



LINAMAR

2023 Q1 Conference Call Presentation

Linda Hasenfratz, Executive Chair & CEO
May 10, 2023



For Audio Only Dial in:
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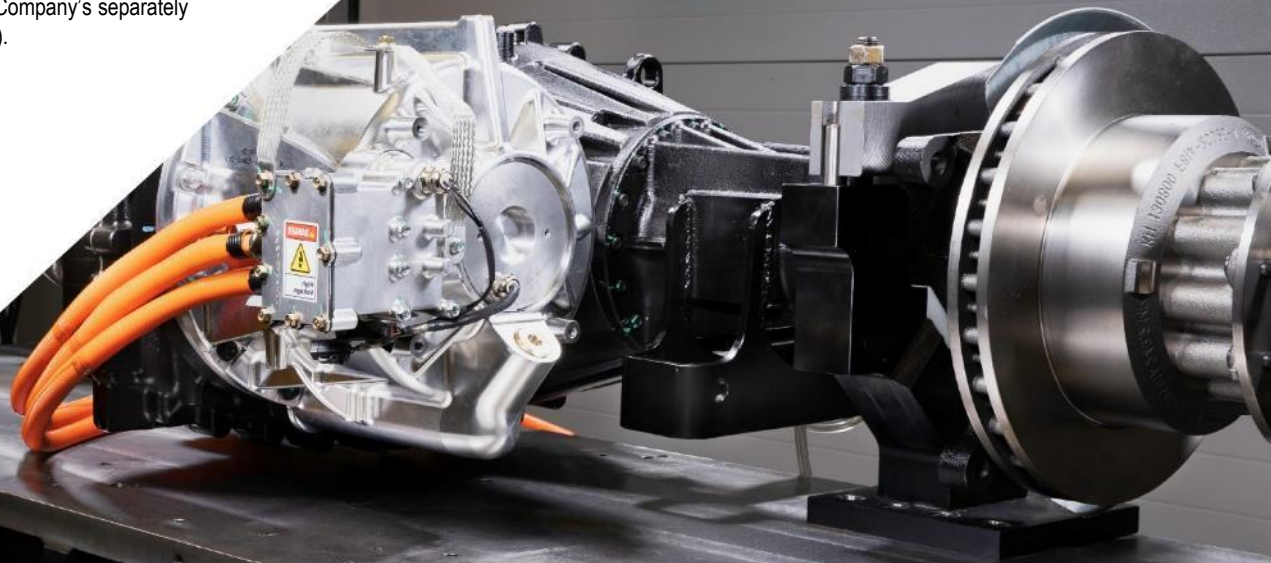


Forward Looking Information, Risk and Uncertainties

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 Q4 2022 Management's Discussion and Analysis (MD&A).



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

	Q1 2023	Q1 2022	% Δ
Sales	2,292.7	1,778.1	28.9%
Industrial Sales	585.0	368.2	58.9%
Mobility Sales	1,707.7	1,409.9	21.1%
EBITDA – Normalized ¹	297.1	210.8	40.9%
EBITDA – Normalized Margin ¹	13.0%	11.9%	
Industrial OE – Normalized ¹	97.5	13.4	627.6%
Industrial OE – Normalized Margin ¹	16.7%	3.6%	
Mobility OE – Normalized ¹	78.3	93.1	(15.9%)
Mobility OE – Normalized Margin ¹	4.6%	6.6%	
OE – Normalized ¹	175.8	106.5	65.1%
OE – Normalized Margin ¹	7.7%	6.0%	
NE – Normalized ¹	121.7	70.9	71.7%
NE – Normalized Margin ¹	5.3%	4.0%	
EPS – Normalized ¹	1.98	1.08	83.3%

Q1 2023

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

- Excellent performance in the Industrial segment; and
- Strong performance from launching business and recovering markets in the Mobility segment; partially offset by
- Higher SGA and fixed costs supporting growth
- A slowdown in our Asia Pacific group due to covid outbreaks
- Increased costs partially offset by customer price recoveries

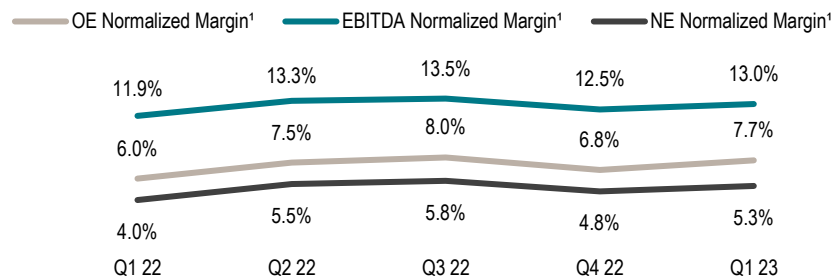
The **key impacts to the segments vs prior year** are:

Mobility

- Markets up 9.8% in NA , 17.4% in EU, and flat at 0.6% in AP
 - Market recovery enhanced by strong launch performance; offset by
- Weak quarter for Asia Pacific re Covid
- Impact of Mills River acquisition
- Increased costs partially offset by customer pricing relief

Industrial

- Significant increase in both our access and ag business sales on stronger markets enhanced by market share growth
- Salford acquisition performing very well
- Increased costs offset by pricing

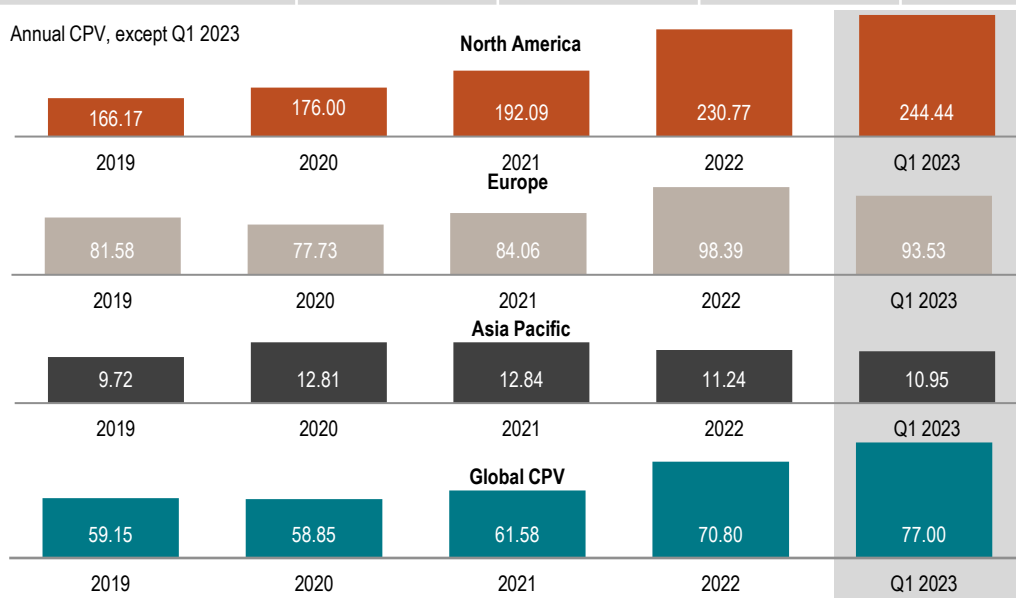


¹ - EBITDA – Normalized, Operating Earnings (OE) – Normalized, and Net Earnings (NE) – Normalized are Non-GAAP Financial Measures. EBITDA – Normalized Margin, Operating Earnings – Normalized Margin, Net Earnings – Normalized Margin, (representing their respective measures as a percentage of sales) and 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 Q1 2023 MD&A.

Automotive Sales & Content Per Vehicle² (CPV)

	CPV Q1 2023	CPV Q1 2022	CPV % Change	Vehicle Production Units % Change	Automotive Sales Q1 2023 (CAD Millions)	Automotive Sales Q1 2022 (CAD Millions)	Automotive Sales % Change
North America	244.44	208.73	17.1%	9.8%	985.6	767.0	28.5%
Europe	93.53	99.20	(5.7%)	17.4%	429.1	388.2	10.5%
Asia Pacific	10.95	11.89	(7.9%)	0.6%	124.5	134.4	(7.4%)
Global CPV ¹	77.00	68.31	12.7%	5.9%	1,539.2	1,289.6	19.4%
Other Automotive Sales	-	-	-	-	77.7	47.8	62.6%

Annual CPV, except Q1 2023



- Another new record for CPV achieved in North America.
 - Launching business
 - Sales from Mills River acquisition
 - Programs we have significant business with that have enjoyed disproportionately higher volumes

1 – Global CPV includes only the markets that Linamar serves of North America, Europe, and Asia Pacific. Source: IHS Markit, April 2023.

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)

	Q1 2023	Q1 2022	% Change
Sales	675.8	440.7	53.3%

MacDon

- Global combine draper market up in double digits, North America up triple digits
- Global market share growth in all products

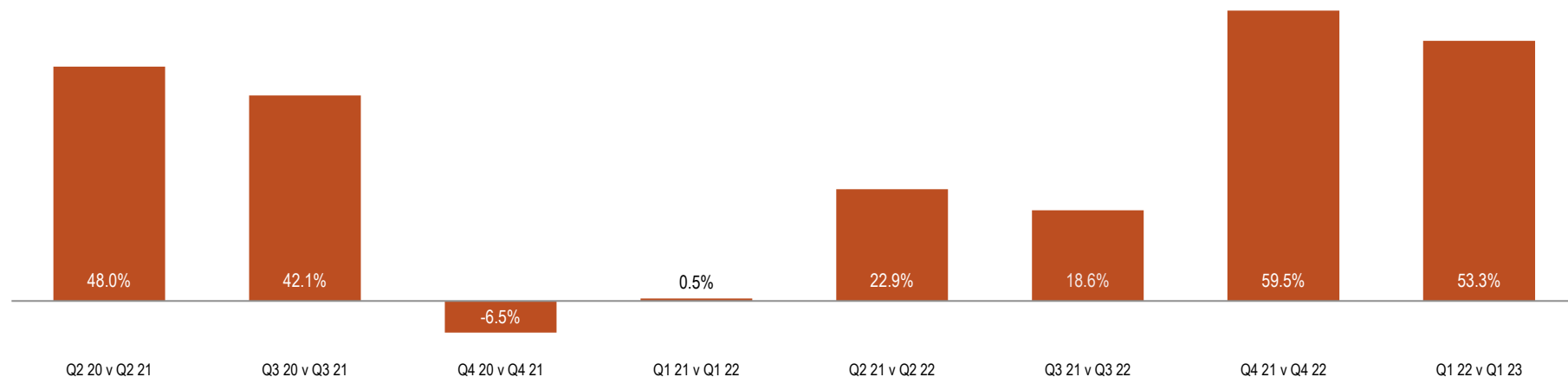
Salford

- Strong quarter well up from prior year is enhancing ag business growth
- Dealer sentiment is strong

Skyjack

- Global markets up double digits
- Market share growth in targeted products and regions

■ QvQ¹ Change in Commercial & Industrial Sales Growth



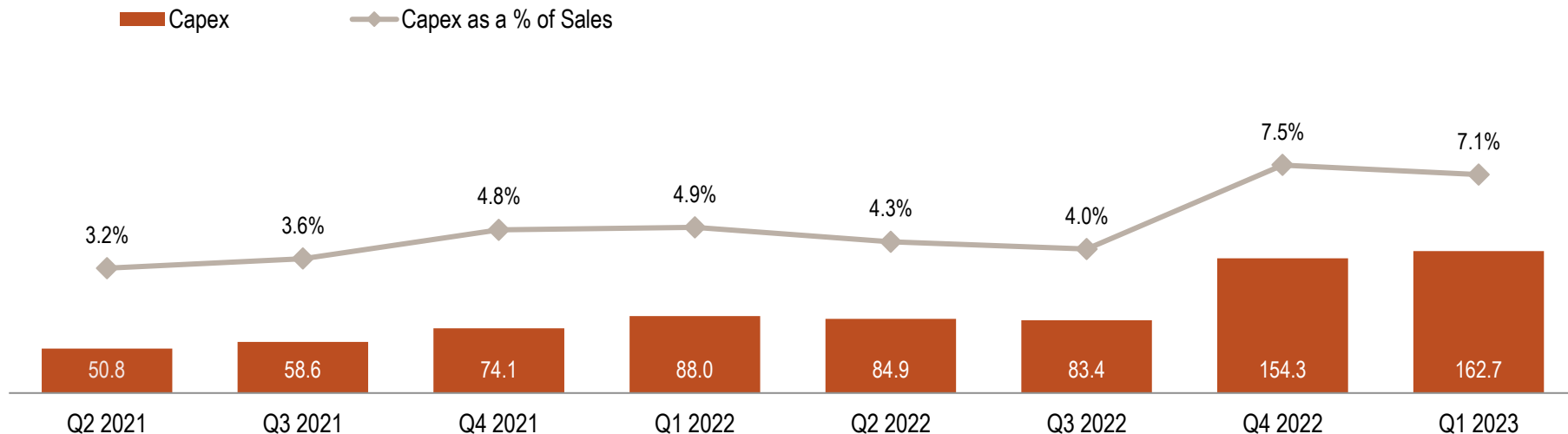
1 – Quarter versus quarter (QvQ) indicates year over year comparison of two of the same quarters.

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

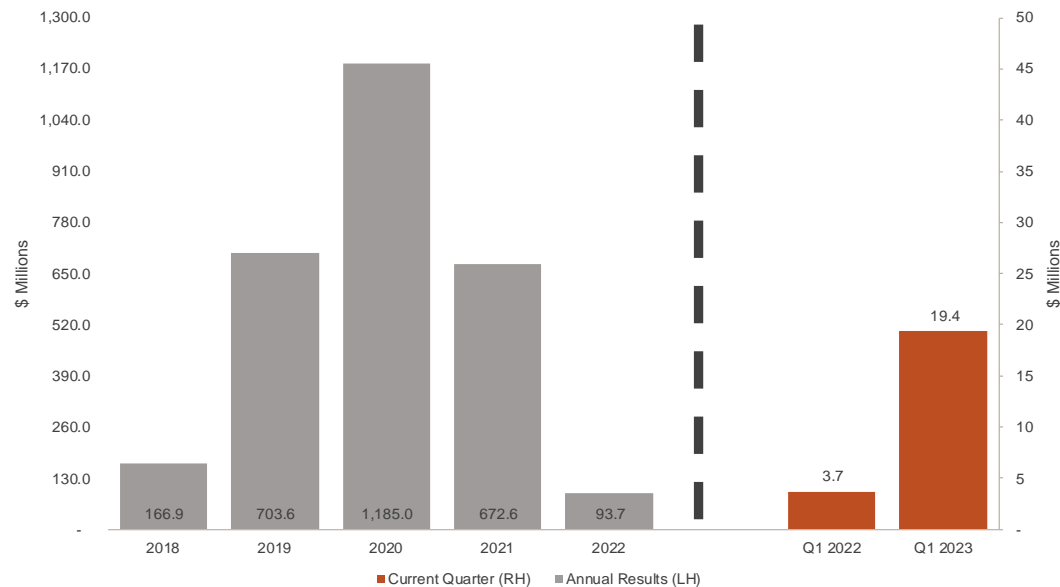
Capital Expenditures (in millions CAD)

	Q1 2023	Q1 2022
Capital Expenditures (Capex)	162.7	88.0
Capex as a % of Sales	7.1%	4.9%

- Capex trending back to our normal 6-8% of sales levels in 2023 as expected
- 6-8% of sales investment in capex drives double digit sales growth



Cash Flow Continues to be a Key Priority



- FCF¹ positive on strong earnings despite heavier capex;
- Liquidity¹ remains excellent with \$1.3 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 Q1 2023 MD&A.

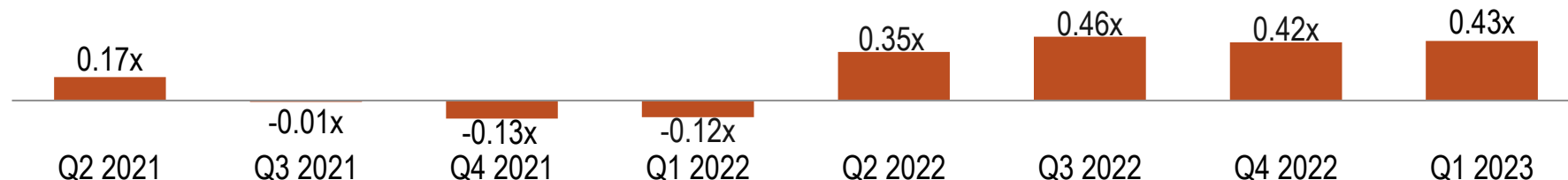
2 - Free Cash Flow in 2019 has been adjusted for additions of property, plant and equipment related to the dissolution of a joint venture.

Leverage (in millions CAD)

	Q1 2023	Q4 2022	Q1 2022
Net Debt ¹	475.5	447.9	(110.3)
Net Debt to EBITDA ²	0.43x	0.42x	(0.12)x

■ Net Debt to EBITDA

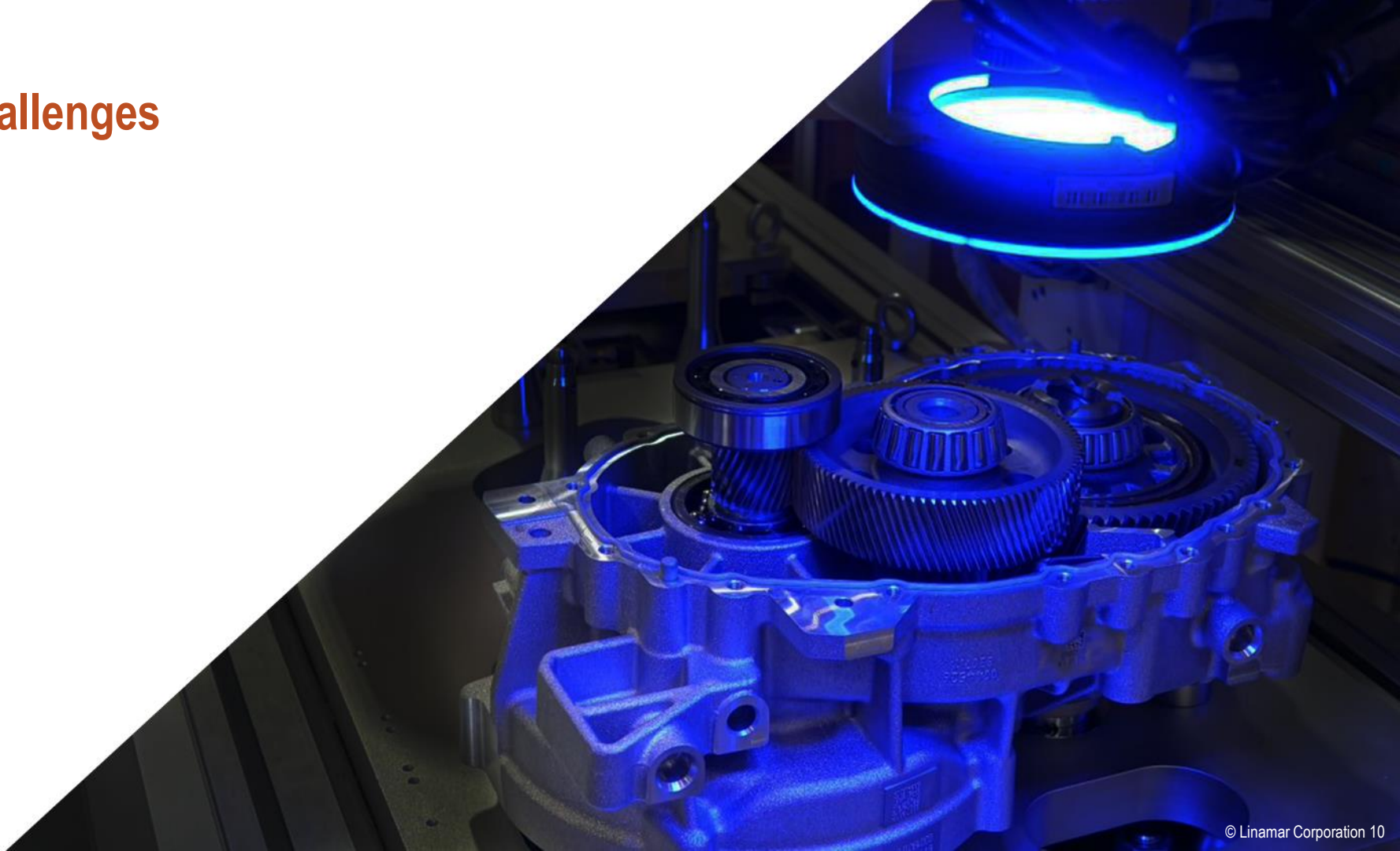
- Balance sheet has remained consistently strong and is in excellent shape at 0.43x Net Debt to EBITDA
- Solid liquidity and balance sheet positions us well for continued acquisition opportunities as they arise.



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 Q1 2023 this calculation is Short Term Borrowings of \$Nil (Q1 2022 - \$Nil) plus Long-Term Debt of \$1,366 million (Q1 2022 - \$794 million) less Cash of \$891 million (Q1 2022 - \$904 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



Starting to See Some Improvements in Energy Prices in Europe



Supply Chain Shortages



Slow Improvements



Spiking Commodity Prices



Improved from 2022 Highs for Most Commodities



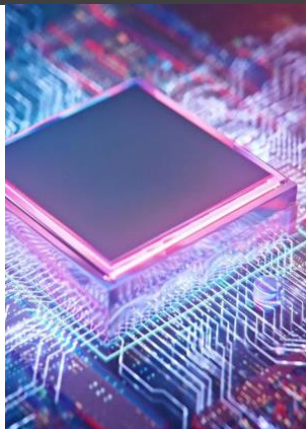
Labour Challenges



Seeing Some Improvement in Some Areas



Semi Conductor Chip Shortages



Improving Each Quarter, Less Volatile



Major Increases in Freight Costs







Asia Back to Pre Covid Levels, Europe Finally Trending Down






Markets, Backlog and Sales Outlook



Market Snapshot

				
2023	Light Vehicle	Commercial Truck	Agriculture	Access
North America	▲ 5.2%	▼ -1.5%	▲ 5%	▲ 9.6%
Europe	▲ 7.0%	▼ -1.7%	0%	▲ 9.3%
Asia	▲ 2.3%	▲ 22.5%	n/a	▲ 13.3%
Rest of World	▲ 4.6%	n/a	0%	n/a

			
2024	Light Vehicle	Commercial Truck	Access
North America	▲ 3.4%	▲ 3.3%	▲ 4.3%
Europe	▲ 3.7%	▲ 4.9%	▲ 5.1%
Asia	▲ 2.6%	▲ 17.1%	▲ 7.7%
Rest of World	▲ 6.4%	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.

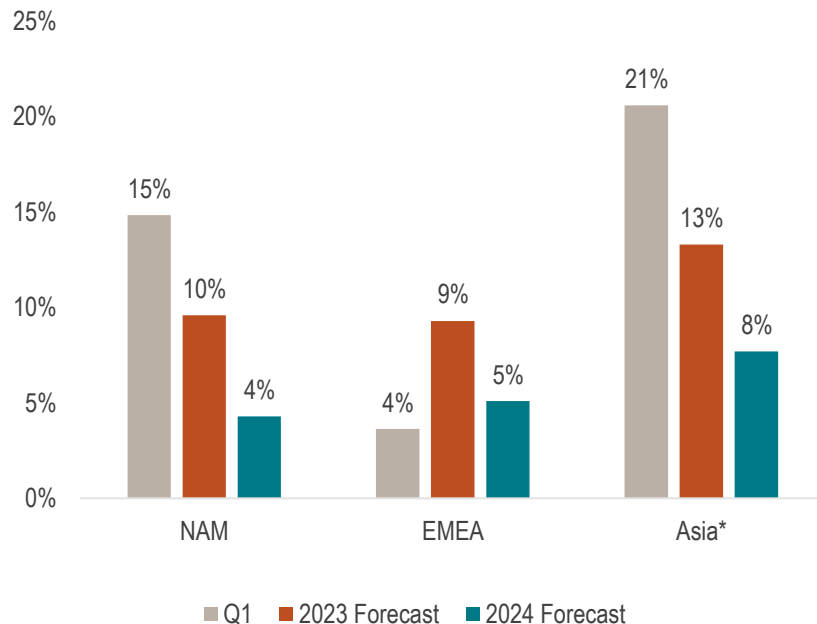
Industrial Segment - Access

Access Equipment Market Commentary

- Supply chain shortages and higher commodity prices are continuing to limit production and shipments as well as negatively impact costs.
- Rental demand is strong as companies look to counter fleet aging experienced during COVID.
- Stable end market demand activity with equipment utilization levels now in line with peak 2019 levels
 - NAM access market up 15% in Q1
 - EMEA access market up 4% in Q1
 - Asia access market up 21% in Q1
- NAM and Asia expected to see double-digit growth in 2023, EMEA expected to be up 9%. Mid-single digit growth expected for 2024



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

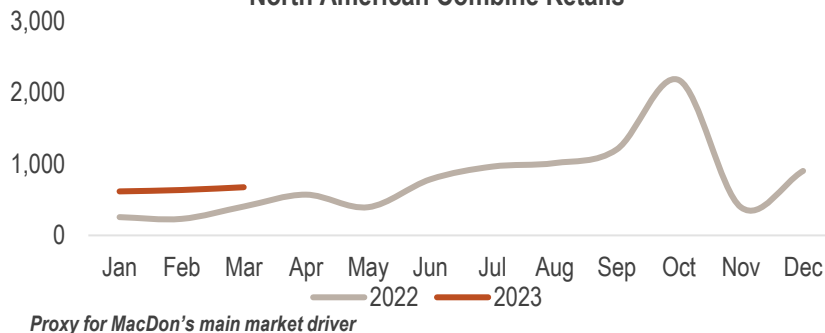


Industrial Segment - Agriculture

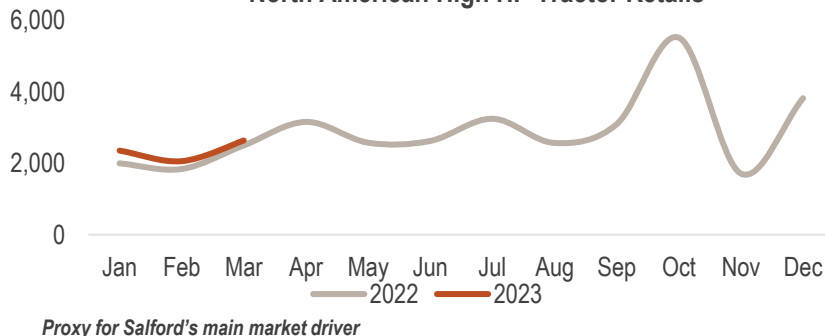
Agriculture Market Commentary

- Supply chain issues continue to persist, and although moderating to some degree, they continue to impact customer deliveries
- Inventory remains lean within Ag. equipment retailers which continues to drive demand from manufacturers
- Dealer sentiment is strong in both the tillage and self-propelled application segments, but is tempered by availability due to capacity and supply chain
 - North America combine retails up 117% in Q1 2023
 - North American High HP tractor retails up 11% in Q1 2023
- 2023 combine retails expected to be up 5% in NA, flat in ROW, and EU
- North American High HP tractor retails expected to be up 5% in 2023, flat in ROW and EU

North American Combine Retails

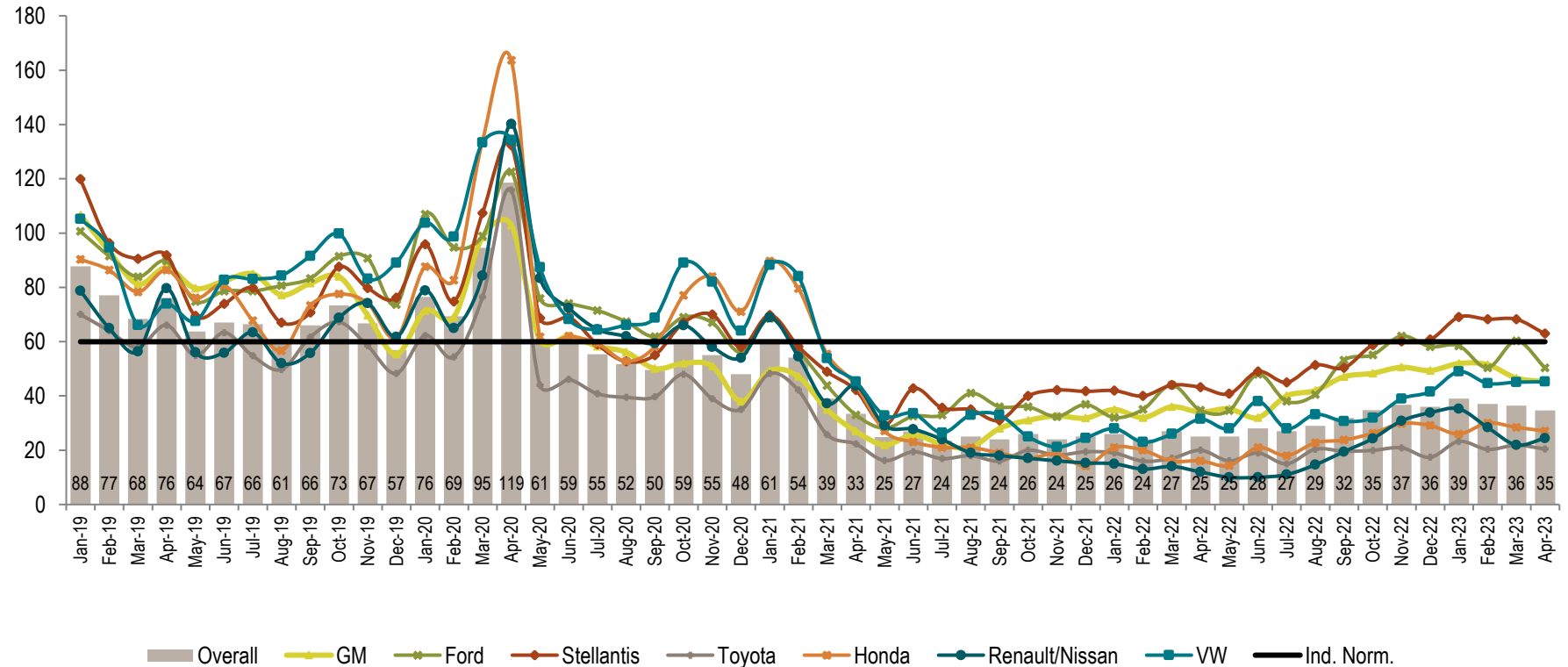


North American High HP Tractor Retails



US Light Vehicle Inventory – Days' Supply

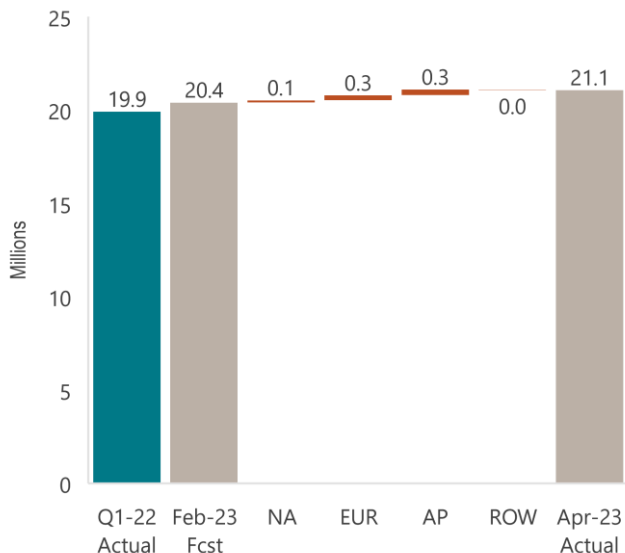
Inventory still well below industry norm of 60 days' supply



Global Light Vehicle Market: Q1 2023, Q2 2023, and 2023

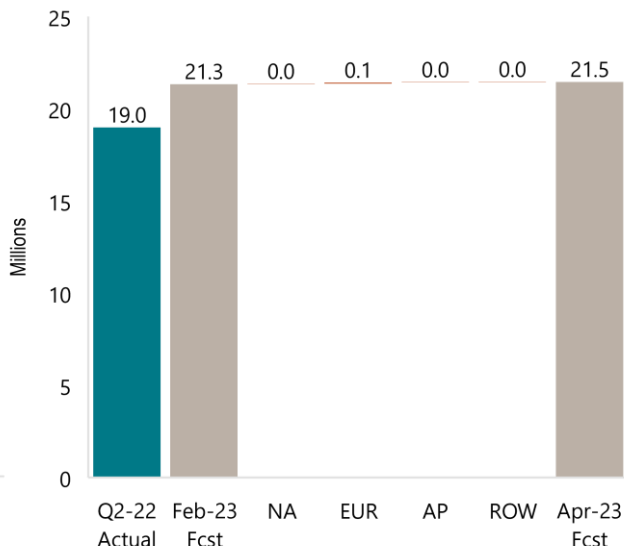
Q1 2023 production increased by 0.7M units. Q2 2023 forecast increased by 0.1M units. 2023 full-year forecast increased by 0.4M.

Q1-2023 Global Vehicle Production By Region
Change in Production Apr-2023 vs. Feb-2023 Forecast



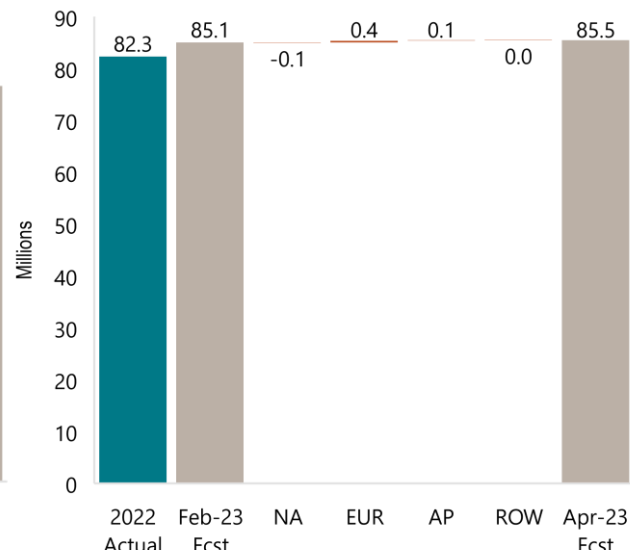
- Q1 2023 production increased by 661,000 units on improved supply chains in Europe and Japan / Korea
- Q1 2023 production increased 6% versus Q1 2022

Q2-2023 Global Vehicle Production Forecast By Region
Change in Forecast Apr-2023 vs. Feb-2023



- Q2 2023 forecast relatively unchanged versus prior quarter, +122,000 units
- Q2 2023 production expected to be up 13% versus prior year

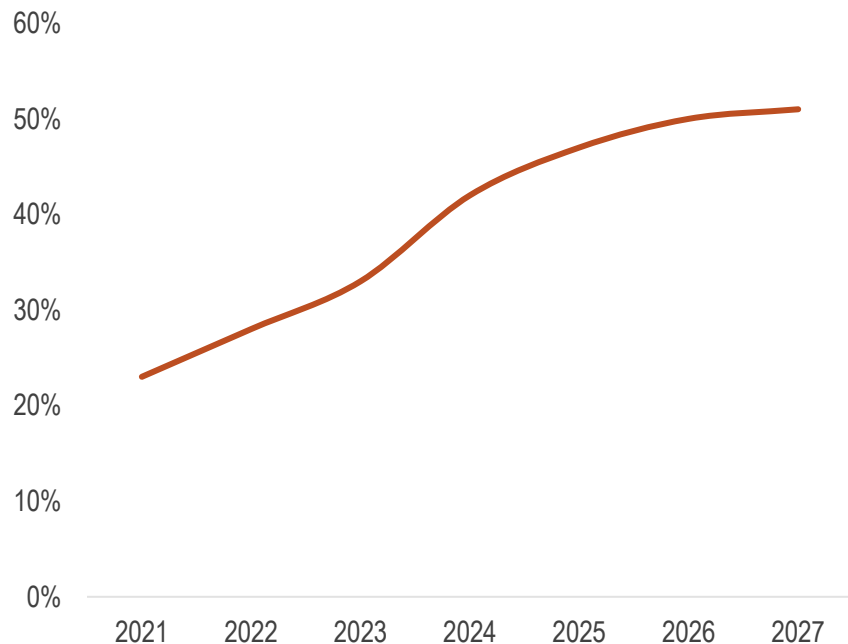
2023 Global Vehicle Production Forecast By Region
Change in Forecast Apr-2023 vs. Feb-2023



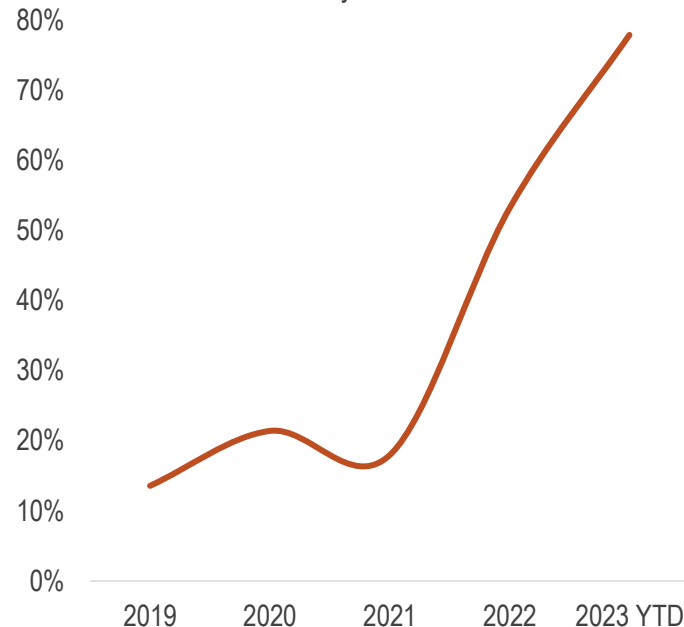
- 2023 full-year outlook Increased by 394,000
- 2023 production expected to be up 4% versus prior year

Strong EV Wins Shifting Linamar Sales Mix Dramatically in Future

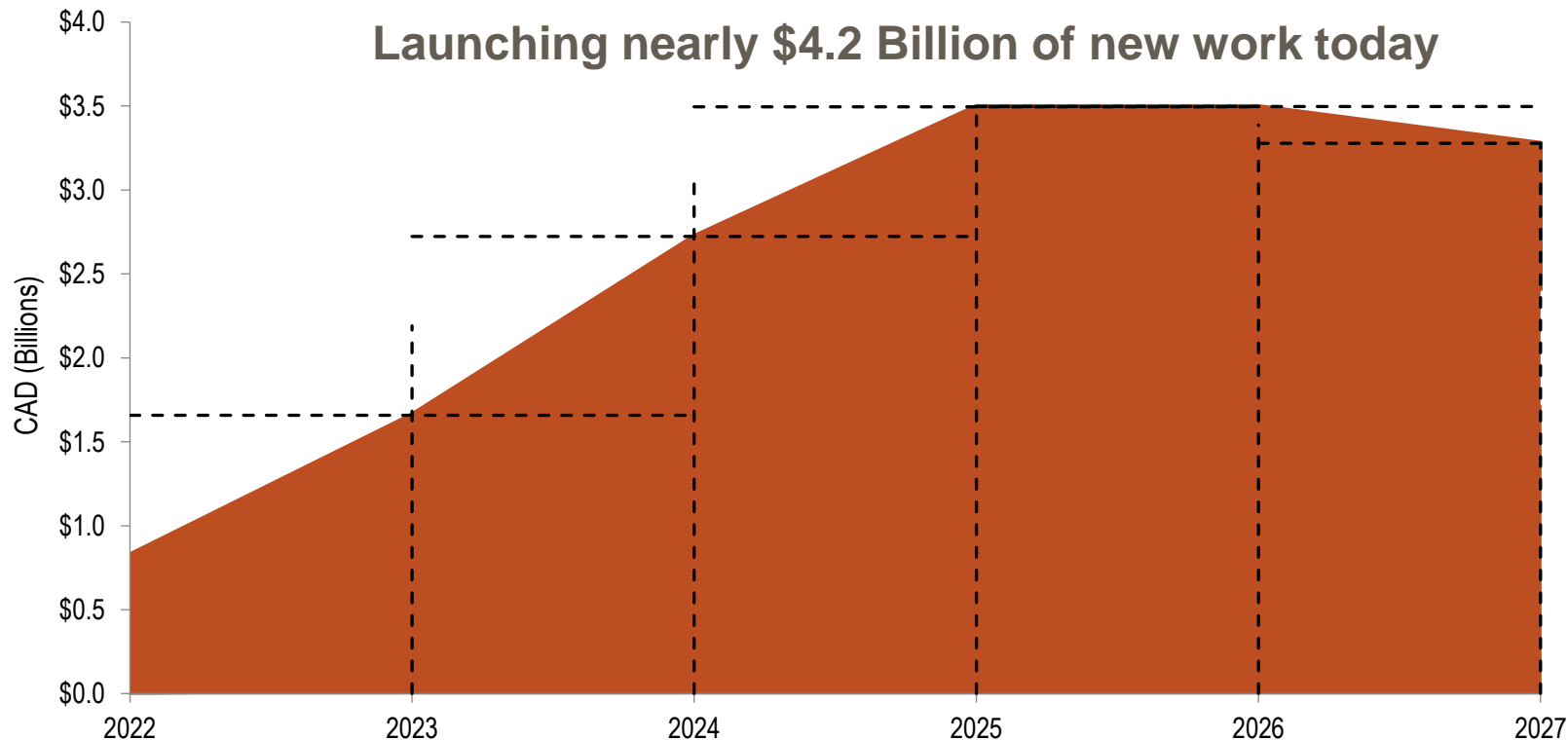
Electrified Vehicle & Propulsion Agnostic Sales
% of Total Light Vehicle Sales



Electrified Vehicle & Propulsion Agnostic New Business Wins
% of Total Mobility NBWs



Mobility Launches



Incremental Growth from Launches
\$750 to \$850 Million in 2023
\$800 to \$900 Million in 2024

Outlook



Outlook

Q2 23 Expectations

▪ Mobility

- Sales modestly up from Q1 2023 but well up from prior year
- Normalized OE up in double digits from Q1 2023 but not to Q2 2022 levels
 - Asia Pacific recovering
 - Energy costs starting to normalize in Europe, launches building

▪ Industrial

- Double digit sales growth, seasonally well up from Q1 2023, more significant growth from prior year
- Double digit normalized OE growth
 - Meaningfully up from Q1 2023, more significant growth vs. Q2 2022
 - Stronger sales, continued supply chain improvements

▪ General

- Sales modestly up from Q1 2023, meaningful double-digit growth from prior year
- Meaningful double digit EPS growth to Q1 2023, more significant growth from Q2 2022

Consolidated	Normal Ranges	2022 Actuals	Expectations 2023	Expectations 2024
Sales Growth		21.1%	Double Digit Growth	Double Digit Growth
Normalized EPS Growth ¹		-4.1%	Significant Double Digit Growth	Double Digit Growth
Normalized Net Margin ¹	7.0% - 9.0%	5.1%	Expansion	Expansion into Normal Range
Capex (% of Sales)	6.0% - 8.0%	411m 5.2%	High End of Normal Range	High End of Normal Range
Leverage Net Debt:EBITDA		0.42	Continued Strong Balance Sheet	Continued Strong Balance Sheet
Free Cash Flow ¹		\$ 94 m	Strongly Positive	Strongly Positive

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Double Digit Growth	Double Digit Growth
Normalized OE Growth		6.4%	Significant Double Digit Growth	Double Digit Growth
Normalized Operating Margin ¹	14.0% - 18.0%	10.1%	Expansion into Normal Range	Expansion

Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$4.2 Billion Driving Incremental Sales Of:		\$760m	\$750 to \$850 million	\$800 to \$900 million
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		Low End of Normal Range	Low End of Normal Range
Normalized OE Growth		-12.2%	Growth	Double Digit Growth
Normalized Operating Margin ¹	7.0% - 10.0%	6.2%	Modest contraction	Expansion

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 Q1 2023 MD&A.

Operational Update



GIGA Structural Component Facility

Linamar First Supplier to Invest in Giga Casting Technology in NA or Europe

Giga Casting Key to Lightweighting Electrified Vehicles

Key Facts

- Location Welland, Ontario
- Construction begins immediately
- 3 x 6100 ton giga HPDC machines
- SOP Feb 2025



New Business



New Business Win

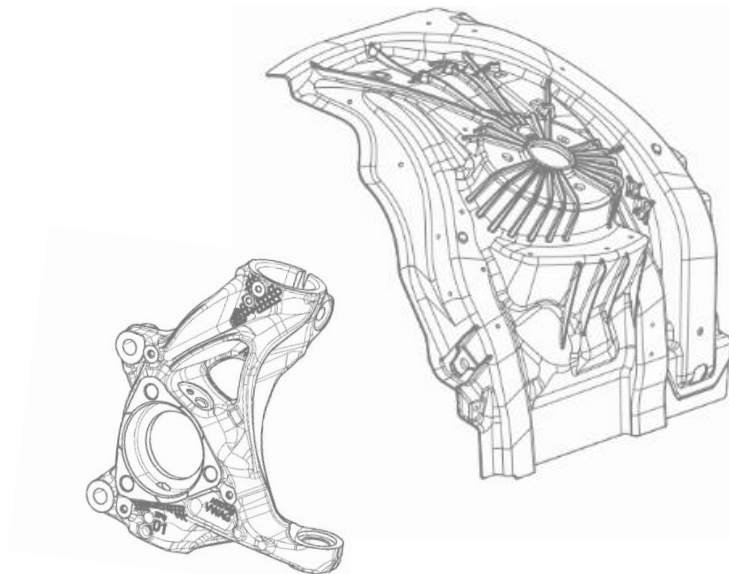
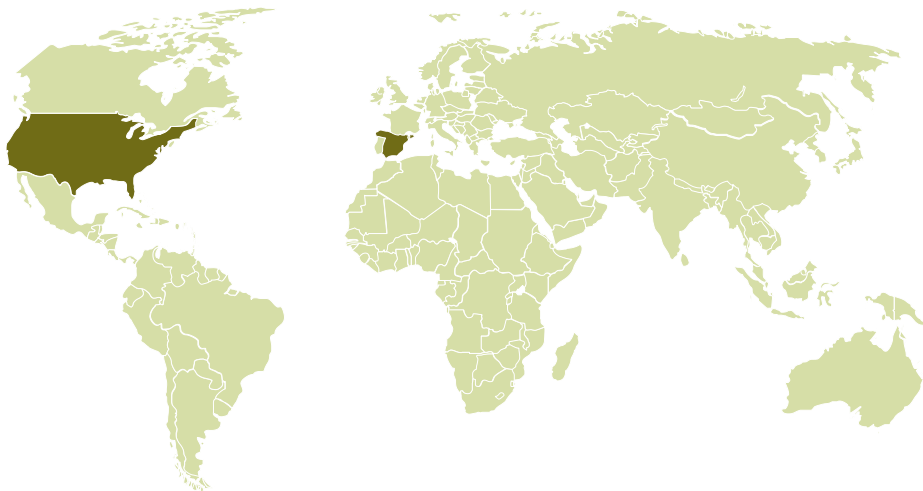
\$110M in wins for structural components for next gen BEVs

Average Annual Revenue
\$110M / year

SOP Year
2024

Production Location

Spain
USA



New Business Win

Significant win for plug-in hybrid battery enclosure

Average Volume

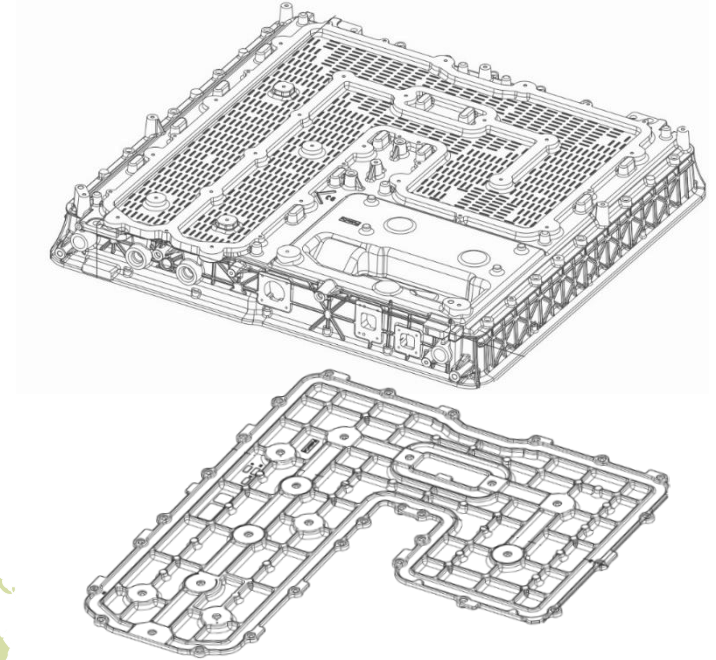
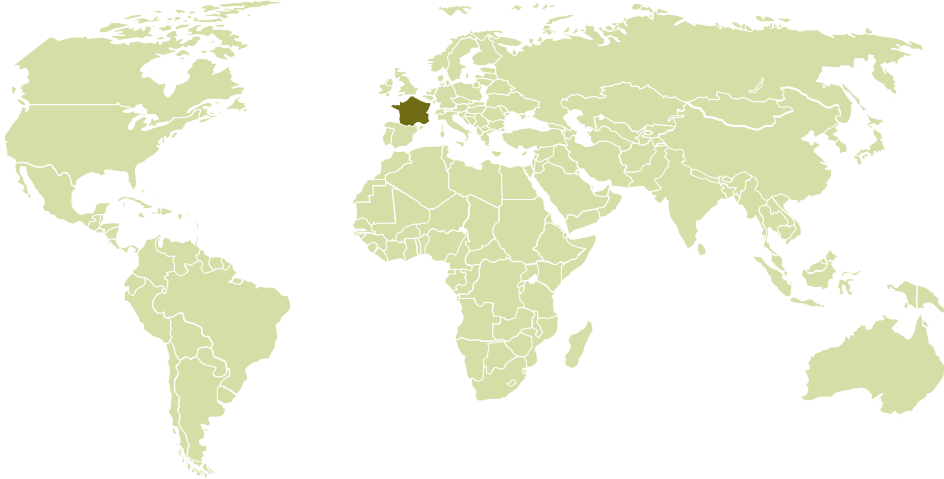
46,000 / year

SOP Year

2024

Production Location

France



New Business Win

\$111M in electrified vehicle component wins

Average Annual Revenue

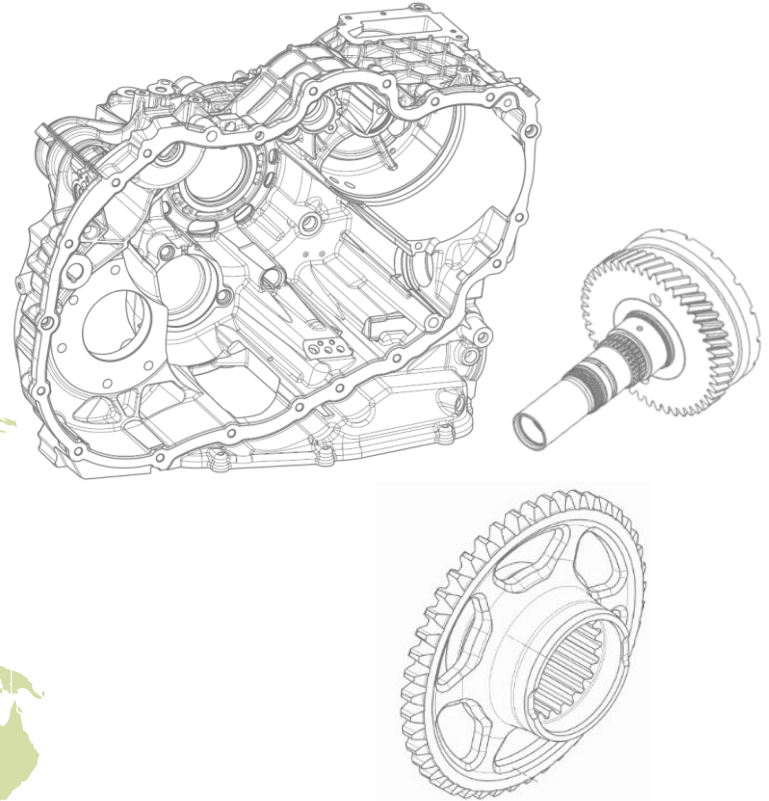
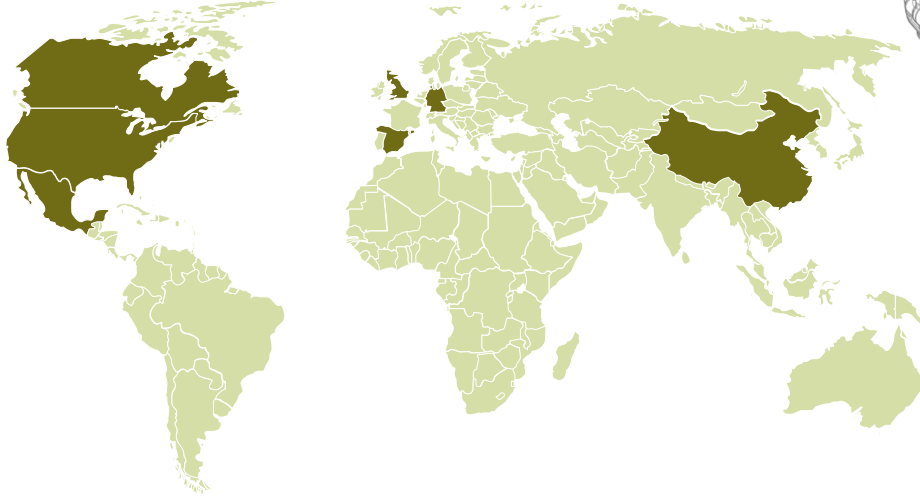
\$111M / year

SOP Year

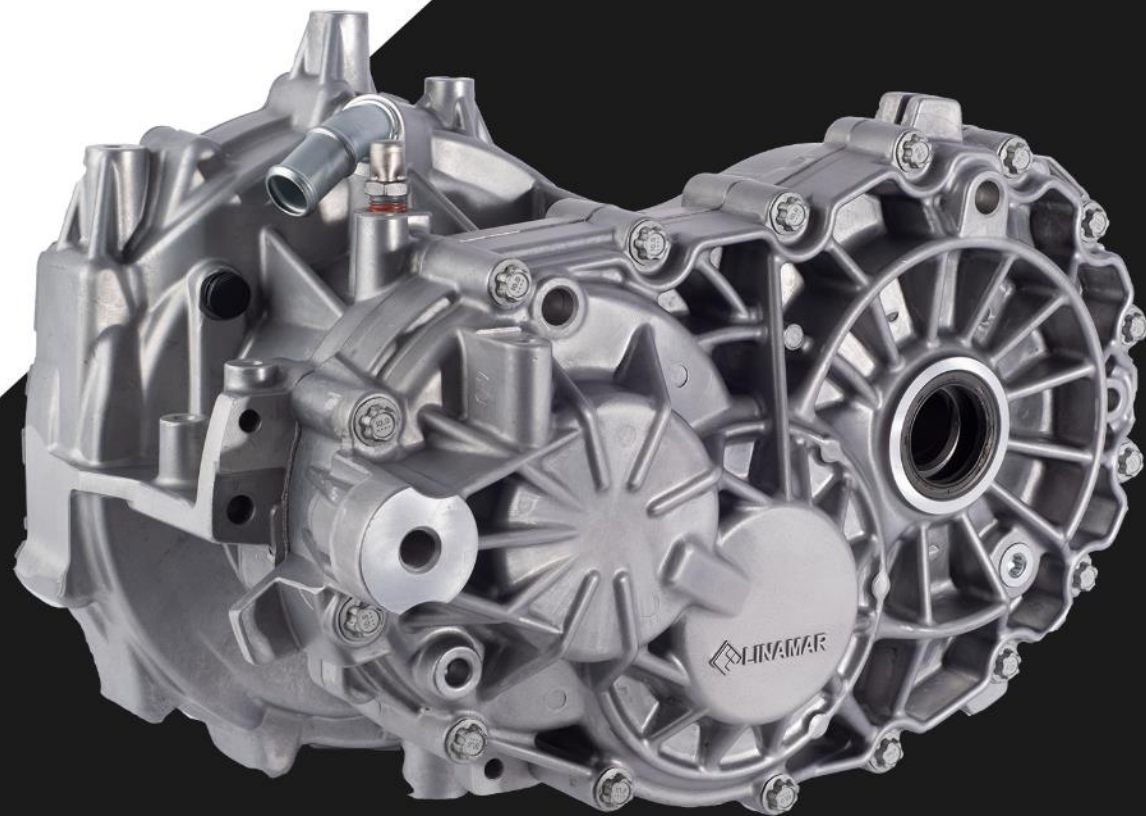
2023

Production Location

Canada
USA
UK
Mexico
Spain
Germany
China



Innovation



Innovation: R&D Milestone

BEV Technology Demonstrator Truck



- ACT Expo is the world's largest display of advanced clean transportation technology for commercial vehicles
- Linamar Showcased its eLIN Portfolio of Electrified Solutions



Demonstrator Truck Details:

- Fully functioning retro fitted 2500 Pickup Series BEV
- 2022 / 2023 R&D Project by the eLIN Product Solutions Group
- Showcases performance capabilities of eLIN eUD10 Beam eAxle design (x2, front & rear)
- Equipped with eMatrix Battery Pack
- Launched at 2023 ACT Expo
- Will begin Ride & Drive road shows for potential OEM customers over the coming months

Innovation: Showcased at Advanced Clean Transportation (ACT) Expo

May 1st – 4th, 2023

Latest eMatrix Battery Pack (pouch cell) system
Refrigerated trailer project



FlexForm Conformable Hydrogen Storage Tank



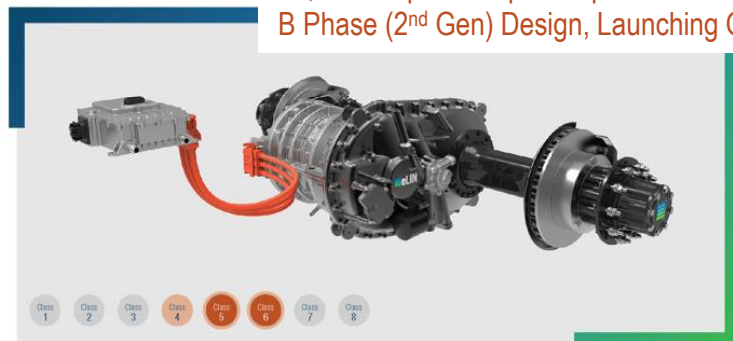
eUD 10

Utility Duty Beam eAxle
10,000 Nn peak output torque
2 installed in the Technology Demonstrator Truck



eMD 15

Medium Duty Beam eAxle
15,000 Nn peak output torque
B Phase (2nd Gen) Design, Launching Q4 2023



Our Digitization Journey – May 2023

66

Plants



5,234

LMMS Data
Collection Connections



3,603

Robots



1,078

Traceability
Marking
Stations



3,106

Connected Machines



2,328

RFID Stations



2,797

Traceability Read Stations



1,201

Vision Systems



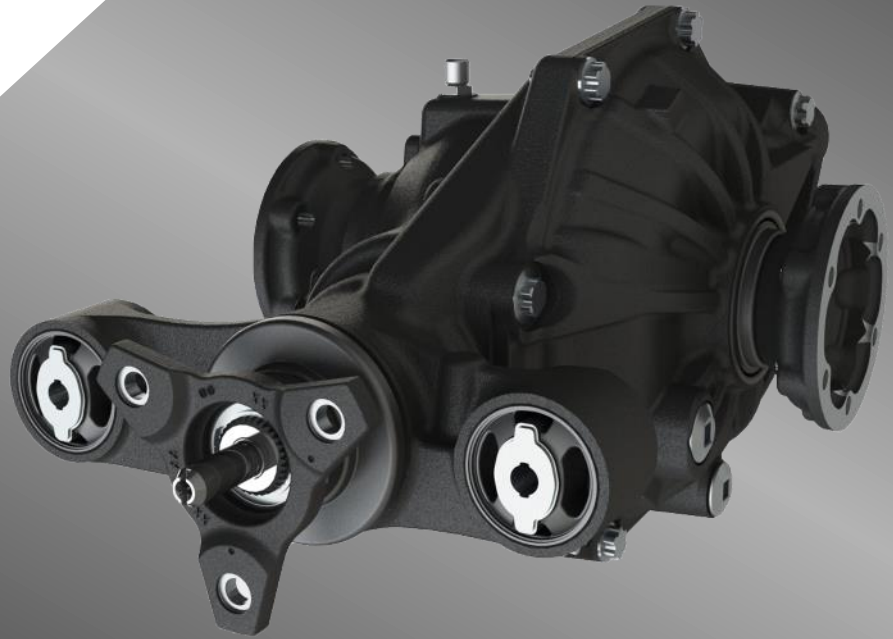
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AGVs



Financial Review

Dale Schneider, CFO



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Q1 2023

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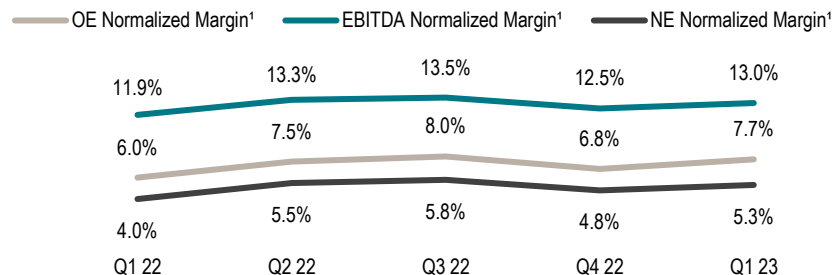
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- Weak quarter for Asia Pacific re covid;
- Impact of Mills River acquisition
- Increased costs partially offset by customer pricing relief

Industrial

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- Salford acquisition performing very well;
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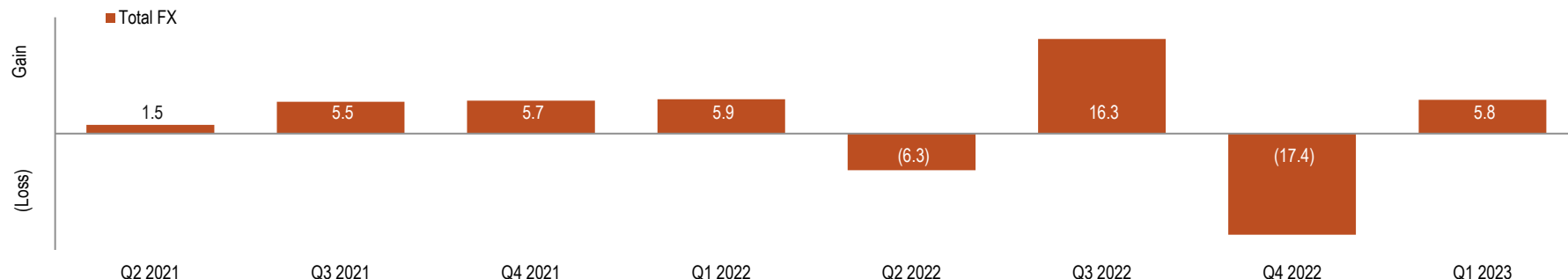
Foreign Exchange Gain/Loss (in millions CAD)

	Q1 2023	Q1 2022	+/-
FX Gain/(Loss) – Operating ¹	6.0	5.5	0.5
FX Gain/(Loss) – Financing	(0.2)	0.4	(0.6)
Total FX Gain/(Loss)	5.8	5.9	(0.1)

Operating Earnings Margin	7.7%	7.5%
OE – Normalized Margin ²	7.7%	6.0%

FX Gain/(Loss) – Impact on EPS FD ³	0.07	0.07
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- Total FX Gain was \$5.8 which resulted from a \$6.0 FX Gain – Operating and a \$0.2 FX Loss – Financing.
- FX Gain – Operating was comprised of a \$7.4 gain in Industrial and \$1.4 loss 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 Q1 2023 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)

	Q1 2023	Q1 2022
Sales	585.0	368.2
Operating Earnings	104.9	21.5
Other Item	-	-
Foreign Exchange ¹ (Gain)/Loss	(7.4)	(8.1)
Operating Earnings – Normalized ²	97.5	13.4
Operating Earnings Margin	17.9%	5.8%
OE – Normalized Margin ²	16.7%	3.6%

Industrial sales increased by 58.9% or \$216.8 to \$585.0.

- The sales were helped by:
 - higher in agricultural sales driven by growth in global markets;
 - increased sales related to the acquisition of Salford;
 - additional access equipment sales;
 - increased pricing to help relieve increased supply chain costs; and
 - favourable impact on sales from the changes in FX rates from Q1 2022.

Normalized Industrial OE increased by 627.6% or \$84.1 to \$97.5.

- The Normalized OE was helped by:
 - the increased sales volumes and pricing at MacDon;
 - the increased sales volumes and pricing at Skyjack;
 - increased margins related to the acquisition of Salford; and
 - favourable impact from changes in FX rates from Q1 2022.
- The Normalized OE was hurt by:
 - an increase in SGA costs supporting growth

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 Q1 2023 MD&A.

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

	Q1 2023	Q1 2022
Sales	1,707.7	1,409.9
Operating Earnings	72.0	112.6
Other Item	4.9	(22.1)
Foreign Exchange ¹ (Gain)/Loss	1.4	2.6
Operating Earnings – Normalized ²	78.3	93.1
Operating Earnings Margin	4.2%	8.0%
OE – Normalized Margin ²	4.6%	6.6%

Mobility sales increased by 21.1% or \$297.8 to \$1,707.7.

- The sales were helped by:
 - additional sales for launching programs and increased volumes for certain programs that the Company has significant business with;
 - increased pricing related to cost recovery helping to partially offset the associated labour, utilities, materials and freight;
 - favourable impact on sales from changes in FX rates from Q1 2022; and
 - increased sales related to the acquisition of the remaining 50% interest in the joint venture LLM Mills River, which is partially offset by
 - sales decline in Asia primarily attributed to lower production as a result of additional COVID-19 outbreaks.

Normalized Mobility OE were lower by \$14.8 or 15.9%.

- Mobility normalized earnings were helped by:
 - the volume increases on launching programs and increased volumes for certain programs that the Company has significant business with; and
 - a favourable impact from the changes in foreign exchange rates from Q1 2022.
- Mobility normalized earnings were hurt by:
 - sales decline in Asia primarily attributed to lower production as a result of additional COVID-19 outbreaks;
 - the acquisition of the remaining 50% interest in the joint venture LLM Mills River;
 - increased costs related to labour, utilities, materials and freight; and
 - increase in SGA expenses supporting growth.

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 Q1 2023 MD&A.

Operating Expenses (in millions CAD)

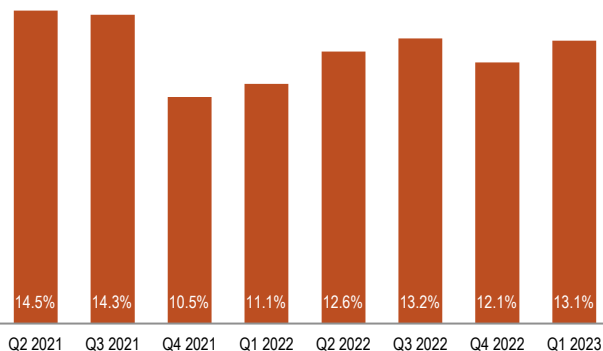
	Q1 2023	Q1 2022	+/-	%
Sales	2,292.7	1,778.1	514.6	28.9%
Cost of Goods Sold	1,992.2	1,579.9	412.3	26.1%
Gross Margin	300.5	198.2	102.3	51.6%
Gross Margin as a % of Sales	13.1%	11.1%		

Cost of Goods Sold Amortization	115.4	105.6	9.8	9.3%
COGS Amortization as a % of Sales	5.0%	5.9%		

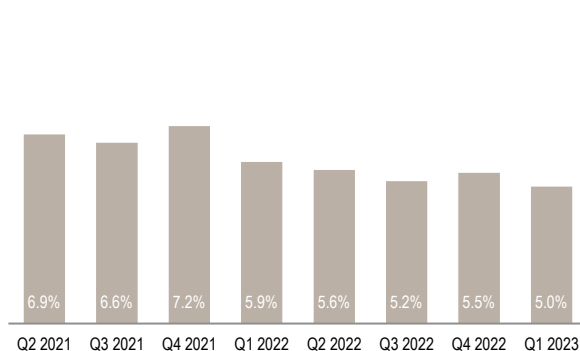
Selling, General, and Administrative	124.7	91.7	33.0	36.0%
SGA as a % of Sales	5.4%	5.2%		

- Gross Margin was \$300.5 in the quarter and was impacted by the same factors that impacted each business segment. (See the previous two slides)
- Amortization decreased to 5.0% for the quarter.
- SGA increased to \$124.7 for the quarter and was impacted by:
 - additional expenses from the acquisitions in 2022;
 - an increase in management and sales costs supporting growth; and
 - an increase in travel expenses supporting growth.

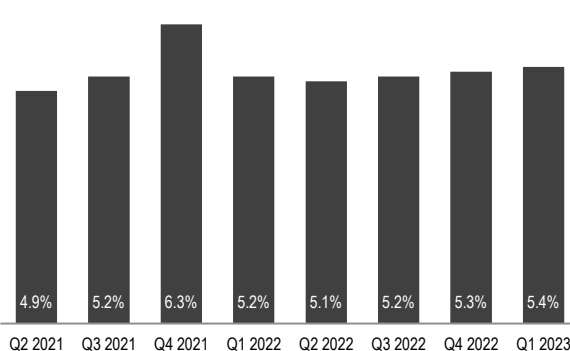
■ Gross Margin as a % of Sales



■ COGS Amortization as a % of Sales



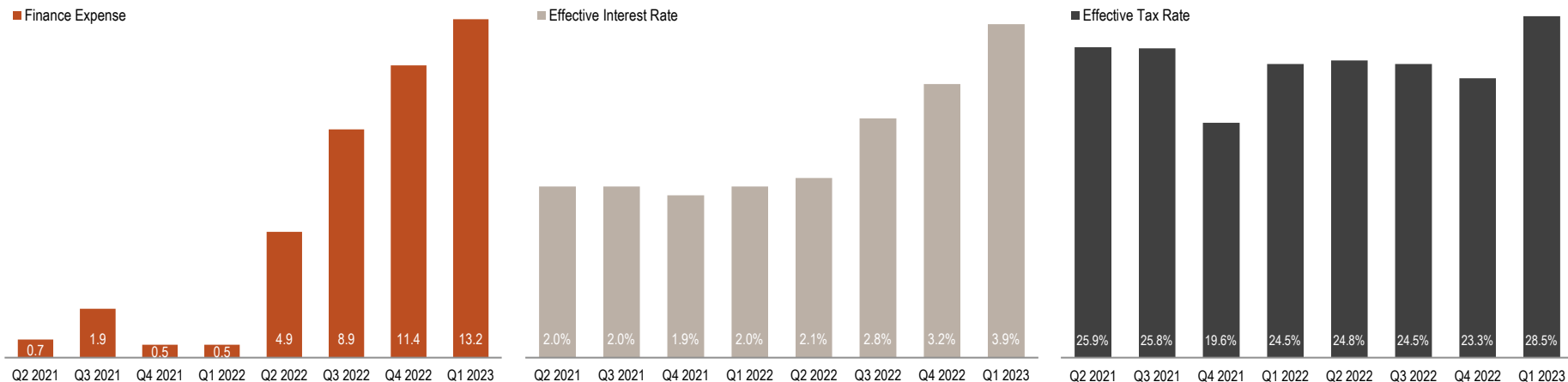
■ SGA as a % of Sales



Finance Expenses & Income Tax (in millions CAD)

	Q1 2023	Q1 2022	+/-
Finance Expense	13.2	0.5	12.7
Effective Interest Rate	3.9%	2.0%	1.9%
Effective Tax Rate	28.5%	24.5%	4.0%

- Finance expenses increased by \$12.7.
- Finance expenses were hurt by:
 - increase in interest costs due to change in the Bank of Canada overnight rate and United States Federal Funds rate; and
 - increased debt due to the acquisitions and share repurchase program.
- The tax rate increased to 28.5% in the quarter from last year and excluding the withholding tax on the repatriation of funds from China would have been 24.3%
- Full year 2023 tax rate expected to be in the range of 24% to 26%, excluding the Q1 withholding tax impact, and consistent with the 2022 full year tax rate.

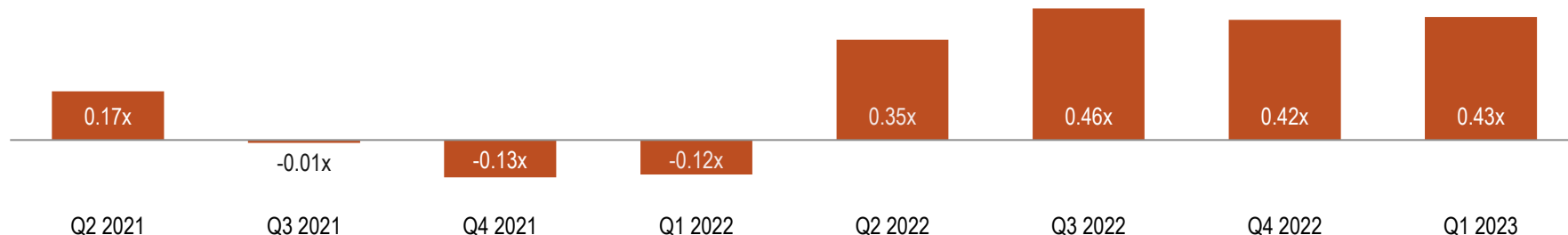


Leverage (in millions CAD)

	Q1 2023	Q1 2022
Cash Position	890.7	903.9
Available Cash on Credit Facilities	425.0	957.6
Net Debt to EBITDA	0.43x	(0.12)x
Debt to Capitalization ³	22.0%	14.5%

- Cash position at the end of the quarter was \$890.7.
- Linamar generated \$181.7 in Cash from Operating Activities.
- Net Debt to EBITDA at 0.43x mainly due to acquisitions and share buybacks in 2022.
- Based on current estimates, we are expecting 2023 to maintain our strong balance sheet and leverage is expected to remain low.
- Liquidity¹ remains strong at \$1.3 billion.

■ Net Debt to EBITDA



1 - Liquidity is a non-GAAP financial measure. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q1 2023 MD&A.

2 - EBITDA includes trailing twelve months EBITDA on acquisitions, when applicable.

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 Q1 2023 as Short-term borrowings of \$Nil (Q1 2022 - \$Nil) and Long-term debt of \$1,366 million (Q1 2022 - \$794 million) (Total Debt) divided by Total Debt of \$1,366 million (Q1 2022 - \$794 million) and Equity of \$5,002 million (Q1 2022 - \$4,644 million), less Contributed surplus of \$33 million (Q1 2022 - \$30 million) less Accumulated other comprehensive earnings of \$116 million (Q1 2022 - (\$68) million).

Conclusion

- Sales growth with Mobility growing at 21% and Industrial growing at 59%
- Market share growth in both Segments for certain targeted regions and products
- Continued improvements in supply chain issues helping to drive sale growth
- Further Economic hardship recoveries achieved in 2023
- Both Normalized Net Earnings and EPS growth over 70%
- Another positive quarter of Free Cash Flow¹
- Available Liquidity¹ remains strong at \$1.3 billion

¹ – Liquidity and Free Cash Flow are a non-GAAP financial measure. Please refer to “Non-GAAP and Other Financial Measures” in the separately released Q4 2022 MD&A.

Question and Answer



Outlook

Q2 23 Expectations

▪ Mobility

- Sales modestly up from Q1 2023 but well up from prior year
- Normalized OE up in double digits from Q1 2023 but not to Q2 2022 levels
 - Asia Pacific recovering
 - Energy costs starting to normalize in Europe, launches building

▪ Industrial

- Double digit sales growth, seasonally well up from Q1 2023, more significant growth from prior year
- Double digit normalized OE growth
 - Meaningfully up from Q1 2023, more significant growth vs. Q2 2022
 - Stronger sales, continued supply chain improvements

▪ General

- Sales modestly up from Q1 2023, meaningful double-digit growth from prior year
- Meaningful double digit EPS growth to Q1 2023, more significant growth from Q2 2022

Consolidated	Normal Ranges	2022 Actuals	Expectations 2023	Expectations 2024
Sales Growth		21.1%	Double Digit Growth	Double Digit Growth
Normalized EPS Growth ¹		-4.1%	Significant Double Digit Growth	Double Digit Growth
Normalized Net Margin ¹	7.0% - 9.0%	5.1%	Expansion	Expansion into Normal Range
Capex (% of Sales)	6.0% - 8.0%	411m 5.2%	High End of Normal Range	High End of Normal Range
Leverage Net Debt:EBITDA		0.42	Continued Strong Balance Sheet	Continued Strong Balance Sheet
Free Cash Flow ¹		\$ 94 m	Strongly Positive	Strongly Positive

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Double Digit Growth	Double Digit Growth
Normalized OE Growth		6.4%	Significant Double Digit Growth	Double Digit Growth
Normalized Operating Margin ¹	14.0% - 18.0%	10.1%	Expansion into Normal Range	Expansion

Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$4.2 Billion Driving Incremental Sales Of:		\$760m	\$750 to \$850 million	\$800 to \$900 million
Business Leaving (% Consolidated Sales)	5.0% - 10.0%		Low End of Normal Range	Low End of Normal Range
Normalized OE Growth		-12.2%	Growth	Double Digit Growth
Normalized Operating Margin ¹	7.0% - 10.0%	6.2%	Modest contraction	Expansion

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 Q1 2023 MD&A.

Key Messages



Earnings Nearly Double Prior Year



New Leading Edge Giga Structural Component Facility Gives Linamar Technical Advantage



Supply Chain, Energy and Labour Issues Improving and Driving Better Results





Thank You

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