March 11, 2020, Guelph, Ontario, Canada (TSX: LNR)

- 2019 free cash flow\(^1,2\) more than $670 million and more than $380 million in the fourth quarter of 2019 ("Q4 2019");
- Net debt to EBITDA reaches 1.5x;
- Continued Q4 2019 Transportation market share growth from strong content per vehicle performance in Europe and Asia, and market share growth in key markets and products within the Industrial businesses as well;
- Sales decreased 6.7% over the fourth quarter of 2018 ("Q4 2018") to $1.6 billion

\(\text{Sales decreased by } $98.4 \text{ million, or } 7.1\% \text{ in Q4 2019 compared with Q4 2018. The sales decrease was due to:}\
\begin{itemize}
  
  \item reduced access equipment volumes in Europe and North America as certain key customers adjusted their Q4 2019 capital spend in light of uncertainty in the markets; partially offset by
  
  \item additional agricultural sales related to timing of the 2020 new product launch and a later harvest providing additional parts sales compared to Q4 2018.
\end{itemize}

Sales for the Transportation segment ("Transportation") decreased by $98.4 million, or 7.1% in Q4 2019 compared with Q4 2018. The sales in Q4 2019 were impacted by:

\begin{itemize}
  
  \item a reduction in sales as a result of the United Auto Workers Union strike at General Motor's US locations that continued into Q4 2019;
  
  \item a reduction of sales related to certain programs that are naturally ending;
  
  \item an overall reduction in passenger vehicle volumes in our three key markets and in medium duty and heavy duty trucks in North America; and
  
  \item an unfavourable impact on sales from the changes in foreign exchange rates from Q4 2018; partially offset by
  
  \item additional sales from programs that are currently launching.
\end{itemize}

\(\text{Operating Highlights}\

\begin{table}[h!]
\centering
\begin{tabular}{lcccc}
\hline
 & Three Months Ended & Twelve Months Ended & \\
 & December 31 & 2019 & December 31 & 2019 \\
\hline
Sales & 1,616.1 & 1,732.0 & 7,416.6 & 7,620.6 \\
Operating Earnings (Loss) & \\
  Industrial & 26.6 & 63.1 & 236.3 & 346.2 \\
  Transportation & 52.7 & 108.0 & 388.2 & 473.7 \\
Operating Earnings (Loss)\(^3\) & 79.3 & 171.1 & 624.5 & 819.9 \\
Net Earnings (Loss) & 49.7 & 124.5 & 430.4 & 591.5 \\
Net Earnings (Loss) per Share – Diluted & 0.76 & 1.88 & 6.56 & 8.94 \\
Earnings before interest, taxes and amortization ("EBITDA")\(^3\) & 189.1 & 258.9 & 1,038.0 & 1,186.9 \\
Operating Earnings (Loss) – Normalized\(^3\) & \\
  Industrial & 39.4 & 45.4 & 257.8 & 323.5 \\
  Transportation & 73.2 & 113.5 & 410.8 & 484.1 \\
Operating Earnings (Loss) – Normalized & \\
  112.6 & 158.9 & 668.6 & 807.6 \\
Net Earnings (Loss) – Normalized\(^3\) & 75.4 & 115.4 & 464.4 & 583.8 \\
Net Earnings (Loss) per Share – Diluted – Normalized\(^3\) & 1.15 & 1.75 & 7.08 & 8.82 \\
EBITDA – Normalized\(^3\) & 222.4 & 247.6 & 1,082.3 & 1,176.9 \\
\hline
\end{tabular}
\caption{Operating Results for Q4 and FY 2019}
\end{table}

1 Free cash flow is defined as cash from operating activities less payments for purchase of property, plant and equipment plus proceeds on disposal of property, plant and equipment less dividends.

2 Free cash flow for 2019 has been adjusted for additions of property, plant and equipment related to the dissolution of a joint venture in Q3 2019.

3 Management uses certain non-GAAP financial measures including normalized earnings which exclude foreign exchange impacts and the impact of unusual items when analyzing consolidated and segment underlying operational performance. 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 Q4 2019 were $112.6 million. This compares to $158.9 million in Q4 2018, a decrease of $46.3 million.

Industrial segment normalized operating earnings in Q4 2019 decreased $6.0 million, or 13.2% from Q4 2018. The Industrial normalized operating earnings results were predominantly driven by:

- reduced access equipment volumes in Europe and North America as certain key customers adjusted their 2019 capital spend in light of uncertainty in the markets;
- impact of absorption costs as a result of Skyjack and MacDon reducing production and selling from inventory in Q4 2019; partially offset by
- additional agricultural earnings related to timing of the 2020 new product launch and a later harvest when compared to Q4 2018.

Q4 2019 normalized operating earnings for Transportation were lower by $40.3 million, or 35.5% compared to Q4 2018. The Transportation segment’s earnings were impacted by the following:

- a reduction in sales as a result of the United Auto Workers Union strike at General Motor’s US locations that continued into Q4 2019; and
- a reduction of earnings related to volume declines.

“We are thrilled to have delivered on our cash generation target for 2019 despite challenging markets,” said Linamar CEO Linda Hasenfratz. “Q4 was also a significant quarter for us in new business wins, notably in the driveline and electrified vehicle areas we have been targeting, and on key boom, telehandler and draper header products which is key to growth in soft markets. We are also seeing results from cost cutting efforts to mitigate demand reductions. Win new business to grow market share, cost control to offset soft markets and cash generation are our key areas of focus and we are delivering on every front.”

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2019 of CDN$0.12 per share on the common shares of the company, payable on or after April 17, 2020 to shareholders of record on April 3, 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; cyclicality and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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

Q4 2019 Conference Call Information
Linamar will hold a webcast call on March 11, 2020 at 5:00 p.m. EST to discuss its fourth quarter/year end results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 7182436, with a call-in required 10 minutes prior to the start of the conference call. The URL for the webcast is https://www.linamar.com/news-event/q4-earnings-call. The password for the meeting is Linamar1. The conference call will be chaired by Linda Hasenfratz, Linamar’s Chief Executive Officer. A copy of the Company’s quarterly/year end financial statements, including the Management’s Discussion & Analysis will be available on the Company’s website after 4 p.m. EST on March 11, 2020 and at www.sedar.com by the start of business on March 12, 2020. A taped replay of the conference call will also be made available starting at 8:00 p.m. on March 11, 2020 for ten days. The number for replay is (855) 859-2056, Conference ID 7182436. In addition a recording of the call will be posted on the company’s website under Investor Relations.

Q1 2020 Release Information
Linamar will hold a webcast call on May 13, 2020, at 5:00 p.m. EST to discuss its first-quarter results. The numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) conference ID 8792067, with a call-in required 10 minutes prior to the start of the webcast. The URL for the webcast is https://www.linamar.com/news-event/q1-2020-earnings-call. The conference call will be chaired by Linda Hasenfratz, Linamar’s Chief Executive Officer. A copy of the Company’s quarterly/year-end financial statements, including the Management’s Discussion & Analysis, will be available on the Company’s website after 4 p.m. EST on May 13, 2020, and at www.sedar.com by the start of business on May 14, 2020. The webcast replay will be available at https://www.linamar.com/news-event/q1-2020-earnings-call after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. on May 13, 2020, for seven days. The number for the replay is (800) 585-8367, Passcode: 8792067. In addition, a recording of the call will be posted on https://www.linamar.com/news-event/q1-2020-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 2 operating segments – the Industrial segment and the Transportation segment, which are further divided into 5 operating groups – Skyjack, Agriculture, Machining & Assembly, Light Metal Casting and Forging, all world leaders in the design, development and production of highly engineered products. The Company’s Skyjack and MacDon companies are noted for their innovative, high quality mobile industrial and harvesting equipment, notably class-leading aerial work platforms, telehandlers, draper headers and self-propelled windrowers. The Company’s Machining & Assembly, Light Metal Casting and Forging operating groups focus on precision metallic components, modules and systems for driveline, body and powertrain systems designed for global electrified and traditionally powered vehicle and industrial markets. Linamar has 27,000 employees in 61 manufacturing locations, 10 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.

*          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *          *

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

Guelph, Ontario
March 11, 2020