

Linamar Delivers a Stellar 2023 with Record Sales, over 40% Earnings Growth, Increases Dividend

March 6, 2024, Guelph, Ontario, Canada (TSX: LNR)

Strong financial performance

- ◆ Sales up 19.1% to \$2.45 billion in Q4 2023, and up 23% for the year;
- ◆ Normalized Operating Earnings¹ up 36.2% in Q4 2023, and up 41.4% for the year; and
- ◆ Normalized Diluted Earnings per Share¹ up 23% in Q4 2023, and up 40.3% for the year.

Mobility Segment Performing

- ◆ Mobility segment finished the year on a very strong note with earnings and margins well up over Q3 2023; and
- ◆ Mobility segment earnings also up over Q4 2022 and margins up on a constant currency basis.

Diversified Strategy Success

- ◆ Diversified strategy validated with Industrial earnings up 145% over 2022, anchoring solid overall performance; and
- ◆ Acquisition of our chassis and suspension business closed and will drive strong propulsion-agnostic growth.

Returning Cash to Shareholders

- ◆ Linamar is once again increasing its dividend to shareholders to a record quarterly \$0.25 per share.

Double-Digit Sales Growth in Both Segments

- ◆ Sales up 19.8% for Industrial for the quarter and 38.3% for the year, due to solid market share growth in both the agricultural and access equipment product families;
- ◆ Sales up 18.9% for Mobility in the quarter and 18% for the year, driven by both our Linamar Structures acquisitions as well as launching programs and increased volumes; and
- ◆ North American and European content per vehicle hit a new annual record reflective of continued market share growth.

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2023	2022	2023	2022
(in millions of dollars, except per share figures)	\$	\$	\$	\$
Sales	2,453.9	2,060.0	9,733.5	7,917.9
Operating Earnings (Loss)				
Industrial	85.8	55.7	460.9	201.6
Mobility	83.8	75.8	313.9	393.2
Operating Earnings (Loss)	169.6	131.5	774.8	594.8
Net Earnings (Loss)	104.4	92.2	503.1	426.2
Net Earnings (Loss) per Share – Diluted	1.69	1.49	8.17	6.67
Operating Earnings (Loss) – Normalized ¹				
Industrial	100.5	55.5	471.4	192.5
Mobility	91.4	85.4	327.5	372.6
Operating Earnings (Loss) – Normalized	191.9	140.9	798.9	565.1
Net Earnings (Loss) – Normalized ¹	122.2	99.5	541.1	400.5
Net Earnings (Loss) per Share – Diluted – Normalized ¹	1.98	1.61	8.78	6.26

“2023 was another incredible year for us at Linamar with excellent successes seen across all our businesses. We drove to record sales on the back of growing market share in every business, helped by acquisitions, we further diversified our business importantly in the propulsion agnostic arena, key to managing a changing landscape in the mobility business and delivered more than 40% growth in earnings”, said Linamar Executive Chair and CEO Linda Hasenfratz, “We are looking forward to another solid year of double digit top and bottom line growth in 2024.”

¹ Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, and Free Cash Flow are non-GAAP financial measures. Please see “Non-GAAP and Other Financial Measures” section of this press release.

DIVIDENDS

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2023, of CDN\$0.25 per share on the common shares of the company, payable on or after April 15, 2024, to shareholders of record on March 28, 2024.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

These Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP. Please see the "Non-GAAP and Other Financial Measures" section of the Company's MD&A for further information.

During Q1 2023, a normalizing item related to an "adjustment for contingent consideration on Mills River earn-out" impacted the Mobility segment by \$4.9 million. Also, during Q1 2023 and Q2 2023 a normalizing item impacting the Company's income taxes related to withholding tax on repatriation of cash from China by \$6.9 million and \$13.4 million respectively.

During Q4 2022, a normalizing item related to a "net gain on the purchase of LLM Mills River" impacted the Mobility segment by \$7.7 million. The Company's acquisition of the remaining 50% interest in the joint venture, LLM Mills River, resulted in a gain on bargain purchase of \$29.4 million partially offset by a remeasurement of the original net investment of \$21.7 million. During Q1 2022, a normalizing item related to a "gain on sale of unused land" impacted the Mobility segment by \$22.1 million.

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

	2023		2022		Three Months Ended December 31		Twelve Months Ended December 31	
	\$	\$	+/- \$	+/- %	\$	\$	+/- \$	+/- %
<i>(in millions of dollars, except per share figures)</i>								
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	169.6	131.5	38.1	29.0%	774.8	594.8	180.0	30.3%
Foreign exchange (gain) loss	22.3	17.1	5.2		19.2	0.1	19.1	
Other items	-	(7.7)	7.7		4.9	(29.8)	34.7	
Operating Earnings (Loss) – Normalized	191.9	140.9	51.0	36.2%	798.9	565.1	233.8	41.4%
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	104.4	92.2	12.2	13.2%	503.1	426.2	76.9	18.0%
Foreign exchange (gain) loss	22.3	17.1	5.2		19.2	0.1	19.1	
Foreign exchange (gain) loss on debt and derivatives	2.5	0.3	2.2		2.5	1.5	1.0	
Other items	-	(7.7)	7.7		4.9	(29.8)	34.7	
Tax impact including Other Items	(7.0)	(2.4)	(4.6)		11.4	2.5	8.9	
Net Earnings (Loss) – Normalized	122.2	99.5	22.7	22.8%	541.1	400.5	140.6	35.1%
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	1.69	1.49	0.20	13.4%	8.17	6.67	1.50	22.5%
Foreign exchange (gain) loss	0.36	0.27	0.09		0.31	-	0.31	
Foreign exchange (gain) loss on debt and derivatives	0.04	0.01	0.03		0.04	0.02	0.02	
Other items	-	(0.12)	0.12		0.08	(0.47)	0.55	
Tax impact including Other Items	(0.11)	(0.04)	(0.07)		0.18	0.04	0.14	
Net Earnings (Loss) per Share – Diluted – Normalized	1.98	1.61	0.37	23.0%	8.78	6.26	2.52	40.3%

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

(in millions of dollars)	Three Months Ended December 31 2023			Twelve Months Ended December 31 2023		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	85.8	83.8	169.6	460.9	313.9	774.8
Foreign exchange (gain) loss	14.7	7.6	22.3	10.5	8.7	19.2
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	100.5	91.4	191.9	471.4	327.5	798.9

(in millions of dollars)	Three Months Ended December 31 2022			Twelve Months Ended December 31 2022		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	55.7	75.8	131.5	201.6	393.2	594.8
Foreign exchange (gain) loss	(0.2)	17.3	17.1	(9.1)	9.2	0.1
Other items	-	(7.7)	(7.7)	-	(29.8)	(29.8)
Operating Earnings (Loss) – Normalized	55.5	85.4	140.9	192.5	372.6	565.1

FORWARD LOOKING INFORMATION, RISK AND UNCERTAINTIES

Certain information provided by Linamar in this press release, MD&A, the consolidated financial statements and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “likely”, “estimate”, “believe”, “expect”, “plan”, “forecast” and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar’s competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; public health threats; cyclical and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

The foregoing is not an exhaustive list of the factors that may affect Linamar’s forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar’s forward-looking statements. Linamar assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

CONFERENCE CALL INFORMATION

Q4 2023 Release Information

Linamar will hold a webcast call on March 6, 2024, at 5:00 p.m. ET to discuss its fourth quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q4-2023-earnings-call/> and can also be navigated to on the Company’s website. For those who wish to listen to an audio only call-in option, the numbers for this call are (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 11859424, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar’s Executive Chair and Chief Executive Officer. A copy of the Company’s quarterly financial statements, including the Management’s Discussion & Analysis, will be available on the Company’s website after 4:00 p.m. ET on March 6, 2024, and at www.sedar.com by the start of business on March 7, 2024. The webcast replay will be available at

<https://www.linamar.com/event/q4-2023-earnings-call/> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on March 6, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 859424 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q4-2023-earnings-call/>.

Q1 2024 Release Information

Linamar will hold a webcast call on May 8, 2024, at 5:00 p.m. ET to discuss its first quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q1-2024-earnings-call/> and can also be navigated to on the Company's website. For those who wish to listen to an audio-only call-in option, the numbers for this call are (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 90762585, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Executive Chair and Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on May 8, 2024, and at www.sedar.com by the start of business on May 9, 2024. The webcast replay will be available at <https://www.linamar.com/event/q1-2024-earnings-call/> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on May 8, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 762585 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q1-2024-earnings-call/>.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and the newly formed Linamar Agriculture operating group which consists of the MacDon, Salford and Bourgault brands. Skyjack manufactures scissors, boom and telehandler lifts for the aerial work platform industry. Within the Agriculture portfolio MacDon manufactures combine draper headers and self-propelled windrowers for harvesting, Salford supplies farm tillage and crop fertilizer application equipment while Bourgault is a leader in air seeding technology. The Mobility segment is focused on propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered vehicle markets. Operationally, Mobility is organized into three regional groups North America, Europe, Asia Pacific and the new Linamar Structures product group. The Regional Mobility groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly. The Linamar Structures Group offers competitive lightweight innovations for safety-critical components and systems for the global mobility market. Design, development, and testing services for the Mobility segment are provided both by McLaren Engineering and for electrified solutions, the eLIN Product Solutions Group. Linamar's medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 32,000 employees in 75 manufacturing locations, 17 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of more than \$9.7 billion in 2023. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on our social media channels.

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

Guelph, Ontario
March 6, 2024