

Linamar Rockets Back to Growth with Exceptional Earnings Performance and Excellent Free Cash Flow

March 10, 2021, Guelph, Ontario, Canada (TSX: LNR)

- During the fourth quarter of 2020 (“Q4 2020”), the Company experienced strong sales and operating earnings in both segments;
- Free cash flow¹ was \$422.3 million for Q4 2020 and when combined with previous quarters is now \$1,185.0 million for 2020, a Company record;
- Capex dropped 37% to \$75.8 million from \$120.1 million in the fourth quarter of 2019 (“Q4 2019”) capping a year down 50% over 2019;
- Liquidity, measured as cash and cash equivalents and available credit at December 31, 2020, is at \$1.6 billion an increase from \$1.1 billion at December 31, 2019;
- Cost reduction and cash conservation efforts continue to be at the highest levels given continued uncertainties;
- Record free cash flow in 2020 enables dividend increase to CDN\$0.16 per share;
- New business wins maintain strong launch book of nearly \$3.8 billion;
- Strong Transportation market share gains with Content per Vehicle growth in North America and Asia Pacific; and
- Continued market share gains for MacDon internationally, notably in Europe where sales almost doubled for 2020 over the prior year.

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2020	2019	2020	2019
(in millions of dollars, except per share figures)	\$	\$	\$	\$
Sales	1,704.8	1,616.1	5,815.6	7,416.6
Operating Earnings (Loss)				
Industrial	32.6	26.6	141.2	236.3
Transportation	122.8	52.7	283.0	388.2
Operating Earnings (Loss) ¹	155.4	79.3	424.2	624.5
Net Earnings (Loss)	113.1	49.7	279.1	430.4
Net Earnings (Loss) per Share – Diluted	1.73	0.76	4.27	6.56
Earnings before interest, taxes and amortization (“EBITDA”) ¹	283.5	189.1	893.1	1,038.0
Operating Earnings (Loss) – Normalized¹				
Industrial	39.9	39.4	156.5	257.8
Transportation	136.5	73.2	301.5	410.8
Operating Earnings (Loss) – Normalized	176.4	112.6	458.0	668.6
Net Earnings (Loss) – Normalized¹	129.1	75.4	314.6	464.4
Net Earnings (Loss) per Share – Diluted – Normalized¹	1.97	1.15	4.81	7.08
EBITDA – Normalized¹	304.5	222.4	919.8	1,082.3

Operating Highlights

Sales for Q4 2020 were \$1,704.8 million, up \$88.7 million from \$1,616.1 million in Q4 2019.

The Industrial segment (“Industrial”) product sales decreased 6.0%, or \$20.3 million, to \$315.6 million in Q4 2020 from Q4 2019. The sales decrease was due to:

- access equipment sales declines primarily attributed to adverse conditions associated with the COVID-19 pandemic in North America and Europe; partially offset by
- increased market share in North America for telehandlers, scissors and booms.

Sales for the Transportation segment (“Transportation”) increased by \$109.0 million, or 8.5% in Q4 2020 compared with Q4 2019. The sales in Q4 2020 were impacted by:

- increased sales related to launching programs and increased volumes for certain programs that the Company has significant business with;
- an increase in sales as a result of the labour disruptions at a key US customer that occurred in Q4 2019; and
- a favourable impact on sales from the changes in foreign exchange rates from Q4 2019; partially offset by
- European sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic.

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 Q4 2020 was \$176.4 million. This compares to normalized operating earnings of \$112.6 million in Q4 2019, an increase of \$63.8 million.

Industrial segment normalized operating earnings in Q4 2020 increased \$0.5 million, or 1.3% from Q4 2019. The Industrial normalized operating earnings results were predominantly driven by:

- continued focus on cost reductions;
- the utilization of government support programs related to the global COVID-19 pandemic; partially offset by
- additional provisions for receivables related to current conditions in industrial markets primarily related to COVID-19; and
- access equipment net sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic in North America and Europe.

Q4 2020 normalized operating earnings for Transportation were higher by \$63.3 million, or 86.5% compared to Q4 2019. The Transportation segment's earnings were impacted by the following:

- the margin improvement from launching programs that continue to build in volume and for certain programs that the Company has significant business with;
- an increase in sales as a result of the labour disruptions at a key US customer that occurred in Q4 2019;
- the utilization of government support programs related to the global COVID-19 pandemic;
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q4 2019; and
- continued focus on cost reductions; partially offset by
- European sales declines primarily attributed to adverse conditions associated with the global COVID-19 pandemic.

"2020 was quite a year from the lows of Q2 shutdowns, to only a few months later, exceptional earnings growth realized in Q4." said Linamar CEO Linda Hasenfratz, "Cash flow was the story of the year, with over \$1 billion realized, more than 50% better than any year in our history. The pandemic isn't over yet and we continue to be vigilant around safety protocols for our people and supporting our community as well as a continued focus on costs, cash and growth as we look ahead to 2021 and the growth we see coming."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2020 of CDN\$0.16 per share on the common shares of the company, payable on or after April 15, 2021 to shareholders of record on April 1, 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; 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

Q4 2020 Release Information

Linamar will hold a webcast call on March 10, 2021, at 5:00 p.m. ET to discuss its fourth-quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/news-event/q4-2020-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 8860535, 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 March 10, 2021, and at www.sedar.com by the start of business on March 11, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q4-2020-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 March 10, 2021, for seven days. The number for the replay is (800) 585-8367, Passcode: 8860535. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q4-2020-earnings-call>.

Q1 2021 Release Information

Linamar will hold a webcast call on May 6, 2021, at 5:00 p.m. ET to discuss its first-quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/news-event/q1-2021-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 5546587, 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 May 6, 2021, and at www.sedar.com by the start of business on May 7, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q1-2021-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 May 6, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 668-0168, Passcode: 5546587. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q1-2021-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 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, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of \$5.8 billion in 2020. 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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