

## Linamar Delivers Exceptional Free Cash Flow, Launches NCIB, Continues Top and Bottom Line Growth

November 12, 2024, Guelph, Ontario, Canada (TSX: LNR)

### Strong financial performance

- ◆ Sales up 8.3% to \$2.64 billion in Q3 2024;
- ◆ Normalized Operating Earnings<sup>1</sup> up 14.1% in Q3 2024; and
- ◆ Normalized Diluted Earnings per Share<sup>1</sup> up 6.3% in Q3 2024.

### Excellent Free Cash Flow

- ◆ \$269.6 million of Free Cash Flow<sup>1</sup> generated in Q3 2024, up \$393.5 million from prior year on stronger earnings and careful cash management.

### Sales Growth in Both Segments on Strong Market Share Growth

- ◆ Sales up 24.3% for Industrial for the quarter, due to:
  - ◆ Significant global market share growth in combine drapers despite market declines; and
  - ◆ Sales related to our most recent acquisition of Bourgault Industries Ltd.
- ◆ Sales up 2.1% for Mobility in the quarter despite market declines, driven by:
  - ◆ Linamar Structures acquisitions completed in 2023;
  - ◆ Launching programs; and
  - ◆ Content per vehicle<sup>1</sup> (“CPV”) up 17% in North America reflective of continued market share growth.

### Mobility Segment Double Digit Growth Continues

- ◆ Mobility segment normalized operating earnings of \$88.4 million, up 12.6% compared to Q3 2023; and
- ◆ Normalized margins of 4.9% up from 4.5% in prior year.

### Industrial Segment Strong Performance Driving Mainly from Agriculture Business

- ◆ Industrial normalized operating earnings of \$140.2 million are up 15% over Q3 2023.

### Returning Cash to Shareholders

- ◆ Linamar has also received approval from the Toronto Stock Exchange (“TSX”) to commence a normal course issuer bid, described further below, under which it is authorized to purchase up to 4,021,282 shares over the next 12 months; and
- ◆ Linamar is maintaining its dividend to shareholders at quarterly \$0.25 per share.

	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
(in millions of dollars, except per share figures)	\$	\$	\$	\$
Sales	2,635.7	2,434.2	8,206.3	7,279.7
Operating Earnings (Loss)				
Industrial	141.8	130.4	436.3	375.1
Mobility	78.3	83.9	324.6	230.2
Operating Earnings (Loss)	220.1	214.3	760.9	605.3
Net Earnings (Loss)	138.0	146.7	490.6	398.7
Net Earnings (Loss) per Share – Diluted	2.24	2.38	7.96	6.47
Operating Earnings (Loss) – Normalized <sup>1</sup>				
Industrial	140.2	121.9	424.7	370.9
Mobility	88.4	78.5	338.2	236.1
Operating Earnings (Loss) – Normalized	228.6	200.4	762.9	607.0
Net Earnings (Loss) – Normalized <sup>1</sup>	144.6	136.3	492.6	418.8
Net Earnings (Loss) per Share – Diluted – Normalized <sup>1</sup>	2.35	2.21	7.99	6.80

“Q3 saw continued top and bottom line growth for us at Linamar despite soft markets in each segment”, said Executive Chair Linda Hasenfratz, “Exceptional free cash flow was the star of the show this quarter enabling us to launch a long-awaited NCIB to return cash to shareholders.”

<sup>1</sup> Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, and Free Cash Flow 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.

“The Linamar team once again performed during a challenging time and is focused on capitalizing on the many opportunities around the globe!”, said Chief Executive Officer and President Jim Jarrell.

### **TSX APPROVES NORMAL COURSE ISSUER BID**

The TSX has accepted the Company’s notice of intention to commence a normal course issuer bid (the “NCIB”). The Company believes that the NCIB is consistent with its strategic imperative to maintain a conservative balance sheet while purposefully deploying capital to increase shareholder value.

Under the NCIB, Linamar may repurchase during the period commencing on November 15, 2024 and ending on the earlier of November 14, 2025 and the completion of the maximum purchases permitted under the NCIB, up to 4,021,282 common shares of Linamar (“Common Shares”), representing 10% of the “public float” of Common Shares as of November 4, 2024, subject to the rules of the TSX. Except as otherwise provided for in the rules of the TSX, the maximum amount of Common Shares that can be purchased by the Company during each day the NCIB is in place is 25,101, representing 25% of average daily trading volume for the six months ended October 31, 2024. As of November 4, 2024, the Company had 61,578,157 Common Shares and calculates a “public float” of 40,212,825 Common Shares.

The actual number of Common Shares which may be purchased under the NCIB and the timing of any such purchases will be determined by the management of the Company, subject to applicable law and the rules of the TSX. Purchases will be made on the open market through the facilities of the TSX at prevailing market prices or as otherwise permitted by the TSX. The NCIB will be funded using existing cash and debt resources, and any Common Shares purchased under the NCIB will be cancelled.

Linamar has also entered into an automatic share purchase plan (and “ASPP”) with a designated broker to allow for the purchase of Common Shares under the NCIB at times when it would otherwise not be permitted to do so. Purchases made by the designated broker pursuant to the ASPP will be made based on pre-established parameters set by the company, which have been approved by the TSX.

In the last twelve months, Linamar has not purchased Common Shares under any other NCIB.

### **DIVIDENDS**

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2024, of CDN\$0.25 per share on the common shares of the company, payable on or after December 2, 2024 to shareholders of record on November 22, 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 September 30				Nine Months Ended September 30			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
<b>Operating Earnings (Loss) – Normalized</b>								
Operating Earnings (Loss)	220.1	214.3	5.8	2.7%	760.9	605.3	155.6	25.7%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Other items	-	-	-		15.8	4.9	10.9	
<b>Operating Earnings (Loss) – Normalized</b>	<b>228.6</b>	<b>200.4</b>	<b>28.2</b>	<b>14.1%</b>	<b>762.9</b>	<b>607.0</b>	<b>155.9</b>	<b>25.7%</b>
<b>Net Earnings (Loss) – Normalized</b>								
Net Earnings (Loss)	138.0	146.7	(8.7)	(5.9%)	490.6	398.7	91.9	23.0%
Foreign exchange (gain) loss	8.5	(13.9)	22.4		(13.8)	(3.2)	(10.6)	
Foreign exchange (gain) loss on debt and derivatives	0.4	(0.1)	0.5		1.1	-	1.1	
Other items	-	-	-		15.8	4.9	10.9	
Tax impact including Other Items	(2.3)	3.6	(5.9)		(1.1)	18.4	(19.5)	
<b>Net Earnings (Loss) – Normalized</b>	<b>144.6</b>	<b>136.3</b>	<b>8.3</b>	<b>6.1%</b>	<b>492.6</b>	<b>418.8</b>	<b>73.8</b>	<b>17.6%</b>
<b>Net Earnings (Loss) per Share – Diluted – Normalized</b>								
Net Earnings (Loss) per Share – Diluted	2.24	2.38	(0.14)	(5.9%)	7.96	6.47	1.49	23.0%
Foreign exchange (gain) loss	0.14	(0.22)	0.36		(0.22)	(0.05)	(0.17)	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01		0.02	-	0.02	
Other items	-	-	-		0.26	0.08	0.18	
Tax impact including Other Items	(0.04)	0.05	(0.09)		(0.03)	0.30	(0.33)	
<b>Net Earnings (Loss) per Share – Diluted – Normalized</b>	<b>2.35</b>	<b>2.21</b>	<b>0.14</b>	<b>6.3%</b>	<b>7.99</b>	<b>6.80</b>	<b>1.19</b>	<b>17.5%</b>

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

	Three Months Ended September 30 2024			Nine Months Ended September 30 2024		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Other items	-	-	-	15.8	-	15.8
<b>Operating Earnings (Loss) – Normalized</b>	<b>140.2</b>	<b>88.4</b>	<b>228.6</b>	<b>424.7</b>	<b>338.2</b>	<b>762.9</b>

(in millions of dollars)	Three Months Ended September 30 2023			Nine Months Ended September 30 2023		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	130.4	83.9	214.3	375.1	230.2	605.3
Foreign exchange (gain) loss	(8.5)	(5.4)	(13.9)	(4.2)	1.0	(3.2)
Other items	-	-	-	-	4.9	4.9
<b>Operating Earnings (Loss) – Normalized</b>	<b>121.9</b>	<b>78.5</b>	<b>200.4</b>	<b>370.9</b>	<b>236.1</b>	<b>607.0</b>

**Other Non-GAAP Financial Measures**

**Free Cash Flow**

Free Cash Flow is a non-GAAP financial measure and the Company believes it is useful in assessing the Company’s ability to generate cash. Free Cash Flow is calculated as Cash from Operating Activities, the most directly comparable measure as presented in the Company’s consolidated statements of cash flows, adjusted for payments for purchase of property, plant and equipment, and proceeds on disposal of property, plant and equipment.

Other non-GAAP financial measures are reconciled as follows:

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2024 \$	2023 \$	2024 \$	2023 \$
<b>Free Cash Flow</b>				
Cash generated from (used in) operating activities	370.4	74.6	756.4	517.1
Payments for purchase of property, plant and equipment	(102.5)	(199.9)	(466.3)	(568.0)
Proceeds on disposal of property, plant and equipment	1.7	1.4	7.3	2.4
<b>Free Cash Flow</b>	<b>269.6</b>	<b>(123.9)</b>	<b>297.4</b>	<b>(48.5)</b>

**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**

**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. 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](http://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/> .

**Q4 2024 Release Information**

Linamar will hold a webcast call on March 5, 2025, at 5:00 p.m. ET to discuss its fourth-quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q4-2024-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) 800 549 8228 (North America) or (+1) 289 819 1520 (International) Conference ID 82850, 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. 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 5, 2025, and at [www.sedar.com](http://www.sedar.com) by the start of business on March 6, 2024. The webcast replay will be available at <https://www.linamar.com/event/q4-2024-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 March 5, 2025, for seven days. The number for the replay is (+1) 888 660 6264 or (+1) 289 819 1325, Passcode: 82850#. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q4-2024-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 33,000 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](http://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  
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