



LINAMAR

2023 Q3 Conference Call Presentation

Linda Hasenfratz, Executive Chair & CEO
November 8, 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 Q3 2023 Management's Discussion and Analysis (MD&A).



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

	Q3 2023	Q3 2022	% Δ
Sales	2,434.2	2,098.1	16.0%
Industrial Sales	676.6	533.4	26.8%
Mobility Sales	1,757.6	1,564.7	12.3%
EBITDA – Normalized ¹	330.4	282.5	17.0%
EBITDA – Normalized Margin ¹	13.6%	13.5%	
Industrial OE – Normalized ¹	121.9	74.3	64.1%
Industrial OE – Normalized Margin ¹	18.0%	13.9%	
Mobility OE – Normalized ¹	78.5	94.1	(16.6%)
Mobility OE – Normalized Margin ¹	4.5%	6.0%	
OE – Normalized ¹	200.4	168.4	19.0%
OE – Normalized Margin ¹	8.2%	8.0%	
NE – Normalized ¹	136.3	121.0	12.6%
NE – Normalized Margin ¹	5.6%	5.8%	
EPS – Normalized ¹	2.21	1.91	15.7%

Q3 2023

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

- Strong performance in the Industrial segment
- Strong sales growth from launching and recovering markets in the Mobility segment
- The Dura-Shiloh Battery Enclosure acquisition
- Better pricing; partially offset by
- Higher SGA and fixed costs supporting growth
- Unfavourable changes in F/X rates

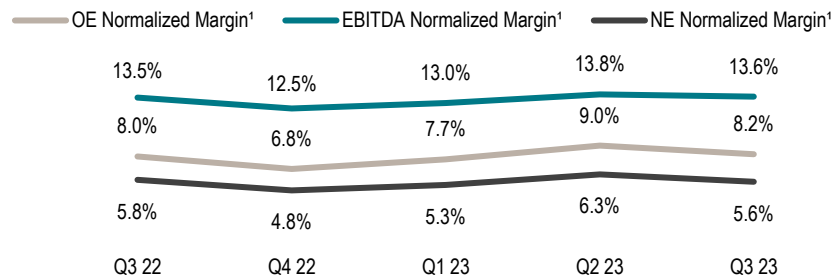
The **key impacts to the segments vs prior year** are:

Mobility

- Markets up 4%
 - Market recovery enhanced by strong launch performance
- Dura-Shiloh acquisition
- An unfavourable F/X rate hitting earnings
- Increased costs partially offset by customer pricing relief

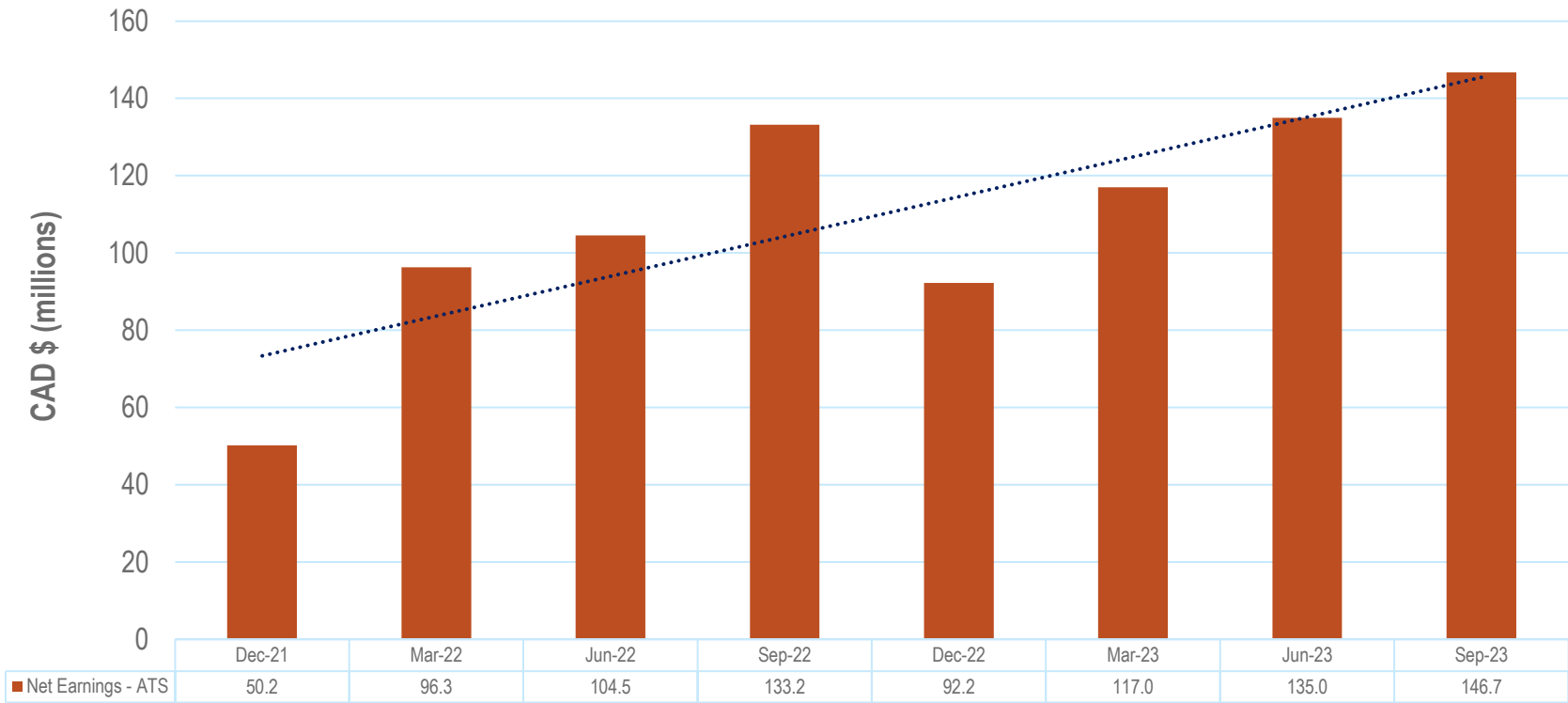
Industrial

- Significant increase in our access sales and continued growth in our agricultural businesses on market share growth in key products
- Increased costs supporting growth



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 Q3 2023 MD&A.

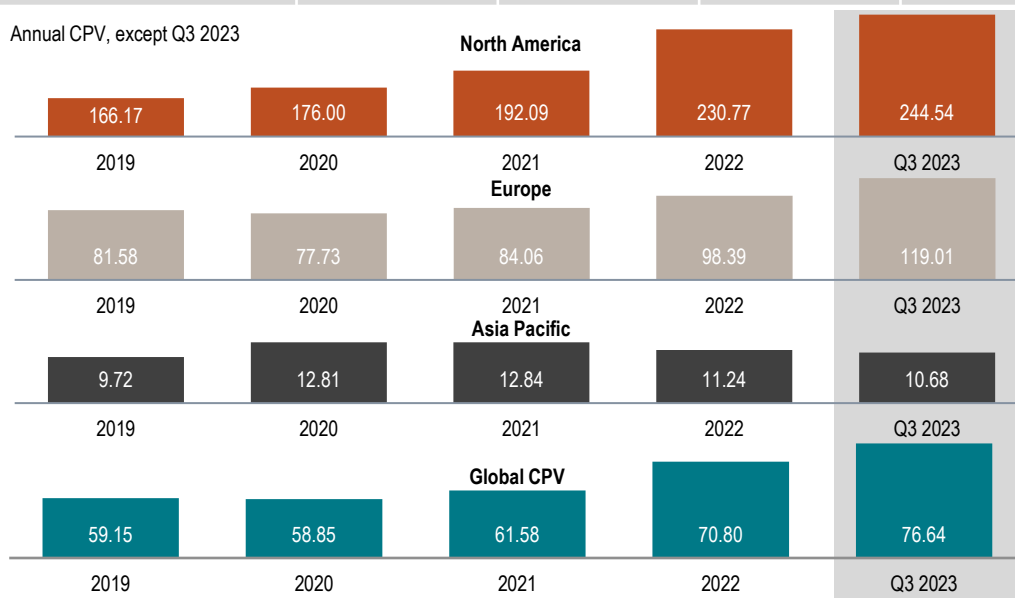
Net Earnings Attributable to Shareholders by Quarter



Automotive Sales & Content Per Vehicle² (CPV)

	CPV Q3 2023	CPV Q3 2022	CPV % Change	Vehicle Production Units % Change	Automotive Sales Q3 2023 (CAD Millions)	Automotive Sales Q3 2022 (CAD Millions)	Automotive Sales % Change
North America	244.54	240.24	1.8%	8.9%	1,011.2	912.6	10.8%
Europe	119.01	105.08	13.3%	6.3%	458.8	381.0	20.4%
Asia Pacific	10.68	11.69	(8.6%)	1.6%	138.7	149.5	(7.2%)
Global CPV ¹	76.64	71.41	7.3%	3.9%	1,608.7	1,443.1	11.5%
Other Automotive Sales	-	-	-	-	72.7	50.3	44.5%

Annual CPV, except Q3 2023



- Global CPV up again
 - Launching business in NA and Europe key driver
 - NA and Europe hit new record high levels of performance

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

	Q3 2023	Q3 2022	% Change
Sales	752.8	604.7	24.5%

MacDon

- Combine draper market up globally on notable gains in Europe, Australia

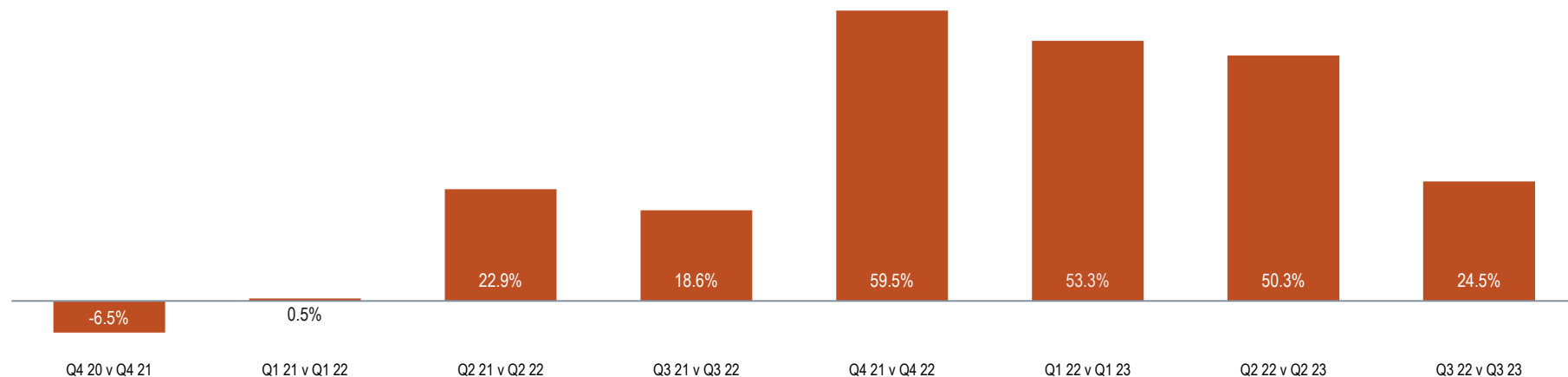
Salford

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

Skyjack

- Solid global market share growth in both scissor and boom lifts

■ QvQ¹ Change in Commercial & Industrial Sales Growth



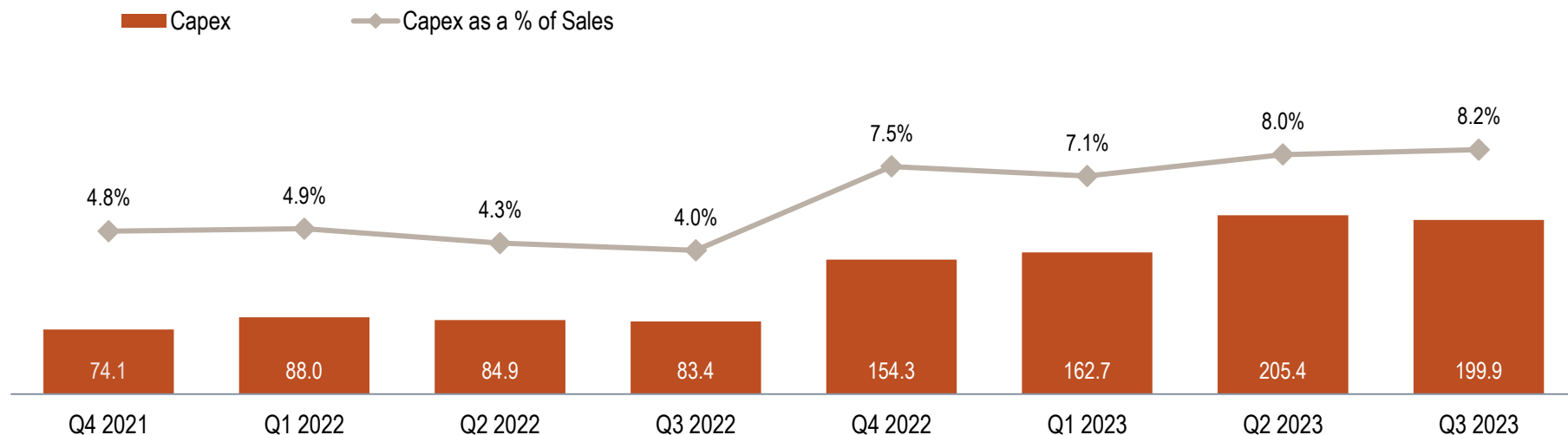
1 – Quarter versus quarter (QvQ) indicates year over year comparison of two of the same quarters.

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

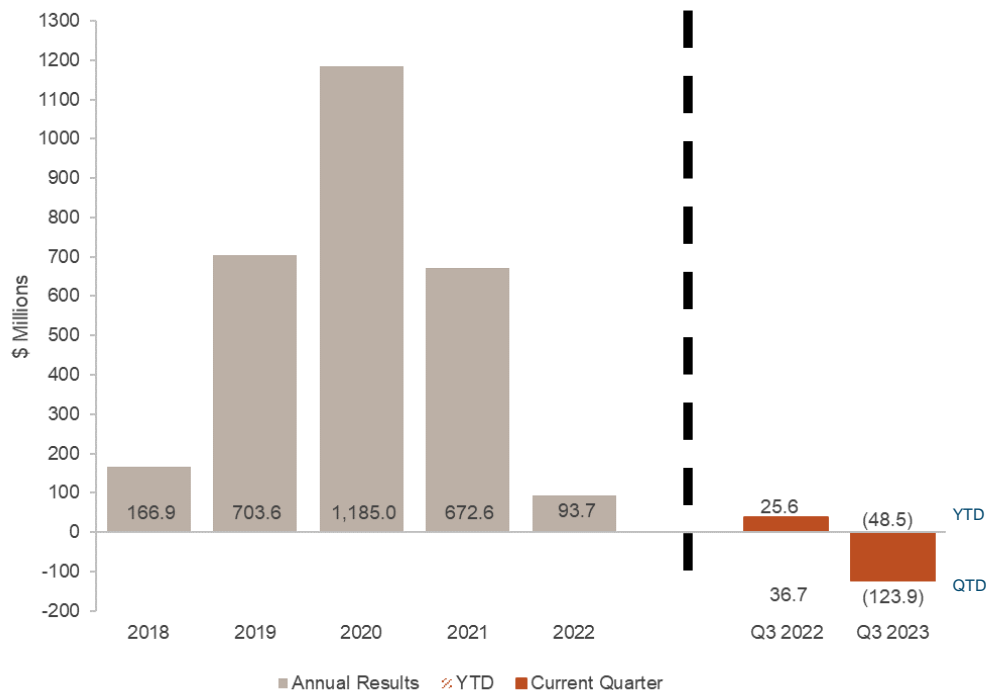
Capital Expenditures (in millions CAD)

	Q3 2023	Q3 2022
Capital Expenditures (Capex)	199.9	83.4
Capex as a % of Sales	8.2%	4.0%

- Capex has trended 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



- FCF^{1,2} negative in the quarter due to higher draw on working capital and higher Capex in quarter;
- 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 Q3 2023 MD&A.

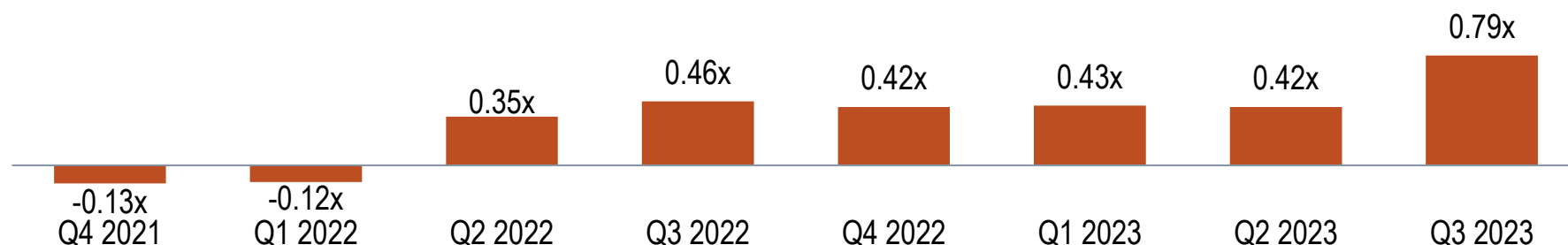
2 - Free Cash Flow in 2019 has been adjusted for additions of property, plant and equipment related to the dissolution of a joint venture.

Leverage (in millions CAD)

	Q3 2023	Q2 2023	Q3 2022
Net Debt ¹	1,007.6	492.9	452.7
Net Debt to EBITDA ²	0.79x	0.42x	0.46x

- Balance sheet has remained consistently strong despite heavier spending and acquisition activity
- Leverage in excellent shape at 0.79x Net Debt to EBITDA

■ 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 Q3 2023 this calculation is Short Term Borrowings of \$Nil (Q3 2022 - \$Nil) plus Long-Term Debt of \$1,702 million (Q3 2022 - \$1,309 million) less Cash of \$695 million (Q3 2022 - \$856 million).




2 - EBITDA, as used in Net Debt to EBITDA, includes trailing twelve months EBITDA on acquisitions, when applicable.

Markets, Backlog and Sales Outlook



Market Snapshot

				
2023	Light Vehicle	Commercial Truck	Agriculture	Access
North America	▲ 6.3%	▲ 6.2%	▲ 5.0%	▲ 9.2%
Europe	▲ 11.9%	▲ 9.3%	▬ 0%	▲ 9.3%
Asia	▲ 6.9%	▲ 28.2%	n/a	▲ 13.5%
Rest of World	▲ 3.6%	n/a	▬ 0%	n/a

			
2024	Light Vehicle	Commercial Truck	Access
North America	▲ 7.2%	▼ 12.6%	▲ 4.3%
Europe	▬ 1.5%	▼ 3.9%	▲ 5.1%
Asia	▬ 0.7%	▲ 5.8%	▲ 8.1%
Rest of World	▬ 1.4%	n/a	n/a

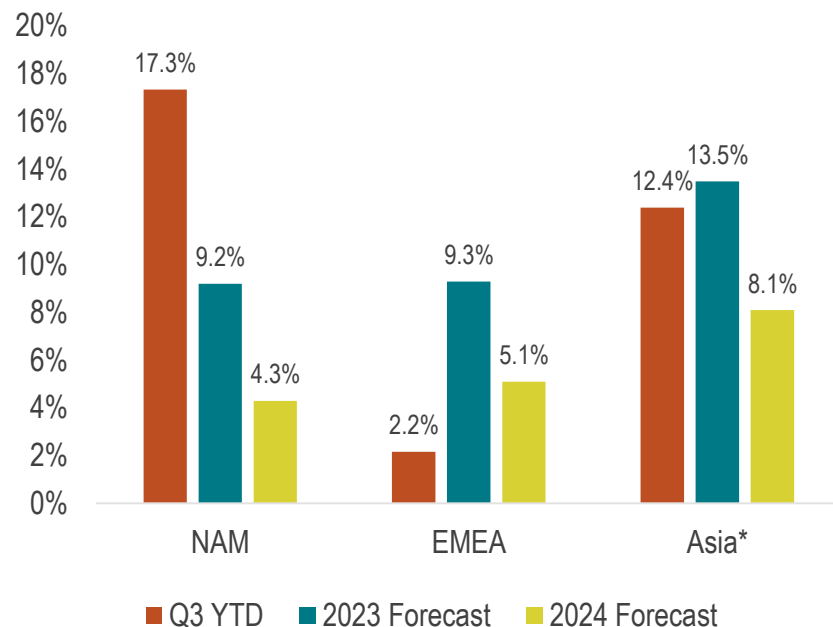
Above projections are external industry expert estimates for total market % unit change as a whole vs. prior year in each of the respective market segments. They are not internal expectations of Linamar's results.

Industrial Segment - Access

Access Equipment Market Commentary

- Rental remains positive as companies look to counter fleet aging experienced during COVID.
- Stable end market demand activity with equipment utilization well ahead of prior year in both NA and Europe
 - In line or at times exceeding peak 2019 levels in NA
 - Well ahead of 2019 in Europe
- Improvements in supply chain shortages and commodity prices are helping accelerate deliveries and start to chip away at very high backlogs
 - NAM access market up 10% in Q3
 - EMEA access market down 8% in Q3
 - Asia access market down 8% in Q3
- NAM and EMEA expected to see near double-digit growth in 2023, Asia expected to be up 13.5%.
- Mid-single digit growth expected for all regions in 2024

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



Industrial Segment - Agriculture

Agriculture Market Commentary

- Inventory at Ag equipment retailers is normalizing but still lower in historical terms
- Dealer sentiment remains positive, noting current hot market starting to moderate come off of current highs
 - North America combine retails down 5% in Q3 but up for the year
 - North American High HP tractor retails up 6% in Q3 and will also be up for the year
- Large agricultural equipment market expected to be up 5% in North America, flat in Europe and ROW in 2023
- Order book strong for both MacDon and Salford
 - Will drive double digit sales growth in 2023 and continued growth in 2024

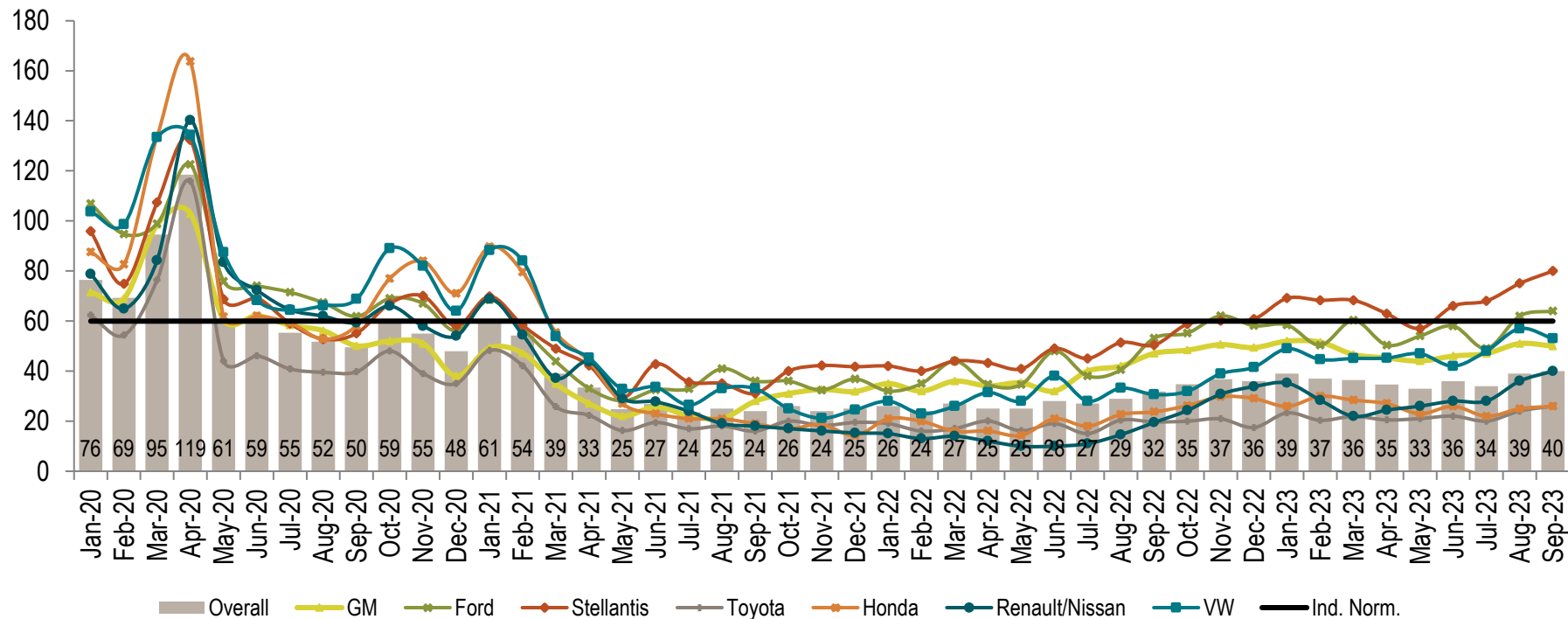
North American Combine Retails



North American High HP Tractor Retails



US Light Vehicle Inventory – Days' Supply

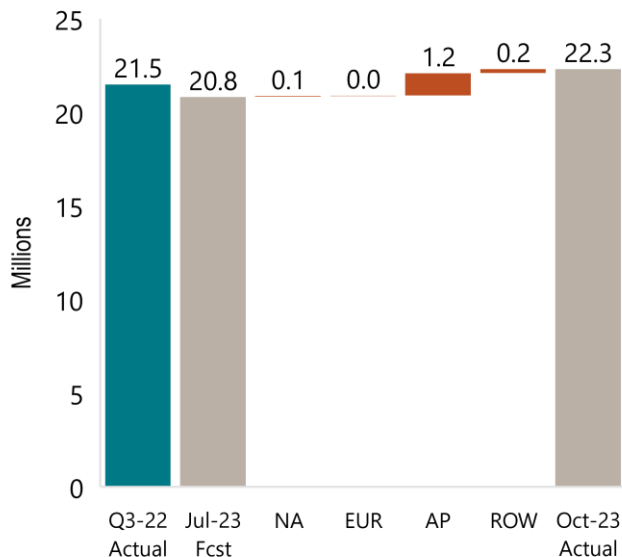


Global Light Vehicle Market: Q3 2023, Q4 2023, and 2023

Q3 2023 production increased by 1.5M units versus prior forecast. Q4 2023 forecast increased by 0.1M units. 2023 full-year forecast increased by 1.8M.

Q3-2023 Global Vehicle Production Forecast By Region

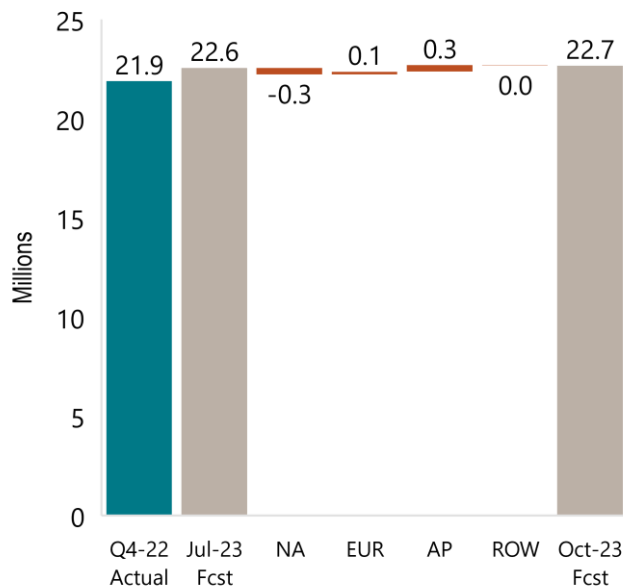
Change in Forecast Oct-2023 vs. Jul-2023



- Q3 2023 production increased by 1.5M units on NEV stimulus package extension, export growth in Greater China
- Q3 2023 production increased 4% versus Q3 2022

Q4-2023 Global Vehicle Production Forecast By Region

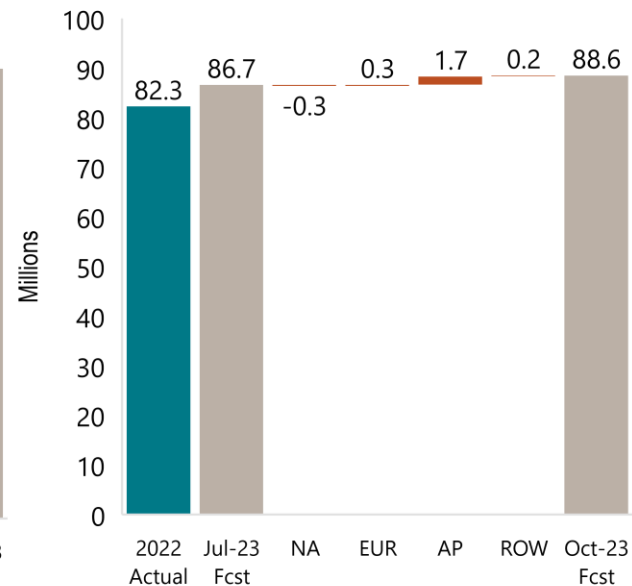
Change in Forecast Oct-2023 vs. Jul-2023



- Q4 2023 forecast increased by 110,022 units
- Q4 2023 production expected to be up 4% versus prior year

2023 Global Vehicle Production Forecast By Region

Change in Forecast Oct-2023 vs. Jul-2023

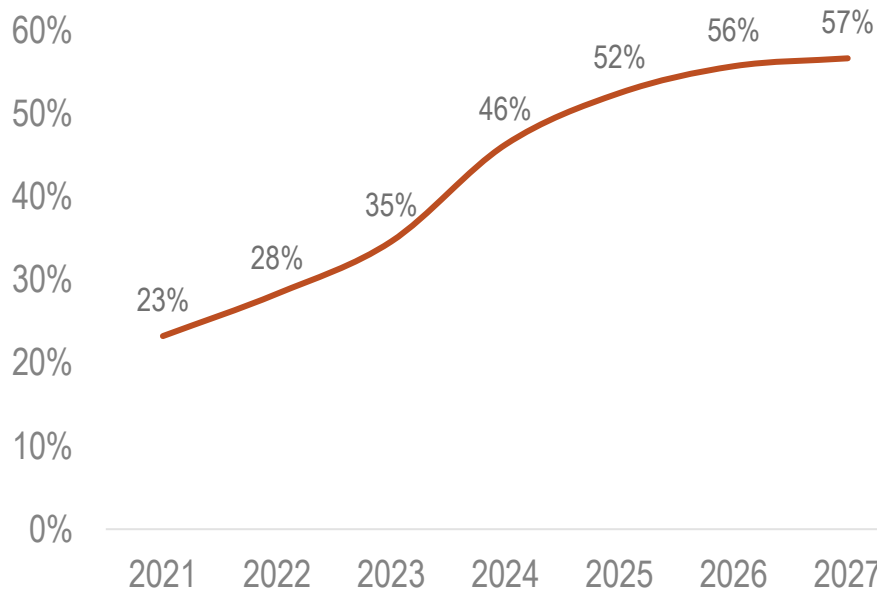


- 2023 full-year outlook increased by 1,859,410
- 2023 production expected to be up 8% versus prior year

Strong EV & PA Wins Shifting Linamar Sales Mix

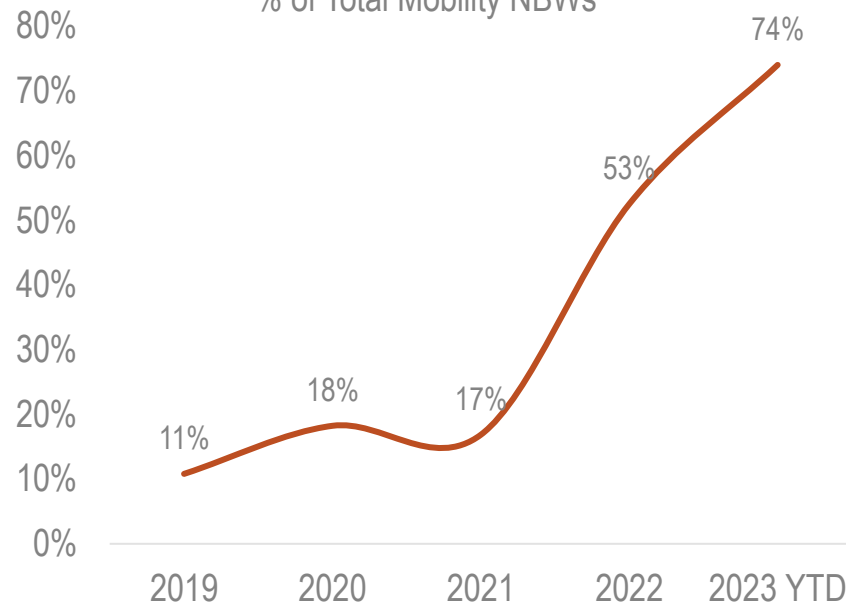
Electrified Vehicle (EV) & Propulsion Agnostic (PA) Sales

% of Total Light Vehicle Sales



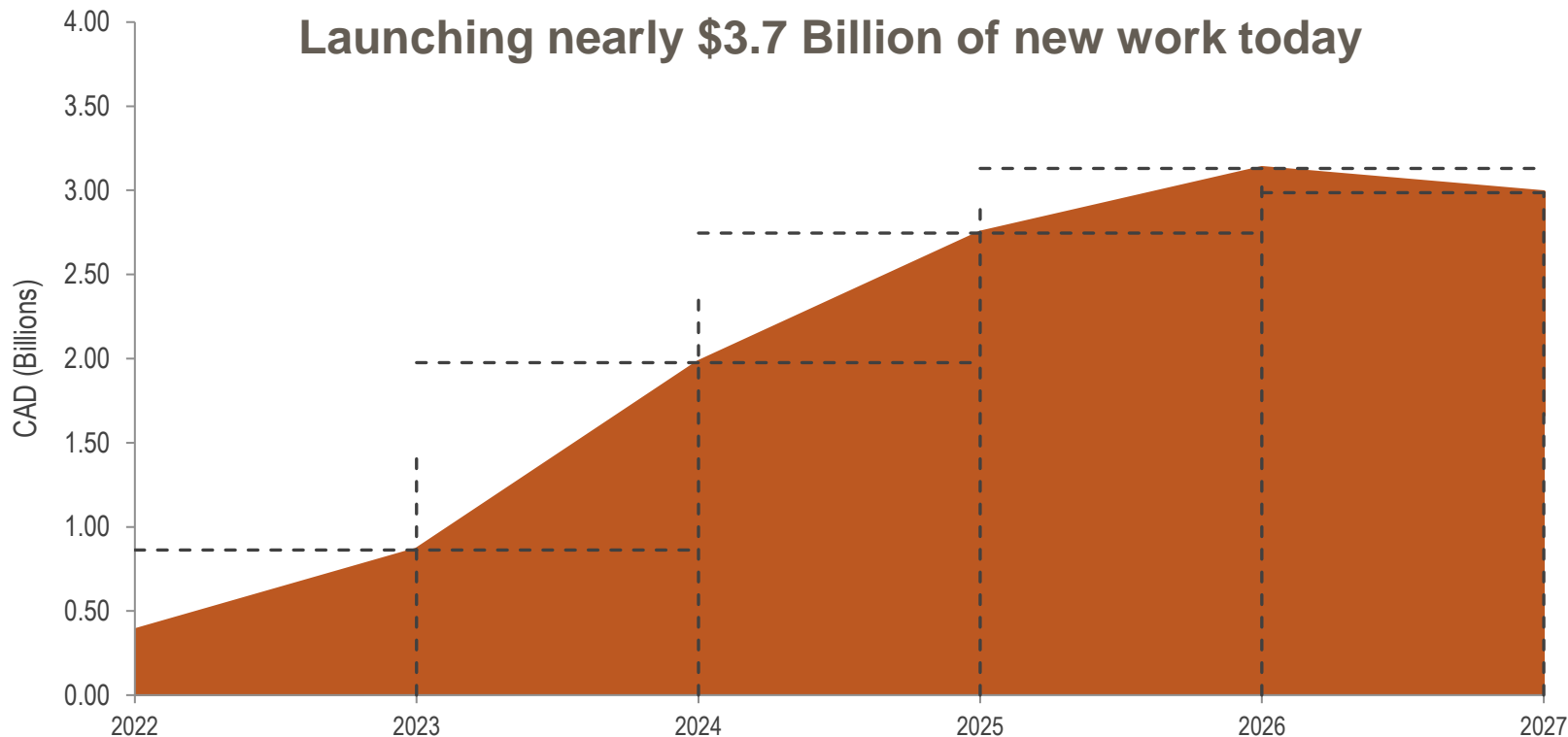
Electrified Vehicle (EV) & Propulsion Agnostic (PA) New Business Wins

% of Total Mobility NBWs



Mobility Launches

Launching nearly \$3.7 Billion of new work today



Incremental Growth from Launches

\$700 to \$800 Million in 2023

\$800 to \$900 Million in 2024

Outlook



Outlook

Q4 2023 Expectations

▪ Mobility

- Expect OE growth vs Q3 2023 and modest growth vs Q4 2022
 - Two months for Mobex acquisition
 - Full quarter for Battery Enclosure Business
 - Continued improvements in cost & customer recoveries
 - Considers currently known strike impact
- Outlook excludes potential knock-on impact of UAW strikes not currently known
 - Could see recovery to schedules to catch up or cuts to schedules if a bank had been built

▪ Industrial

- Q4 2023 OE down sequentially vs Q3 2023
 - Seasonality for all businesses
- Double digit OE growth vs prior year

▪ General

- Overall OE
 - Seasonally down from Q3 2023
 - Double digit OE growth vs prior year

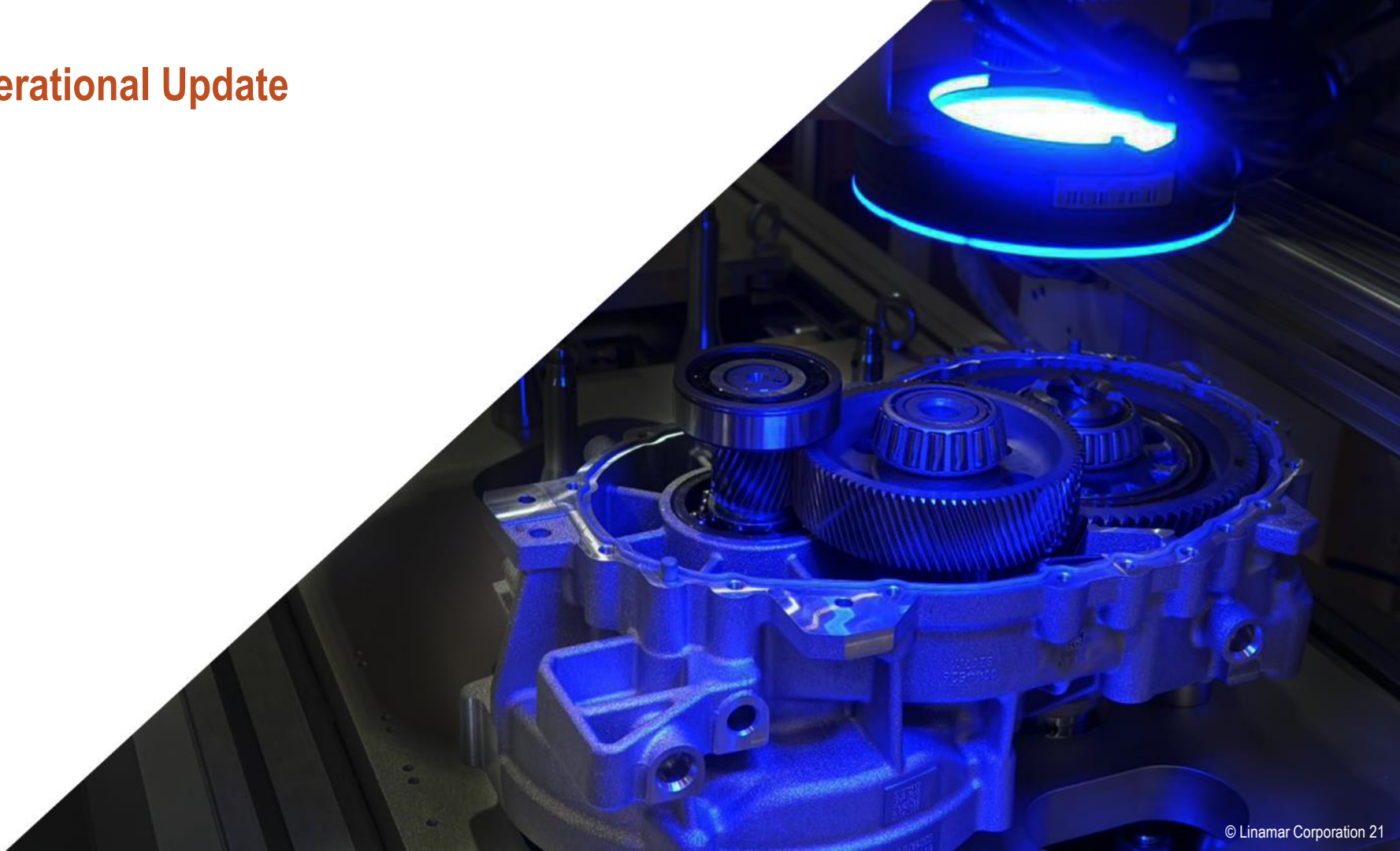
Consolidated	Normal Ranges	2022 Actuals	Expectations 2023	Expectations 2024
Sales Growth		21.1%	Double Digit Growth	Double Digit Growth
Normalized EPS Growth ¹		-4.1%	Significant Double Digit Growth	Double Digit Growth
Normalized Net Margin ¹	7.0% - 9.0%	5.1%	Expansion	Expansion
Capex (% of Sales)	6.0%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

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Significant Double Digit Growth	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	Consistent

Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$3.7 Billion Driving Incremental Sales Of:		\$760m	\$700 to \$800 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%	Down Over Prior Year	Double Digit Growth
Normalized Operating Margin ¹	7.0% - 10.0%	6.2%	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 Q3 2023 MD&A.

Operational Update



Acquisition of Mobex Global's US Assets

Transaction Details

- Deal signed September 21st, and closed on October 31st
- \$64M USD Final Transaction Price
- ~C\$450 million sales
- Aligns to the 'Linamar Structures' Strategy, increases propulsion agnostic content
- Bolsters Suspension & Chassis portfolio as well as design & engineering capabilities in safety-critical components
- Post-close Integration planning and coordination is well underway

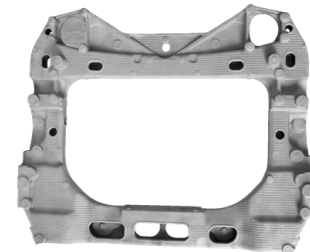
Products



Knuckles



Control Arms

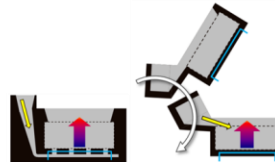


Subframes

Casting Technologies comparison



Gravity Die Casting ≈ 1 to 2 kg/sec filling



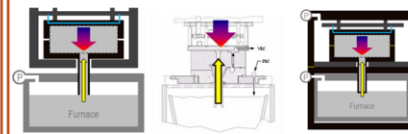
SGDC (static)

- ✓ Most flexible part design
- ✓ Excellent DAS values

TGDC (titled)

- ✓ Natural solidification
- ✓ Improved casting yield
- ✓ Excellent DAS values

Low Pressure Die Casting ≈ 1kg/sec filling



LPDC

- ✓ Smooth filling
- ✓ Good casting yield

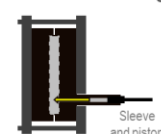
VRC/PRC

- ✓ Low oxides and porosities
- ✓ Ability to fill thin walls
- ✓ High Yield

CPC

- ✓ Smooth filling
- ✓ Excellent casting yield
- ✓ Mechanical properties

High Pressure Die Casting less than 1sec filling



HPDC

- ✓ Near net shape
- ✓ High output

Linamar Structures Group

A Fully EV/Propulsion Agnostic Powerhouse Projected to reach \$1.5 Billion in Sales

HPDC

Mills River

Welland Giga Casting Plant

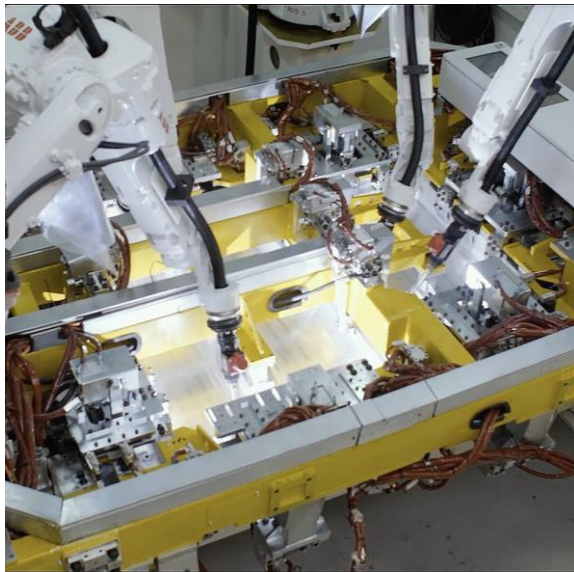


~\$400 Million

Battery Enclosure Business

Former Dura-Shiloh 3 Plants

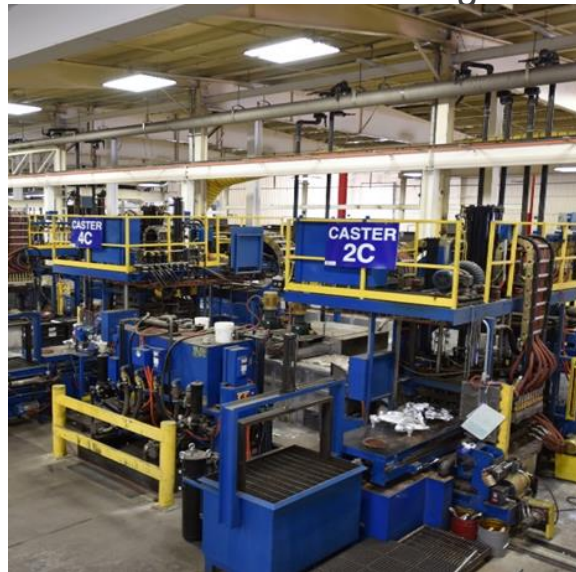
Linamar 1 Plant



~\$600 Million

Mobex – Suspension & Chassis

LPDC & Machining



~\$450 Million

New Business



New Business Win

\$40M in wins for electric vehicle differential assemblies

Average Annual Revenue

**Nearly \$40 M /
year**

SOP Year

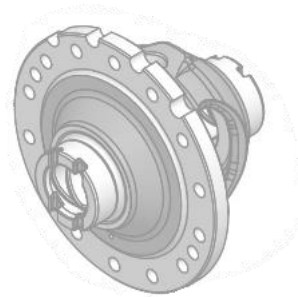
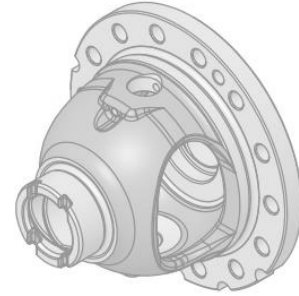
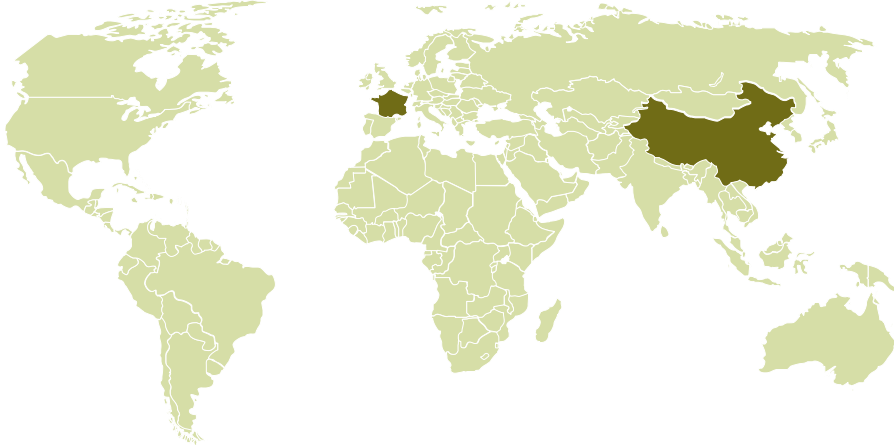
2024

Peak Volume Year

2026

Production Location

France
China



New Business Win

>\$15M in wins for propulsion agnostic structural components

Average Annual Revenue

**More Than \$15
M / year**

SOP Year
2024

Peak Volume Year
2025

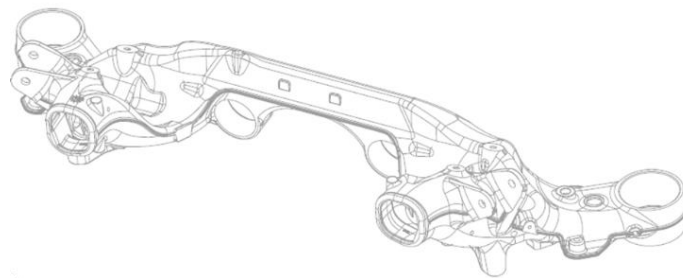
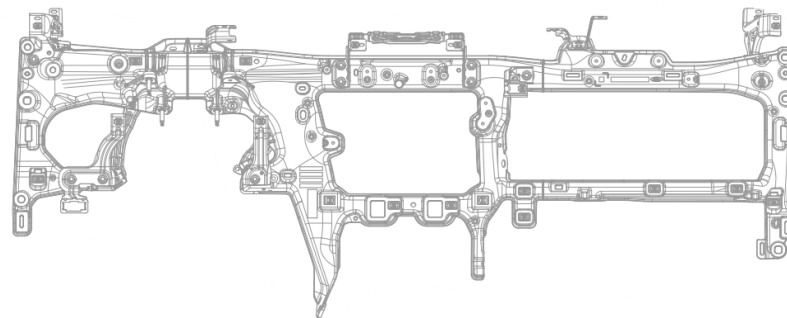
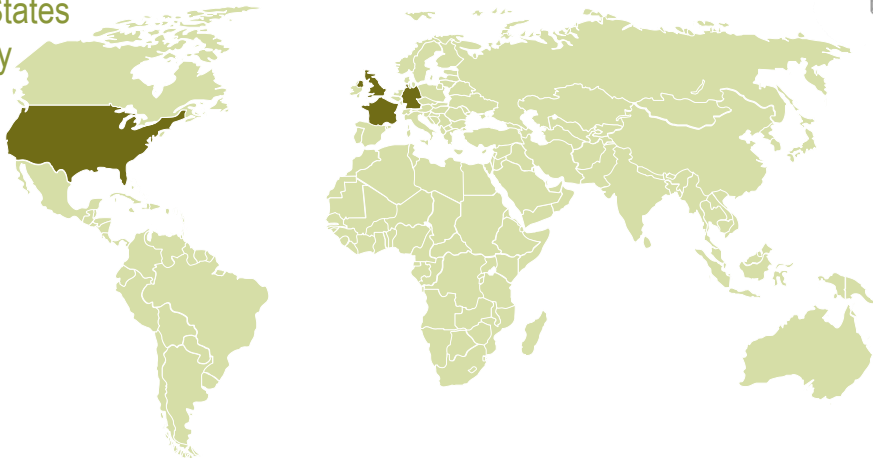
Production Location

United States

Germany

UK

France



New Business Win

Nearly \$40M in wins for hybrid electric vehicle engine components and assemblies

Average Annual Revenue

**Nearly \$40M /
year**

SOP Year

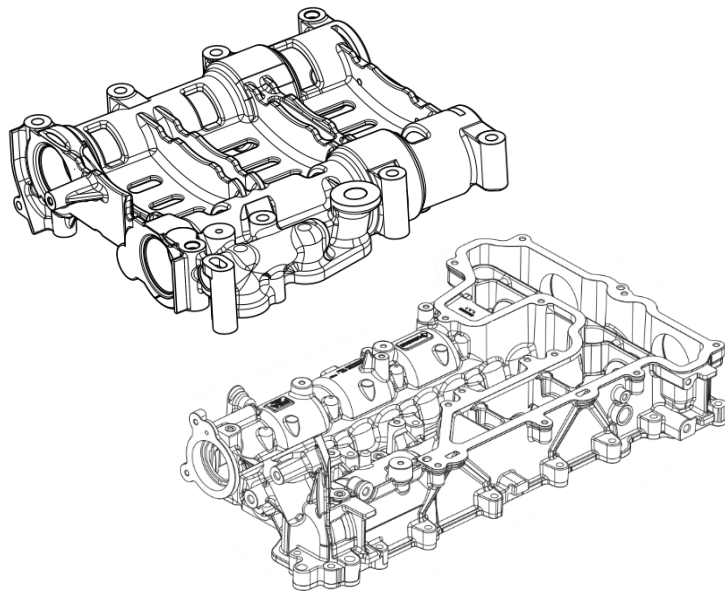
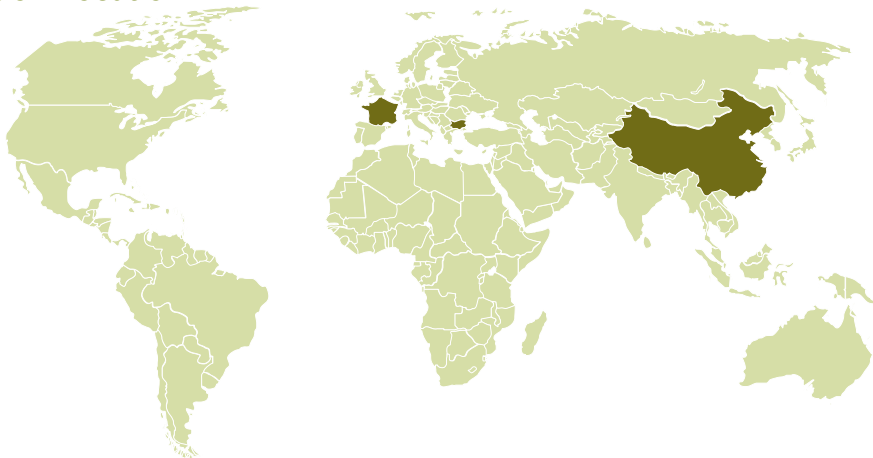
2024

Peak Volume Year

2026

Production Location

Bulgaria
China
France



New Business Win

Structural NBW for electric SUV program to be produced at newly acquired U.S. Battery Enclosures entity

Average Annual Volume

240,000 / Year

SOP Year

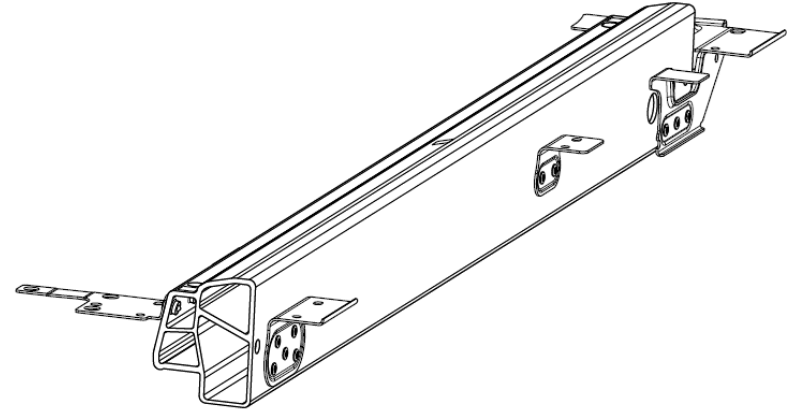
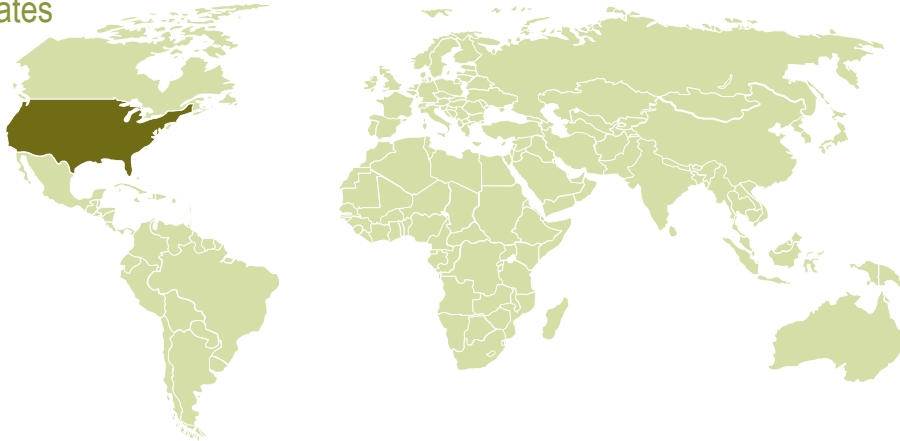
2024

Peak Volume Year

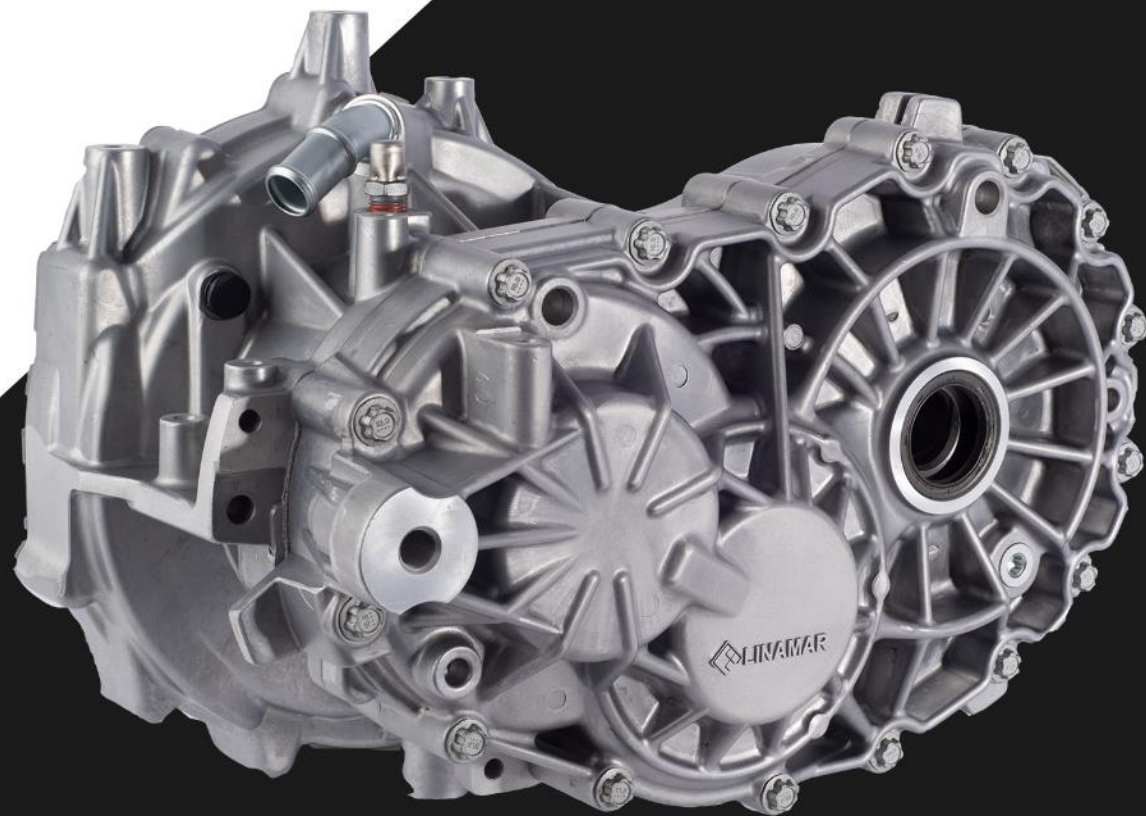
2026

Production Location

United States



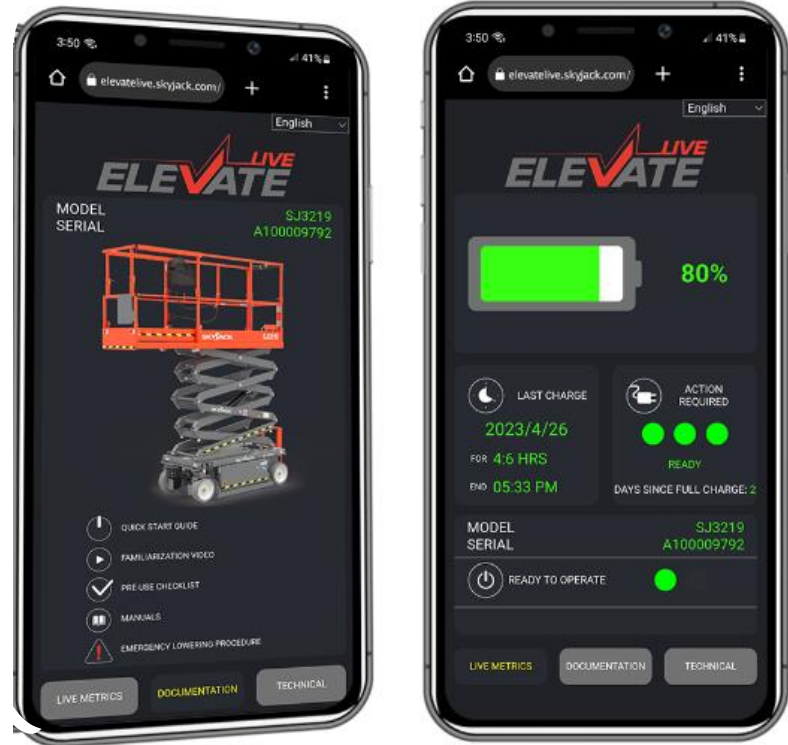
Innovation



Innovation – Skyjack ELEVATE LIVE 2.0

Launch of upgraded ELEVATE Live 2.0 telematics system includes:

- Detailed machine status
- Recent event highlights/warnings
- Additional controller
- Engine insights



New Product – MacDon M2 Series Windrower

The M2 Series Windrowers advance our reputation for innovation, performance, and speed by adding more power and simple touchscreen control

***More Power.
More Intuitive.***

**2000 RPM
280 HP**

**Harvest
Touch**
DISPLAY



MacDon

New Product – Salford



New 56N cover crop seeder designed specifically for narrow, folding tillage tools

Digitization with AI/ML – October 2023

70

Plants



5,321

LMMS Data
Collection Connections



3,692

Robots



1,107

Traceability
Marking
Stations



3,339

Connected Machines



2,611

RFID Stations



2,877

Traceability Read Stations



1,210

Vision Systems



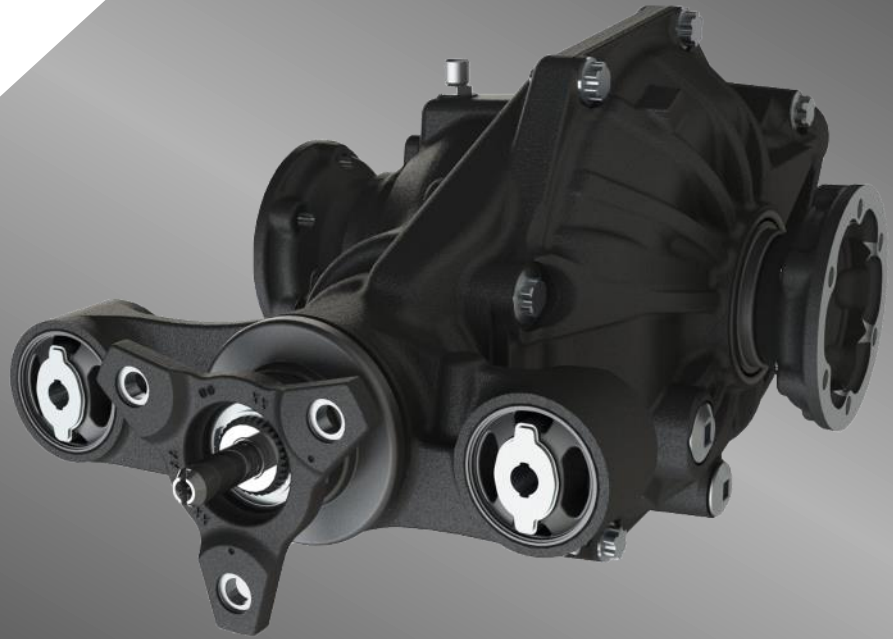
6

AGVs



Financial Review

Dale Schneider, CFO



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

	Q3 2023	Q3 2022	% Δ
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EBITDA – Normalized Margin ¹	13.6%	13.5%	
Industrial OE – Normalized ¹	121.9	74.3	64.1%
Industrial OE – Normalized Margin ¹	18.0%	13.9%	
Mobility OE – Normalized ¹	78.5	94.1	(16.6%)
Mobility OE – Normalized Margin ¹	4.5%	6.0%	
OE – Normalized ¹	200.4	168.4	19.0%
OE – Normalized Margin ¹	8.2%	8.0%	
NE – Normalized ¹	136.3	121.0	12.6%
NE – Normalized Margin ¹	5.6%	5.8%	
EPS – Normalized ¹	2.21	1.91	15.7%

Q3 2023

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

- Strong performance in the Industrial segment
- Strong sales growth from launching and recovering markets in the Mobility segment
- The Dura-Shiloh Battery Enclosure acquisition
- Better pricing; partially offset by
- Higher SGA and fixed costs supporting growth
- Unfavourable changes in F/X rates

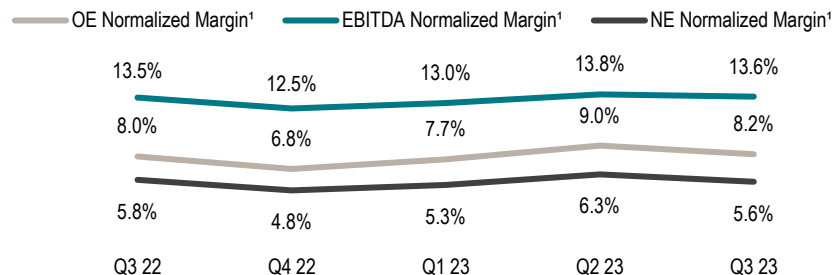
The **key impacts to the segments vs prior year** are:

Mobility

- Markets up 4%
 - Market recovery enhanced by strong launch performance
- Dura-Shiloh acquisition
- An unfavourable F/X rate hitting earnings
- Increased costs partially offset by customer pricing relief

Industrial

- Significant increase in our access sales and continued growth in our agricultural businesses on market share growth in key products
- Increased costs supporting growth



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 Q3 2023 MD&A.

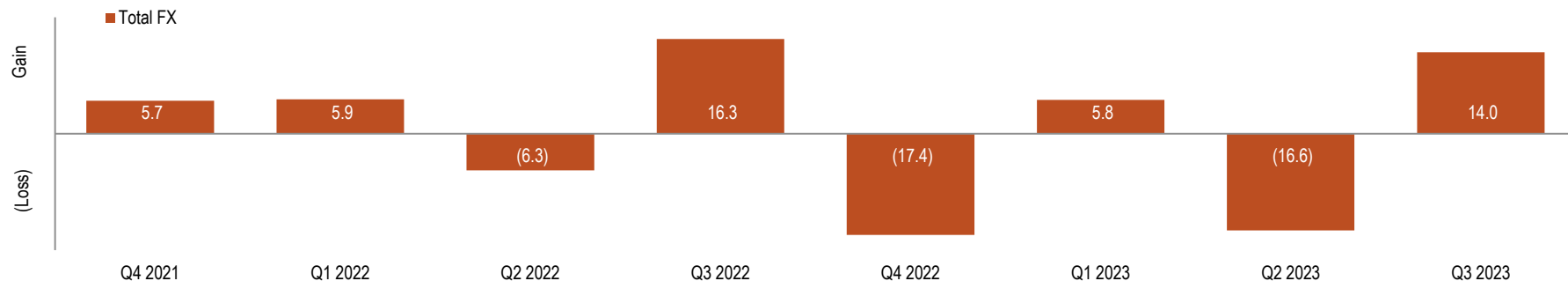
Foreign Exchange Gain/Loss (in millions CAD)

	Q3 2023	Q3 2022	+/-
FX Gain/(Loss) – Operating ¹	13.9	17.0	(3.1)
FX Gain/(Loss) – Financing	0.1	(0.7)	0.8
Total FX Gain/(Loss)	14.0	16.3	(2.3)

Operating Earnings Margin	8.8%	8.8%
OE – Normalized Margin ²	8.2%	8.0%

FX Gain/(Loss) – Impact on EPS FD ³	0.17	0.19
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- Total FX Gain was \$14.0 which resulted from a \$13.9 FX Gain – Operating and a \$0.1 FX Gain – Financing.
- FX Gain – Operating was comprised of an \$8.5 gain in Industrial and a \$5.4 gain in Mobility.
- FX Gain impacted EPS by 17 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 Q3 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)

	Q3 2023	Q3 2022
Sales	676.6	533.4
Operating Earnings	130.4	84.7
Foreign Exchange ¹ (Gain)/Loss	(8.5)	(10.4)
Operating Earnings – Normalized ²	121.9	74.3
Operating Earnings Margin	19.3%	15.9%
OE – Normalized Margin ²	18.0%	13.9%

Industrial Sales increased by 26.8% or \$143.2 to \$676.6.

- The Sales were helped by:
 - additional access equipment sales primarily due to increased global market share growth for certain targeted products and regions;
 - a favourable impact on sales from the changes in FX rates from Q3 2022; and
 - an increase in agricultural sales for the same reasons as access equipment.

Normalized Industrial OE increased by 64.1% or \$47.6 to \$121.9.

- The Normalized OE was helped by:
 - the increased access equipment sales;
 - the increased agricultural sales; and
 - a favourable impact from changes in FX rates from Q3 2022.
- The Normalized OE was hurt by:
 - an increase in SG&A 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 Q3 2023 MD&A.

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

	Q3 2023	Q3 2022
Sales	1,757.6	1,564.7
Operating Earnings	83.9	100.7
Foreign Exchange ¹ (Gain)/Loss	(5.4)	(6.6)
Operating Earnings – Normalized ²	78.5	94.1
Operating Earnings Margin	4.8%	6.4%
OE – Normalized Margin ²	4.5%	6.0%

Mobility Sales increased by 12.3% or \$192.9 to \$1,757.6.

- The Sales were helped by:
 - a favourable impact on sales from the changes in FX rates from Q3 2022;
 - increased sales related to launching programs;
 - increased volumes on certain mature programs;
 - increased sales related to the acquisition of the Battery Enclosures Business in Q3 2023; and
 - increased pricing related to cost recovery helping to partially offset the associated supply chain cost increases.
- The Sales were hurt by:
 - a sales decline primarily attributed to lower production for certain ending programs.

Normalized Mobility OE were lower by \$15.6 or 16.6%.

- The Normalized OE were hurt by:
 - a sales decline primarily attributed to lower production for certain ending programs;
 - an unfavourable impact on OE from the changes in FX rates from Q3 2022;
 - an increase in SGA expenses supporting growth; and
 - increased costs related to labour, materials, and freight partially offset by cost recoveries in sales.
- The Normalized OE were helped by:
 - increased sales related to launching programs and increased volumes; and
 - increased sales related to the acquisition of the Battery Enclosures Business.

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 Q3 2023 MD&A.

Operating Expenses (in millions CAD)

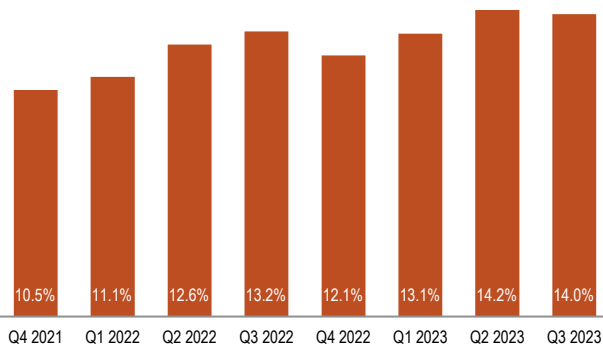
	Q3 2023	Q3 2022	+/-	%
Sales	2,434.2	2,098.1	336.1	16.0%
Cost of Goods Sold	2,093.9	1,820.2	273.7	15.0%
Gross Margin	340.3	277.9	62.4	22.5%
Gross Margin as a % of Sales	14.0%	13.2%		

Cost of Goods Sold Amortization	121.3	110.0	11.3	10.3%
COGS Amortization as a % of Sales	5.0%	5.2%		

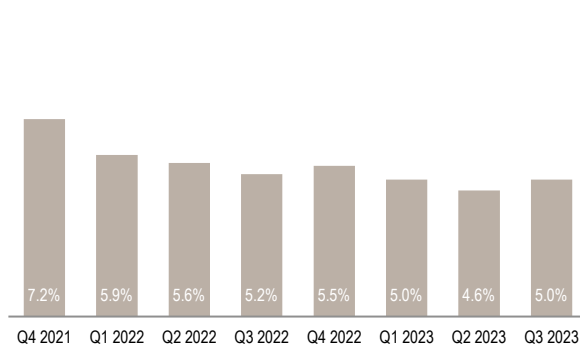
Selling, General, and Administrative	139.4	108.7	30.7	28.2%
SGA as a % of Sales	5.7%	5.2%		

- Gross Margin was \$340.3 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.
- SG&A increased to \$139.4 for the quarter and was impacted by:
 - an increase in management and sales costs supporting growth;
 - additional expenses related to the acquisition of the Battery Enclosures Business in Q3 2023; and
 - an increase in travel expenses supporting growth.

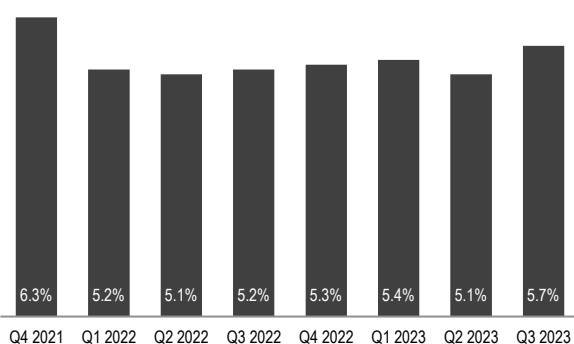
■ Gross Margin as a % of Sales



■ COGS Amortization as a % of Sales



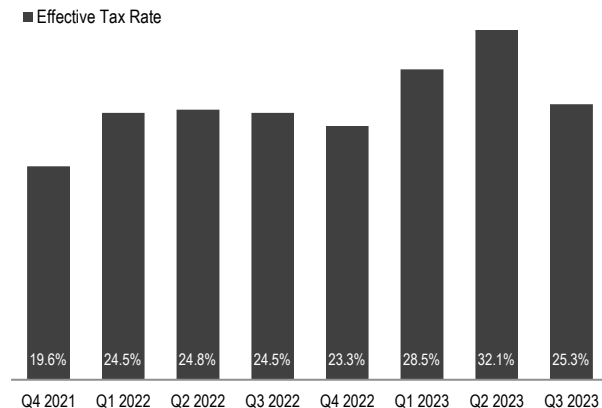
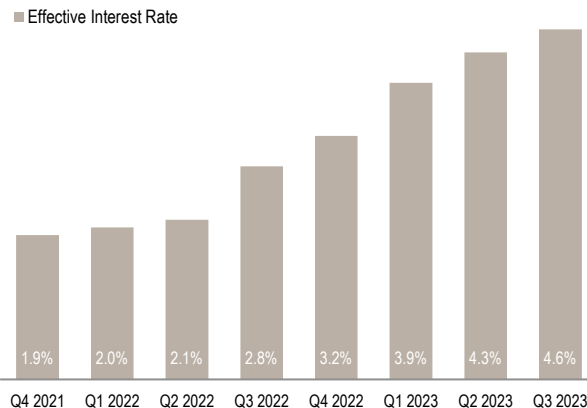
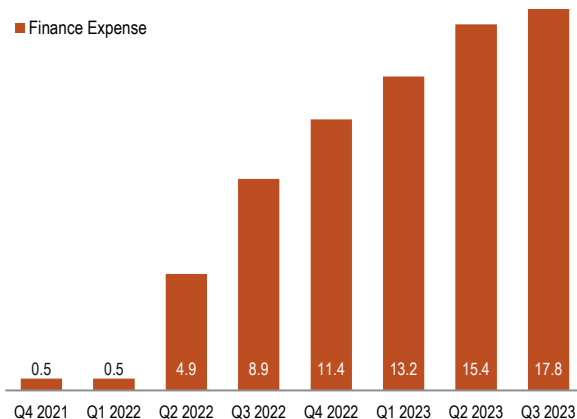
■ SGA as a % of Sales



Finance Expenses & Income Tax (in millions CAD)

	Q3 2023	Q3 2022	+/-
Finance Expense	17.8	8.9	8.9
Effective Interest Rate	4.6%	2.8%	1.8%
Effective Tax Rate	25.3%	24.5%	0.8%

- Finance expenses increased by \$8.9.
- Finance expenses were hurt by:
 - an increase in interest costs due to change in the Bank of Canada overnight rate and United States Federal Funds rate;
 - increased borrowings to fund the 2022 business acquisitions and the 2022 share repurchase program; and
 - the issuance of \$550 private placement notes.
- Finance expenses were helped by:
 - increased interest earned due to elevated rates.
- The tax rate increased to 25.3% in the quarter from last year.
- Full year 2023 tax rate expected to be in the range of 24% to 26%, excluding the Q1 and Q2 withholding tax impacts, and higher than the 2022 full year tax rate.

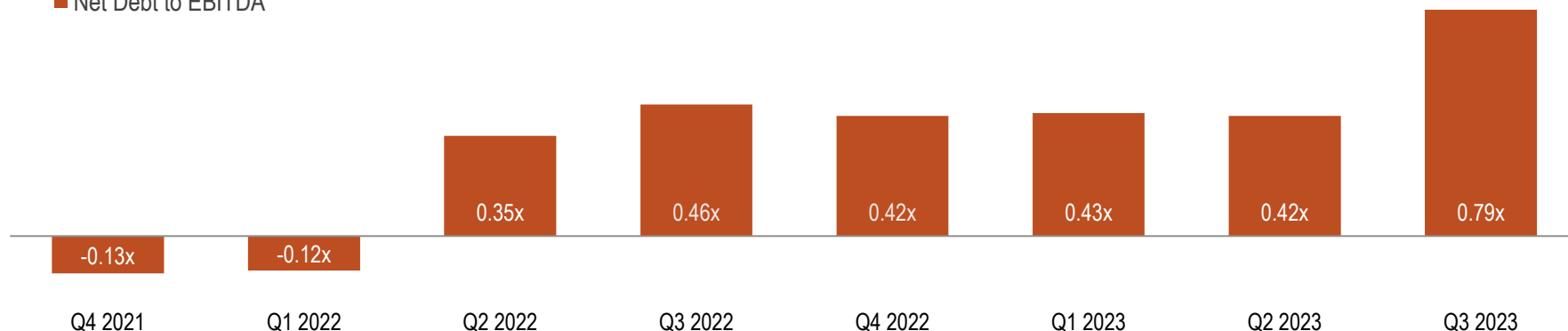


Leverage (in millions CAD)

	Q3 2023	Q3 2022
Cash Position	694.6	856.0
Available Cash on Credit Facilities	675.1	435.0
Net Debt to EBITDA ²	0.79x	0.46x
Debt to Capitalization ³	25.0%	21.8%

- Cash position at the end of the quarter was \$694.6 million.
- Linamar generated \$74.6 in Cash from Operating Activities.
- Net Debt to EBITDA at 0.79x mainly due to acquisitions in 2022 and 2023, 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 \$1.4 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 Q3 2023 MD&A.

2 - EBITDA, as used in Net Debt to 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 Q3 2023 as Short-term borrowings of \$Nil (Q3 2022 - \$Nil) and Long-term debt of \$1,702 million (Q3 2022 - \$1,309 million) (Total Debt) divided by Total Debt of \$1,702 million (Q3 2022 - \$1,309 million) and Equity of \$5,178 million (Q3 2022 - \$4,644 million), less Contributed surplus of \$34 million (Q3 2022 - \$31 million) less Accumulated other comprehensive earnings of \$49 million (Q3 2022 - (\$84) million).

Conclusion

- Double-Digit Sales growth in both Industrial and Mobility
 - Continued improvements in supply chain issues helping to drive sale growth;
 - 2 months of the Battery Enclosure Business; and
 - Further economic hardship recoveries achieved in 2023.
- Double-Digit Normalized Net Earnings and EPS growth
 - Increased Contribution on the higher volumes in both Segments;
 - Increased Earnings from the Battery Enclosure Business; partially offset by
 - Decreased Contribution on ending programs;
 - Net negative impact on changes in FX rates since last year; and
 - Further supply chain cost increases
- Available Liquidity¹ remains strong at \$1.4 billion
- No material impacts from labour strikes at the OEM's

¹ – Liquidity, Normalized Net Earnings, and Normalized Earnings Per Share are a non-GAAP financial measure. Please refer to "Non-GAAP and Other Financial Measures" in the separately released Q3 2023 MD&A.

Question and Answer



Outlook

Q4 2023 Expectations

▪ Mobility

- Expect OE growth vs Q3 2023 and modest growth vs Q4 2022
 - Two months for Mobex acquisition
 - Full quarter for Battery Enclosure Business
 - Continued improvements in cost & customer recoveries
 - Considers currently known strike impact
- Outlook excludes potential knock-on impact of UAW strikes not currently known
 - Could see recovery to schedules to catch up or cuts to schedules if a bank had been built

▪ Industrial

- Q4 2023 OE down sequentially vs Q3 2023
 - Seasonality for all businesses
- Double digit OE growth vs prior year

▪ General

- Overall OE
 - Seasonally down from Q3 2023
 - Double digit OE growth vs prior year

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
Capex (% of Sales)	6.0% - 8.0%	411m 5.2%	Increased from 2022 Levels High End of Normal Range	Decreased from Elevated 2023 Levels Normal Range
Leverage Net Debt:EBITDA		0.42	Continued Strong Balance Sheet	Continued Strong Balance Sheet
Free Cash Flow ¹		\$ 94 m	Positive	Strongly Positive

Industrial				
Sales Growth				
Skyjack			Double Digit Growth	Double Digit Growth
Agriculture			Significant Double Digit Growth	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	Consistent

Mobility				
Sales Growth			Double Digit Growth	Double Digit Growth
Factors Influencing Sales Growth				
Launch Book Nearly \$3.7 Billion Driving Incremental Sales Of:		\$760m	\$700 to \$800 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%	Down Over Prior Year	Double Digit Growth
Normalized Operating Margin ¹	7.0% - 10.0%	6.2%	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 Q3 2023 MD&A.

Key Messages



Double-Digit Top and Bottom Line Growth



Strong Market Share Growth In Each Business



Second Mobility Acquisition Completed Accelerating EV / PA Business Shift





Thank You

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