

Market Recovery Drives Strong Linamar Second Quarter Results

August 11, 2021, Guelph, Ontario, Canada (TSX: LNR)

- During the second quarter of 2021 (“Q2 2021”), the Company experienced strong sales growth, up 71% versus the second quarter of 2020 (“Q2 2020”);
- Outstanding normalized net earnings growth of \$129 million in comparison to last year;
- Strong normalized operating earnings in both segments, both up significantly over prior year;
- Industrial segment normalized operating earnings up 82% for Q2 2021 and Mobility segment normalized operating earnings up \$142 million against Q2 2020, hard hit by the COVID-19 pandemic;
- Free cash flow¹ was \$137.7 million for Q2 2021 continuing the company’s excellent balance sheet management;
- Liquidity, measured as cash and cash equivalents and available credit as at June 30, 2021, is \$1.7 billion an increase from \$1.1 billion at June 30, 2020;
- New business wins grow strong launch book to over \$3.7 billion, nearly 25% of year to date new business wins for electrified vehicles;
- Strong agricultural sales from market growth amplified by global market share growth in all core products; and
- Continued recovery in access equipment sales and an increase in market share for booms in Europe and Asia.

(in millions of dollars, except per share figures)	Three Months Ended		Six Months Ended	
	2021	2020	2021	2020
	\$	\$	\$	\$
Sales	1,575.3	923.6	3,357.1	2,473.3
Operating Earnings (Loss)				
Industrial	73.7	24.5	109.4	67.4
Mobility	80.0	(49.8)	265.5	25.3
Operating Earnings (Loss) ¹	153.7	(25.3)	374.9	92.7
Net Earnings (Loss)	108.0	(37.9)	261.5	40.6
Net Earnings (Loss) per Share – Diluted	1.65	(0.58)	3.99	0.62
Earnings before interest, taxes and amortization (“EBITDA”) ¹	261.2	81.1	594.0	309.0
Operating Earnings (Loss) – Normalized¹				
Industrial	66.3	36.5	112.2	67.9
Mobility	85.9	(55.9)	261.4	16.2
Operating Earnings (Loss) – Normalized	152.2	(19.4)	373.6	84.1
Net Earnings (Loss) – Normalized¹	106.9	(22.0)	265.2	45.0
Net Earnings (Loss) per Share – Diluted – Normalized¹	1.63	(0.34)	4.05	0.69
EBITDA – Normalized¹	259.2	92.1	600.6	306.0

Operating Highlights

Sales for Q2 2021 were \$1,575.3 million, up \$651.7 million from \$923.6 million in Q2 2020.

The Industrial segment (“Industrial”) product sales increased 51.8%, or \$134.3 million, to \$393.5 million in Q2 2021 from Q2 2020. The sales increase was due to:

- additional access equipment sales primarily due to market recovery since Q2 2020 which was significantly impacted by the COVID 19 pandemic;
- an increase in agricultural sales from market growth amplified by global market share growth in all core products; and
- an increase in market share for booms in Europe and Asia; partially offset by
- an unfavourable impact on sales from the changes in foreign exchange rates from Q2 2020.

Sales for the Mobility segment (“Mobility”) increased by \$517.4 million, or 77.9% in Q2 2021 compared with Q2 2020. The sales in Q2 2021 were impacted by:

- additional sales primarily due to market recovery since Q2 2020 which was significantly impacted by the COVID-19 pandemic; and
- an increase in sales related to launching programs; partially offset by
- a sales decline primarily attributed to adverse conditions associated with semi conductor supply related issues; and
- an unfavourable impact on sales from the changes in foreign exchange rates from Q2 2020.

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 earnings for Q2 2021 was \$152.2 million. This compares to normalized operating loss of \$19.4 million in Q2 2020, an increase of \$171.6 million.

Industrial segment normalized operating earnings in Q2 2021 increased \$29.8 million, or 81.6% from Q2 2020. The Industrial normalized operating earnings results were predominantly driven by:

- an increase in access equipment volumes;
- an increase in agricultural sales; and
- a reversal of provisions for receivables that were collected within the quarter; partially offset by
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic;
- an unfavourable impact on sales and expenses from the changes in foreign exchange rates from Q2 2020; and
- an increase in material and freight costs associated with ongoing supply chain issues.

Q2 2021 normalized operating earnings for Mobility were higher by \$141.8 million, or 253.7% compared to Q2 2020. The Mobility segment's earnings were impacted by the following:

- additional sales primarily due to market recovery since Q2 2020 which was significantly impacted by the COVID-19 pandemic; and
- an increase in sales related to launching programs; partially offset by
- a sales decline primarily attributed to adverse conditions associated with semi conductor supply related issues;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- an unfavourable impact on sales and expenses from the changes in foreign exchange rates from Q2 2020.

"Market demand is strong, helping to drive an excellent recovery for us at Linamar." said Linamar CEO Linda Hasenfratz, "Market pressures from supply chain shortages are creating challenges but we are managing them and at the same time growing market share and generating cash. We are confident in a sustained period of excellent market demand once the supply chain issues are resolved."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2021 of CDN\$0.16 per share on the common shares of the company, payable on or after September 10, 2021 to shareholders of record on August 23, 2021.

Forward Looking Information, Risk and Uncertainties

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

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

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

Conference Call Information

Q2 2021 Release Information

Linamar will hold a webcast call on August 11, 2021, 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/q2-2021-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 1797109, 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 11, 2021, and at www.sedar.com by the start of business on August 12, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q2-2021-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 August 11, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 1797109. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q2-2021-earnings-call>.

Q3 2021 Release Information

Linamar will hold a webcast call on November 9, 2021, 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/q3-2021-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 3374269, 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 9, 2021, and at www.sedar.com by the start of business on November 10, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q3-2021-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 9, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 3374269. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q3-2021-earnings-call>.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and 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 Mobility segment is subdivided into three regional groups: North America, Europe and Asia Pacific. Within the Mobility 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 Mobility 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 Mobility segment. Linamar has 26,000 employees in 60 manufacturing locations, 12 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
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