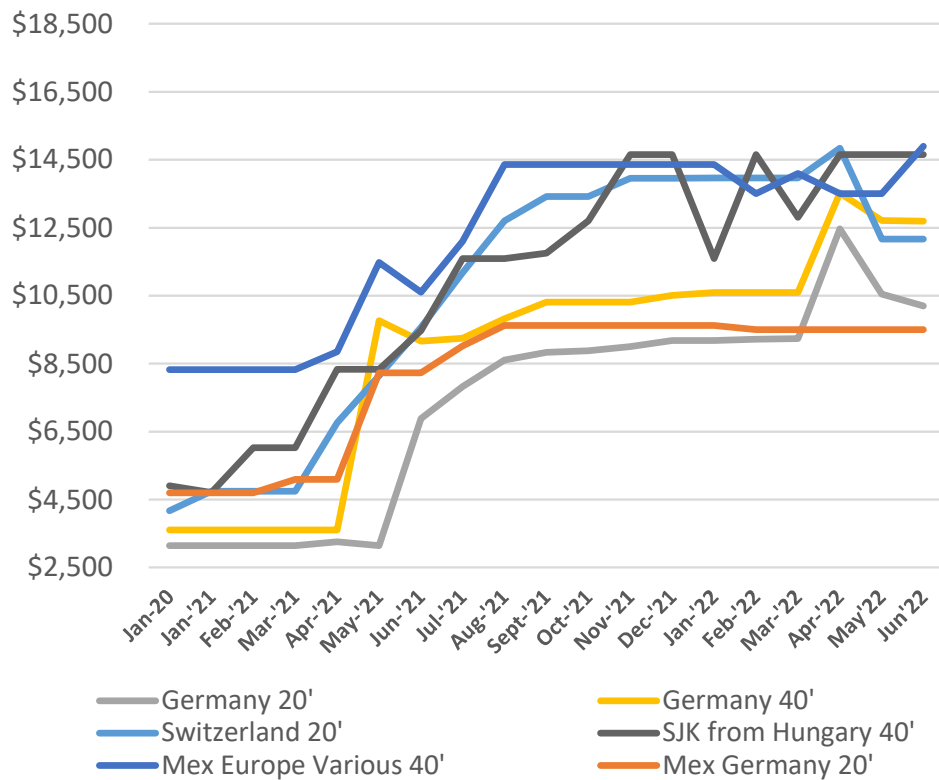


...But Skyjack Improving More Slowly, Still Feeling Disruptions



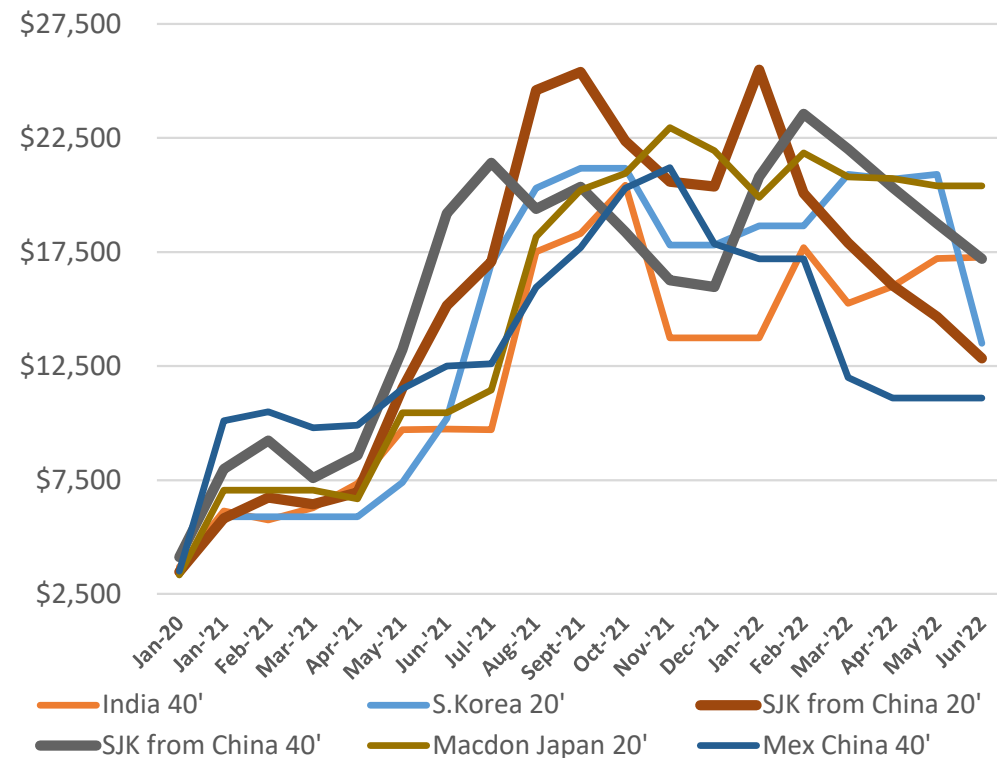
Ocean Freight -- Europe Levelled Off, Asia Trending Down...

Ocean Lane Increases Europe



Updated Jun 2022

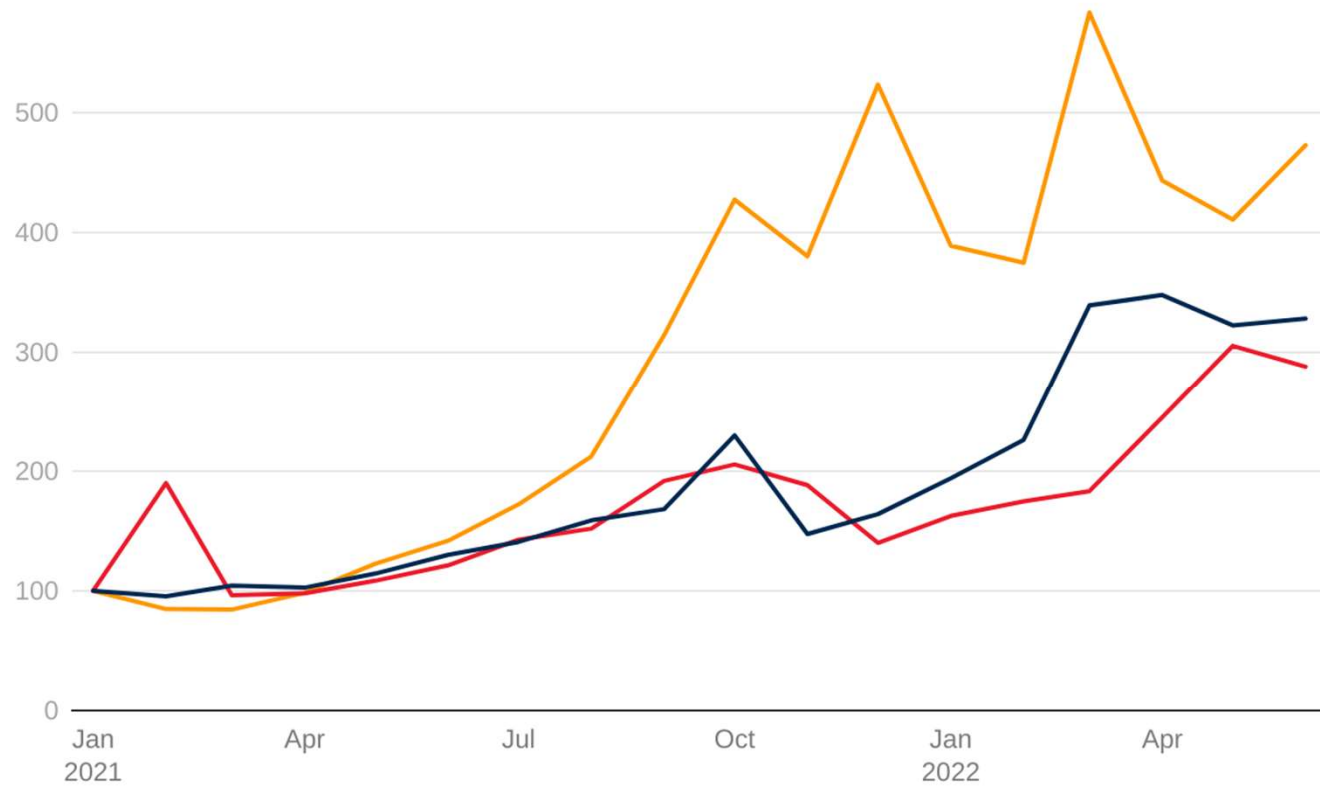
Ocean Lane Increases Asia & SA



Energy Prices

Index, 100 = January 2021

— Coal, South African — Natural gas, US — Natural gas, Europe



Note: Monthly data, last observation is June 2022.

Source: World Bank.

Top Issue on People Side: The Availability of People

AVAILABILITY










- Workforce Availability has Shrunk Significantly
 - Acceleration of Baby Boomer Retirement
 - Insufficient Immigration
 - COVID Impact

Market Outlook



Market Snapshot

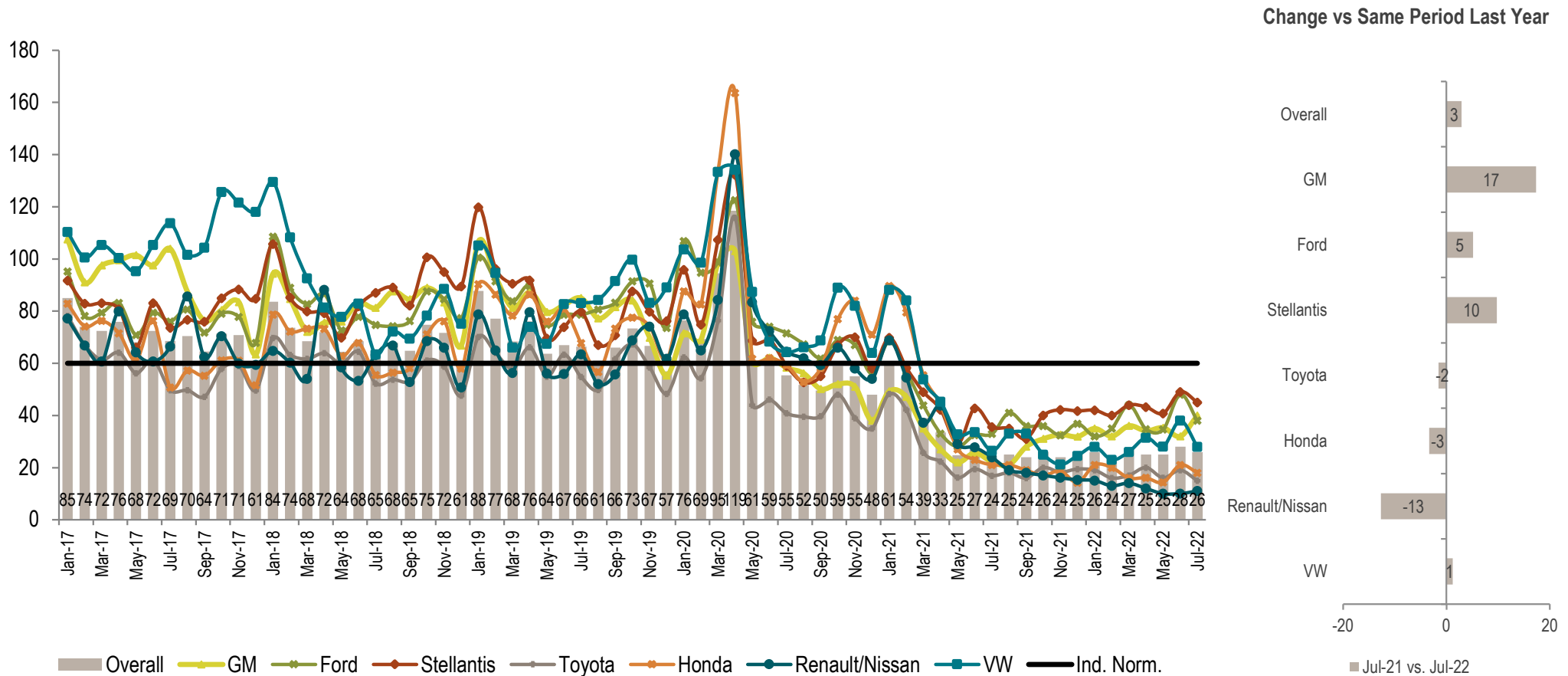
				
2022	Light Vehicle	Commercial Truck	Combine Heads	Access
North America	▲ 12.7%	▲ 11.4%	▲ 10.0%	▲ 12.0%
Europe	▲ 2.8%	▼ -13.6%	▲ 5.0%	▲ 13.7%
Asia	▲ 2.7%	▼ -22.9%	n/a	▲ 9.9%
Rest of World	▲ 7.8%	n/a	▲ 5.0%	n/a

			
2023	Light Vehicle	Commercial Truck	Access
North America	▲ 11.6%	▼ -0.7%	▲ 9.8%
Europe	▲ 10.1%	▲ 9.4%	▲ 9.3%
Asia	▲ 6.1%	▼ -4.1%	▲ 12.9%
Rest of World	▲ 7.4%	n/a	n/a

Above projections are external industry expert estimates for total market % unit change as a whole vs. prior year in each of the respective market segments. They are not internal expectations of Linamar's results.

US Light Vehicle Inventory – Days' Supply

Will Take Years To Replenish Inventory Levels Regardless of Demand...

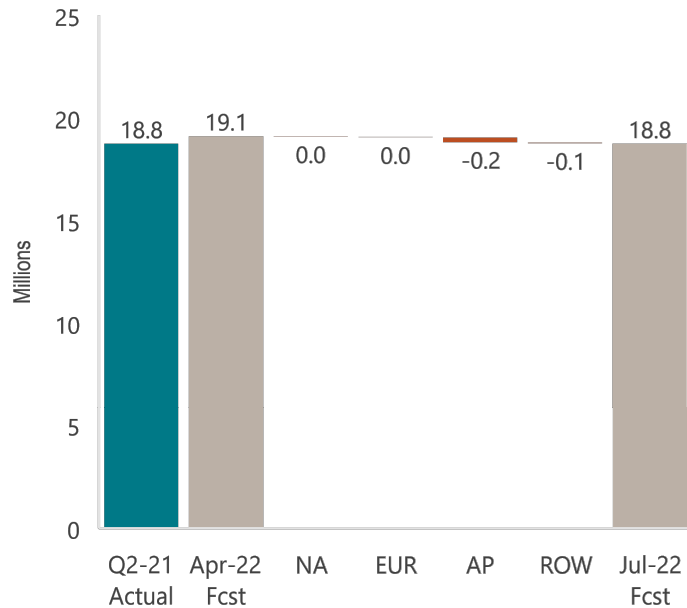


Source: Ward's Automotive, Jul 2022

Global Light Vehicle Market: Q2 2022, Q3 2022, and 2022

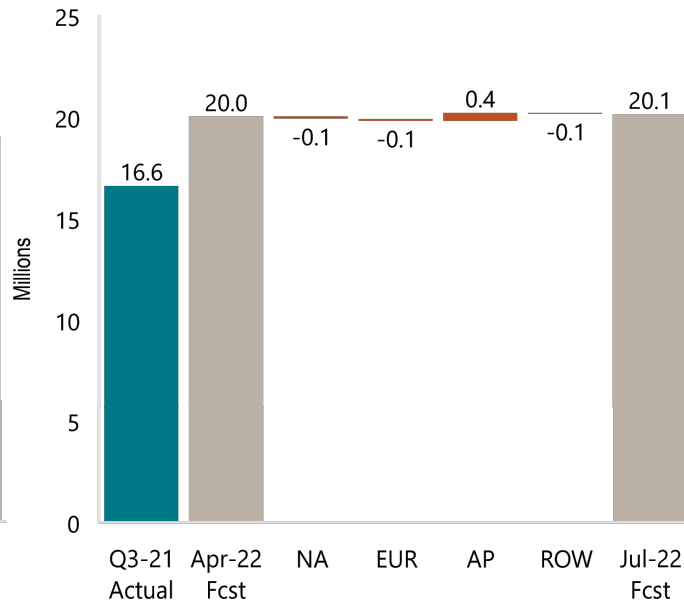
Q2 2022 production forecast decreased by 0.37M units. Q3 2022 forecast increased by 0.1M units. 2022 full-year forecast increased by 0.2M.

Q2-2022 Global Vehicle Production Forecast By Region
Change in Forecast Jul-2022 vs. Apr-2022



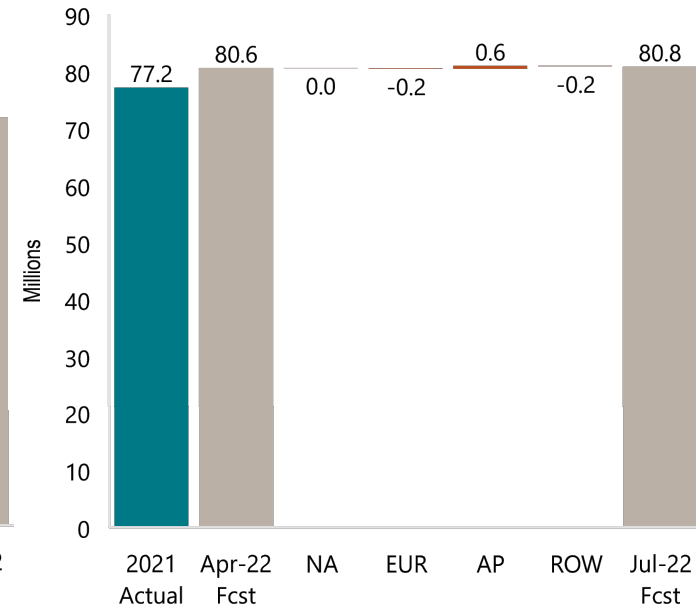
- Q2 2022 production decreased by 0.37M due to COVID lockdowns in China
- Q2 2022 production flat versus Q2 2021

Q3-2022 Global Vehicle Production Forecast By Region
Change in Forecast Jul-2022 vs. Apr-2022



- Q3 2022 forecast increased by 0.1M
- Q3 2022 production expected to be up 21% versus prior year

2022 Global Vehicle Production Forecast By Region
Change in Forecast Jul-2022 vs. Apr-2022



- 2022 full-year outlook increased by 0.2M
- 2022 production expected to be up 5% versus prior year

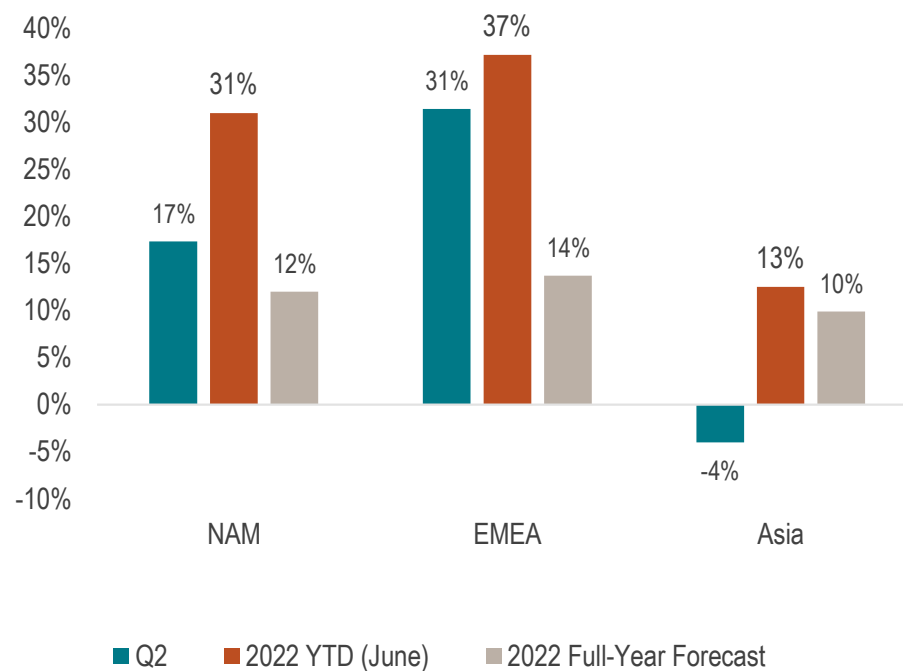
Industrial Segment Impacts - Skyjack

Access Equipment Market Commentary

- Supply chain disruptions including shipping container shortages and higher commodity prices are continuing to negatively impact production, shipments and costs in 2022
- Equipment utilization continues to look positive, notably in Europe where utilization is well above 2019 levels. NA utilization is trending back towards 2019 levels as of late Q2.
 - NAM access market up 17% in Q2, up 31% YTD (June)
 - EMEA access market up 31% Q2, up 37% YTD (June)
 - Asia access market down 4% in Q2, up 12.5% YTD (June)
- 2022 is expected to see double digit growth in all regions globally (NAM, EMEA, Asia) **with a similar picture for 2023**



2022 Access Industry YTD Results & Forecast
% Change vs. Prior Year



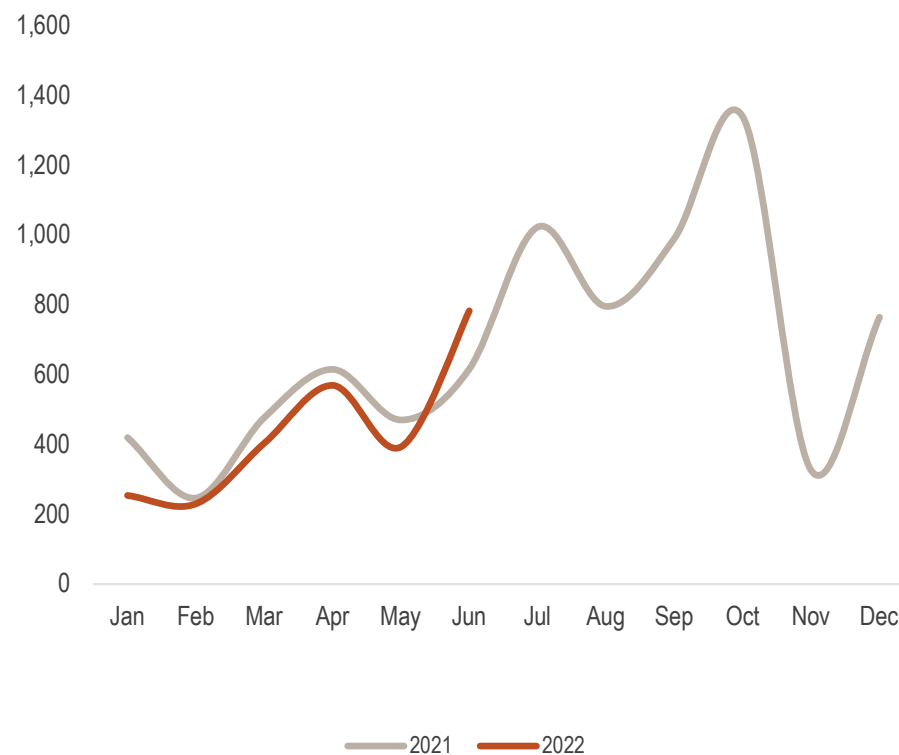
Agricultural Market

Agriculture Market Commentary

- Supply chain disruptions including shipping container shortages and higher commodity prices are continuing to negatively impact production, shipments and costs in 2022.
- Agriculture retailers are seeing very lean inventory supply indicating retail demand is high.
- North America combine retails down 3% in Q2, down 7% YTD (June)
 - Canada combine retails up 3% in Q2, down 15% YTD (June)
 - United States combine down 4% in Q2, down 5% YTD (June)
- **North America expected to be up 10% in 2022, EU and ROW up 5%**



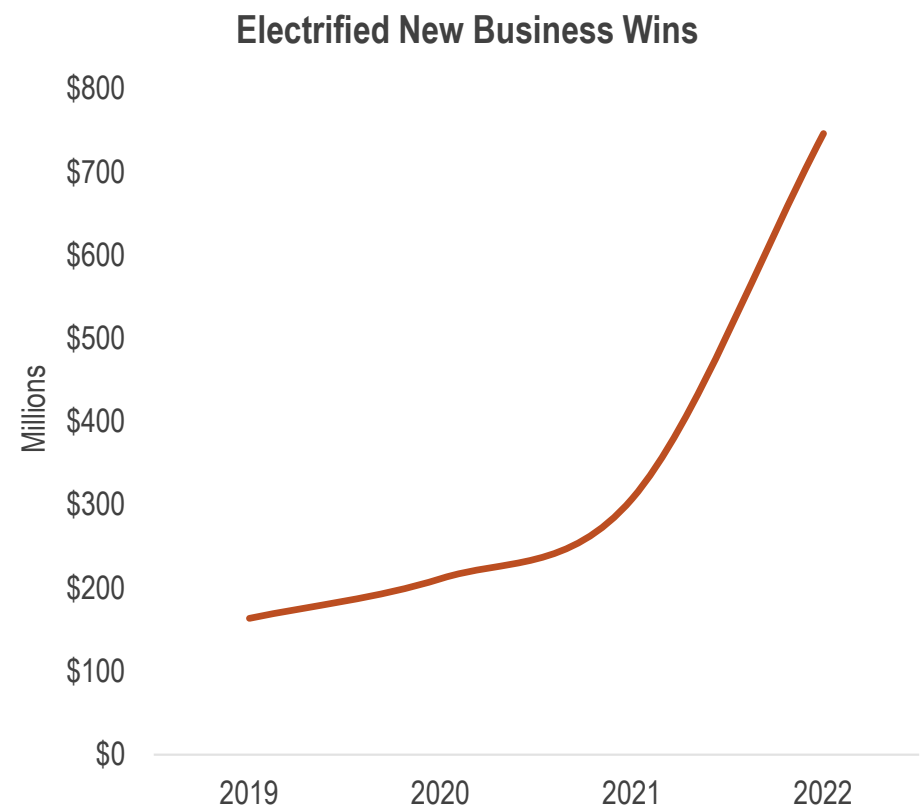
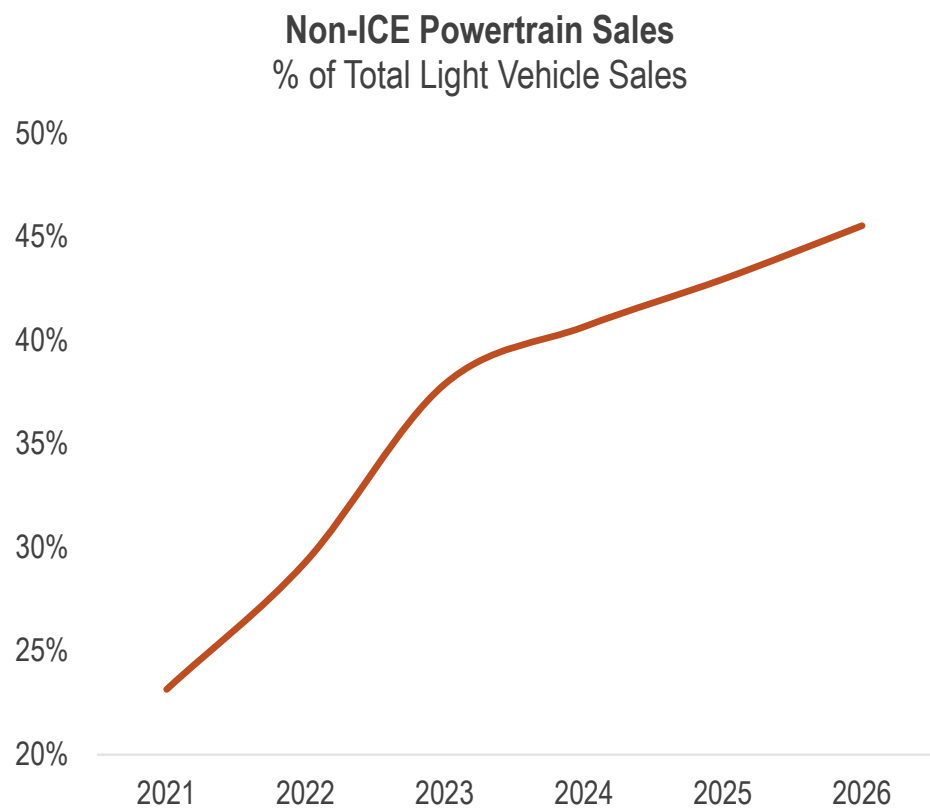
North American Combine Retails



Growth Update and Outlook



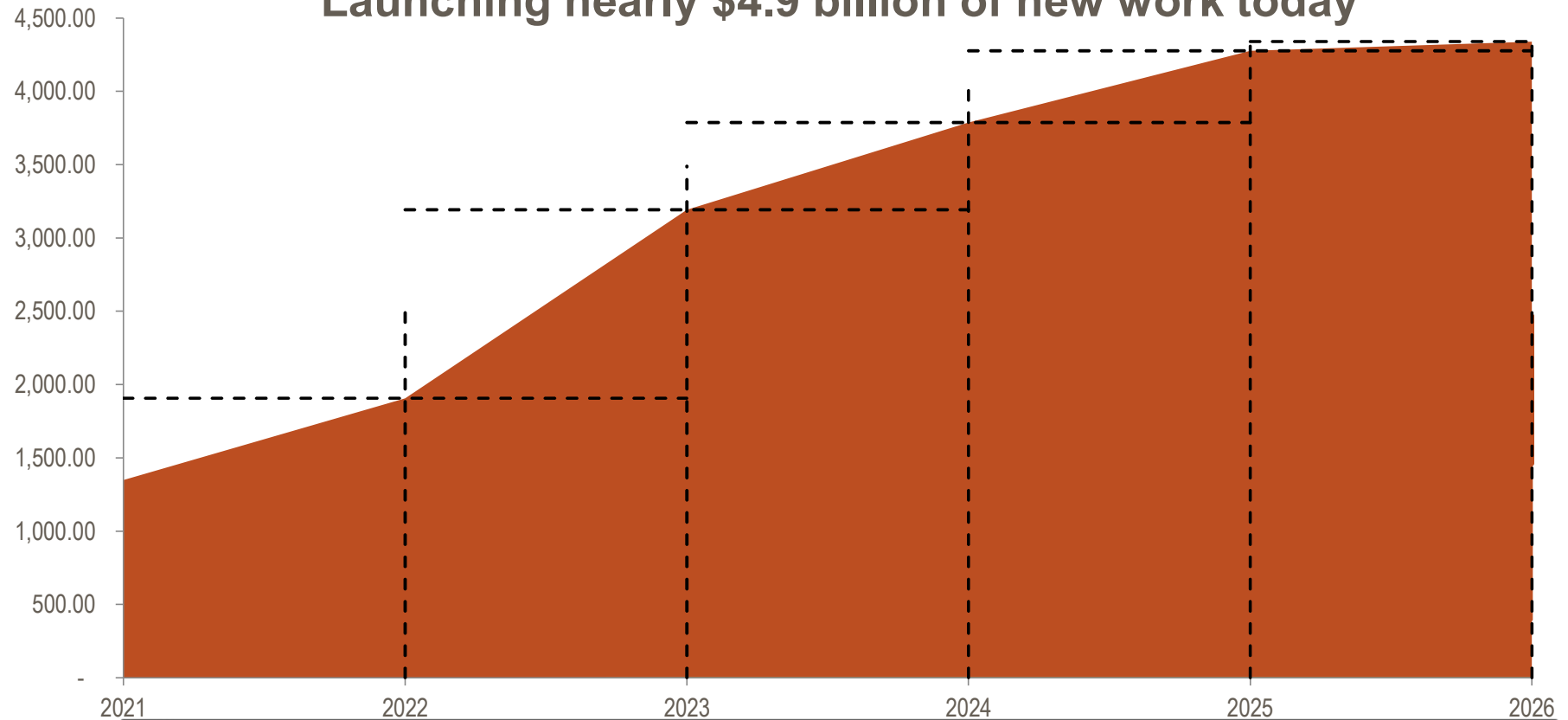
Strong EV Wins Shifting Linamar Sales Mix Dramatically in Future



Source: Linamar Internal, July 2022. Non-ICE powertrain sales include powertrain sales for hybrid electric vehicles

Launches

Launching nearly \$4.9 billion of new work today



Incremental Growth from Launches

\$500 to \$600 Million in 2022

\$800 to \$900 Million in 2023

Outlook

Q3 2022 Expectations

▪ Mobility

- Customer vehicle build recovery continues
 - Sales modestly up from Q2 2022, more meaningfully up from prior year
- Modest margin improvement vs Q2 2022 and Q3 2021

▪ Industrial

- Sales flat to modestly up from Q2 2022, more meaningfully up from prior year
- Modest margin improvement vs Q2 2022 but not nearly at Q3 2021 levels
 - Salford full quarter vs 1 month in Q2
 - Modest improvements in supply chain costs but still meaningfully higher than prior year

▪ General

- Sales, modestly up from Q2 2022, more meaningfully up from prior year
- Normalized Net Margins up from Q2 2022 but flat to down from prior year
- Normalized Net Earnings up vs Q2 2022 and Q3 2021
- The situation is very dynamic and impacts not fully determinable in terms of their impact at this point

Consolidated	Normal Ranges	2021 Actuals	Expectations 2022	Expectations 2023
Sales Growth		12.4%	Double Digit Growth	Double Digit Growth
Normalized EPS Growth ¹		35.8%	High Single Digit Growth	Double Digit Growth
Normalized Net Margin ¹	7.0% - 9.0%	6.6%	Modest Contraction	Expansion into Normal Range
Capex (% of Sales)	6.0% - 8.0%	243m 3.7%	Significantly Up From 2021 Within Normal Range	Similar to 2022 Within Normal Range
Leverage Net Debt: EBITDA		(0.13x)	Continued Strong Balance Sheet	Continued Strong Balance Sheet
Free Cash Flow ¹		\$ 673 m	Solidly Positive	Strongly Positive

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Double Digit Growth	Continued Growth
Normalized Operating Margin ¹	14.0% - 18.0%	12.3%	Contraction	Expansion into Normal Range

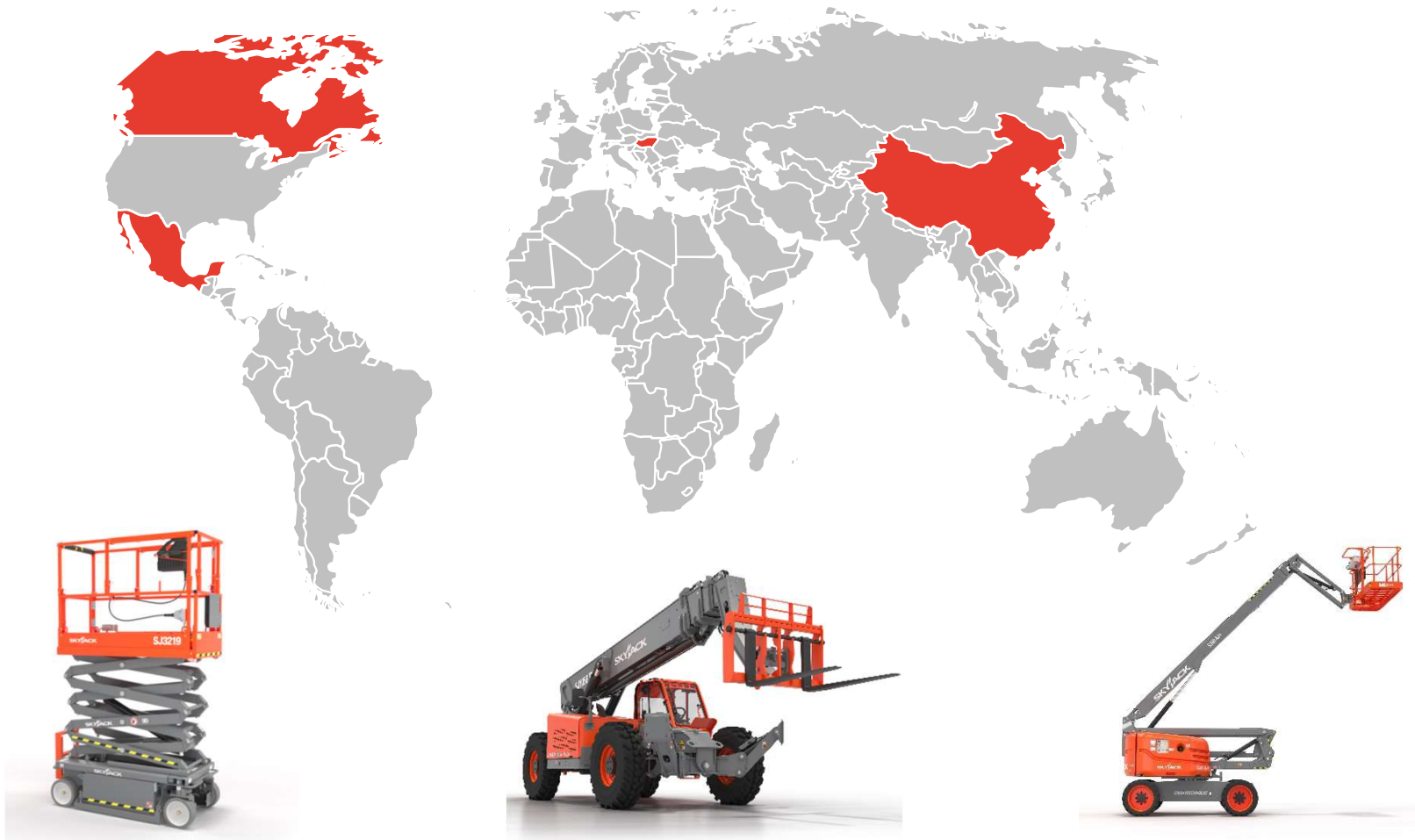
Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$4.9 Billion Driving Incremental Sales Of:		\$421m	\$500 to \$600 million	\$800 to \$900 million
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		Low End of Normal Range	Low End of Normal Range
Normalized Operating Margin ¹	7.0% - 10.0%	8.4%	Modest Contraction	Expansion into Normal Range

¹ - Free Cash Flow in a non-GAAP financial measure. Normalized Earnings per Share (EPS) Growth (representing year-over-year growth of Net Earnings (Loss) per Share – Diluted – Normalized), Normalized Net Margin, and Normalized Operating Margin (representing the respective measures as a percentage of sales) are non-GAAP financial ratios. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

Strategy Updates: Recent Developments



Global Manufacturing Expansion



New Business



New Business Win

\$40M in cylinder head wins for hybrid electric vehicles

Average Annual Revenue

\$40M / year

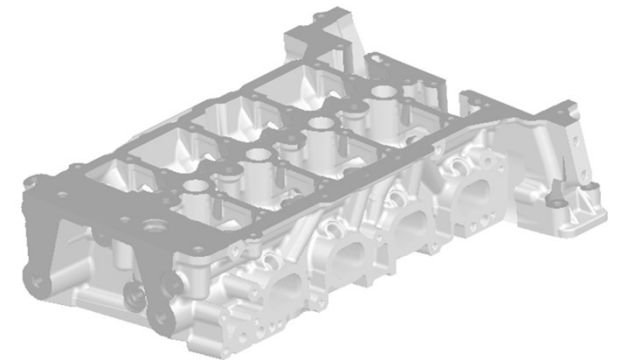
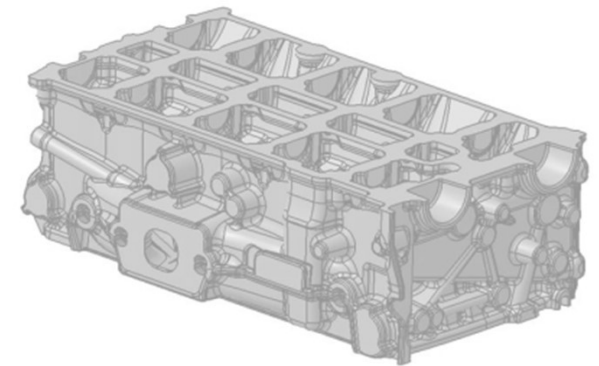
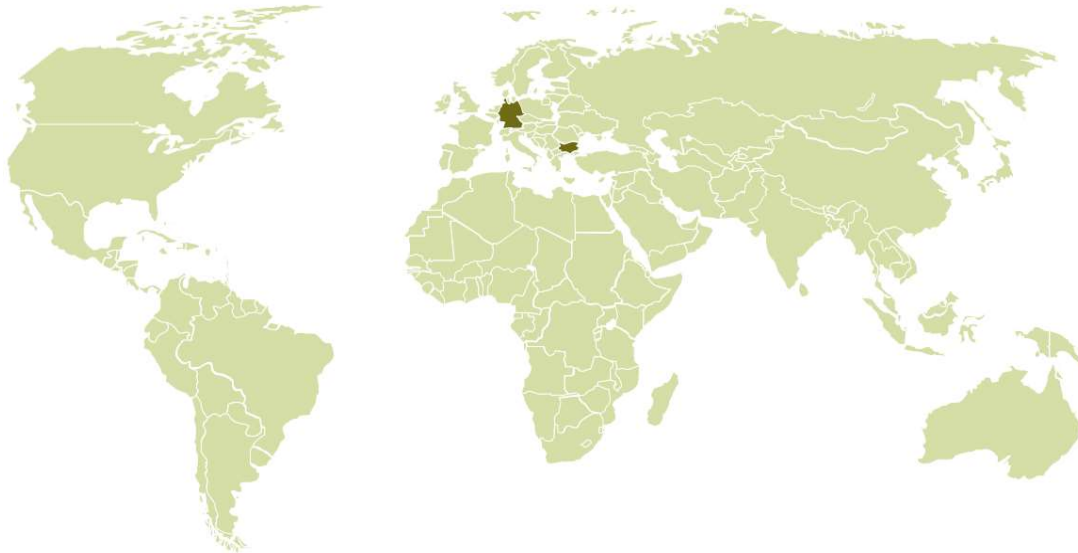
SOP Year

2023

Production Location

Bulgaria

Germany



New Business Win

First commercial vehicle eAxle win. To be used in electric delivery trucks.

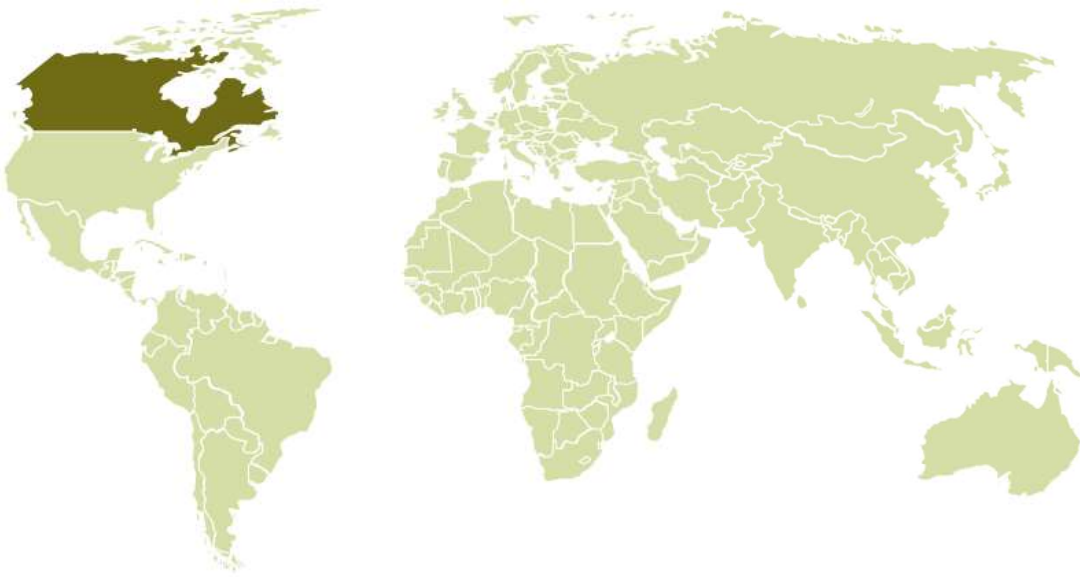
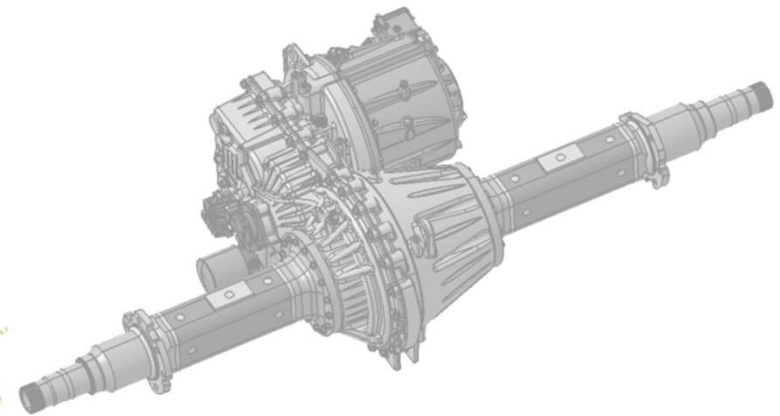
Average Annual Volume

5,000 / year

SOP Year

2023

Production Location
Canada



New Business Win

\$90 million in wins for BEV body, chassis and eAxle components

Average Annual Revenue

\$90M / year

SOP Year

2023, 2024

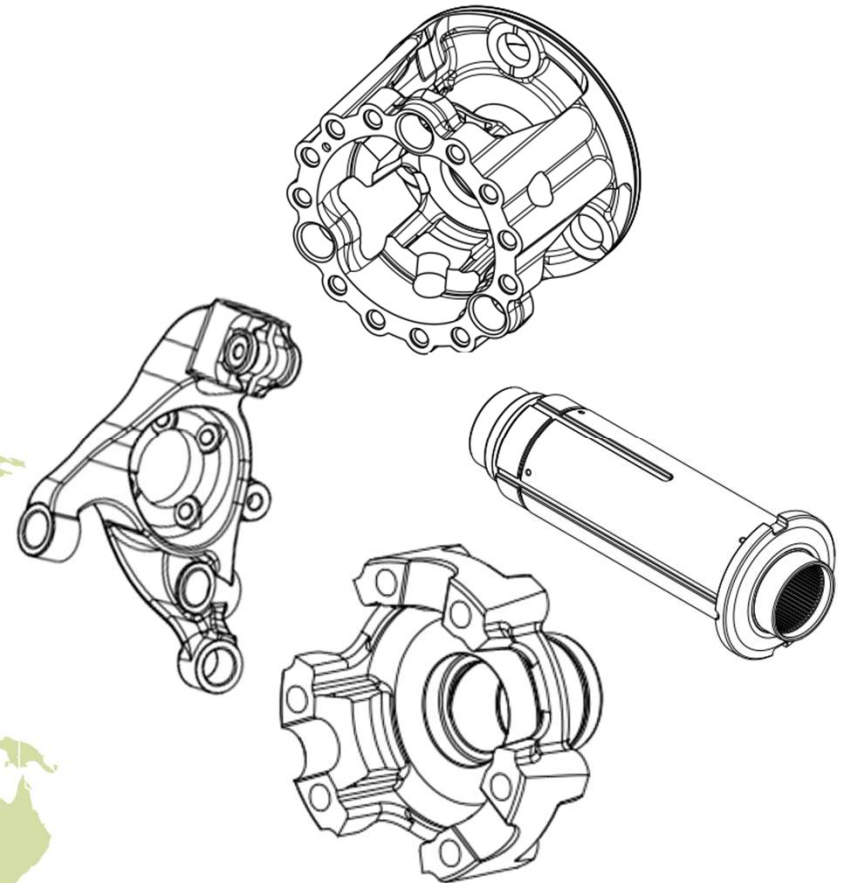
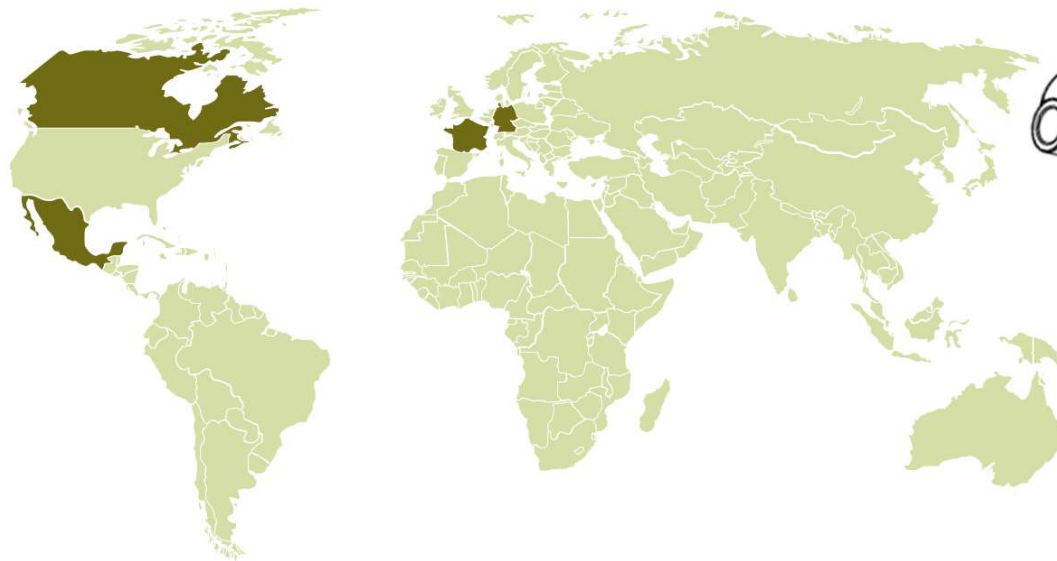
Production Location

Canada

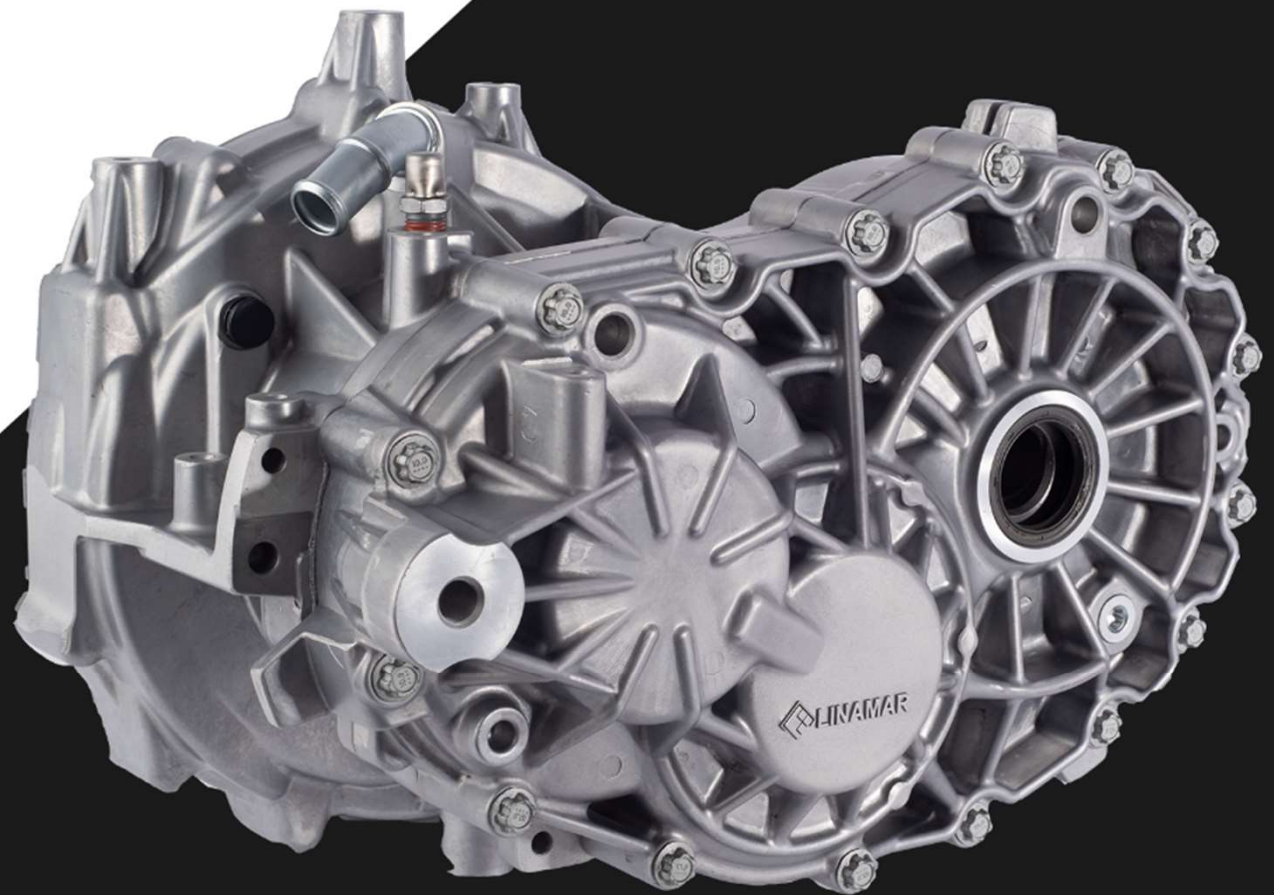
Mexico

France

Germany



Innovation



Innovation: *Salford HALO VRT*

- 'VRT' refers to Variable Rate Tillage
- New Tillage product designed for precision farming
- On-the-go settings that can be adjusted for soil movement, soil leveling and tillage depth,
 - Enabling a savings of time, fuel and the unnecessary disruption of soil in areas where it is not required
- Designed with future automation integration features in mind
- Launched last year in the US Corn Belt to a strong market response, a phased roll-out to occur in other regions in the near-mid term



Innovation in Aerial Work Platforms



SJ45AJ European Specification

- RE-VISUALIZED.
RE-POWERED.
RETURN.
- The SJ45 AJ CE has been redesigned to improve customer return by using SMARTORQUE™ technology and data-driven design.
- Launching in 2022 for Europe from Linamar's manufacturing site in Hungary.



Digitization with AI/ML

65

Plants



5,225

LMMS Data
Collection Connections



3,463

Robots



1,030

Traceability
Marking
Stations



2,925

Connected Machines



1,991

RFID Stations



2,690

Traceability Read Stations



1,207

Vision Systems



6

AGVs



Financial Review

Dale Schneider, CFO



Sales, Normalized Earnings¹, and Margins (in millions CAD)

	Q2 2022	Q2 2021	% Δ
Sales	1,981.6	1,575.3	25.8%
Industrial Sales	504.6	393.5	28.2%
Mobility Sales	1,477.0	1,181.8	25.0%
EBITDA – Normalized ¹	262.9	259.2	1.4%
EBITDA – Normalized Margin ¹	13.3%	16.5%	
Industrial OE – Normalized ¹	49.4	66.3	(25.5%)
Industrial OE – Normalized Margin ¹	9.8%	16.8%	
Mobility OE – Normalized ¹	99.8	85.9	16.2%
Mobility OE – Normalized Margin ¹	6.8%	7.3%	
OE – Normalized ¹	149.2	152.2	(2.0%)
OE – Normalized Margin ¹	7.5%	9.7%	
NE – Normalized ¹	109.3	106.9	2.2%
NE – Normalized Margin ¹	5.5%	6.8%	
EPS – Normalized ¹	1.68	1.63	3.1%

Q2 2022

The **key factors impacting results in the quarter** are:

- Growth in all businesses amplified by market share growth;
- Customer pricing agreements helping to partially offset higher costs; partially offset by
- No government subsidies in 2022 vs 2021;
- The impact of our 2 acquisitions; and
- Negative impact of Foreign Exchange.

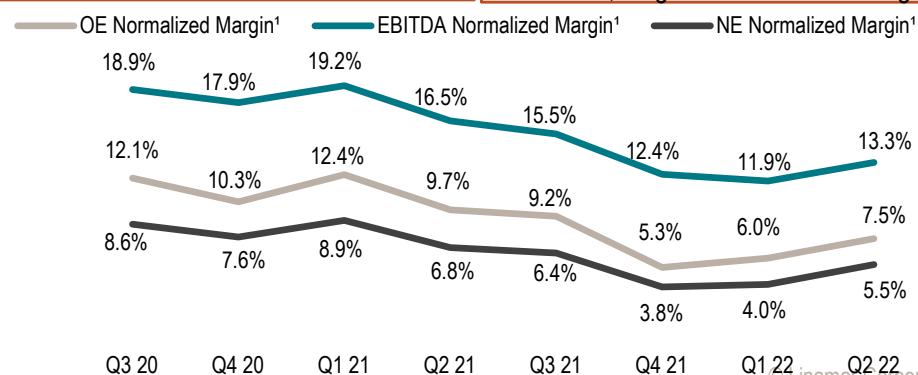
The **key impacts to the segments vs prior year** are:

Mobility

- Markets up 11.8% in NA , down 4.8% EU, down 2.6% AP;
- Market recovery enhanced by launches;
- Increased pricing related to cost recovery partially offsetting associated material, utility and freight costs;
- Impact of Mills River acquisition.

Industrial

- An increase in both access and ag market sales enhanced by market share growth and the Salford acquisition;
- Non repeat of a customer bad debt reversal last year;
- Significant cost issues related to material, labour, freight and utilities challenges.



1 - EBITDA – Normalized, Operating Earnings (OE) – Normalized, and Net Earnings (NE) – Normalized are Non-GAAP Financial Measures. EBITDA – Normalized Margin, Operating Earnings – Normalized Margin, Net Earnings – Normalized Margin, (representing their respective measures as a percentage of sales) and Net Earnings (Loss) per Share – Diluted – Normalized (EPS) are non-GAAP financial ratios. Please refer to “Non-GAAP and Other Financial Measures” in the separately released Q2 2022 MD&A.

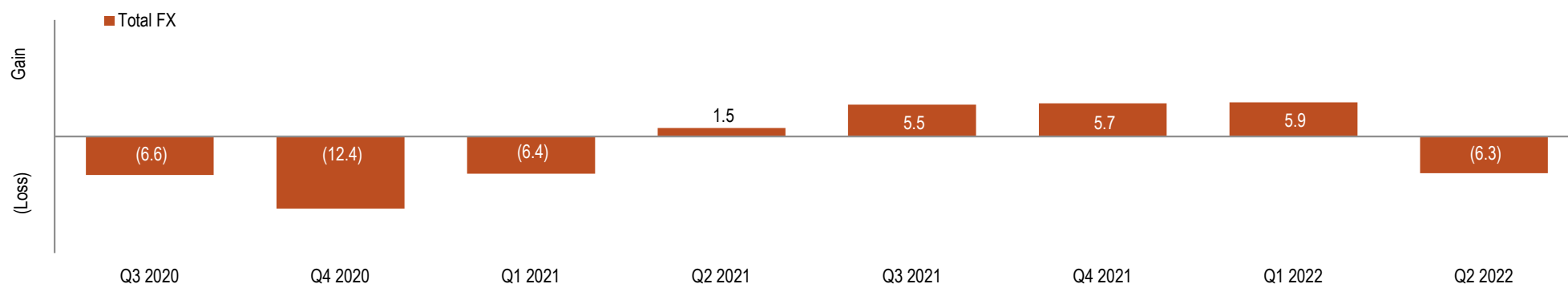
Foreign Exchange Gain/Loss (in millions CAD)

	Q2 2022	Q2 2021	+/-
FX Gain/(Loss) – Operating ¹	(5.4)	1.5	(6.9)
FX Gain/(Loss) – Financing	(0.9)	-	(0.9)
Total FX Gain/(Loss)	(6.3)	1.5	(7.8)

Operating Earnings Margin	7.3%	9.8%
OE – Normalized Margin ²	7.5%	9.7%

FX Gain/(Loss) – Impact on EPS FD ³	(0.07)	0.02
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- Total FX Loss was \$6.3 which resulted from a \$5.4 FX Loss – Operating and a \$0.9 FX Loss – Financing.
- FX Loss – Operating was comprised of a \$9.7 loss in Industrial and \$4.3 gain in Mobility.
- FX Loss impacted EPS by 7 cents in the quarter.



1 - Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

2 - Operating Earnings (OE) – Normalized Margin represents its respective measure as a percentage of sales and is a non-GAAP financial ratio. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

3 - FX Gain/(Loss) - Impact on Earnings Per Share Fully Diluted (EPS FD) divides the tax effected foreign exchange impact by the Company's diluted number of shares.

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

	Q2 2022	Q2 2021
Sales	504.6	393.5
Operating Earnings	39.7	73.7
Foreign Exchange ¹ (Gain)/Loss	9.7	(7.4)
Operating Earnings – Normalized ²	49.4	66.3
Operating Earnings Margin	7.9%	18.7%
OE – Normalized Margin ²	9.8%	16.8%

- **Industrial sales** increased by 28.2% or \$111.1 to \$504.6.
- The sales were helped by:
 - an increase in agricultural sales from market growth further improved by global market share growth in all core products;
 - additional access equipment sales primarily due to increased market volumes in North America for all products amplified by North American market share growth in booms and global market share growth in scissors;
 - higher sale prices achieved to help relieve the current supply cost pressures; and
 - increased sales related to the acquisition of Salford.
- **Normalized Industrial OE** decreased \$16.9 or 25.5% to \$49.4.
- The Normalized OE was hurt by:
 - the one-time gain in Q2 2021 for receivables collected that had been previously provided for;
 - an increase in material, labour, freight and utilities costs;
 - a reduction in the utilization of Government COVID-19 support programs; and
 - an unfavourable impact from the changes in FX rates from Q2 2021.
- The Normalized OE was helped by:
 - the increased sales at Skyjack; and
 - the increased sales at MacDon.

1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

2 – Operating Earnings – Normalized is a non-GAAP financial measure. Operating Earnings (OE) – Normalized Margin represents its respective measure as a percentage of sales and is a non-GAAP financial ratio. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

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

	Q2 2022	Q2 2021
Sales	1,477.0	1,181.8
Operating Earnings	104.1	80.0
Foreign Exchange ¹ (Gain)/Loss	(4.3)	5.9
Operating Earnings – Normalized ²	99.8	85.9
Operating Earnings Margin	7.0%	6.8%
OE – Normalized Margin ²	6.8%	7.3%

- **Mobility sales** increased by 25.0% or \$295.2 to \$1,477.0.
- The sales were helped by:
 - a sales increase primarily due to improvements supply related issues experienced by our customers compared to Q2 2021;
 - increased pricing related to cost recovery partially offsetting the associated raw material, utilities and freight increases;
 - increased sales related to the acquisition of the remaining 50% interest in the joint venture GFL; and
 - additional sales for launching programs and increased volumes for certain programs.
- The sales were hurt by:
 - a negative FX impact related to the change in rates since last year.
- **Normalized Mobility OE** were higher by \$13.9 or 16.2% to come in at \$99.8.
- Mobility normalized earnings were helped by:
 - the improving customer supply related issues which helped out volumes; and
 - the volume increases on launching and certain mature programs.
- Mobility normalized earnings were hurt by:
 - the acquisition of the remaining 50% interest in the joint venture GFL;
 - the reduction in global COVID-19 government support; and
 - supply cost issues that are impacting raw material, freight and utilities costs.

1 – Foreign Exchange as a result of the revaluation of operating balances due to changes in foreign exchange rates.

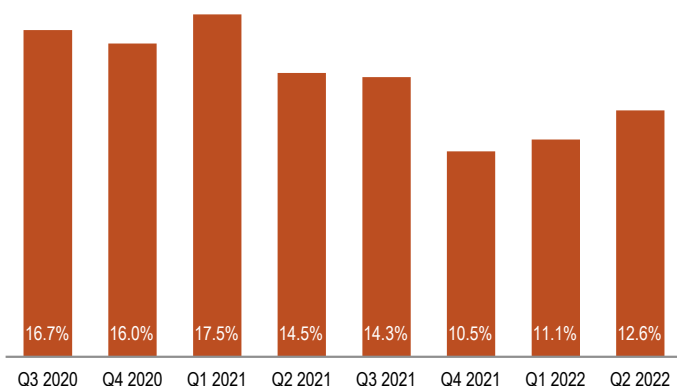
2 – Operating Earnings – Normalized is a non-GAAP financial measure. Operating Earnings (OE) – Normalized Margin represents its respective measure as a percentage of sales and is a non-GAAP financial ratio. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

Operating Expenses (in millions CAD)

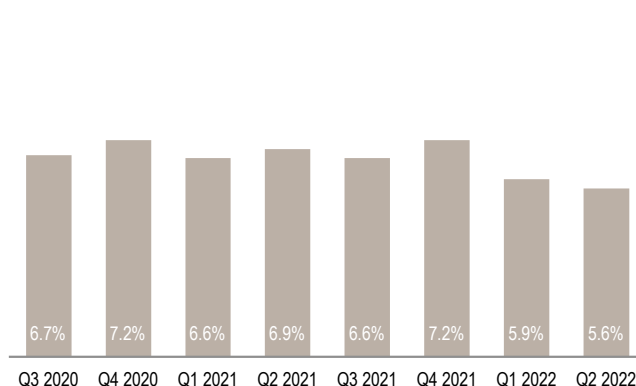
	Q2 2022	Q2 2021	+/-	%
Sales	1,981.6	1,575.3	406.3	25.8%
Cost of Goods Sold	1,731.7	1,346.8	384.9	28.6%
Gross Margin	249.9	228.5	21.4	9.4%
Gross Margin as a % of Sales	12.6%	14.5%		
Cost of Goods Sold Amortization	110.0	109.4	0.6	0.5%
COGS Amortization as a % of Sales	5.6%	6.9%		
Selling, General, and Administrative	100.7	77.0	23.7	30.8%
SGA as a % of Sales	5.1%	4.9%		

- Gross Margin was \$249.9 in the quarter and was impacted by the same factors that impacted each business segment. (See the previous two slides)
- Amortization improved to 5.6% for the quarter.
- SG&A increased to \$100.7 for the quarter and was impacted by:
 - the one-time gain in Q2 2021 for receivables collected that had been previously provided for;
 - global travel restrictions lifting which naturally increased travel costs;
 - the acquisitions costs associated with GFL and Salford; and
 - the reduction in global COVID-19 government support.

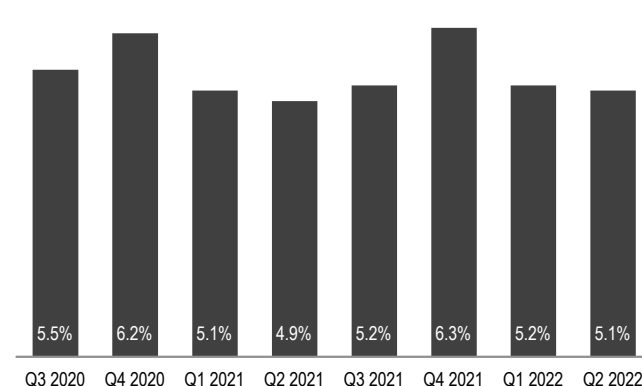
■ Gross Margin as a % of Sales



■ COGS Amortization as a % of Sales



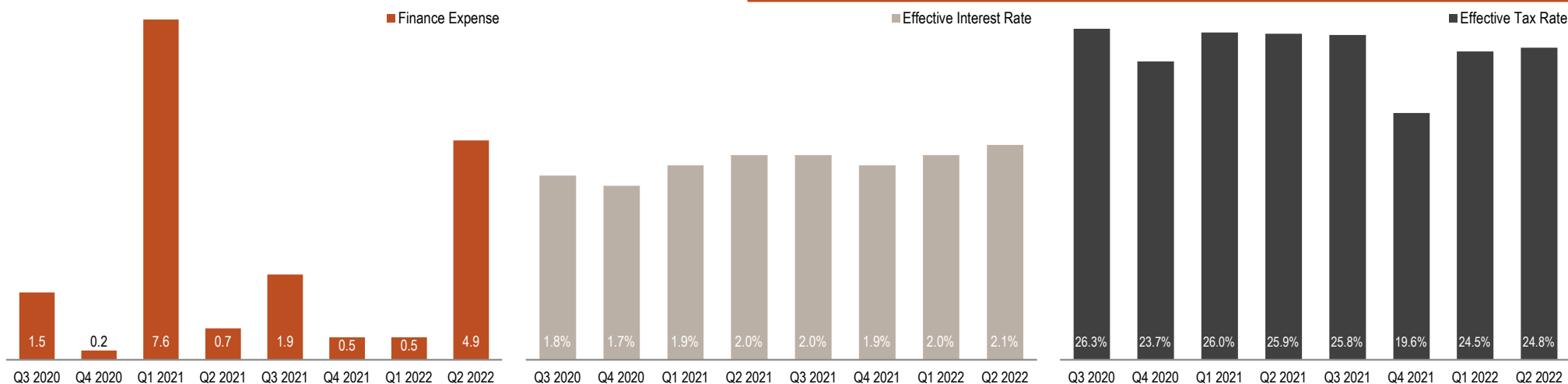
■ SGA as a % of Sales



Finance Expenses & Income Tax (in millions CAD)

	Q2 2022	Q2 2021	+/-
Finance Expense	4.9	0.7	4.2
Effective Interest Rate	2.1%	2.0%	0.1%
Effective Tax Rate	24.8%	25.9%	(1.1%)

- Finance expenses increased by \$4.2.
- Finance expenses were hurt by:
 - lower interest earned due to the decreasing long-term receivable balances;
 - increase in interest costs due to change in the Bank of Canada rates;
 - increased borrowings to fund business acquisitions and share repurchase program; and
 - an increase in FX impacts on debt and derivatives.
- The tax rate decreased to 24.8% in the quarter from last year.
- Full year 2022 tax rate expected to be in the range of 24% to 26% and consistent with the 2021 full year tax rate.

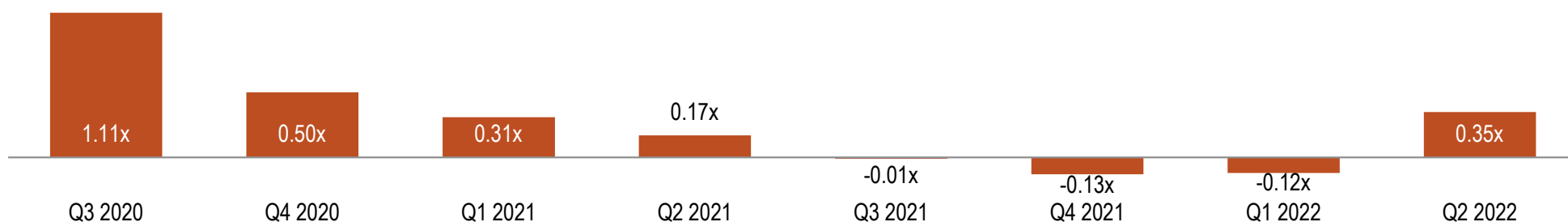


Leverage (in millions CAD)

	Q2 2022	Q2 2021
Cash Position	877.5	731.6
Available Cash on Credit Facilities	527.0	957.6
Net Debt to EBITDA	0.35x	0.17x
Debt to Capitalization ³	20.6%	17.3%

■ Net Debt to EBITDA

- Cash position at the end of the quarter was \$877.5.
- Linamar generated \$66.4 in Cash from Operating Activities.
- Net Debt to EBITDA was increased to 0.35x due acquisitions and share buybacks.
- Based on current estimates, we are expecting 2022 to maintain our strong balance sheet and leverage is expected to remain low.
- Liquidity¹ remains strong at \$1.4 billion.



¹ - Liquidity is a non-GAAP financial measure. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

² - EBITDA includes trailing twelve months EBITDA on acquisitions, when applicable. 2020 Net Debt to EBITDA was restated in Q1 2021.

³ - Debt to Capitalization is a non-GAAP financial ratio and the Company finds it useful in assessing the Company's capital structure. For Debt to Capitalization the most directly comparable measure is Equity as presented in the Company's Consolidated Statements of Financial Position and is calculated for Q2 2022 as Short-term borrowings of \$Nil (Q2 2021 - \$Nil) and Long-term debt of \$1,215 million (Q2 2021 - \$930 million) (Total Debt) divided by Total Debt of \$1,215 million (Q2 2021 - \$930 million) and Equity of \$4,602 million (Q2 2021 - \$4,493 million), less Contributed surplus of \$30 million (Q2 2021 - \$27 million) less Accumulated other comprehensive earnings (loss) of (\$116) million (Q2 2021 - \$6 million).

Conclusion

- Sales growth in both Mobility and Industrial.
- Market share growth in Mobility, Skyjack and MacDon.
- Economic hardship recoveries achieved in Mobility.
- Available Liquidity¹ remains strong at \$1.4 billion.
- Very active in the share buyback program (NCIBs).
- Completed two acquisitions in the Quarter.

1 - Liquidity is a non-GAAP financial measure. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

Question and Answer



Outlook

Q3 2022 Expectations

▪ Mobility

- Customer vehicle build recovery continues
 - Sales modestly up from Q2 2022, more meaningfully up from prior year
- Modest margin improvement vs Q2 2022 and Q3 2021

▪ Industrial

- Sales flat to modestly up from Q2 2022, more meaningfully up from prior year
- Modest margin improvement vs Q2 2022 but not nearly at Q3 2021 levels
 - Salford full quarter vs 1 month in Q2
 - Modest improvements in supply chain costs but still meaningfully higher than prior year

▪ General

- Sales, modestly up from Q2 2022, more meaningfully up from prior year
- Normalized Net Margins up from Q2 2022 but flat to down from prior year
- Normalized Net Earnings up vs Q2 2022 and Q3 2021
- The situation is very dynamic and impacts not fully determinable in terms of their impact at this point

Consolidated	Normal Ranges	2021 Actuals	Expectations 2022	Expectations 2023
Sales Growth		12.4%	Double Digit Growth	Double Digit Growth
Normalized EPS Growth ¹		35.8%	High Single Digit Growth	Double Digit Growth
Normalized Net Margin ¹	7.0% - 9.0%	6.6%	Modest Contraction	Expansion into Normal Range
Capex (% of Sales)	6.0% - 8.0%	243m 3.7%	Significantly Up From 2021 Within Normal Range	Similar to 2022 Within Normal Range
Leverage Net Debt: EBITDA		(0.13x)	Continued Strong Balance Sheet	Continued Strong Balance Sheet
Free Cash Flow ¹		\$ 673 m	Solidly Positive	Strongly Positive

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Double Digit Growth	Continued Growth
Normalized Operating Margin ¹	14.0% - 18.0%	12.3%	Contraction	Expansion into Normal Range

Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$4.9 Billion Driving Incremental Sales Of:		\$421m	\$500 to \$600 million	\$800 to \$900 million
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		Low End of Normal Range	Low End of Normal Range
Normalized Operating Margin ¹	7.0% - 10.0%	8.4%	Modest Contraction	Expansion into Normal Range

¹ - Free Cash Flow in a non-GAAP financial measure. Normalized Earnings per Share (EPS) Growth (representing year-over-year growth of Net Earnings (Loss) per Share – Diluted – Normalized), Normalized Net Margin, and Normalized Operating Margin (representing the respective measures as a percentage of sales) are non-GAAP financial ratios. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q2 2022 MD&A.

Key Messages



Market Dynamics Improving



**74% YTD NBW EV,
First Commercial Vehicle eAxle**



Returning \$\$ to Shareholders





Thank You

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