



Linamar Corporation

Q3 Update on Market Conditions

October 11, 2022

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External Market Conditions Commentary

Summary of Key Highlights

The commentary on the following slides is an update to the Q3 market outlook which was shared during our Q2 Earnings Call on August 10, 2022.

Mobility Segment

- **Q3 Light Vehicle production forecast down meaningfully in Europe vs. prior expectation**
- Input costs such as Labour, Raw Material and especially European Energy have continued to escalate

Industrial Segment

- Agriculture
 - **Q3 QTD combine retails expected to be softer than anticipated**
- Access Market
 - **Supply chain constraints continue to impact ability to meet demand**
 - AWP global market up 15% Q3 QTD (2 months through August)

Supply Chain

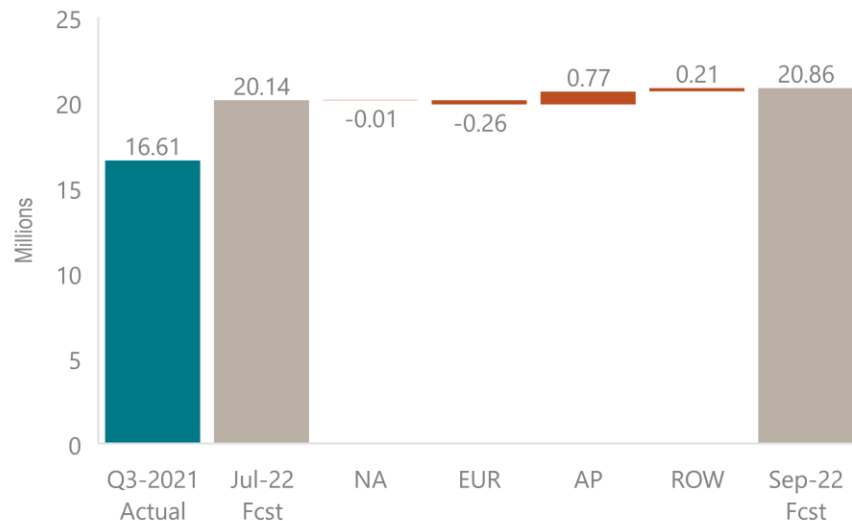
- **Continuing to see escalation of costs in Energy, Labour & Purchased Components**
- Supply chain constraints have shown some improvement, however still impacting ability meet market demand

Global LV Auto Market: Q3 & 2022FY

Q3 Light Vehicle production is forecast to be meaningful down in Europe vs. the prior forecast

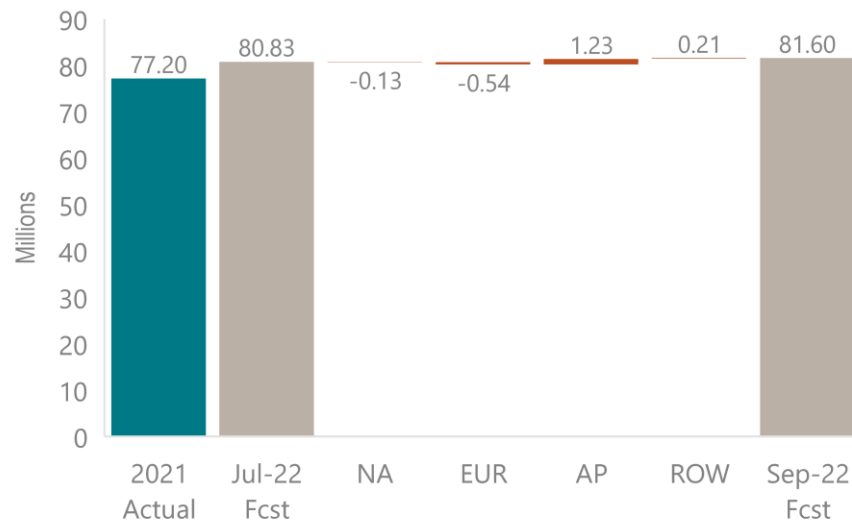
Q3-2022 Global Vehicle Production Forecast By Region

Change in Forecast Sep-2022 vs. Jul-2022



2022 Global Vehicle Production Forecast By Region

Change in Forecast Sep-2022 vs. Jul-2022



- Linamar's significant markets in both North America and Europe were down from the prior forecast
 - Europe was meaningfully down 260,000 units compared to the prior forecast

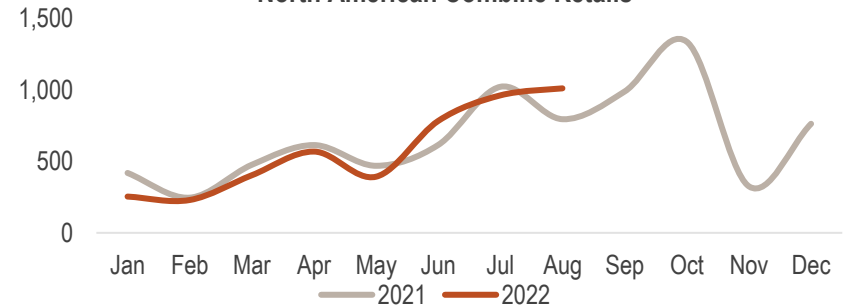
- The 2022 full-year forecast was revised upward by 772,000 units
 - Europe and NA both down, offset by an increase in AP

Industrial Segment - Agriculture

Agriculture Market Commentary

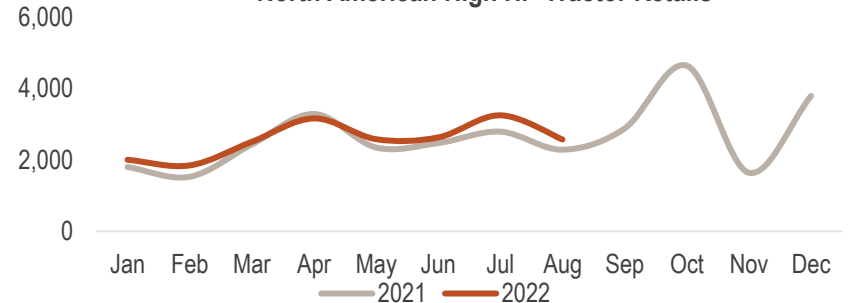
- Supply chain issues continue to persist and although moderating to some degree they continue to act as a ceiling to market upside
- Commodity pricing and higher input costs pressures continue to hamper business
- Agriculture equipment retailers are seeing very lean inventory indicating retail demand is high.
 - North America combine retails down 1% through 8 months August YTD. For the quarter, up 8% Q3 QTD (2 months through August), **Q3 softer than expected**
 - North American High HP tractor retails up 8% through 8 months August YTD, up 10% for Q3 QTD (2 months through August)
- North America combine retails expected to finish up 10% in 2022, EU and ROW up 5%, however, supply chain constraints may pose risk to this expectation
- North American High HP tractor retails expected to be up 15% in 2022

North American Combine Retails



Combine retails are a Proxy for MacDon's main market demand drivers

North American High HP Tractor Retails

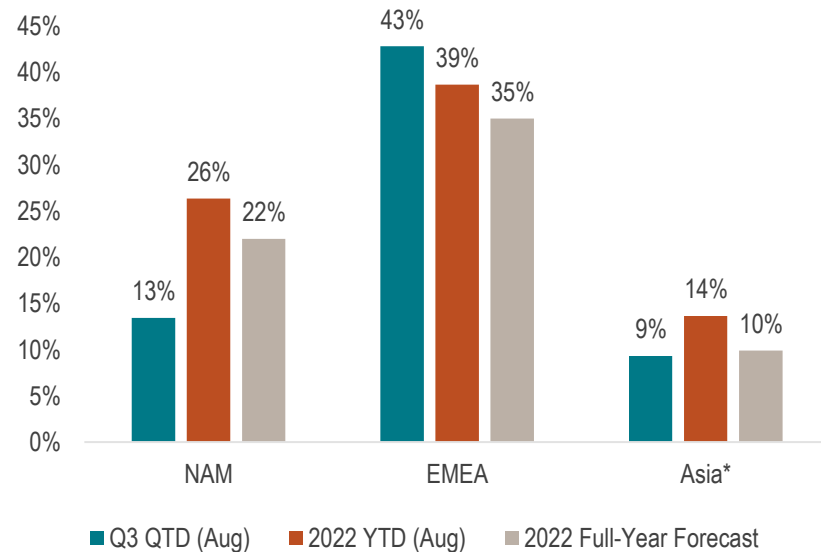


Industrial Segment - Access

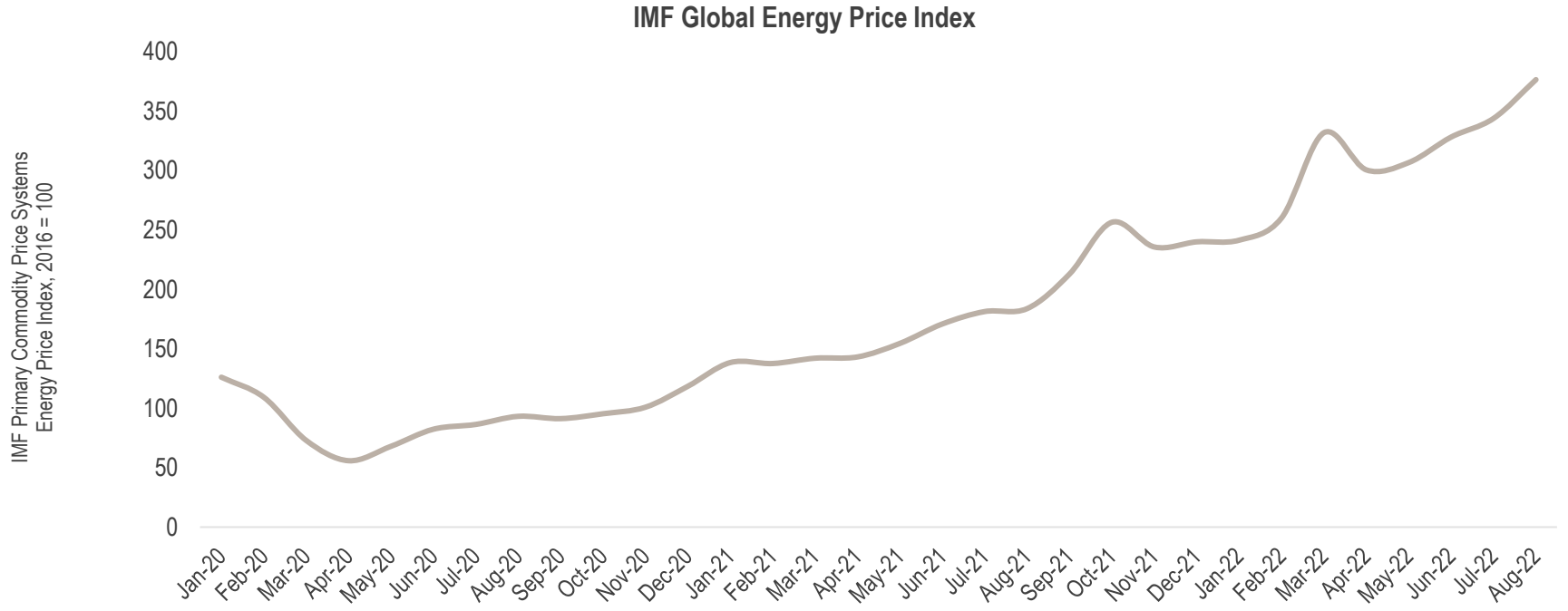
Access Equipment Market Commentary

- **Supply chain shortages and higher commodity prices are continuing to limit production and shipments as well as negatively impact costs in 2022**
 - Energy surcharges having negative impact on costs in Europe
- Stable end market demand activity with equipment utilization levels expected to be within 4% of peak 2019 levels
 - NAM access market up 26% Aug YTD, up 13% Q3 QTD (2 months through August)
 - EMEA access market up 39% Aug YTD, up 43% Q3 QTD (2 months through August)
 - Asia access market up 14% Aug YTD, up 9% Q3 QTD (2 months through August)
- CY2022 still expected to see double digit growth in all regions globally (NAM, EMEA, Asia)

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




Energy Cost, Notably in Europe, Putting Pressure on Cost Internally and Within Supply Base





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