Despite COVID-19 Impact Linamar Delivers Free Cash Flow and Solid Cost Reductions in Q2 2020

August 6, 2020, Guelph, Ontario, Canada (TSX: LNR)

- During the second quarter of 2020 (“Q2 2020”), the Company experienced lower sales and operating earnings in both segments which was primarily attributed to the adverse conditions associated with the global COVID-19 pandemic;
- Free cash flow1 was $170.5 million for Q2 2020 and when combined with the $147.1 million for Q1 2020 is $317.6 million for the first half of 2020;
- Capex was cut by 81% to $24.0 million from $126.4 million in the second quarter of 2019 (“Q2 2019”);
- Liquidity, measured as cash and cash equivalents and available credit at June 30, 2020, is at $1.1 billion, unchanged from December 31, 2019;
- Cost reduction and cash conservation efforts continue to be at the highest levels given continued uncertainties;
- As part of these cash conservation efforts the board has approved to continue with a reduced dividend of CAD$0.06 per share for Q2 2020;
- Strong new business wins pushed the launch book to more than $4.3 billion;
- Solid Transportation market share gains with Content per Vehicle growth in every region globally and market share growth in Europe for both Skyjack and MacDon; and
- The Company repaid its United States Dollar $130 million Private Placement Notes in Q2 2020 to mitigate risk in an uncertain environment.

<table>
<thead>
<tr>
<th>(in millions of dollars, except per share figures)</th>
<th>Three Months Ended June 30</th>
<th>Six Months Ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>923.6</td>
<td>2,086.1</td>
</tr>
<tr>
<td>Operating Earnings (Loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>24.5</td>
<td>99.6</td>
</tr>
<tr>
<td>Transportation</td>
<td>(49.8)</td>
<td>115.5</td>
</tr>
<tr>
<td>Operating Earnings (Loss)1</td>
<td>(25.3)</td>
<td>215.1</td>
</tr>
<tr>
<td>Net Earnings (Loss)</td>
<td>(37.9)</td>
<td>150.2</td>
</tr>
<tr>
<td>Net Earnings (Loss) per Share – Diluted</td>
<td>0.58</td>
<td>2.28</td>
</tr>
<tr>
<td>Earnings before interest, taxes and amortization (“EBITDA”)1</td>
<td>81.1</td>
<td>315.5</td>
</tr>
<tr>
<td>Operating Earnings (Loss) – Normalized1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>36.5</td>
<td>107.5</td>
</tr>
<tr>
<td>Transportation</td>
<td>(55.9)</td>
<td>117.8</td>
</tr>
<tr>
<td>Operating Earnings (Loss) – Normalized</td>
<td>(19.4)</td>
<td>225.3</td>
</tr>
<tr>
<td>Net Earnings (Loss) – Normalized1</td>
<td>(22.0)</td>
<td>158.3</td>
</tr>
<tr>
<td>Net Earnings (Loss) per Share – Diluted – Normalized1</td>
<td>(0.34)</td>
<td>2.40</td>
</tr>
<tr>
<td>EBITDA – Normalized1</td>
<td>92.1</td>
<td>326.2</td>
</tr>
</tbody>
</table>

Operating Highlights

Sales for Q2 2020 were $923.6 million, down $1,162.5 million from $2,086.1 million in Q2 2019. The Industrial segment (“Industrial”) product sales decreased 56.7%, or $339.9 million, to $259.2 million in Q2 2020 from Q2 2019. The sales decrease was due to:
- sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic; and
- lower agricultural sales as expected due to poor crop conditions, stagnant commodity prices, and the ongoing trade dispute between the United States (“US”) and China governments.

Sales for the Transportation segment (“Transportation”) decreased by $822.6 million, or 55.3% in Q2 2020 compared with Q2 2019. The sales in Q2 2020 were impacted by:
- sales declines primarily attributed to customer shutdowns associated with the global COVID-19 pandemic; partially offset by
- a favourable impact on sales from the changes in foreign exchange rates from Q2 2019.

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”).
The Company’s normalized operating loss for Q2 2020 was $19.4 million. This compares to normalized operating earnings of $225.3 million in Q2 2019, a decrease of $244.7 million.

Industrial segment normalized operating earnings in Q2 2020 decreased $71.0 million, or 66.0% from Q2 2019. The Industrial normalized operating earnings results were predominantly driven by:

- the lower sales volumes which is primarily attributed to the adverse conditions associated with the global COVID-19 pandemic; and
- lower agricultural sales as expected due to poor crop conditions, stagnant commodity prices, and the ongoing trade war between the US and China governments; partially offset by
- the utilization of various government support programs related to the global COVID-19 pandemic.

Q2 2020 normalized operating earnings for Transportation were lower by $173.7 million, or 147.5% compared to Q2 2019. The Transportation segment’s earnings were impacted by the following:

- sales declines primarily attributed to customer shutdowns associated with the global COVID-19 pandemic; partially offset by
- targeted cost reductions to match lower demand;
- utilization of various government support programs related to the global COVID-19 pandemic; and
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q2 2019.

“Q2 2020 was certainly a difficult quarter for us and so many other companies around the world. I am so proud of the efforts of our team to manage through such a tough quarter, maintain employee spirits, execute so strongly on cost reductions and cash conservation initiatives and then so capably ramp operations back up safely and efficiently. We are through the toughest part and now laser focused on restarting, rejuvenating and recovering.” said Linamar CEO Linda Hasenfratz.

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2020 of CDN$0.06 per share on the common shares of the company, payable on or after September 11, 2020 to shareholders of record on August 21, 2020.

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

Q2 2020 Release Information
Linamar will hold a webcast call on August 6, 2020, at 5:00 p.m. ET to discuss its second-quarter results. The event will be simulcast and can be accessed at the following URL https://www.linamar.com/news-event/q2-2020-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 (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 4440626, 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 Chief Executive Officer. A copy of the Company’s quarterly financial statements, including the Management’s Discussion & Analysis, will be available on the Company’s website after 4:00 p.m. ET on August 6, 2020, and at www.sedar.com by the start of business on August 7, 2020. The webcast replay will be available at https://www.linamar.com/news-event/q2-2020-earnings-call after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. on August 6, 2020, for seven days. The number for the replay is (800) 585-8367, Passcode: 4440626. In addition, a recording of the call will be posted at https://www.linamar.com/news-event/q2-2020-earnings-call.

Q3 2020 Release Information
Linamar will hold a webcast call on November 10, 2020, at 5:00 p.m. ET to discuss its third-quarter results. The event will be simulcast and can be accessed at the following URL https://www.linamar.com/news-event/q3-2020-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 (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 6475831, 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 Chief Executive Officer. A copy of the Company’s quarterly financial statements, including the Management’s Discussion & Analysis, will be available on the Company’s website after 4:00 p.m. ET on November 10, 2020, and at www.sedar.com by the start of business on November 11, 2020. The webcast replay will be available at https://www.linamar.com/news-event/q3-2020-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 10, 2020, for seven days. The number for the replay is (800) 585-8367, Passcode: 6475831. In addition, a recording of the call will be posted at https://www.linamar.com/news-event/q3-2020-earnings-call.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Transportation segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Transportation segment is subdivided into three regional groups; North America, Europe and Asia Pacific. Within the Transportation segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Transportation segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. McLaren Engineering provides design, development, and testing services for the Transportation segment. Linamar has 26,000 employees in 61 manufacturing locations, 11 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of $7.4 billion in 2019. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

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

Guelph, Ontario
August 6, 2020