

Linamar Delivers 23rd Consecutive Quarter of Double Digit Operating Earnings Growth

May 10, 2017, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 9.1% over the first quarter of 2016 (“Q1 2016”) to reach \$1.66 billion;
- Operating earnings increase 11.7% over Q1 2016 to reach \$192.2 million;
- Net earnings up 14.8% and earnings per share, on a diluted basis, up 14.6% over Q1 2016 reaching \$145.1 million and \$2.20 respectively;
- Continued business wins maintain strong launch book at over \$4.4 billion and include several highly strategic component wins;
- Powertrain/Driveline delivers strong results with sales and operating earnings growth despite flat markets; and
- Industrial segment delivers excellent sales and operating earnings growth thanks to market share gains for all of its products in North America, Europe and Asia along with solid market growth in all three regions.

(in millions of dollars, except earnings per share figures)	Three Months Ended	
	2017	March 31 2016
	\$	\$
Sales	1,656.0	1,518.1
Operating Earnings (Loss) ¹		
Powertrain/Driveline	146.4	144.0
Industrial	45.8	28.1
Operating Earnings (Loss)	192.2	172.1
Net Earnings (Loss)	145.1	126.4
Net Earnings (Loss) per Share – Diluted	2.20	1.92

Operating Highlights

Sales for the first quarter of 2017 (“Q1 2017”) were \$1,656.0 million, up \$137.9 million from \$1,518.1 million in Q1 2016.

Sales for the Powertrain/Driveline segment (“Powertrain/Driveline”) increased by \$54.6 million, or 4.2% in Q1 2017 compared with Q1 2016. The sales increase in Q1 2017 was impacted by:

- the acquisition of Montupet S.A. in Q1 2016;
- launching programs in North America, Europe and Asia;
- higher production volumes on certain automotive programs; partially offset by
- lower sales for off-highway vehicles globally; and
- lower sales resulting from unfavourable changes in foreign exchange rates.

The Industrial segment (“Industrial”) product sales increased 40.9%, or \$83.3 million, to \$286.9 million in Q1 2017 from Q1 2016. The sales increase was due to:

- strong market share gains in scissors, booms and telehandlers in North America, Europe and Asia;
- increased access equipment volumes as a result of solid market growth in all three regions; partially offset by
- lower sales resulting from unfavourable changes in foreign exchange rates.

The Company’s operating earnings for Q1 2017 were \$192.2 million. This compares to \$172.1 million in Q1 2016, an increase of \$20.1 million.

Q1 2017 operating earnings for Powertrain/Driveline were higher by \$2.4 million, or 1.7% over Q1 2016. The Powertrain/Driveline segment experienced the following in Q1 2017:

- earnings related to the acquisition of Montupet S.A.;
- higher earnings related to increased production volumes on certain automotive programs; and
- improved earnings as production volumes increased on launching programs; partially offset by
- lower earnings as production volumes decreased for off-highway vehicles;
- lower earnings as a result of a loss on the foreign exchange revaluation of the operating balances, in contrast to a large gain in Q1 2016; and
- lower margins as a result of changes in product mix.

¹ For more information refer to the section entitled “Non-GAAP and Additional GAAP Measures” in the Company’s separately released Management’s Discussion and Analysis (“MD&A”).

Industrial segment operating earnings in Q1 2017 increased \$17.7 million or 63.0% over Q1 2016. The increase in Industrial operating earnings was predominantly driven by:

- improved margins as a result of the net increase in volumes;
- higher earnings as a result of a gain on the foreign exchange revaluation of the operating balances, in contrast to a large loss in Q1 2016; and
- a specific Q1 2016 bad debt expense related to a Canadian customer operating primarily in the oil and gas industry that did not reoccur; partially offset by
- lower margins as a result of changes in product mix and launching products; and
- increased management and sales costs supporting growth.

“We have had another solid start to the year at Linamar with strong results in both segments,” said Linamar CEO Linda Hasenfratz. “This is our 23rd consecutive quarter of double digit operating earnings growth which is fantastic. We are also excited about the outsourcing opportunities we are seeing in non-traditional areas of the powertrain which we feel are indicative of future OEM plans.”

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2017 of CDN\$0.12 per share on the common shares of the Company, payable on or after June 2, 2017 to shareholders of record on May 23, 2017.

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; cyclicity and seasonality; capital and liquidity risk; legal proceedings and insurance coverage; credit risk; emission standards; 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 forwarding 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

Q1 2017 Conference Call Information

Linamar will hold a conference call on May 10, 2017 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 74537341, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the Company's website after 4 p.m. EST on May 10, 2017 and at www.sedar.com by the start of business on May 11, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on May 10, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74537341.

Q2 2017 Conference Call Information

Linamar will hold a conference call on August 2, 2017 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 74609681, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the Company's website after 4 p.m. EST on August 2, 2017 and at www.sedar.com by the start of business on August 3, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on August 2, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74609681.

Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segment, which are further divided into 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, all world leaders in the design, development and production of highly engineered products. The Company's Machining and Assembly, Casting and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission, driveline and body systems designed for global vehicle and industrial markets. The Company's Skyjack and Agriculture operating groups are noted for their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment. With more than 25,500 employees in 58 manufacturing locations, 6 R&D centers and 21 sales offices in 17 countries in North and South America, Europe and Asia, Linamar generated sales of \$6.0 billion in 2016. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

* * * * *

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

Guelph, Ontario
May 10, 2017