

Linamar Delivers Another Quarter of Outstanding Double-Digit Growth and Announces CEO Succession

August 8, 2024, Guelph, Ontario, Canada (TSX: LNR)

Strong financial performance

- ◆ Sales up 11.6% to \$2.85 billion in Q2 2024;
- ◆ Normalized Operating Earnings¹ up 25.9% in Q2 2024; and
- ◆ Normalized Diluted Earnings per Share¹ up 17.2% in Q2 2024.

Mobility Segment Performing

- ◆ Mobility segment finished the quarter strong with normalized operating earnings of \$126.2 million, up 59.3% compared to Q2 2023; and
- ◆ Third consecutive quarter of margin expansion with normalized operating earnings margin reaching 6.4%, meaningfully improved from 2023 levels.

Diversified Strategy Success

- ◆ Industrial normalized operating earnings of \$164.3 million are up 8.4% over Q2 2023, anchoring solid overall performance; and
- ◆ Industrial normalized operating earnings representing over 56% of consolidated normalized operating earnings solidly anchoring Linamar as a Diversified Industrial Business.

Double-Digit Sales Growth in Both Segments on Strong Market Share Growth

- ◆ Sales up 14.1% for Industrial for the quarter, due to excellent market share gains in scissors worldwide and telehandlers in North America, and worldwide market share gains in windrowers and combine drapers, in addition to the sales related to our most recent acquisition of Bourgault Industries Ltd.;
- ◆ Sales up 10.5% for Mobility in the quarter, driven by both our Linamar Structures 2023 acquisitions as well as launching programs and increased certain mature program volumes; and
- ◆ Content per vehicle¹ (“CPV”) up in every region reflective of continued market share growth.

Returning Cash to Shareholders

- ◆ Linamar is maintaining its dividend to shareholders at quarterly \$0.25 per share.

CEO Succession

Linamar is announcing today that Jim Jarrell has been appointed Chief Executive Officer and President, following execution of a multi year succession transition plan. Mr. Jarrell succeeds Linda Hasenfratz, who will remain a driving force at Linamar focusing exclusively now on her role as Executive Chair.

Having achieved the Company’s long-term goal of reaching \$10 billion in annualized sales, the Company is poised to embark on a new era of value creation and growth, bolstered by these strategic leadership changes.

Mr. Jarrell has been with Linamar since 1991 and has occupied progressively more senior positions in Sales and Operations before being named Chief Operating Officer in 1999 and President in 2004. Mr Jarrell played a central role in the achievement of the Company’s \$10 billion goal and its successful global expansion program.

As CEO and President, Mr. Jarrell will have primary responsibility for all operational and financial aspects of the business, as well as corporate development initiatives and innovation. Working closely with Ms. Hasenfratz, Mr. Jarrell will also play an important role in developing strategy, with a particular focus around setting short- to medium-term priorities.

In her capacity as Executive Chair, Ms. Hasenfratz will continue to be responsible for setting the strategic direction of the Company with a particular focus on long term strategy, and will continue to lead the Company’s distinctive Cost Attack Team (CAT) program at now 75 global manufacturing sites to advance continuous improvements, mentorship, and talent development. She will also continue to lead Linamar’s engagement with investors and government partners, with increased involvement from Mr. Jarrell.

Executive Chair Linda Hasenfratz said, “This appointment recognizes Jim’s many contributions and his track record of success over more than three decades at Linamar. He has earned the trust and respect of our customers, employees, business partners and investors, and has the full support and confidence of my family and Linamar’s Board. Jim has been transitioning into the CEO role over the last 5 years, taking on ever increasing levels of responsibility and accountability. This is a philosophy Linamar’s founder, my father Frank Hasenfratz,

¹ Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, and Net Earnings (Loss) per Share – Diluted – Normalized are non-GAAP financial measures. Content per Vehicle is a Supplementary Financial Measure. Please see “Non-GAAP and Other Financial Measures” section of this press release and separately released MD&A.

regularly used to develop leaders at the company to set them – and the Company – up for success, and it’s a tradition that continues to this day. There is no one who would be prouder to see Jim named as CEO of Linamar today than my father. He personally mentored Jim throughout his career and considered him an exceptional executive of unparalleled capabilities and the Board and I couldn’t agree more!”

Incoming CEO and President Jim Jarrell said, “I am deeply honoured and excited to be taking on this role as CEO. I am grateful for the trust placed in me to lead Linamar on our ambitious 2100 Year Plan.” Jarrell continued “As I step into this role, I carry with me the wisdom and vision of our founder, Mr. Hasenfratz, whose voice continues to guide and inspire me. This moment is not just about me, but about all of us as a Linamar team. Our collective efforts and unwavering dedication are the foundation of our success. With support of Linda and the Board, the Linamar team will continue the journey of growth, innovation and excellence, delivering value for our customers, employees and shareholders.”

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
(in millions of dollars, except per share figures)	\$	\$	\$	\$
Sales	2,848.7	2,552.8	5,570.6	4,845.5
Operating Earnings (Loss)				
Industrial	154.7	139.8	294.5	244.7
Mobility	116.8	74.3	246.3	146.3
Operating Earnings (Loss)	271.5	214.1	540.8	391.0
Net Earnings (Loss)	174.1	135.0	352.6	252.0
Net Earnings (Loss) per Share – Diluted	2.82	2.19	5.72	4.09
Operating Earnings (Loss) – Normalized ¹				
Industrial	164.3	151.6	284.5	249.1
Mobility	126.2	79.2	249.8	157.5
Operating Earnings (Loss) – Normalized	290.5	230.8	534.3	406.6
Net Earnings (Loss) – Normalized ¹	188.4	160.8	348.0	282.5
Net Earnings (Loss) per Share – Diluted – Normalized ¹	3.06	2.61	5.65	4.59

“Q2 was another outstanding quarter of double-digit top and bottom line growth for us at Linamar”, said Linamar Executive Chair Linda Hasenfratz, “We are really happy in particular with the continued recovery in our Mobility business with another outstanding level of earnings growth and margin expansion.”

DIVIDENDS

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2024, of CDN\$0.25 per share on the common shares of the company, payable on or after September 9, 2024, to shareholders of record on August 23, 2024.

NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses certain non-GAAP and other financial measures to provide useful information to both management, investors, and other stakeholders in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company’s underlying operational performance. For this reason, management uses certain non-GAAP and other financial measures when analyzing operational performance on a consistent basis.

These Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP. Please see the “Non-GAAP and Other Financial Measures” section of the Company’s MD&A for further information.

During Q2 2024, operating earnings were adversely affected by estimated duties relating to certain Industrial segment products exported between 2022 and 2024. A normalizing item related to these estimated duties impacted operating earnings by \$15.8 million.

During Q1 2023, a normalizing item related to an “adjustment for contingent consideration on Mills River earn-out” impacted the Mobility segment by \$4.9 million. Also, during Q1 2023 and Q2 2023 a normalizing item impacting the Company’s income taxes related to withholding tax on repatriation of cash from China by \$6.9 million and \$13.4 million respectively.

All normalized non-GAAP financial measures areas reconciled as follows:

	Three Months Ended June 30				Six Months Ended June 30			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	271.5	214.1	57.4	26.8%	540.8	391.0	149.8	38.3%
Foreign exchange (gain) loss	3.2	16.7	(13.5)		(22.3)	10.7	(33.0)	
Other items	15.8	-	15.8		15.8	4.9	10.9	
Operating Earnings (Loss) – Normalized	290.5	230.8	59.7	25.9%	534.3	406.6	127.7	31.4%
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	174.1	135.0	39.1	29.0%	352.6	252.0	100.6	39.9%
Foreign exchange (gain) loss	3.2	16.7	(13.5)		(22.3)	10.7	(33.0)	
Foreign exchange (gain) loss on debt and derivatives	0.1	(0.1)	0.2		0.6	0.2	0.4	
Other items	15.8	-	15.8		15.8	4.9	10.9	
Tax impact including Other Items	(4.8)	9.2	(14.0)		1.3	14.7	(13.4)	
Net Earnings (Loss) – Normalized	188.4	160.8	27.6	17.2%	348.0	282.5	65.5	23.2%
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	2.82	2.19	0.63	28.8%	5.72	4.09	1.63	39.9%
Foreign exchange (gain) loss	0.05	0.27	(0.22)		(0.36)	0.17	(0.53)	
Foreign exchange (gain) loss on debt and derivatives	-	-	-		0.01	-	0.01	
Other items	0.26	-	0.26		0.26	0.08	0.18	
Tax impact including Other Items	(0.07)	0.15	(0.22)		0.02	0.25	(0.23)	
Net Earnings (Loss) per Share – Diluted – Normalized	3.06	2.61	0.45	17.2%	5.65	4.59	1.06	23.1%

All normalized non-GAAP financial measures areas impacting segments reconciled as follows:

	Three Months Ended June 30 2024			Six Months Ended June 30 2024		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	154.7	116.8	271.5	294.5	246.3	540.8
Foreign exchange (gain) loss	(6.2)	9.4	3.2	(25.8)	3.5	(22.3)
Other items	15.8	-	15.8	15.8	-	15.8
Operating Earnings (Loss) – Normalized	164.3	126.2	290.5	284.5	249.8	534.3

(in millions of dollars)	Three Months Ended			Six Months Ended		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
	\$	\$	\$	\$	\$	\$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	139.8	74.3	214.1	244.7	146.3	391.0
Foreign exchange (gain) loss	11.8	4.9	16.7	4.4	6.3	10.7
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	151.6	79.2	230.8	249.1	157.5	406.6

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 2024 Release Information

Linamar will hold a webcast call on August 8, 2024, at 5:00 p.m. ET to discuss its second-quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q2-2024-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 (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 60435601, 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 Executive Chair and 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 8, 2024, and at www.sedar.com by the start of business on August 9, 2024. The webcast replay will be available at <https://www.linamar.com/event/q2-2024-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 8, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 435601 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q2-2024-earnings-call/>.

Q3 2024 Release Information

Linamar will hold a webcast call on November 12, 2024, at 5:00 p.m. ET to discuss its third-quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q3-2024-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 (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 71153445, 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 Executive Chair and 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 12, 2024, and at www.sedar.com by the start of business on November 13, 2024. The webcast replay will be

available at <https://www.linamar.com/event/q3-2024-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 12, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 153445 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q3-2024-earnings-call/>.

Linamar Corporation (TSX:LNR) is a diversified 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 the newly formed Linamar Agriculture operating group which consists of the MacDon, Salford and Bourgault brands. Skyjack manufactures scissors, boom and telehandler lifts for the aerial work platform industry. Within the Agriculture portfolio MacDon manufactures combine draper headers and self-propelled windrowers for harvesting, Salford supplies farm tillage and crop fertilizer application equipment while Bourgault is a leader in air seeding technology. The Mobility segment is focused on propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered vehicle markets. Operationally, Mobility is organized into three regional groups North America, Europe, Asia Pacific and the new Linamar Structures product group. The Regional Mobility groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly. The Linamar Structures Group offers competitive lightweight innovations for safety-critical components and systems for the global mobility market. Design, development, and testing services for the Mobility segment are provided by McLaren Engineering. Linamar’s medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 34,000 employees in 75 manufacturing locations, 17 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of more than \$9.7 billion in 2023. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on our social media channels.

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

Guelph, Ontario
August 8, 2024