

## Linamar Delivers Exceptional Free Cash Flow, Launches NCIB, Continues Top and Bottom Line Growth

November 12, 2024, Guelph, Ontario, Canada (TSX: LNR)

### Strong financial performance

- ♦ Sales up 8.3% to \$2.64 billion in Q3 2024;
- ♦ Normalized Operating Earnings<sup>1</sup> up 14.1% in Q3 2024; and
- ♦ Normalized Diluted Earnings per Share<sup>1</sup> up 6.3% in Q3 2024.

### Excellent Free Cash Flow

- ♦ \$269.6 million of Free Cash Flow<sup>1</sup> generated in Q3 2024, up \$393.5 million from prior year on stronger earnings and careful cash management.

### Sales Growth in Both Segments on Strong Market Share Growth

- ♦ Sales up 24.3% for Industrial for the quarter, due to:
  - ♦ Significant global market share growth in combine drapers despite market declines; and
  - ♦ Sales related to our most recent acquisition of Bourgault Industries Ltd.
- ♦ Sales up 2.1% for Mobility in the quarter despite market declines, driven by:
  - ♦ Linamar Structures acquisitions completed in 2023;
  - ♦ Launching programs; and
  - ♦ Content per vehicle<sup>1</sup> ("CPV") up 17% in North America reflective of continued market share growth.

### Mobility Segment Double Digit Growth Continues

- ♦ Mobility segment normalized operating earnings of \$88.4 million, up 12.6% compared to Q3 2023; and
- ♦ Normalized margins of 4.9% up from 4.5% in prior year.

### Industrial Segment Strong Performance Driving Mainly from Agriculture Business

- ♦ Industrial normalized operating earnings of \$140.2 million are up 15% over Q3 2023.

### Returning Cash to Shareholders

- ♦ Linamar has also received approval from the Toronto Stock Exchange ("TSX") to commence a normal course issuer bid, described further below, under which it is authorized to purchase up to 4,021,282 shares over the next 12 months; and
- ♦ Linamar is maintaining its dividend to shareholders at quarterly \$0.25 per share.

(in millions of dollars, except per share figures)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Sales	2,635.7	2,434.2	8,206.3	7,279.7
Operating Earnings (Loss)				
Industrial	141.8	130.4	436.3	375.1
Mobility	78.3	83.9	324.6	230.2
Operating Earnings (Loss)	220.1	214.3	760.9	605.3
Net Earnings (Loss)	138.0	146.7	490.6	398.7
Net Earnings (Loss) per Share – Diluted	2.24	2.38	7.96	6.47
Operating Earnings (Loss) – Normalized <sup>1</sup>				
Industrial	140.2	121.9	424.7	370.9
Mobility	88.4	78.5	338.2	236.1
Operating Earnings (Loss) – Normalized	228.6	200.4	762.9	607.0
Net Earnings (Loss) – Normalized <sup>1</sup>	144.6	136.3	492.6	418.8
Net Earnings (Loss) per Share – Diluted – Normalized <sup>1</sup>	2.35	2.21	7.99	6.80

"Q3 saw continued top and bottom line growth for us at Linamar despite soft markets in each segment", said Executive Chair Linda Hasenfratz, "Exceptional free cash flow was the star of the show this quarter enabling us to launch a long-awaited NCIB to return cash to shareholders."

<sup>1</sup> Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, and Free Cash Flow are non-GAAP financial measures. Content per Vehicle is a Supplementary Financial Measure. Please see "Non-GAAP and Other Financial Measures" section of this press release and separately released MD&A.

"The Linamar team once again performed during a challenging time and is focused on capitalizing on the many opportunities around the globe!", said Chief Executive Officer and President Jim Jarrell.

### **TSX APPROVES NORMAL COURSE ISSUER BID**

The TSX has accepted the Company's notice of intention to commence a normal course issuer bid (the "NCIB"). The Company believes that the NCIB is consistent with its strategic imperative to maintain a conservative balance sheet while purposefully deploying capital to increase shareholder value.

Under the NCIB, Linamar may repurchase during the period commencing on November 15, 2024 and ending on the earlier of November 14, 2025 and the completion of the maximum purchases permitted under the NCIB, up to 4,021,282 common shares of Linamar ("Common Shares"), representing 10% of the "public float" of Common Shares as of November 4, 2024, subject to the rules of the TSX. Except as otherwise provided for in the rules of the TSX, the maximum amount of Common Shares that can be purchased by the Company during each day the NCIB is in place is 25,101, representing 25% of average daily trading volume for the six months ended October 31, 2024. As of November 4, 2024, the Company had 61,578,157 Common Shares and calculates a "public float" of 40,212,825 Common Shares.

The actual number of Common Shares which may be purchased under the NCIB and the timing of any such purchases will be determined by the management of the Company, subject to applicable law and the rules of the TSX. Purchases will be made on the open market through the facilities of the TSX at prevailing market prices or as otherwise permitted by the TSX. The NCIB will be funded using existing cash and debt resources, and any Common Shares purchased under the NCIB will be cancelled.

Linamar has also entered into an automatic share purchase plan (and "ASPP") with a designated broker to allow for the purchase of Common Shares under the NCIB at times when it would otherwise not be permitted to do so. Purchases made by the designated broker pursuant to the ASPP will be made based on pre-established parameters set by the company, which have been approved by the TSX.

In the last twelve months, Linamar has not purchased Common Shares under any other NCIB.

### **DIVIDENDS**

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2024, of CDN\$0.25 per share on the common shares of the company, payable on or after December 2, 2024 to shareholders of record on November 22, 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 Q2 2024, operating earnings were adversely affected by estimated duties relating to certain Industrial segment products exported between 2022 and 2024. A normalizing item related to these estimated duties impacted operating earnings by \$15.8 million.

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.

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

	Three Months Ended September 30				Nine Months Ended September 30			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
<b>Operating Earnings (Loss) – Normalized</b>								
Operating Earnings (Loss)	220.1	214.3	5.8	2.7%	760.9	605.3	155.6	25.7%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Other items	-	-	-		15.8	4.9	10.9	
Operating Earnings (Loss) – Normalized	228.6	200.4	28.2	14.1%	762.9	607.0	155.9	25.7%
<b>Net Earnings (Loss) – Normalized</b>								
Net Earnings (Loss)	138.0	146.7	(8.7)	(5.9%)	490.6	398.7	91.9	23.0%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Foreign exchange (gain) loss on debt and derivatives	0.4	(0.1)	0.5		1.1	-	1.1	
Other items	-	-	-		15.8	4.9	10.9	
Tax impact including Other Items	(2.3)	3.6	(5.9)		(1.1)	18.4	(19.5)	
Net Earnings (Loss) – Normalized	144.6	136.3	8.3	6.1%	492.6	418.8	73.8	17.6%
<b>Net Earnings (Loss) per Share – Diluted – Normalized</b>								
Net Earnings (Loss) per Share – Diluted	2.24	2.38	(0.14)	(5.9%)	7.96	6.47	1.49	23.0%
Foreign exchange (gain) loss	0.14	(0.22)	0.36		(0.22)	(0.05)	(0.17)	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01		0.02	-	0.02	
Other items	-	-	-		0.26	0.08	0.18	
Tax impact including Other Items	(0.04)	0.05	(0.09)		(0.03)	0.30	(0.33)	
Net Earnings (Loss) per Share – Diluted – Normalized	2.35	2.21	0.14	6.3%	7.99	6.80	1.19	17.5%

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

	Three Months Ended September 30 2024			Nine Months Ended September 30 2024		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Other items	-	-	-	15.8	-	15.8
Operating Earnings (Loss) – Normalized	140.2	88.4	228.6	424.7	338.2	762.9

	Three Months Ended September 30 2023			Nine Months Ended September 30 2023		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
(in millions of dollars)						
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	130.4	83.9	214.3	375.1	230.2	605.3
Foreign exchange (gain) loss	(8.5)	(5.4)	(13.9)	(4.2)	1.0	(3.2)
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	121.9	78.5	200.4	370.9	236.1	607.0

## Other Non-GAAP Financial Measures

### Free Cash Flow

Free Cash Flow is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to generate cash. Free Cash Flow is calculated as Cash from Operating Activities, the most directly comparable measure as presented in the Company's consolidated statements of cash flows, adjusted for payments for purchase of property, plant and equipment, and proceeds on disposal of property, plant and equipment.

Other non-GAAP financial measures are reconciled as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
(in millions of dollars)	\$	\$	\$	\$
<b>Free Cash Flow</b>				
Cash generated from (used in) operating activities	370.4	74.6	756.4	517.1
Payments for purchase of property, plant and equipment	(102.5)	(199.9)	(466.3)	(568.0)
Proceeds on disposal of property, plant and equipment	1.7	1.4	7.3	2.4
Free Cash Flow	269.6	(123.9)	297.4	(48.5)

## 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; cyclicity 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

### Q3 2024 Release Information

Linamar will hold a webcast call on November 12, 2024, at 5:00 p.m. ET to discuss its third-quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q3-2024-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 71153445, 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. 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 November 12, 2024, and at [www.sedar.com](http://www.sedar.com) by the start of business on November 13, 2024. The webcast replay will be available at <https://www.linamar.com/event/q3-2024-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 November 12, 2024, for seven days. The number for the replay is (+1) 877 674 7070 or (+1) 416 764 8692, Passcode: 153445 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q3-2024-earnings-call/>.

#### Q4 2024 Release Information

Linamar will hold a webcast call on March 5, 2025, 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/q4-2024-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) 800 549 8228 (North America) or (+1) 289 819 1520 (International) Conference ID 82850, 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. 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 5, 2025, and at [www.sedar.com](http://www.sedar.com) by the start of business on March 6, 2025. The webcast replay will be available at <https://www.linamar.com/event/q4-2024-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 March 5, 2025, for seven days. The number for the replay is (+1) 888 660 6264 or (+1) 289 819 1325, Passcode: 82850#. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q4-2024-earnings-call/>.

Linamar Corporation (TSX:LNR) is a diversified 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 by McLaren Engineering. Linamar's medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 33,000 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](http://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  
November 12, 2024

# LINAMAR CORPORATION

## Management's Discussion and Analysis

For the Quarter Ended September 30, 2024

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated financial statements for the quarter September 30, 2024. This MD&A has been prepared as at November 12, 2024. The financial information presented herein has been prepared on the basis of IFRS® Accounting Standards. References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS Accounting Standards as adopted. All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

Additional information regarding Linamar, including copies of its continuous disclosure materials such as its annual information form, is available on its website at [www.linamar.com](http://www.linamar.com) or through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## OVERALL CORPORATE PERFORMANCE

### Overview of the Business

Linamar Corporation (TSX:LNR) is a diversified 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 by McLaren Engineering. Linamar's medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 33,000 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](http://www.linamar.com) or follow us on our social media channels.

### Overall Corporate Results

The following table sets out certain highlights of the Company's performance in the third quarter of 2024 ("Q3 2024") and 2023 ("Q3 2023"):

(in millions of dollars, except per share figures)	Three Months Ended September 30				Nine Months Ended September 30			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
	\$	\$	\$	%	\$	\$	\$	%
Sales	2,635.7	2,434.2	201.5	8.3%	8,206.3	7,279.7	926.6	12.7%
Gross Margin	380.2	340.3	39.9	11.7%	1,198.2	1,002.7	195.5	19.5%
Operating Earnings (Loss)	220.1	214.3	5.8	2.7%	760.9	605.3	155.6	25.7%
Net Earnings (Loss)	138.0	146.7	(8.7)	(5.9%)	490.6	398.7	91.9	23.0%
Net Earnings (Loss) per Share - Diluted	2.24	2.38	(0.14)	(5.9%)	7.96	6.47	1.49	23.0%
Earnings before interest, taxes and amortization ("EBITDA") <sup>1</sup>	373.4	344.4	29.0	8.4%	1,209.3	977.9	231.4	23.7%
Operating Earnings (Loss) - Normalized <sup>1</sup>	228.6	200.4	28.2	14.1%	762.9	607.0	155.9	25.7%
Net Earnings (Loss) - Normalized <sup>1</sup>	144.6	136.3	8.3	6.1%	492.6	418.8	73.8	17.6%
Net Earnings (Loss) per Share - Diluted - Normalized <sup>1</sup>	2.35	2.21	0.14	6.3%	7.99	6.80	1.19	17.5%
EBITDA – Normalized <sup>1</sup>	382.8	330.4	52.4	15.9%	1,213.1	979.6	233.5	23.8%

The changes in these financial highlights are discussed in detail in the following sections of this analysis.

<sup>1</sup> Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, EBITDA and EBITDA – Normalized are non-GAAP financial measures. Please see "Non-GAAP and Other Financial Measures" section of this MD&A.



## BUSINESS SEGMENT REVIEW

The Company reports its results of operations in two business segments: Industrial and Mobility. The segments are differentiated by the products that each produces and reflects how the chief operating decision makers of the Company manage the business. The following should be read in conjunction with the Company's consolidated financial statements for the quarter ended September 30, 2024.

	Three Months Ended September 30 2024			Nine Months Ended September 30 2024		
(in millions of dollars)	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	841.3	1,794.4	2,635.7	2,456.5	5,749.8	8,206.3
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
EBITDA	166.0	207.4	373.4	505.1	704.2	1,209.3
Operating Earnings (Loss) – Normalized	140.2	88.4	228.6	424.7	338.2	762.9
EBITDA – Normalized	164.8	218.0	382.8	494.6	718.5	1,213.1

	Three Months Ended September 30 2023			Nine Months Ended September 30 2023		
(in millions of dollars)	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	676.6	1,757.6	2,434.2	2,038.9	5,240.8	7,279.7
Operating Earnings (Loss)	130.4	83.9	214.3	375.1	230.2	605.3
EBITDA	147.6	196.8	344.4	424.2	553.7	977.9
Operating Earnings (Loss) – Normalized	121.9	78.5	200.4	370.9	236.1	607.0
EBITDA – Normalized	139.0	191.4	330.4	420.0	559.6	979.6

### Industrial Highlights

	Three Months Ended September 30				Nine Months Ended September 30			
(in millions of dollars)	2024 \$	2023 \$	+/- \$	+/- %	2024 \$	2023 \$	+/- \$	+/- %
Sales	841.3	676.6	164.7	24.3%	2,456.5	2,038.9	417.6	20.5%
Operating Earnings (Loss)	141.8	130.4	11.4	8.7%	436.3	375.1	61.2	16.3%
EBITDA	166.0	147.6	18.4	12.5%	505.1	424.2	80.9	19.1%
Operating Earnings (Loss) – Normalized	140.2	121.9	18.3	15.0%	424.7	370.9	53.8	14.5%
EBITDA – Normalized	164.8	139.0	25.8	18.6%	494.6	420.0	74.6	17.8%

The Industrial segment ("Industrial") product sales increased 24.3%, or \$164.7 million, to \$841.3 million in Q3 2024 from Q3 2023. The sales increase was due to:

- ♦ a meaningful increase in agricultural sales in a market that was down significantly, primarily due to exceptional global market share growth for combine drapers;
- ♦ increased sales related to the acquisition of Bourgault Industries Ltd. and its subsidiaries ("Bourgault") in Q1 2024; and
- ♦ a favourable impact on sales from the changes in foreign exchange rates from Q3 2023; partially offset by
- ♦ reduced volumes primarily due to lower market demand for access equipment.

Year to date ("YTD") sales for Industrial increased by \$417.6 million, or 20.5%, compared with YTD 2023. The factors that impacted Q3 2024 similarly impacted the YTD results.

Industrial segment normalized operating earnings in Q3 2024 increased \$18.3 million, or 15.0%, from Q3 2023. The Industrial normalized operating earnings results were predominantly driven by:

- ♦ a significant increase in agricultural sales;
- ♦ increased sales related to the acquisition of Bourgault in Q1 2024; and
- ♦ a favourable impact from the changes in foreign exchange rates from Q3 2023; partially offset by
- ♦ reduced volumes primarily due to lower market demand for access equipment.

The YTD normalized operating earnings increased by \$53.8 million, or 14.5%, compared with YTD 2023. The factors that impacted Q3 2024 similarly impacted the YTD results.

## Mobility Highlights

(in millions of dollars)	Three Months Ended September 30				Nine Months Ended September 30			
	2024 \$	2023 \$	+/- \$	+/- %	2024 \$	2023 \$	+/- \$	+/- %
Sales	1,794.4	1,757.6	36.8	2.1%	5,749.8	5,240.8	509.0	9.7%
Operating Earnings (Loss)	78.3	83.9	(5.6)	(6.7%)	324.6	230.2	94.4	41.0%
EBITDA	207.4	196.8	10.6	5.4%	704.2	553.7	150.5	27.2%
Operating Earnings (Loss) – Normalized	88.4	78.5	9.9	12.6%	338.2	236.1	102.1	43.2%
EBITDA – Normalized	218.0	191.4	26.6	13.9%	718.5	559.6	158.9	28.4%

Sales for the Mobility segment (“Mobility”) increased by \$36.8 million, or 2.1%, in Q3 2024 compared with Q3 2023. The sales in Q3 2024 were impacted by:

- ♦ increased sales related to the Linamar Structures acquisitions completed in 2023;
- ♦ increased sales related to launching programs; and
- ♦ a favourable impact on sales from the changes in foreign exchange rates from Q3 2023; partially offset by
- ♦ a sales decline from significant automotive market declines globally but notably in North America and Europe, lower volumes on programs the Company has significant business with and lower production for certain ending programs.

YTD sales for Mobility increased by \$509.0 million, or 9.7%, compared to YTD 2023. The factors that impacted Q3 2024 similarly impacted the YTD results.

Q3 2024 normalized operating earnings for Mobility were higher by \$9.9 million, or 12.6%, compared to Q3 2023. The Mobility segment’s earnings were impacted by the following:

- ♦ increased sales related to launching programs;
- ♦ increased sales related to the Linamar Structures acquisitions completed in 2023; and
- ♦ a favourable impact from the changes in foreign exchange rates from Q3 2023; partially offset by
- ♦ a sales decline from significant automotive market declines globally but notably in North America and Europe, lower volumes on programs the Company has significant business with and lower production for certain ending programs.

The YTD normalized operating earnings increased by \$102.1 million, or 43.2%, compared with YTD 2023. The factors that impacted Q3 2024 similarly impacted the YTD results with the exception from the changes in foreign exchange rates which was a negative impact on a YTD basis.

### Automotive Sales and Content Per Vehicle<sup>1</sup>

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company’s location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one continent, and the final vehicle being assembled on another continent. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the vehicle production units<sup>2</sup> for each continent.

In addition to automotive Original Equipment Manufacturers (“OEMs”), the Company sells powertrain parts to a mix of automotive and non-automotive manufacturers that service various industries such as power generation, construction equipment, marine and automotive. The final application of some parts sold to these manufacturers is not always clear; however, the Company estimates the automotive portion of the sales for inclusion in its content per vehicle (“CPV”) calculations. The allocation of sales to regions is based on vehicle production volume estimates from industry sources, published closest to the quarter end date. As these estimates are updated, the Company’s sales classifications can be impacted.

<sup>1</sup> Content per Vehicle is a supplementary financial measure. Please see “Non-GAAP and Other Financial Measures” section of this MD&A. Automotive Sales are measured as the amount of the Company’s automotive sales dollars per vehicle, not including tooling sales. CPV does not have a standardized meaning and therefore is unlikely to be comparable to similar measures presented by other issuers. CPV is an indicator of the Company’s market share for the automotive markets that it operates in.

<sup>2</sup> Vehicle production units are derived from industry sources and are shown in millions of units. North American vehicle production units used by the Company for the determination of the Company’s CPV include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks. All vehicle production volume information is as regularly reported by industry sources. Industry sources release vehicle production volume estimates based on the latest information from the Automotive Manufacturers and update these estimates as more accurate information is obtained. The Company will, on a quarterly basis, update CPV for the current fiscal year in its MD&A as these volume estimates are revised by the industry sources. The CPV figures in this MD&A reflect the volume estimates that were published closest to the quarter end date by the industry sources. These updates to vehicle production units have no effect on the Company’s financial statements for those periods.



	Three Months Ended September 30				Nine Months Ended September 30			
	2024	2023	+/-	%	2024	2023	+/-	%
<i>North America</i>								
Vehicle Production Units	3.90	4.10	(0.20)	(4.9%)	12.28	12.38	(0.10)	(0.8%)
Automotive Sales	\$ 1,126.7	\$ 1,011.4	\$ 115.3	11.4%	\$ 3,573.2	\$ 3,006.9	\$ 566.3	18.8%
<b>Content Per Vehicle</b>	<b>\$ 288.81</b>	<b>\$ 246.94</b>	<b>\$ 41.87</b>	<b>17.0%</b>	<b>\$ 290.96</b>	<b>\$ 242.82</b>	<b>\$ 48.14</b>	<b>19.8%</b>
<i>Europe</i>								
Vehicle Production Units	3.70	3.92	(0.22)	(5.6%)	12.83	13.21	(0.38)	(2.9%)
Automotive Sales	\$ 387.3	\$ 458.5	\$ (71.2)	(15.5%)	\$ 1,315.6	\$ 1,373.7	\$ (58.1)	(4.2%)
<b>Content Per Vehicle</b>	<b>\$ 104.81</b>	<b>\$ 116.98</b>	<b>\$ (12.17)</b>	<b>(10.4%)</b>	<b>\$ 102.52</b>	<b>\$ 104.02</b>	<b>\$ (1.50)</b>	<b>(1.4%)</b>
<i>Asia Pacific</i>								
Vehicle Production Units	12.75	13.26	(0.51)	(3.8%)	36.68	37.04	(0.36)	(1.0%)
Automotive Sales	\$ 113.6	\$ 138.7	\$ (25.1)	(18.1%)	\$ 372.7	\$ 374.9	\$ (2.2)	(0.6%)
<b>Content Per Vehicle</b>	<b>\$ 8.91</b>	<b>\$ 10.46</b>	<b>\$ (1.55)</b>	<b>(14.8%)</b>	<b>\$ 10.16</b>	<b>\$ 10.12</b>	<b>\$ 0.04</b>	<b>0.4%</b>

North American automotive sales for Q3 2024 increased 11.4% from Q3 2023 in a market that saw a decrease of 4.9% in production volumes for the same period. As a result, content per vehicle in Q3 2024 increased 17.0% from \$246.94 to \$288.81. The increase in North American content per vehicle was mainly driven by increased sales related to the acquisitions in 2023 and higher volumes on programs that the Company has significant business with, partially offset by lower production for certain ending programs.

European automotive sales for Q3 2024 decreased 15.5% from Q3 2023 in a market that saw a decrease of 5.6% in production volumes for the same period. As a result, content per vehicle in Q3 2024 decreased 10.4% from \$116.98 to \$104.81. The decrease in European content per vehicle was mainly driven by lower production for certain programs and market declines on electric vehicle programs the Company has significant business with, partially offset by launching programs.

Asia Pacific automotive sales for Q3 2024 decreased 18.1% from Q3 2023 in a market that saw a decrease of 3.8% in production volumes for the same period. As a result, content per vehicle in Q3 2024 decreased 14.8% from \$10.46 to \$8.91. The decrease in Asian content per vehicle was a result of lower production for certain ending programs, partially offset by launching programs.

## RESULTS OF OPERATIONS

### Gross Margin

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Sales	\$ 2,635.7	\$ 2,434.2	\$ 8,206.3	\$ 7,279.7
Cost of Sales before amortization	2,106.1	1,972.6	6,571.8	5,923.7
Amortization	149.4	121.3	436.3	353.3
Cost of Sales	2,255.5	2,093.9	7,008.1	6,277.0
Gross Margin	\$ 380.2	\$ 340.3	\$ 1,198.2	\$ 1,002.7
Gross Margin percentage	14.4%	14.0%	14.6%	13.8%

Gross margin percentage increased in Q3 2024 to 14.4% compared to 14.0% in Q3 2023. Cost of sales before amortization as a percentage of sales decreased in Q3 2024 to 79.9% compared to 81.0% for the same quarter as last year. In dollar terms, gross margin increased \$39.9 million in Q3 2024 compared with Q3 2023 as a result of the items discussed earlier in this analysis such as:

- a significant increase in agricultural sales;
- increased sales related to launching Mobility programs;
- increased sales related to the acquisition of Bourgault in Q1 2024;
- increased sales related to the Linamar Structures acquisitions completed in 2023; and
- a favourable impact from the changes in foreign exchange rates from Q3 2023; partially offset by
- a sales decline from significant automotive market declines globally but notably in North America and Europe, lower volumes on programs that the Company has significant business with and lower production for certain ending Mobility programs; and
- reduced volumes primarily due to lower market demand for access equipment.

YTD gross margin increased to 14.6% from 13.8% in the same period of 2023. The increase in the YTD gross margin was a result of the same factors that impacted Q3 2024.

Amortization as a percentage of sales increased to 5.7% of sales compared to 5.0% for the same quarter as last year. In dollar terms, Q3 2024 amortization increased as a result of:

- additional amortization from launching programs;
- additional amortization related to the Linamar Structures acquisitions completed in 2023; and

- ♦ additional amortization related to the acquisition of Bourgault in Q1 2024.

YTD amortization was higher at \$436.3 million compared to \$353.3 million in YTD 2023 reflecting similar factors that impacted Q3 2024. YTD amortization as a percentage of sales increased to 5.3% of sales compared to 4.9% in YTD 2023.

## Selling, General and Administration

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Selling, general and administrative	\$ 152.4	\$ 139.4	\$ 457.2	\$ 395.2
SG&A percentage	5.8%	5.7%	5.6%	5.4%

Selling, general and administrative ("SG&A") costs increased in Q3 2024 to \$152.4 million from \$139.4 million and remained relatively flat at 5.8% as a percentage of sales in Q3 2024. This increase, in dollar terms, is primarily due to:

- ♦ additional expenses related to the Linamar Structures acquisitions completed in 2023 and the Q1 2024 acquisition of Bourgault; partially offset by
- ♦ a decrease in management and sales costs related to lower market volumes.

On a YTD basis, SG&A costs reflected similar factors that impacted Q3 2024 and increased as a percentage of sales to 5.6% from 5.4% when compared to YTD 2023, with the exception from an increase in YTD management and sales costs supporting growth.

## Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Operating Earnings (Loss)	\$ 220.1	\$ 214.3	\$ 760.9	\$ 605.3
Finance Income and (Expenses)	(35.5)	(17.8)	(105.8)	(46.4)
Provision for (Recovery of) Income Taxes	46.6	49.8	164.5	160.2
Net Earnings (Loss)	138.0	146.7	490.6	398.7

### Finance Expenses

Finance expenses increased \$17.7 million in Q3 2024 from \$17.8 million in Q3 2023 to \$35.5 million due to:

- ♦ the issuance of \$700 million term credit agreement issued in February 2024 used primarily to fund the Bourgault acquisition;
- ♦ an increase in interest costs associated with leases acquired in the 2023 Linamar Structures acquisitions; and
- ♦ a reduction in interest earned due to a decrease in the Bank of Canada overnight rate.

YTD finance expenses increased \$59.4 million from \$46.4 million in YTD 2023 to \$105.8 million primarily due to the same factors impacting Q3 2024 in addition to the issuance of \$550 million private placement notes in June 2023 ("2033 Notes") used to fund the Linamar Structures acquisitions.

The consolidated effective interest rate for Q3 2024 increased to 5.2% compared to 4.6% in Q3 2023. The consolidated effective interest rate for YTD 2024 increased to 5.3% compared to 4.3% in YTD 2023. The changes in the effective interest rate for both Q3 2024 and YTD 2024 were driven by similar factors as the YTD finance expenses.

### Income Taxes

The effective tax rate for Q3 2024 was 25.3%, which was flat when compared to the same quarter of 2023. The effective tax rate in Q3 2024 was driven by:

- ♦ a decrease in expenses that are not deductible in determining taxable earnings;
- ♦ a decrease in unused tax losses not recognized as deferred tax assets; offset by
- ♦ an increase due to the tax adjustment recognized in relation to prior years.

The effective tax rate for YTD 2024 was 25.1%, a decrease from the 28.7% rate in the same period of 2023. The primary driver of the decline in the effective tax rate was due to the YTD 2023 withholding taxes on the repatriation of funds from China that did not recur in 2024.

## TOTAL EQUITY AND OUTSTANDING SHARE DATA

During the quarter no options expired unexercised, no options were forfeited, no options were exercised, and no options were issued.

The Company is authorized to issue an unlimited number of common shares, of which 61,578,157 common shares were outstanding as of November 12, 2024. The Company's common shares constitute its only class of voting securities. As of November 12, 2024, there were

1,250,000 options to acquire common shares outstanding and 3,300,000 options still available to be granted under the Company's share option plan.

## SELECTED FINANCIAL INFORMATION

### Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended December 31, 2022 through September 30, 2024. This information has been derived from the Company's unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022
(in millions of dollars, except per share figures)	\$	\$	\$	\$	\$	\$	\$	\$
Sales	2,635.7	2,848.7	2,721.9	2,453.9	2,434.2	2,552.8	2,292.7	2,060.0
Net Earnings (Loss)	138.0	174.1	178.5	104.4	146.7	135.0	117.0	92.2
Net Earnings (Loss) per Share								
Basic	2.24	2.83	2.90	1.70	2.38	2.19	1.90	1.49
Diluted	2.24	2.82	2.90	1.69	2.38	2.19	1.90	1.49

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second and third quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules. Additionally, the prolonged supply chain disruptions and cost pressures had continued to have adverse impacts on 2023 and 2022.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Cash Flows

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
(in millions of dollars)	\$	\$	\$	\$
Cash generated from (used in):				
Operating Activities	370.4	74.6	756.4	517.1
Financing Activities	(200.2)	(242.4)	503.5	229.6
Investing Activities	(111.0)	(522.7)	(1,099.3)	(902.3)
Effect of translation adjustment on cash	5.3	9.3	10.5	(10.3)
Increase (decrease) in cash and cash equivalents	64.5	(681.2)	171.1	(165.9)
Cash and cash equivalents – Beginning of Period	759.9	1,375.8	653.3	860.5
Cash and cash equivalents – End of Period	824.4	694.6	824.4	694.6
Comprised of:				
Cash in bank	503.8	429.1	503.8	429.1
Short-term deposits	322.8	270.7	322.8	270.7
Unpresented cheques	(2.2)	(5.2)	(2.2)	(5.2)
	824.4	694.6	824.4	694.6

The Company's cash and cash equivalents (net of unpresented cheques) at September 30, 2024 were \$824.4 million, an increase of \$129.8 million, or 18.7%, compared to September 30, 2023.

Cash generated from operating activities was \$370.4 million, an increase of \$295.8 million from Q3 2023, primarily due to a decreased use of cash in net operating assets and liabilities. YTD cash generated from operating activities was \$756.4 million, \$239.3 million higher than was provided in YTD 2023, primarily due to increased earnings and amortization in YTD 2024.

Financing activities used \$200.2 million of cash compared to \$242.4 million used in Q3 2023 both of which were primarily driven by the repayment of long-term debt. YTD cash generated from financing activities was \$503.5 million, compared to \$229.6 million generated YTD 2023. The increased YTD 2024 generation of cash was due to higher proceeds from the Company's new term credit agreement partially offset by increased financing expenses paid, as compared to the YTD 2023 generation of cash from the 2033 Notes issuance partially offset by repayments of long-term debt.

Investing activities used \$111.0 million in Q3 2024 compared to \$522.7 million used in Q3 2023. The use of cash was primarily for the purchases of property, plant, and equipment and the 2023 Battery Enclosures Business acquisition.

## Operating Activities

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net Earnings (Loss) for the period	138.0	146.7	490.6	398.7
Adjustments to earnings	171.7	109.0	495.4	354.1
	309.7	255.7	986.0	752.8
Changes in operating assets and liabilities	60.7	(181.1)	(229.6)	(235.7)
Cash generated from (used in) operating activities	370.4	74.6	756.4	517.1

Cash generated by operations before the effect of changes in operating assets and liabilities increased \$54.0 million, or 21.1%, in Q3 2024 to \$309.7 million, compared to \$255.7 million in Q3 2023 primarily due to an increased adjustment for amortization. YTD cash generated from operations before the effect of changes in operating assets and liabilities increased \$233.2 million in 2024 to \$986.0 million, compared to \$752.8 million for YTD 2023 primarily due to increased earnings and amortization.

Changes in operating assets and liabilities for Q3 2024 generated cash of \$60.7 million primarily due to decreased inventories partially offset by decreased accounts payables. Changes in operating assets and liabilities YTD used cash of \$229.6 million primarily due to increased accounts receivables and inventories partially offset by increased accounts payables.

## Financing Activities

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Proceeds from (repayments of) long-term debt	(72.2)	(217.8)	26.0	(242.1)
Proceeds from term credit agreement	-	-	700.0	-
Proceeds from private placement notes	-	-	-	550.0
Repayment of term credit agreement	(75.0)	-	(75.0)	-
Dividends	(15.4)	(13.5)	(46.2)	(40.6)
Finance income received (expenses paid)	(37.6)	(11.1)	(101.3)	(37.7)
Cash generated from (used in) financing activities	(200.2)	(242.4)	503.5	229.6

Cash used by financing activities for Q3 2024 was \$200.2 million compared to \$242.4 million used in Q3 2023 and YTD financing activities generated \$503.5 million of cash compared to \$229.6 million generated in YTD 2023. Financing activities in Q3 2024 were driven by a partial repayment of its term credit agreement and a portion of other long-term debt. Financing activities in YTD 2024 were primarily driven by the proceeds from the new term credit agreement which was partially used for the acquisition of Bourgault in Q1 2024 as compared to the Company's proceeds from the issuance of the Company's new 2033 Notes in Q2 2023.

## Investing Activities

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Payments for purchase of property, plant and equipment	(102.5)	(199.9)	(466.3)	(568.0)
Proceeds on disposal of property, plant and equipment	1.7	1.4	7.3	2.4
Payments for purchase of intangible assets	(7.0)	(5.9)	(19.7)	(17.9)
Business acquisitions, net of cash acquired	(3.2)	(318.3)	(620.5)	(318.3)
Other	-	-	(0.1)	(0.5)
Cash generated from (used in) investing activities	(111.0)	(522.7)	(1,099.3)	(902.3)

Cash used for investing activities for Q3 2024 was \$111.0 million compared to Q3 2023 at \$522.7 million. YTD cash used on investing activities was \$1,099.3 million compared to YTD 2023 at \$902.3 million. In addition to the Company's ongoing purchase of property, plant and equipment in all periods, the primary use of cash in Q3 2023 was for the August 2023 acquisition of the Battery Enclosures Business and for YTD 2024 was for the February 2024 acquisition of Bourgault.

## Liquidity and Capital Resources

The Company's financial condition is solid given its strong balance sheet, which can be attributed to the Company's low-cost structure, low level of debt, strong cash position, prospects for growth and significant new program launches. Management expects that all future operating capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At September 30, 2024, cash and cash equivalents, including short-term deposits was \$824.4 million and the Company's credit facilities had available credit of \$602.4 million. Combined, the Company believes this liquidity<sup>1</sup> of \$1.4 billion at September 30, 2024 is sufficient to meet cash flow needs. Free cash flow<sup>1</sup> was \$269.6 million for Q3 2024 primarily due to cash generated from operating activities due to a decreased use of cash in net operating assets.

## Commitments and Contingencies

Please see the Company's December 31, 2023 annual MD&A for a table summarizing the contractual obligations by category. Also, certain guarantees and legal claims are described in the notes to the Company's consolidated financial statements for the year ended December 31, 2023.

## Financial Instruments

In February 2024, the Company entered into a new term credit agreement for \$700.0 million in connection with the acquisition of Bourgault and general corporate purposes. The term credit agreement is repayable in three tranches with the first due in February 2025 and the last due in February 2027. The first tranche due in February 2025 of \$75.0 million was repaid during the third quarter of 2024. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended September 30, 2024. For more information, please see the Company's December 31, 2023 annual MD&A and the Company's consolidated financial statements for the year ended December 31, 2023.

## CURRENT AND PROPOSED TRANSACTIONS

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault for a preliminary purchase price of \$621.7 million. Headquartered in St. Brieux, Saskatchewan, Canada, Bourgault is a market and technology leader in broad acre seeding.

There are no other current and proposed transactions for the quarter ended September 30, 2024.

## RISK MANAGEMENT

The Company is exposed to a number of risks in the normal course of business that have the potential to affect its operating results. These include, but are not limited to Competition, Outsourcing and Insourcing; Sources and Availability of Raw Materials; Labour Markets and Dependence on Key Personnel; Dependence on Certain Customers; Technological Change and Product Launches; Public Health Threats; Foreign Business Risk; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Cyclicity 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; and Environmental Matters. These risk factors remain substantially unchanged during the quarter ended September 30, 2024. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2023 annual MD&A, and the Company's December 31, 2023 Annual Information Form, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

## DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2024, which have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, except as outlined below in the Limitation of Scope of Design section.

### Limitation of Scope of Design

The Company has limited the scope of design of our internal controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of i) the Chassis and Suspension Business, which the Company acquired on October 31, 2023

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<sup>1</sup> Liquidity and Free Cash Flow are non-GAAP financial measures. Please see "Non-GAAP and Other Financial Measures" section of this MD&A.

and ii) Bourgault Industries Ltd, which the Company acquired on February 1, 2024. The charts below present the summary financial information of the Chassis and Suspension Business and Bourgault:

	Chassis and Suspension Business \$
(in millions of dollars)	
For the 2023 acquisitions, from the date of acquisition until December 31, 2023:	
Sales	94.7
Net Earnings (Loss) for the Period	2.6
As at September 30, 2024:	
Current Assets	56.5
Non-Current Assets	154.0
Current Liabilities	149.8
Non-Current Liabilities	44.7
	Bourgault \$
(in millions of dollars)	
For the 2024 acquisition, from the date of acquisition until September 30, 2024:	
Sales	289.9
Net Earnings (Loss) for the Period	11.8
As at September 30, 2024:	
Current Assets	218.4
Non-Current Assets	551.5
Current Liabilities	63.0
Non-Current Liabilities	62.1

The scope limitation is in accordance with section 3.3(1)(b) of National Instrument 52-109 to which this MD&A relates, which allows an issuer to limit its design of disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days prior to the end of the fiscal period.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set out in the Company's consolidated financial statements for the year ended December 31, 2023.

## RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

For information pertaining to accounting changes effective in 2023 and for future fiscal years please see the Company's consolidated financial statements for the year ended December 31, 2023 and the consolidated interim financial statements for the quarter ended September 30, 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.

## Normalized Non-GAAP Financial Measures and Ratios

All Non-GAAP financial measures denoted with 'Normalized' as presented by the Company are adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and other items.



### Operating Earnings (Loss) – Normalized

Operating Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Operating Earnings (Loss) – Normalized is calculated as Operating Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

### Net Earnings (Loss) – Normalized

Net Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) – Normalized is calculated as Net Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

### Net Earnings (Loss) per Share – Diluted – Normalized

Net Earnings (Loss) per Share – Diluted – Normalized is a non-GAAP financial ratio and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) per Share – Diluted – Normalized is calculated as Net Earnings (Loss) – Normalized (as defined above) divided by the fully diluted number of shares outstanding as at the period end date.

### EBITDA and EBITDA – Normalized

EBITDA is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA is calculated as Net Earnings (Loss) before income taxes, the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for amortization of property, plant and equipment, amortization of other intangible assets, interest expense, and other interest.

EBITDA – Normalized is a non-GAAP financial measure and the Company believes EBITDA – Normalized is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA – Normalized is calculated as EBITDA (as defined above) adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, non-cash asset impairments and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

All these other items contained in these non-GAAP financial measures are summarized as follows:

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Adjustment for contingent consideration of Mills River earn-out	-	-	-	4.9
Adjustment for duties relating to certain Industrial segment products	-	-	15.8	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	-	15.8	4.9
Adjustment for contingent consideration of Mills River earn-out	-	-	-	4.9
Adjustment for duties relating to certain Industrial segment products	-	-	15.8	-
Other items	-	-	15.8	4.9
Asset impairment provision, net of reversals	0.5	-	0.7	-
Other items and asset impairments impacting EBITDA – Normalized	0.5	-	16.5	4.9

Normalizing items for asset impairment provisions, net of reversals adjusted EBITDA and impacted the Mobility segment by \$0.5 million for Q3 2024 and \$0.7 million YTD 2024 (\$Nil for Q3 2023 and YTD 2023).

During Q2 2024, operating earnings were adversely affected by estimated duties relating to certain Industrial segment products exported between 2022 and 2024. A normalizing item related to these estimated duties impacted operating earnings by \$15.8 million.

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.

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

	Three Months Ended September 30				Nine Months Ended September 30			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
<b>Operating Earnings (Loss) – Normalized</b>								
Operating Earnings (Loss)	220.1	214.3	5.8	2.7%	760.9	605.3	155.6	25.7%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Other items	-	-	-		15.8	4.9	10.9	
Operating Earnings (Loss) – Normalized	228.6	200.4	28.2	14.1%	762.9	607.0	155.9	25.7%
<b>Net Earnings (Loss) – Normalized</b>								
Net Earnings (Loss)	138.0	146.7	(8.7)	(5.9%)	490.6	398.7	91.9	23.0%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Foreign exchange (gain) loss on debt and derivatives	0.4	(0.1)	0.5		1.1	-	1.1	
Other items	-	-	-		15.8	4.9	10.9	
Tax impact including Other Items	(2.3)	3.6	(5.9)		(1.1)	18.4	(19.5)	
Net Earnings (Loss) – Normalized	144.6	136.3	8.3	6.1%	492.6	418.8	73.8	17.6%
<b>Net Earnings (Loss) per Share – Diluted – Normalized</b>								
Net Earnings (Loss) per Share – Diluted	2.24	2.38	(0.14)	(5.9%)	7.96	6.47	1.49	23.0%
Foreign exchange (gain) loss	0.14	(0.22)	0.36		(0.22)	(0.05)	(0.17)	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01		0.02	-	0.02	
Other items	-	-	-		0.26	0.08	0.18	
Tax impact including Other Items	(0.04)	0.05	(0.09)		(0.03)	0.30	(0.33)	
Net Earnings (Loss) per Share – Diluted – Normalized	2.35	2.21	0.14	6.3%	7.99	6.80	1.19	17.5%
<b>EBITDA and EBITDA – Normalized</b>								
Net Earnings (Loss) before income taxes	184.6	196.5	(11.9)	(6.1%)	655.1	558.9	96.2	17.2%
Amortization of property, plant and equipment	131.0	106.4	24.6		382.3	308.2	74.1	
Amortization of other intangible assets	19.2	15.5	3.7		57.0	46.8	10.2	
Interest expense	33.3	20.7	12.6		98.3	48.6	49.7	
Other interest	5.3	5.3	-		16.6	15.4	1.2	
EBITDA	373.4	344.4	29.0	8.4%	1,209.3	977.9	231.4	23.7%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Foreign exchange (gain) loss on debt and derivatives	0.4	(0.1)	0.5		1.1	-	1.1	
Asset impairment provision, net of reversals	0.5	-	0.5		0.7	-	0.7	
Other items	-	-	-		15.8	4.9	10.9	
EBITDA – Normalized	382.8	330.4	52.4	15.9%	1,213.1	979.6	233.5	23.8%

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

	Three Months Ended September 30 2024			Nine Months Ended September 30 2024		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Other items	-	-	-	15.8	-	15.8
Operating Earnings (Loss) – Normalized	140.2	88.4	228.6	424.7	338.2	762.9
<b>EBITDA – Normalized</b>						
EBITDA	166.0	207.4	373.4	505.1	704.2	1,209.3
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Foreign exchange (gain) loss on debt and derivatives	0.4	-	0.4	1.1	-	1.1
Asset impairment provision, net of reversals	-	0.5	0.5	-	0.7	0.7
Other items	-	-	-	15.8	-	15.8
EBITDA – Normalized	164.8	218.0	382.8	494.6	718.5	1,213.1
	Three Months Ended September 30 2023			Nine Months Ended September 30 2023		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	130.4	83.9	214.3	375.1	230.2	605.3
Foreign exchange (gain) loss	(8.5)	(5.4)	(13.9)	(4.2)	1.0	(3.2)
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	121.9	78.5	200.4	370.9	236.1	607.0
<b>EBITDA – Normalized</b>						
EBITDA	147.6	196.8	344.4	424.2	553.7	977.9
Foreign exchange (gain) loss	(8.5)	(5.4)	(13.9)	(4.2)	1.0	(3.2)
Foreign exchange (gain) loss on debt and derivatives	(0.1)	-	(0.1)	-	-	-
Asset impairment provision, net of reversals	-	-	-	-	-	-
Other items	-	-	-	-	4.9	4.9
EBITDA – Normalized	139.0	191.4	330.4	420.0	559.6	979.6

## Other Non-GAAP Financial Measures

### Free Cash Flow

Free Cash Flow is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to generate cash. Free Cash Flow is calculated as Cash from Operating Activities, the most directly comparable measure as presented in the Company's consolidated statements of cash flows, adjusted for payments for purchase of property, plant and equipment, and proceeds on disposal of property, plant and equipment.

### Liquidity

Liquidity is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to satisfy its financial obligations as they come due. Liquidity is calculated as Cash, the most directly comparable measure as presented in the Company's consolidated statements of financial position, adjusted for the Company's available credit.

All other non-GAAP financial measures are reconciled as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
(in millions of dollars)	\$	\$	\$	\$
<b>Free Cash Flow</b>				
Cash generated from (used in) operating activities	370.4	74.6	756.4	517.1
Payments for purchase of property, plant and equipment	(102.5)	(199.9)	(466.3)	(568.0)
Proceeds on disposal of property, plant and equipment	1.7	1.4	7.3	2.4
Free Cash Flow	269.6	(123.9)	297.4	(48.5)
<b>Liquidity</b>				
Cash and cash equivalents	824.4	694.6	824.4	694.6
Available credit	602.4	675.1	602.4	675.1
Liquidity	1,426.8	1,369.7	1,426.8	1,369.7

## Supplementary Financial Measures

### Content per Vehicle

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

### Summary of Content per Vehicle by Quarter

The following table summarizes the updated CPV for the current year for changes in volumes as revised by industry sources:

Estimates as of September 30, 2024						
	Mar 31	Three Months Ended		Mar 31	Year to Date	
	2024	Jun 30	Sep 30	2024	Jun 30	Sep 30
	2024	2024	2024	2024	2024	2024
<i>North America</i>						
Vehicle Production Units	4.13	4.25	3.90	4.13	8.38	12.28
Automotive Sales	\$ 1,223.1	\$ 1,223.4	\$ 1,126.7	\$ 1,223.1	\$ 2,446.5	\$ 3,573.2
<b>Content Per Vehicle</b>	\$ 296.45	\$ 287.62	\$ 288.81	\$ 296.45	\$ 291.97	\$ 290.96
<i>Europe</i>						
Vehicle Production Units	4.63	4.51	3.70	4.63	9.14	12.83
Automotive Sales	\$ 480.9	\$ 447.4	\$ 387.3	\$ 480.9	\$ 928.3	\$ 1,315.6
<b>Content Per Vehicle</b>	\$ 103.84	\$ 99.29	\$ 104.81	\$ 103.84	\$ 101.60	\$ 102.52
<i>Asia Pacific</i>						
Vehicle Production Units	11.66	12.28	12.75	11.66	23.94	36.68
Automotive Sales	\$ 127.0	\$ 132.1	\$ 113.6	\$ 127.0	\$ 259.1	\$ 372.7
<b>Content Per Vehicle</b>	\$ 10.89	\$ 10.76	\$ 8.91	\$ 10.89	\$ 10.83	\$ 10.16
Estimates as of June 30, 2024						
	Mar	Three Months Ended		Mar	Year to Date	
	2024	Jun 30		2024	Jun 30	
	2024	2024		2024	2024	
<i>North America</i>						
Vehicle Production Units	4.11	4.31		4.11	8.43	
Automotive Sales	\$ 1,219.6	\$ 1,220.2		\$ 1,219.6	\$ 2,439.8	
<b>Content Per Vehicle</b>	\$ 296.41	\$ 283.06		\$ 296.41	\$ 289.58	
<i>Europe</i>						
Vehicle Production Units	4.63	4.42		4.63	9.04	
Automotive Sales	\$ 480.6	\$ 447.2		\$ 480.6	\$ 927.8	
<b>Content Per Vehicle</b>	\$ 103.89	\$ 101.24		\$ 103.89	\$ 102.60	
<i>Asia Pacific</i>						
Vehicle Production Units	11.66	12.30		11.66	23.96	
Automotive Sales	\$ 130.9	\$ 135.6		\$ 130.9	\$ 266.5	
<b>Content Per Vehicle</b>	\$ 11.22	\$ 11.03		\$ 11.22	\$ 11.12	

Change in Estimates from Prior Quarter	Three Months Ended		Year to Date	
	Mar 31 2024	Jun 30 2024	Mar 31 2024	Jun 30 2024
	+/-	+/-	+/-	+/-
<i>North America</i>				
Vehicle Production Units	0.02	(0.06)	0.02	(0.05)
Automotive Sales	\$ 3.5	\$ 3.2	\$ 3.5	\$ 6.7
<b>Content Per Vehicle</b>	<b>\$ 0.04</b>	<b>\$ 4.56</b>	<b>\$ 0.04</b>	<b>\$ 2.39</b>
<i>Europe</i>				
Vehicle Production Units	-	0.09	-	0.10
Automotive Sales	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.5
<b>Content Per Vehicle</b>	<b>\$ (0.05)</b>	<b>\$ (1.95)</b>	<b>\$ (0.05)</b>	<b>\$ (1.00)</b>
<i>Asia Pacific</i>				
Vehicle Production Units	-	(0.02)	-	(0.02)
Automotive Sales	\$ (3.9)	\$ (3.5)	\$ (3.9)	\$ (7.4)
<b>Content Per Vehicle</b>	<b>\$ (0.33)</b>	<b>\$ (0.27)</b>	<b>\$ (0.33)</b>	<b>\$ (0.29)</b>

## FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this 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; cyclicity 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.

**LINAMAR CORPORATION****Consolidated Interim Statements of Financial Position**

As at September 30, 2024 with comparatives as at December 31, 2023 (Unaudited)  
(in thousands of Canadian dollars)

	September 30 2024 \$	December 31 2023 \$
<b>ASSETS</b>		
Cash and cash equivalents	824,431	653,327
Accounts and other receivables	1,584,739	1,343,322
Inventories	2,087,113	1,836,665
Income taxes recoverable	62,244	41,481
Current portion of long-term receivables (Note 6)	15,264	24,151
Current portion of derivative financial instruments (Note 6)	4,586	32,970
Prepaid expenses and other current assets	77,561	65,052
<b>Current Assets</b>	<b>4,655,938</b>	<b>3,996,968</b>
Long-term receivables (Note 6)	27,877	39,142
Derivative financial instruments (Note 6)	1,580	5,110
Property, plant and equipment	3,820,155	3,652,498
Investments	8,491	8,227
Deferred tax assets	184,059	172,832
Intangible assets	1,150,169	942,274
Goodwill	1,221,586	1,033,449
<b>Assets</b>	<b>11,069,855</b>	<b>9,850,500</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,431,887	2,328,651
Provisions	54,963	49,255
Income taxes payable	56,040	95,781
Current portion of long-term debt (Notes 6, 7)	45,198	40,530
Current portion of derivative financial instruments (Note 6)	14,386	4,698
<b>Current Liabilities</b>	<b>2,602,474</b>	<b>2,518,915</b>
Long-term debt (Notes 6, 7)	2,422,617	1,731,817
Derivative financial instruments (Note 6)	2,522	139
Deferred tax liabilities	282,056	277,526
<b>Liabilities</b>	<b>5,309,669</b>	<b>4,528,397</b>
<b>EQUITY</b>		
Capital stock	142,100	142,100
Retained earnings	5,490,811	5,046,422
Contributed surplus	36,505	34,177
Accumulated other comprehensive earnings (loss)	90,770	99,404
<b>Equity</b>	<b>5,760,186</b>	<b>5,322,103</b>
<b>Liabilities and Equity</b>	<b>11,069,855</b>	<b>9,850,500</b>

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

(Signed) "Linda Hasenfratz"

Linda Hasenfratz  
Director

(Signed) "Jim Jarrell"

Jim Jarrell  
Director



**LINAMAR CORPORATION****Consolidated Interim Statements of Earnings**

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars, except per share figures)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Sales	2,635,733	2,434,161	8,206,285	7,279,657
Cost of sales	2,255,578	2,093,868	7,008,117	6,276,988
<b>Gross Margin</b>	380,155	340,293	1,198,168	1,002,669
Selling, general and administrative	152,398	139,363	457,150	395,187
Other income and (expenses) (Note 8)	(7,661)	13,333	19,848	(2,211)
<b>Operating Earnings (Loss)</b>	220,096	214,263	760,866	605,271
Finance income and (expenses) (Note 9)	(35,488)	(17,806)	(105,736)	(46,375)
<b>Net Earnings (Loss) before Income Taxes</b>	184,608	196,457	655,130	558,896
Provision for (recovery of) income taxes	46,653	49,748	164,557	160,199
<b>Net Earnings (Loss) for the Period</b>	137,955	146,709	490,573	398,697
<b>Net Earnings (Loss) per Share:</b>				
Basic	2.24	2.38	7.97	6.48
Diluted	2.24	2.38	7.96	6.47

The accompanying notes are an integral part of these consolidated interim financial statements.

**LINAMAR CORPORATION****Consolidated Interim Statements of Comprehensive Earnings**

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Net Earnings (Loss) for the Period</b>	137,955	146,709	490,573	398,697
<b>Items that may be reclassified subsequently to net income</b>				
Unrealized gains (losses) on translating financial statements of foreign operations	47,067	(14,402)	36,948	(10,315)
Change in unrealized gains (losses) on net investment hedges	(12,608)	3,456	(13,888)	4,416
Change in unrealized gains (losses) on cash flow hedges	(826)	(22,802)	(46,854)	11,224
Change in cost of hedging	(1,372)	188	2,216	(3,072)
Reclassification to earnings of gains (losses) on cash flow hedges	3,805	(3,395)	2,380	5,145
Tax impact of above	(402)	6,229	10,564	(3,804)
<b>Other Comprehensive Earnings (Loss)</b>	35,664	(30,726)	(8,634)	3,594
<b>Comprehensive Earnings (Loss) for the Period</b>	173,619	115,983	481,939	402,291

The accompanying notes are an integral part of these consolidated interim financial statements.

# LINAMAR CORPORATION

## Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2023</b>	138,925	4,597,513	31,359	59,764	(15,850)	4,811,711
Net Earnings (Loss)	-	398,697	-	-	-	398,697
Other comprehensive earnings (loss)	-	-	-	(5,900)	9,494	3,594
<b>Comprehensive Earnings (Loss)</b>	-	398,697	-	(5,900)	9,494	402,291
Hedging transferred to the carrying value of inventory	-	-	-	-	1,918	1,918
Share-based compensation	-	-	2,767	-	-	2,767
Dividends	-	(40,609)	-	-	-	(40,609)
<b>Balance at September 30, 2023</b>	138,925	4,955,601	34,126	53,864	(4,438)	5,178,078

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2024</b>	142,100	5,046,422	34,177	82,446	16,958	5,322,103
Net Earnings (Loss)	-	490,573	-	-	-	490,573
Other comprehensive earnings (loss)	-	-	-	23,059	(31,693)	(8,634)
<b>Comprehensive Earnings (Loss)</b>	-	490,573	-	23,059	(31,693)	481,939
Share-based compensation	-	-	2,328	-	-	2,328
Dividends	-	(46,184)	-	-	-	(46,184)
<b>Balance at September 30, 2024</b>	142,100	5,490,811	36,505	105,505	(14,735)	5,760,186

The accompanying notes are an integral part of these consolidated interim financial statements.

# LINAMAR CORPORATION

## Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Cash generated from (used in)</b>				
<b>Operating Activities</b>				
Net Earnings (Loss) for the Period	137,955	146,709	490,573	398,697
Adjustments for:				
Amortization of property, plant and equipment	130,974	106,448	382,316	308,200
Amortization of other intangible assets	19,216	15,473	56,971	46,804
Deferred income taxes	(21,392)	(25,980)	(50,905)	(44,469)
Asset impairment provision, net of reversals	466	-	769	28
Share-based compensation	776	783	2,328	2,767
Finance (income) and expenses	35,488	17,806	105,736	46,375
Other	6,259	(5,530)	(1,761)	(5,636)
	309,742	255,709	986,027	752,766
<b>Changes in operating assets and liabilities</b>				
(Increase) decrease in accounts and other receivables	30,497	(57,333)	(155,385)	(287,909)
(Increase) decrease in inventories	117,284	(42,259)	(64,334)	(131,269)
(Increase) decrease in prepaid expenses and other current assets	(14,221)	(6,772)	(11,168)	710
(Increase) decrease in long-term receivables	18,778	4,843	21,419	8,254
Increase (decrease) in income taxes	(17,468)	32,035	(66,346)	65,678
Increase (decrease) in accounts payable and accrued liabilities	(72,918)	(108,992)	46,000	107,192
Increase (decrease) in provisions	(1,314)	(2,664)	200	1,716
	60,638	(181,142)	(229,614)	(235,628)
<b>Cash generated from (used in) operating activities</b>	370,380	74,567	756,413	517,138
<b>Financing Activities</b>				
Proceeds from (repayments of) long-term debt	(72,179)	(217,794)	25,982	(242,054)
Proceeds from term credit agreement	-	-	700,000	-
Repayments of term credit agreement	(75,000)	-	(75,000)	-
Proceeds from private placement notes	-	-	-	550,000
Dividends	(15,395)	(13,537)	(46,184)	(40,609)
Finance income received (expenses paid)	(37,646)	(11,064)	(101,319)	(37,712)
<b>Cash generated from (used in) financing activities</b>	(200,220)	(242,395)	503,479	229,625
<b>Investing Activities</b>				
Payments for purchase of property, plant and equipment	(102,519)	(199,882)	(466,326)	(568,049)
Proceeds on disposal of property, plant and equipment	1,780	1,367	7,342	2,434
Payments for purchase of intangible assets	(7,104)	(5,852)	(19,752)	(17,944)
Business acquisition, net of cash acquired	(3,195)	(318,330)	(620,496)	(318,330)
Other	2	-	(79)	(425)
<b>Cash generated from (used in) investing activities</b>	(111,036)	(522,697)	(1,099,311)	(902,314)
Effect of translation adjustment on cash	59,124	(690,525)	160,581	(155,551)
	5,424	9,380	10,523	(10,350)
<b>Increase (decrease) in cash and cash equivalents</b>	64,548	(681,145)	171,104	(165,901)
<b>Cash and cash equivalents - Beginning of Period</b>	759,883	1,375,759	653,327	860,515
<b>Cash and cash equivalents - End of Period</b>	824,431	694,614	824,431	694,614
<b>Comprised of:</b>				
Cash in bank	503,829	429,033	503,829	429,033
Short-term deposits	322,773	270,739	322,773	270,739
Unpresented cheques	(2,171)	(5,158)	(2,171)	(5,158)
	824,431	694,614	824,431	694,614

The accompanying notes are an integral part of these consolidated interim financial statements.

# **LINAMAR CORPORATION**

## **Notes to Consolidated Interim Financial Statements**

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

### **1 General Information**

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange ("TSX"). The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended September 30, 2024 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 12, 2024.

### **2 Basis of Preparation and Material Accounting Policies**

The Company has prepared its consolidated interim financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2023. These policies have been consistently applied to all periods presented, unless otherwise stated.

### **3 Changes in Accounting Policies**

#### **New Standards and Amendments Adopted**

Certain new standards and amendments became effective during the current period. The impact from the adoption of these new standards and amendments are discussed below.

#### ***IAS 7 Statement of Cash Flows, IFRS 7 Financial Instruments: Disclosures***

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2024, the IASB issued disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on the Company's liabilities, cash flows and exposure to liquidity risk.

#### **New Standards and Interpretations Not Yet Adopted**

All pronouncements will be adopted in the Company's accounting policies after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments and interpretations to existing standards were not relevant nor would they significantly impact the Company's net earnings or financial position.

#### ***IFRS 18 Presentation and Disclosure in Financial Statements***

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2027, the IASB issued a new standard replacing *IAS 1 Presentation of Financial Statements*. Although the new standard carries forward many requirements from IAS 1 unchanged, IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. Management is currently assessing the impact that these amendments will have on the financial statements.

### **4 Critical Accounting Estimates and Judgements**

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management's most critical estimates and assumptions in determining the value of

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set out in the Company's annual financial statements for the year ended December 31, 2023.

## 5 Seasonality

Historically, earnings in the second and third quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers' production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

## 6 Composition of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with their fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

	Subsequent Measurement	September 30, 2024		December 31, 2023	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	43,141	44,326	63,293	62,803
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	2,031	2,031	15,385	15,385
USD sales forwards – MXN functional entities	Fair value (Level 2)	(12,627)	(12,627)	20,653	20,653
USD sales forwards – CNY functional entities	Fair value (Level 2)	335	335	(702)	(702)
Derivative financial instruments (held for trading)					
CAD foreign currency forwards	Fair value (Level 2)	(481)	(481)	(2,093)	(2,093)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	8,491	8,491	8,227	8,227
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(2,264,095)	(2,194,684)	(1,568,834)	(1,478,148)

## 7 Long-Term Debt

	September 30 2024 \$	December 31 2023 \$
Private placement notes	1,029,346	1,015,213
Bank borrowings	1,169,522	485,195
Lease liabilities	203,720	203,513
Government borrowings	65,227	68,426
	2,467,815	1,772,347
Less: current portion	45,198	40,530
	2,422,617	1,731,817

In February 2024, the Company entered into a new term credit agreement for \$700,000 in connection with the acquisition of Bourgault (Note 13) and general corporate purposes. The term credit agreement is repayable in three tranches with the first due in February 2025 and the last due in February 2027. The first tranche due in February 2025 of \$75,000 was repaid during the third quarter of 2024. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

As of September 30, 2024, \$602,415 was available under the revolving credit facility.



## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)  
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#### 8 Other Income and (Expenses)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Foreign exchange gain (loss)	(8,501)	13,862	13,800	3,128
Other income (expense)	840	(529)	6,048	(5,339)
	(7,661)	13,333	19,848	(2,211)

#### 9 Finance Income and (Expenses)

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interest expense	(33,307)	(20,688)	(98,269)	(48,625)
Foreign exchange gain (loss) on debt and derivatives	(436)	96	(1,056)	9
Interest earned	5,009	9,181	14,452	20,761
Other	(6,754)	(6,395)	(20,863)	(18,520)
	(35,488)	(17,806)	(105,736)	(46,375)

#### 10 Commitments

As at September 30, 2024, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$247,534 (September 30, 2023 - \$528,871). Of this amount \$235,420 (September 30, 2023 - \$445,421) relates to the purchase of manufacturing equipment and \$12,114 (September 30, 2023 - \$83,450) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$9,203 (September 30, 2023 - \$67,569) were commitments to a related party, a company owned by the spouse of an officer and director. The majority of these commitments are due within the next twelve months.

#### 11 Related Party Transactions

Building additions made by a related party, a company owned by the spouse of an officer and director, were \$13,279 for the three months ended September 30, 2024 and \$53,633 for the nine months ended September 30, 2024 (\$16,504 for the three months ended September 30, 2023 and \$35,340 for the nine months ended September 30, 2023).

#### 12 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

**Mobility:** The Mobility segment derives revenues from the collaborative design, development and manufacture of propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered markets.

**Industrial:** The Industrial segment is a world leader in the design and production of innovative industrial equipment, notably its class-leading aerial work platforms, telehandlers, and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Mobility and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, net earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,794,471	8,795	78,289	5,749,814	34,841	324,574
Industrial	841,262	3,777	141,807	2,456,471	10,084	436,292
Total	2,635,733	12,572	220,096	8,206,285	44,925	760,866

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,757,606	12,786	83,853	5,240,796	39,875	230,206
Industrial	676,555	2,822	130,410	2,038,861	8,512	375,065
Total	2,434,161	15,608	214,263	7,279,657	48,387	605,271

The Company operates in four geographic segments. The sales to external customers in Canada, Rest of North America, Asia Pacific and Europe are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Canada	1,443,115	1,322,927	4,469,319	4,014,722
Rest of North America	461,521	343,822	1,507,441	976,325
Asia Pacific	183,563	172,414	447,932	456,536
Europe	547,534	594,998	1,781,593	1,832,074
Total	2,635,733	2,434,161	8,206,285	7,279,657

## 13 Business Acquisitions

### (i) Bourgault

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault Industries Ltd. ("Bourgault"), headquartered in St. Brieux, Saskatchewan, Canada. The acquisition will expand the Company's agricultural portfolio into broad acre seeding. The preliminary purchase price is \$621,645.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of the purchase price, assets acquired and liabilities assumed, is not yet complete and are subject to further adjustments. The Company has recorded a preliminary amount of \$182,350 to goodwill as the current unallocated portion of the purchase price. The Company will update this balance and disclose the finalized purchase price allocation when the determination of the fair value is complete. The following table summarizes the consideration paid for the Bourgault's acquired net assets, recognized at the acquisition date, which has been accounted for as a business combination.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

Preliminary summary of identifiable assets acquired and liabilities assumed after acquisition completed on February 1, 2024:

	\$
Current assets	218,419
Non-current assets	378,766
Goodwill	182,350
Total assets acquired	779,535
Current liabilities	93,615
Non-current liabilities	64,275
Total liabilities assumed	157,890
Preliminary net identifiable assets acquired	621,645

The goodwill is attributable to expanding the Company's capabilities and further diversifies the Company's end markets. The acquisition further positions the Company as a global agricultural equipment manufacturer. The goodwill arising from this acquisition is not deductible for tax purposes.

The sales included in the consolidated statements of earnings from February 1, 2024 to September 30, 2024 contributed by Bourgault were \$289,940. Bourgault also contributed net earnings of \$11,751 over the same period. Bourgault is included in the Industrial segment.

**(ii) Battery Enclosures Business**

On August 3, 2023, the Company acquired three battery enclosures facilities from Dura-Shiloh ("Battery Enclosures Business") through the acquisition of certain assets and shares. During 2024, due to a change in purchase price, the total consideration decreased by \$20,049 to \$298,811, thereby decreasing the fair value of property, plant and equipment by \$7,990 to \$215,301, decreasing goodwill by \$8,865 to \$71,707, and other insignificant adjustments. The determination of the fair value of the assets acquired and liabilities assumed for the 2023 acquisition has been completed.

**(iii) Chassis and Suspension Business**

On October 31, 2023, the Company acquired the substantial portion of the US-based assets from Mobex Fourth and 1, LLC ("Chassis and Suspension Business") and certain of its affiliates. As at September 30, 2024, the determination of the fair value of the assets acquired and liabilities assumed for the 2023 acquisition is not yet complete and is subject to further adjustments. As at September 30, 2024, all details remain unchanged from December 31, 2023.