Linamar Delivers Record Sales over $10 Billion, Exceptional Free Cash Flow and Another Year of Double-Digit Earnings Growth

March 5, 2025, Guelph, Ontario, Canada (TSX: LNR)

Strong financial performance

- Sales up 8.7% to $10.6 billion in 2024;
- Normalized Operating Earnings[1] up 18.1% in 2024; and
- Normalized Diluted Earnings per Share[1] up 11.7% in 2024.

Excellent Free Cash Flow

- $490.8 million of Free Cash Flow[1] generated in Q4 2024, up $407.7 million from the prior year on stronger earnings and careful cash management; and
- Full year exceptional Free Cash Flow at $788 million, the 12th consecutive year of positive FCF.

Returning Cash to Shareholders

- Linamar repurchased 0.7 million shares in the quarter as part of its normal course issuer bid;
- Linamar has repurchased 1.4 million shares since the start of the NCIB program in November 2024; and
- Linamar is maintaining its dividend to shareholders at quarterly $0.25 per share.

Sales Growth in Both Segments on Strong Market Share Growth

- Sales up 16.9% for Industrial for the year, due to:
  - Increased sales related to our most recent acquisition of Bourgault Industries Ltd.; and
  - Market share growth in key agricultural markets.
- Sales up 5.7% for Mobility for the year despite market declines, driven by:
  - Linamar Structures acquisitions completed in 2023;
  - Launching programs; and
  - Annual Content per vehicle[1] ("CPV") up 15% in North America reflective of continued market share growth.

Mobility Segment Double Digit Annual Normalized Earnings Growth Continues

- Sales increased 5.7% to a record of almost $7.5 billion for 2024;
- Mobility segment normalized operating earnings of $427.7 million, up 30.6% compared to 2023; and
- Normalized 2024 margins of 5.7% up from 4.6% in prior year.

Strong Performance in the Industrial Segment Continues

- Sales increased 4.9% to $637.1 million in Q4 2024 and up 16.9% to a record of almost $3.1 billion for 2024; and
- Industrial normalized operating earnings of $516.2 million are up 9.5% over 2023.

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
(in millions of dollars, except per share figures)	$	$	$	$
Sales	2,375.7	2,453.9	10,582.0	9,733.5
Operating Earnings (Loss)				
Industrial	152.9	85.8	589.2	460.9
Mobility	(302.4)	83.8	22.1	313.9
Operating Earnings (Loss)	(149.5)	169.6	611.3	774.8
Net Earnings (Loss)	(232.3)	104.4	258.3	503.1
Net Earnings (Loss) per Share – Diluted	(3.78)	1.69	4.19	8.17
Operating Earnings (Loss) – Normalized[1]				
Industrial	91.4	100.5	516.2	471.4
Mobility	89.7	91.4	427.7	327.5
Operating Earnings (Loss) – Normalized	181.1	191.9	943.9	798.9
Net Earnings (Loss) – Normalized[1]	111.8	122.2	604.4	541.1
Net Earnings (Loss) per Share – Diluted – Normalized[1]	1.82	1.98	9.81	8.78

[1] 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.

"2024 was a challenging year but the Linamar team stepped up to the challenge. We hit record sales of over $10 billion meeting our long time goal, delivered double digit normalized earnings growth and outstanding free cash flow as well as extremely strong results in the mobility segment in particular after a tough couple of years", said Executive Chair Linda Hasenfratz. "The goodwill impairment is a disappointing side effect of a weak European market which we are laser focused on to streamline operations and take advantage of key takeover opportunities of which already $150 million has been awarded."

"In these challenging times our focus continues to be on Revenue Growth, Margin Growth and Team Growth", said CEO and President Jim Jarrell. "Our culture of speed, entrepreneurism and lean manufacturing know-how sets us up perfectly to take advantage of the numerous global opportunities that are emerging from our customers."

DIVIDENDS

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2024, of CDN$0.25 per share on the common shares of the company, payable on or after April 15, 2025 to shareholders of record on March 28, 2025.

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.

All these other items contained in these non-GAAP financial measures are summarized as follows:

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
(in millions of dollars)	$	$	$	$
Adjustment for goodwill impairment	385.5	-	385.5	-
Adjustment for the electrified vehicle market and certain other prematurely ending programs	(6.2)	-	(6.2)	-
Adjustment for restructuring	16.0	-	16.0	-
Adjustment for contingent consideration of Mills River earn-out	(12.2)	-	(12.2)	4.9
Adjustment for duties relating to certain Industrial segment products	-	-	15.8	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	383.1	-	398.9	4.9

During Q4 2024, Europe continued to experience economic challenges including a significant decline in automotive production. As a result of these economic challenges, the Company recorded a non-cash impairment charge of $385.5 million within operating earnings which was determined by comparing the carrying amount of the group to its recoverable amount. Also during Q4 2024, a normalizing item related to 'the electrified vehicle market and certain other prematurely ending programs' adjusted the Mobility segment by $6.2 million. Included in this normalizing item were customers compensation recoveries largely offset by inventory impairments, commercial settlements, and property, plant and equipment and technology intangible impairments.

Additionally, during Q4 2024, a normalizing item related to 'restructuring' adjusted the Mobility segment by $16.0 million. The restructuring was to improve operational efficiencies, primarily in Europe. Lastly, during Q4 2024, a normalizing item related to an adjustment for 'contingent consideration on Mills River earn-out' impacted the Mobility segment by $12.2 million.

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 December 31				Twelve Months Ended December 31
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	$	$	$	%	$	$	$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	(149.5)	169.6	(319.1)	-	611.3	774.8	(163.5)	(21.1%)
Foreign exchange (gain) loss	(52.5)	22.3	(74.8)		(66.3)	19.2	(85.5)	
Other items	383.1	-	383.1		398.9	4.9	394.0	
Operating Earnings (Loss) – Normalized	181.1	191.9	(10.8)	(5.6%)	943.9	798.9	145.0	18.1%
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	(232.3)	104.4	(336.7)	-	258.3	503.1	(244.8)	(48.7%)
Foreign exchange (gain) loss	(52.5)	22.3	(74.8)		(66.3)	19.2	(85.5)	
Foreign exchange (gain) loss on debt and derivatives	-	2.5	(2.5)		1.0	2.5	(1.5)	
Other items	383.1	-	383.1		398.9	4.9	394.0	
Tax impact including Other Items	13.5	(7.0)	20.5		12.5	11.4	1.1	
Net Earnings (Loss) – Normalized	111.8	122.2	(10.4)	(8.5%)	604.4	541.1	63.3	11.7%
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	(3.78)	1.69	(5.47)	-	4.19	8.17	(3.98)	(48.7%)
Foreign exchange (gain) loss	(0.86)	0.36	(1.22)		(1.08)	0.31	(1.39)	
Foreign exchange (gain) loss on debt and derivatives	-	0.04	(0.04)		0.02	0.04	(0.02)	
Other items	6.24	-	6.24		6.48	0.08	6.40	
Tax impact including Other Items	0.22	(0.11)	0.33		0.20	0.18	0.02	
Net Earnings (Loss) per Share – Diluted – Normalized	1.82	1.98	(0.16)	(8.1%)	9.81	8.78	1.03	11.7%

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

			Three Months Ended December 31 2024			Twelve Months Ended December 31 2024
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	$	$	$	$	$	$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	152.9	(302.4)	(149.5)	589.2	22.1	611.3
Foreign exchange (gain) loss	(61.5)	9.0	(52.5)	(88.8)	22.5	(66.3)
Other items	-	383.1	383.1	15.8	383.1	398.9
Operating Earnings (Loss) – Normalized	91.4	89.7	181.1	516.2	427.7	943.9

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended December 31 2023 Linamar $	Industrial $	Mobility $	Twelve Months Ended December 31 2023 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	85.8	83.8	169.6	460.9	313.9	774.8
Foreign exchange (gain) loss	14.7	7.6	22.3	10.5	8.7	19.2
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	100.5	91.4	191.9	471.4	327.5	798.9

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 December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Free Cash Flow				
Cash generated from (used in) operating activities	497.6	276.4	1,254.0	793.6
Payments for purchase of property, plant and equipment	(66.3)	(194.7)	(532.6)	(762.7)
Proceeds on disposal of property, plant and equipment	59.5	1.4	66.9	3.7
Free Cash Flow	490.8	83.1	788.3	34.6

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, international trade policies including tariffs; 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; 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 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 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/.

Q1 2025 Release Information

Linamar will hold a webcast call on May 7, 2025 at 5:00 p.m. ET to discuss its first-quarter results. The event will be simulcast and can be accessed at the following https://www.linamar.com/event/q1-2025-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 94232, 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 May 7, 2025, and at www.sedar.com by the start of business May 8, 2025. The webcast replay will be available at https://www.linamar.com/event/q1-2025-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 7, 2025, for seven days. The number for the replay is (+1) 888 660 6264 or (+1) 289 819 1325, Passcode: 94232 #. In addition, a recording of the call will be posted at https://www.linamar.com/event/q1-2025-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, 16 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of $10.6 billion in 2024. 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
March 5, 2025

LINAMAR CORPORATION

Management's Discussion and Analysis

For the Quarter Ended December 31, 2024

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated financial statements for the quarter and year ended December 31, 2024. This MD&A has been prepared as at March 5, 2025. The financial information presented herein has been prepared on the basis of IFRS® Accounting Standards. References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS Accounting Standards as adopted. All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

Additional information regarding Linamar, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.linamar.com or through the SEDAR website at www.sedar.com.

OVERALL CORPORATE PERFORMANCE

Overview of the Business

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, 16 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of $10.6 billion in 2024. 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.

Overall Corporate Results

The following table sets out certain highlights of the Company's performance in the fourth quarter of 2024 ("Q4 2024") and 2023 ("Q4 2023"):

	Three Months Ended December 31				Twelve Months Ended December 31			
(in millions of dollars, except per share figures)	2024 $	2023 $	+/- $	+/- %	2024 $	2023 $	+/- $	+/- %
Sales	2,375.7	2,453.9	(78.2)	(3.2%)	10,582.0	9,733.5	848.5	8.7%
Gross Margin	305.8	320.2	(14.4)	(4.5%)	1,504.0	1,322.8	181.2	13.7%
Operating Earnings (Loss)	(149.5)	169.6	(319.1)		611.3	774.8	(163.5)	(21.1%)
Net Earnings (Loss)	(232.3)	104.4	(336.7)		258.3	503.1	(244.8)	(48.7%)
Net Earnings (Loss) per Share - Diluted	(3.78)	1.69	(5.47)		4.19	8.17	(3.98)	(48.7%)
Earnings before interest, taxes and amortization ("EBITDA")[1]	20.6	307.5	(286.9)	(93.3%)	1,229.8	1,285.4	(55.6)	(4.3%)
Operating Earnings (Loss) - Normalized[1]	181.1	191.9	(10.8)	(5.6%)	943.9	798.9	145.0	18.1%
Net Earnings (Loss) - Normalized[1]	111.8	122.2	(10.4)	(8.5%)	604.4	541.1	63.3	11.7%
Net Earnings (Loss) per Share - Diluted - Normalized[1]	1.82	1.98	(0.16)	(8.1%)	9.81	8.78	1.03	11.7%
EBITDA – Normalized[1]	351.6	332.6	19.0	5.7%	1,564.7	1,312.3	252.4	19.2%

The changes in these financial highlights are discussed in detail in the following sections of this analysis.

[1] Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, EBITDA and EBITDA – Normalized are non-GAAP financial measures. Please see "Non-GAAP and Other Financial Measures" section of this MD&A.

BUSINESS SEGMENT REVIEW

The Company reports its results of operations in two business segments: Industrial and Mobility. The segments are differentiated by the products that each produces and reflects how the chief operating decision makers of the Company manage the business. The following should be read in conjunction with the Company's consolidated financial statements for the quarter ended December 31, 2024.

			Three Months Ended December 31 2024			Twelve Months Ended December 31 2024
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	$	$	$	$	$	$
Sales	637.1	1,738.6	2,375.7	3,093.6	7,488.4	10,582.0
Operating Earnings (Loss)	152.9	(302.4)	(149.5)	589.2	22.1	611.3
EBITDA	177.4	(156.8)	20.6	682.5	547.3	1,229.8
Operating Earnings (Loss) – Normalized	91.4	89.7	181.1	516.2	427.7	943.9
EBITDA – Normalized	115.9	235.7	351.6	610.5	954.2	1,564.7

			Three Months Ended December 31 2023			Twelve Months Ended December 31 2023
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	$	$	$	$	$	$
Sales	607.4	1,846.5	2,453.9	2,646.3	7,087.2	9,733.5
Operating Earnings (Loss)	85.8	83.8	169.6	460.9	313.9	774.8
EBITDA	101.9	205.6	307.5	526.1	759.3	1,285.4
Operating Earnings (Loss) – Normalized	100.5	91.4	191.9	471.4	327.5	798.9
EBITDA – Normalized	117.2	215.4	332.6	537.2	775.1	1,312.3

Industrial Highlights

				Three Months Ended December 31				Twelve Months Ended December 31
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	637.1	607.4	29.7	4.9%	3,093.6	2,646.3	447.3	16.9%
Operating Earnings (Loss)	152.9	85.8	67.1	78.2%	589.2	460.9	128.3	27.8%
EBITDA	177.4	101.9	75.5	74.1%	682.5	526.1	156.4	29.7%
Operating Earnings (Loss) – Normalized	91.4	100.5	(9.1)	(9.1%)	516.2	471.4	44.8	9.5%
EBITDA – Normalized	115.9	117.2	(1.3)	(1.1%)	610.5	537.2	73.3	13.6%

The Industrial segment ("Industrial") product sales increased 4.9%, or $29.7 million, to $637.1 million in Q4 2024 from Q4 2023. The sales increase was due to:

- increased sales related to the acquisition of Bourgault Industries Ltd. and its subsidiaries ("Bourgault") in Q1 2024; and
- steady agricultural sales in a market that was down significantly, primarily due to exceptional global market share growth for combine drapers, seeding and tillage products; partially offset by
- reduced volumes due to lower market demand for access equipment partially offset by global market share gains for booms.

The 2024 sales for Industrial increased by $447.3 million, or 16.9%, compared with 2023. The factors that impacted Q4 2024 similarly impacted the 2024 results.

Industrial segment normalized operating earnings in Q4 2024 decreased $9.1 million, or 9.1%, from Q4 2023. The Industrial normalized operating earnings results were predominantly driven by:

- reduced volumes primarily due to lower market demand for access equipment; partially offset by
- higher margins from increased sales related to the acquisition of Bourgault in Q1 2024.

The 2024 normalized operating earnings increased by $44.8 million, or 9.5%, compared with 2023. The factors that impacted Q4 2024 similarly impacted the 2024 results.

Mobility Highlights

			Three Months Ended December 31				Twelve Months Ended December 31	
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	1,738.6	1,846.5	(107.9)	(5.8%)	7,488.4	7,087.2	401.2	5.7%
Operating Earnings (Loss)	(302.4)	83.8	(386.2)	-	22.1	313.9	(291.8)	(93.0%)
EBITDA	(156.8)	205.6	(362.4)	-	547.3	759.3	(212.0)	(27.9%)
Operating Earnings (Loss) – Normalized	89.7	91.4	(1.7)	(1.9%)	427.7	327.5	100.2	30.6%
EBITDA – Normalized	235.7	215.4	20.3	9.4%	954.2	775.1	179.1	23.1%

Sales for the Mobility segment ("Mobility") decreased by $107.9 million, or 5.8%, in Q4 2024 compared with Q4 2023. The sales in Q4 2024 were impacted by:

- a sales decline from significant automotive market declines globally but notably in Europe and North America, lower volumes on programs the Company has significant business with and lower production for certain ending programs; in addition to
- lower sales related to 2023 customer cost recoveries recognized in Q4 2023; partially offset by
- increased sales related to the Linamar Structures acquisitions completed in 2023;
- increased sales related to launching programs; and
- a favourable impact on sales from the changes in foreign exchange rates from Q4 2023.

The 2024 sales for Mobility increased by $401.2 million, or 5.7%, compared to 2023. The factors that impacted Q4 2024 similarly impacted the 2024 results.

Q4 2024 normalized operating earnings for Mobility decreased by $1.7 million, or 1.9%, compared to Q4 2023. The Mobility segment's earnings were impacted by the following:

- lower margins from the sales decline from significant automotive market declines globally but notably in Europe and North America, lower volumes on programs the Company has significant business with and lower production for certain ending programs; partially offset by
- improvements driving from cost reductions and operational efficiencies;
- higher margins on the increased sales related to launching programs; and
- higher margins on the increased sales related to the Linamar Structures acquisitions completed in 2023.

The 2024 normalized operating earnings increased by $100.2 million, or 30.6%, compared with 2023. The factors that impacted Q4 2024 similarly impacted the 2024 results.

Automotive Sales and Content Per Vehicle[1]

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company's location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one continent, and the final vehicle being assembled on another continent. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the vehicle production units[2] for each continent.

In addition to automotive Original Equipment Manufacturers ("OEMs"), the Company sells powertrain parts to a mix of automotive and non-automotive manufacturers that service various industries such as power generation, construction equipment, marine and automotive. The final application of some parts sold to these manufacturers is not always clear; however, the Company estimates the automotive portion of the sales for inclusion in its content per vehicle ("CPV") calculations. The allocation of sales to regions is based on vehicle production volume estimates from industry sources, published closest to the quarter end date. As these estimates are updated, the Company's sales classifications can be impacted.

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[1] Content per Vehicle is a supplementary financial measure. Please see "Non-GAAP and Other Financial Measures" section of this MD&A. Automotive Sales are measured as the amount of the Company's automotive sales dollars per vehicle, not including tooling sales. CPV does not have a standardized meaning and therefore is unlikely to be comparable to similar measures presented by other issuers. CPV is an indicator of the Company's market share for the automotive markets that it operates in.

[2] Vehicle production units are derived from industry sources and are shown in millions of units. North American vehicle production units used by the Company for the determination of the Company's CPV include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks. All vehicle production volume information is as regularly reported by industry sources. Industry sources release vehicle production volume estimates based on the latest information from the Automotive Manufacturers and update these estimates as more accurate information is obtained. The Company will, on a quarterly basis, update CPV for the current fiscal year in its MD&A as these volume estimates are revised by the industry sources. The CPV figures in this MD&A reflect the volume estimates that were published closest to the quarter end date by the industry sources. These updates to vehicle production units have no effect on the Company's financial statements for those periods.

North America	2024	2023	Three Months Ended December 31 +/-	%	2024	2023	Twelve Months Ended December 31 +/-	%
Vehicle Production Units	3.77	3.87	(0.10)	(2.6%)	16.07	16.25	(0.18)	(1.1%)
Automotive Sales	$ 1,042.2	$ 1,064.7	$ (22.5)	(2.1%)	$ 4,617.6	$ 4,071.5	$ 546.1	13.4%
Content Per Vehicle	$ 276.19	$ 275.28	$ 0.91	0.3%	$ 287.40	$ 250.55	$ 36.85	14.7%
Europe								
Vehicle Production Units	4.27	4.60	(0.33)	(7.2%)	17.12	17.81	(0.69)	(3.9%)
Automotive Sales	$ 374.4	$ 456.5	$ (82.1)	(18.0%)	$ 1,691.2	$ 1,830.2	$ (139.0)	(7.6%)
Content Per Vehicle	$ 87.61	$ 99.25	$ (11.64)	(11.7%)	$ 98.78	$ 102.79	$ (4.01)	(3.9%)
Asia Pacific								
Vehicle Production Units	15.06	14.37	0.69	4.8%	51.68	51.41	0.27	0.5%
Automotive Sales	$ 156.4	$ 152.1	$ 4.3	2.8%	$ 529.6	$ 527.0	$ 2.6	0.5%
Content Per Vehicle	$ 10.39	$ 10.59	$ (0.20)	(1.9%)	$ 10.25	$ 10.25	$ -	0.0%

North American automotive sales for Q4 2024 decreased 2.1% from Q4 2023 in a market that saw a decrease of 2.6% in production volumes for the same period. As a result, content per vehicle in Q4 2024 increased 0.3% from $275.28 to $276.19. The increase in North American content per vehicle was mainly driven by increased sales related to the acquisitions in 2023, launching programs and higher volumes on programs that the Company has significant business with, partially offset by lower production for certain ending programs and market declines on Electric Vehicle ("EV") programs.

European automotive sales for Q4 2024 decreased 18.0% from Q4 2023 in a market that saw a decrease of 7.2% in production volumes for the same period. As a result, content per vehicle in Q4 2024 decreased 11.7% from $99.25 to $87.61. The decrease in European content per vehicle was mainly driven by lower production for certain programs and notably EV platforms; partially offset by launching programs.

Asia Pacific automotive sales for Q4 2024 increased 2.8% from Q4 2023 in a market that saw an increase of 4.8% in production volumes for the same period. As a result, content per vehicle in Q4 2024 decreased 1.9% from $10.59 to $10.39. The decrease in Asian content per vehicle was a result of lower production for certain programs, partially offset by launching programs.

RESULTS OF OPERATIONS

Gross Margin

(in millions of dollars)	Three Months Ended December 31 2024	2023	Twelve Months Ended December 31 2024	2023
Sales	$ 2,375.7	$ 2,453.9	$ 10,582.0	$ 9,733.5
Cost of Sales before amortization	1,904.8	1,997.9	8,476.6	7,921.6
Amortization	165.1	135.8	601.4	489.1
Cost of Sales	2,069.9	2,133.7	9,078.0	8,410.7
Gross Margin	$ 305.8	$ 320.2	$ 1,504.0	$ 1,322.8
Gross Margin percentage	12.9%	13.0%	14.2%	13.6%

Gross margin percentage decreased in Q4 2024 to 12.9% compared to 13.0% in Q4 2023. Cost of sales before amortization as a percentage of sales decreased in Q4 2024 to 80.2% compared to 81.4% for the same quarter as last year. In dollar terms, gross margin decreased $14.4 million in Q4 2024 compared with Q4 2023 as a result of the items discussed earlier in this analysis such as:

- lower margins from the sales decline from significant automotive market declines globally but notably in Europe and North America, lower volumes on programs that the Company has significant business with and lower production for certain ending Mobility programs; and
- reduced volumes primarily due to lower market demand for access equipment; partially offset by
- improvements driving cost reductions and operational efficiencies;
- higher margins on the increased sales related to the Linamar Structures acquisitions completed in 2023 and the Q1 2024 acquisition of Bourgault; and
- higher margins on the increased sales related to launching programs.

For 2024 gross margin increased to 14.2% from 13.6% in the same period of 2023. The increase in the 2024 gross margin was a result of the same factors that impacted Q4 2024.

Amortization as a percentage of sales increased to 6.9% of sales compared to 5.5% for the same quarter as last year. In dollar terms, Q4 2024 amortization increased as a result of:

- additional amortization from launching programs and facilities; and
- additional amortization related to the Linamar Structures acquisitions completed in 2023 and the Q1 2024 acquisition of Bourgault.

For 2024 amortization was higher at $601.4 million compared to $489.1 million in 2024 reflecting similar factors that impacted Q4 2024. The amortization as a percentage of sales increased to 5.7% in 2024 compared to 5.0% in 2023.

Selling, General and Administration

	Three Months Ended December 31		Twelve Months Ended December 31	
(in millions of dollars)	2024	2023	2024	2023
Selling, general and administrative	$ 135.0	$ 131.5	$ 592.1	$ 526.6
SG&A percentage	5.7%	5.4%	5.6%	5.4%

Selling, general and administrative ("SG&A") costs increased in Q4 2024 to $135.0 million from $131.5 million, or 5.7% of sales in Q4 2024. This increase, in dollar terms, is primarily due to:

- additional expenses related to the Linamar Structures acquisitions completed in 2023 and the Q1 2024 acquisition of Bourgault; partially offset by
- a decrease in management bonuses because of the goodwill impairment recognized in the quarter.

For 2024, SG&A costs reflected similar factors that impacted Q4 2024 and increased as a percentage of sales to 5.6% from 5.4% when compared to 2023.

Finance Expense and Income Taxes

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
(in millions of dollars)	$	$	$	$
Operating Earnings (Loss)	(149.5)	169.6	611.3	774.8
Finance Income and (Expenses)	(29.5)	(24.7)	(135.2)	(71.0)
Provision for (Recovery of) Income Taxes	53.3	40.5	217.8	200.7
Net Earnings (Loss)	(232.3)	104.4	258.3	503.1

Finance Expenses

Finance expenses increased $4.8 million to $29.5 million in Q4 2024 from $24.7 million in Q4 2023 due to:

- the $700 million term credit agreement issued in February 2024 used primarily to fund the Bourgault acquisition;
- an increase in interest costs associated with leases acquired in the 2023 Linamar Structures acquisitions; partially offset by
- Q4 2023 foreign exchange loss related to the GBP to CAD forward contracts that did not recur in 2024 as the program ended in 2023;
- a decrease in interest on the revolving credit facility due to the significant debt repayment completed in Q4 2024; and
- an increase in interest earned due to higher average daily cash balances compared to Q4 2023.

The 2024 finance expenses increased $64.2 million from $71.0 million in 2023 to $135.2 million due to:

- the $700 million term credit agreement issued in February 2024 used primarily to fund the Bourgault acquisition;
- the issuance of $550 million private placement notes in June 2023 ("2033 Notes") used to fund the 2023 Linamar Structures acquisitions;
- a decrease in interest earned due to lower average daily cash balances compared to 2023, in addition to lower interest rates in 2024; and
- an increase in interest costs associated with leases acquired in the 2023 Linamar Structures acquisitions; partially offset by
- a decrease in interest on the revolving credit facility due to the significant debt repayment completed in Q4 2024.

The consolidated effective interest rate for Q4 2024 increased to 4.8% compared to 4.6% in Q4 2023. The consolidated effective interest rate for 2024 increased to 5.1% compared to 4.6% in 2023. The changes in the effective interest rate for both Q4 2024 and 2024 were driven by similar factors as above.

Income Taxes

The effective tax rate for Q4 2024 was negative 29.8%, a decrease from 28.0% in the same quarter of 2023. The effective tax rate in Q4 2024 was driven by the goodwill impairment taken in the quarter.

The effective tax rate for 2024 was 45.8%, an increase from the 28.5% rate in 2023. The primary driver was the impairment of goodwill, partially offset by a decrease in the withholding tax on dividends from China.

If the goodwill impairment is excluded, then the effective tax rate for Q4 and 2024 would have been 25.9% and 25.3% respectively.

TOTAL EQUITY AND OUTSTANDING SHARE DATA

During the quarter 100,000 options expired unexercised, no options were forfeited, and 150,000 options were issued.

The Company is authorized to issue an unlimited number of common shares, of which 60,186,177 common shares were outstanding as of March 5, 2025. The Company's common shares constitute its only class of voting securities. As of March 5, 2025, there were 1,300,000 options to acquire common shares outstanding and 3,150,000 options still available to be granted under the Company's share option plan.

SELECTED FINANCIAL INFORMATION

Annual Results

The following table sets out selected financial data relating to the Company's years ended December 31, 2024, 2023 and 2022. This financial data should be read in conjunction with the Company's consolidated financial statements for these years:

(in millions of dollars, except per share figures)	2024 $	2023 $	2022 $
Sales	10,582.0	9,733.5	7,917.9
Net Earnings (Loss)	258.3	503.1	426.2
Normalizing Items	346.1	38.0	(25.7)
Net Earnings (Loss) - Normalized	604.4	541.1	400.5
Total Assets	10,499.8	9,850.5	8,576.4
Total Long-term Liabilities	2,584.9	2,009.5	1,608.3
Cash Dividends declared per share	1.00	0.88	0.80
Net Earnings (Loss) per Share			
Basic	4.20	8.18	6.67
Diluted	4.19	8.17	6.67
Diluted - Normalized	9.81	8.78	6.26

During Q4 2024, within the Linamar Mobility Europe group as a result of continued European economic challenges, including a significant decline in automotive production, the Company recorded a non-cash impairment charge of $385.5 million. For 2024, 2023 and 2022 normalizing items please see the "Non-GAAP and Additional GAAP Measures" section of this MD&A or the Q4 2023 MD&A.

Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2023 through December 31, 2024. This information has been derived from the Company's unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

(in millions of dollars, except per share figures)	Dec 31 2024 $	Sep 30 2024 $	Jun 30 2024 $	Mar 31 2024 $	Dec 31 2023 $	Sep 30 2023 $	Jun 30 2023 $	Mar 31 2023 $
Sales	2,375.7	2,635.7	2,848.7	2,721.9	2,453.9	2,434.2	2,552.8	2,292.7
Net Earnings (Loss)	(232.3)	138.0	174.1	178.5	104.4	146.7	135.0	117.0
Net Earnings (Loss) per Share								
Basic	(3.79)	2.24	2.83	2.90	1.70	2.38	2.19	1.90
Diluted	(3.78)	2.24	2.82	2.90	1.69	2.38	2.19	1.90

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second and third quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules. During Q4 2024, within the Linamar Mobility Europe group as a result of continued European economic challenges, including a significant decline in automotive production, the Company recorded a non-cash impairment charge of $385.5 million. Additionally, the prolonged supply chain disruptions and cost pressures continued to have adverse impacts on 2023.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(in millions of dollars)	Three Months Ended December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Cash generated from (used in):				
Operating Activities	497.6	276.4	1,254.0	793.6
Financing Activities	(267.6)	(22.2)	235.9	207.4
Investing Activities	(18.1)	(291.7)	(1,117.4)	(1,194.0)
Effect of translation adjustment on cash	18.3	(3.8)	28.8	(14.2)
Increase (decrease) in cash and cash equivalents	230.2	(41.3)	401.3	(207.2)
Cash and cash equivalents – Beginning of Period	824.4	694.6	653.3	860.5
Cash and cash equivalents – End of Period	1,054.6	653.3	1,054.6	653.3
Comprised of:				
Cash in bank	712.0	392.6	712.0	392.6
Short-term deposits	345.4	266.2	345.4	266.2
Unpresented cheques	(2.8)	(5.5)	(2.8)	(5.5)
	1,054.6	653.3	1,054.6	653.3

The Company's cash and cash equivalents (net of unpresented cheques) at December 31, 2024 were $1,054.6 million, an increase of $401.3 million, or 61.4%, compared to December 31, 2023.

Cash generated from operating activities was $497.6 million and $1,254.0 million for the full year, primarily due to increased cash generated from operations before the effect of changes in operating assets and liabilities.

Financing activities used $267.6 million of cash compared to $22.2 million used in Q4 2023, primarily driven by the repayment of long-term debt and the repurchase of shares under the Company's 2024 normal course issuer bid ("NCIB") program. Cash generated from financing activities in 2024 was $235.9 million, compared to $207.4 million generated in 2023. The increased generation of cash in 2024 was due to higher proceeds from the Company's new term credit agreement partially offset by increased financing expenses paid, as compared to the 2023 generation of cash from the 2033 Notes issuance partially offset by repayments of long-term debt.

Investing activities used $18.1 million in Q4 2024 compared to $291.7 million used in Q4 2023. The prior year use of cash was primarily for the purchases of property, plant, and equipment and the Linamar Structures acquisitions.

Operating Activities

(in millions of dollars)	Three Months Ended December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Net Earnings (Loss) for the period	(232.3)	104.4	258.3	503.1
Adjustments to earnings	711.2	144.9	1,206.6	499.0
	478.9	249.3	1,464.9	1,002.1
Changes in operating assets and liabilities	18.7	27.1	(210.9)	(208.5)
Cash generated from (used in) operating activities	497.6	276.4	1,254.0	793.6

Cash generated by operations before the effect of changes in operating assets and liabilities increased $229.6 million, or 92.1%, in Q4 2024 to $478.9 million, compared to $249.3 million in Q4 2023 and for the full year increased $462.8 million to $1,464.9 million primarily due to increased adjustments to earnings.

Changes in operating assets and liabilities for Q4 2024 generated cash of $18.7 million compared to $27.1 million in Q4 2023. For the full year changes in operating assets and liabilities used cash of $210.9 million due to a decrease in accounts payables and income taxes partially offset by a decrease in accounts receivables.

Financing Activities

(in millions of dollars)	Three Months Ended December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Proceeds from (repayments of) long-term debt	(183.7)	(0.3)	(157.7)	(242.3)
Proceeds from term credit agreement	-	-	700.0	-
Repayment of term credit agreement	-	-	(75.0)	-
Proceeds from private placement notes	-	-	-	550.0
Proceeds from exercise of stock options	-	2.1		2.1
Repurchase of shares	(42.0)	-	(42.0)	-
Dividends	(15.4)	(13.5)	(61.5)	(54.1)
Finance income received (expenses paid)	(26.5)	(10.5)	(127.9)	(48.3)
Cash generated from (used in) financing activities	(267.6)	(22.2)	235.9	207.4

Cash used by financing activities for Q4 2024 was $267.6 million compared to $22.2 million used in Q4 2023 and 2024 financing activities generated $235.9 million of cash compared to $207.4 million generated in 2023. Financing activities in Q4 2024 were driven by the repayment of long-term debt and funds used for the Company's 2024 NCIB program. Financing activities for the full year of 2024 were primarily driven by the proceeds from the new term credit agreement which was partially used for the acquisition of Bourgault in Q1 2024 as compared to 2023 which was primarily driven by the Company's proceeds from the issuance of the Company's new 2033 Notes.

Investing Activities

(in millions of dollars)	Three Months Ended December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Payments for purchase of property, plant and equipment	(66.3)	(194.7)	(532.6)	(762.7)
Proceeds on disposal of property, plant and equipment	59.5	1.4	66.9	3.7
Payments for purchase of intangible assets	(11.3)	(9.7)	(31.1)	(27.5)
Business acquisitions, net of cash acquired	-	(88.7)	(620.5)	(407.1)
Other	-	-	(0.1)	(0.4)
Cash generated from (used in) investing activities	(18.1)	(291.7)	(1,117.4)	(1,194.0)

Cash used for investing activities for Q4 2024 was $18.1 million compared to Q4 2023 at $291.7 million. Cash used on investing activities in 2024 was $1,117.4 million compared to 2023 at $1,194.0 million. In addition to the Company's ongoing purchase of property, plant and equipment in all periods, the primary use of cash in 2024 was for the Company's February acquisition of Bourgault and in 2023 was for the Linamar Structures acquisitions.

Liquidity and Capital Resources

The Company's financial condition is solid given its strong balance sheet, which can be attributed to the Company's low-cost structure, low level of debt, strong cash position, prospects for growth and significant new program launches. Management expects that all future operating capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At December 31, 2024, cash and cash equivalents, including short-term deposits was $1,054.6 million and the Company's credit facilities had available credit of $791.2 million. Combined, the Company believes this liquidity[1] of $1.8 billion at December 31, 2024 is sufficient to meet cash flow needs. Free cash flow[1] was $490.8 million for Q4 2024 primarily due to cash generated from operating activities.

Commitments and Contingencies

The following table summarizes contractual obligations by category and the associated payments:

(in millions of dollars)	Total $	1 year $	Later than 1 year and not later than 5 years $	Later than 5 years $
Long-Term Debt Principal, excluding Lease Liabilities	2,087.9	7.7	1,013.5	1,066.7
Lease Liabilities[2]	247.5	46.3	134.3	66.9
Purchase Commitments	216.9	216.9	-	-
Total Contractual Obligations	2,552.3	270.9	1,147.8	1,133.6

[1] Liquidity and Free Cash Flow are non-GAAP financial measures. Please see "Non-GAAP and Other Financial Measures" section of this MD&A.
[2] Lease Liabilities includes the interest component based on contractual maturities in accordance with IFRS Accounting Standards.

The Company occasionally provides guarantees to third parties who, in turn, provide financing to certain Linamar customers for industrial products. In addition, the Company has provided limited guarantees within the purchase agreements of derecognized receivables as discussed in the notes to the Company's consolidated financial statements for the year ended December 31, 2024.

From time to time, the Company may be contingently liable for litigation, legal and/or regulatory actions and proceedings and other claims. These claims, and other details surrounding its financial liabilities, off-balance sheet obligations, or other contractual obligations as applicable, are described in the notes to Company's consolidated financial statements for the year ended December 31, 2024.

Financial Instruments

The Company uses derivatives as a part of its risk management program to mitigate variability associated with changing market values related to recognized liabilities and highly probable forecasted transactions.

The Company pursues a strategy of optimizing its operating and financing foreign currency cash flows in each region in which it operates. In key foreign exchange markets, the Company's foreign currency outflows for the purchases of materials and capital equipment are offset through the sale of products denominated in the same foreign currencies, creating a natural hedge. In markets where a natural currency hedge cannot be achieved, and a material foreign exchange exposure arises, the Company actively manages the risk through the execution of foreign exchange forward contracts and other derivatives. Despite actively managing the residual foreign exchange exposure, significant long-term movements in relative currency values may affect the Company's operational results. The Company does not actively hedge all the cash flow activities of its foreign subsidiaries and, accordingly operational results may be further affected by a significant change in the relative value of domestic currencies.

The amount and timing of executed derivatives is dependent upon several factors, including estimated production delivery schedules, forecasted customer payments, and the anticipated future direction of foreign currency and interest rates. The Company is exposed to counterparty credit risk when executing derivatives with financial institutions, and to mitigate this risk the Company limits derivative trading to counterparties within the credit facilities that maintain investment grade credit ratings.

In February 2024, the Company entered into a new term credit agreement for $700.0 million in connection with the acquisition of Bourgault and general corporate purposes. The term credit agreement is repayable in three tranches with the first due in February 2025 and the last due in February 2027. The first tranche due in February 2025 of $75.0 million was repaid during the third quarter of 2024. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

The company is exposed to foreign exchange fluctuations due to foreign operating transactions and to manage this the Company enters into forward exchange contracts to hedge a portion of the ultimate cash flows arising from highly probable forecasted consolidated foreign sales and purchases. Any fair value unrealized gains and losses for the hedges are included in other comprehensive earnings, with reclassifications to net earnings for the effective portion to match the net earnings impact of the hedged items.

For more information, please see the notes to the Company's consolidated financial statements for the year ended December 31, 2024.

CURRENT AND PROPOSED TRANSACTIONS

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault for a preliminary purchase price of $621.7 million. Headquartered in St. Brieux, Saskatchewan, Canada, Bourgault is a market and technology leader in broad acre seeding.

There are no other current and proposed transactions for the quarter ended December 31, 2024.

RISK MANAGEMENT

The following risk factors, as well as the other information contained in this MD&A, the Company's Annual Information Form for the year ended December 31, 2024 or otherwise incorporated herein by reference, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

International Trade Policies

Due to the interconnected nature of the global economy, policy changes in one region can have immediate and significant adverse effects on markets worldwide. Amendments to international trade policies—including changes to existing agreements, increased restrictions on free trade, and substantial rises in customs duties and tariffs on goods imported into the regions where our Company operates—can negatively impact our financial condition or results of operations.

In early 2025, the United States ("U.S.") administration has announced intentions to implement or increase tariffs. On March 4, 2025, tariffs of 25% went into affect on most Canadian and Mexican goods as well as 20% on Chinese products imported into the U.S. The same day retaliatory tariffs were implemented by Canada and China with Mexico planning its response. At this time, specific additional actions remain uncertain. The effect of these potential tariffs on our business and financial condition is influenced by several unknown factors, including the effective date and duration of such tariffs, their scope and nature, the amount imposed, and any retaliatory measures by the target countries.

Given these uncertainties, the Company cannot assure that any mitigating actions available to us, such as passing along some or all of the tariff costs to our customers, will be successful. Any further escalation of trade tensions, additional tariffs, retaliatory measures, or shifts in Canadian or international trade policies could adversely impact our business. The United States-Mexico-Canada Agreement (USMCA) is up for renewal in 2026, and there is no assurance that renegotiated terms will not adversely affect our business. It remains unclear what specific actions the current U.S. administration may take to address trade-related issues, and the U.S. and other governments could impose additional sanctions or export controls that might restrict our ability to conduct business directly or indirectly with certain countries or parties.

Competition, Outsourcing and Insourcing

The Company faces numerous sources of competition in its Mobility segment, including its OEM customers and their affiliated parts manufacturers, other direct competitors and product alternatives. In many product areas, the primary competition comes from in-house divisions of the OEMs. In the Industrial segment the Company also faces competition from well-established aerial work platform and agricultural equipment OEMs.

As the Company's OEM customers face continued cost pressures as well as wide ranging areas of required capital investment within their business, some have decided to "outsource" some of their requirements. This outsourcing represents new business opportunities for the Company. However, because of various factors affecting the OEMs, such as the level of consumer spending on automobiles and related market volumes, entrenched capital assets, labour contracts, and other economic factors, this impacts the decision on whether to outsource work or not; such changes and decisions are reflected in the Company's results through reduced volume on some existing programs and the ability to bid on, and receive, new business.

Other competition in machining and assembly work comes from high precision machining companies which typically have several manufacturing locations and substantial capital resources to invest in equipment for high volume, high precision, and long-term contracts. Several of these companies are heavily involved in the automotive industry and are suppliers to major OEMs.

The Company believes that there are no suppliers which have the diversified capability to produce all of the components, modules and systems which the Company currently produces. Rather, Linamar faces a higher number of suppliers that compete on a product-by-product basis. Some of these competitors are larger and may have access to greater resources than the Company, but the Company believes that none of them are dominant in the markets in which the Company operates. The basis for supplier selection by OEMs is not typically determined solely by price, but would usually also include such elements as quality, service, historical performance, timeliness of delivery, proprietary technologies, scope of in-house capabilities, existing agreements, responsiveness and the supplier's overall relationship with the OEM. It can also be influenced by the degree of available and unutilized capacity of resources in the OEMs' manufacturing facilities, labour relations issues and other factors. The number of competitors that OEMs solicit to bid on any individual product has, in certain circumstances, been significantly reduced and management expects that further reductions will occur as a result of the OEMs' stated intention to deal with fewer suppliers and to award those suppliers longer-term contracts.

Sources and Availability of Raw Materials

The primary raw materials utilized by the Company's precision machining, access equipment and harvesting equipment operations are iron castings, aluminum castings, raw aluminum (ingot), forgings, raw steel, steel fabrications, powertrain assemblies, powder metal, bearings, mechatronic parts, seals and fasteners, which are readily obtained from a variety of suppliers globally that support the Company's operations. The Company is not substantially dependent on any one supplier. A disruption in the supply of components could cause the temporary shut-down and a prolonged supply disruption, including the inability to re-source or in-source production of a critical component, could have a material adverse effect on the Company's business.

Raw materials supply factors such as allocations, pricing, quality, timeliness of delivery, geopolitics, tariffs, transportation and warehousing costs may affect the raw material sourcing decisions of the Company and its plants. When appropriate and available, the Company may negotiate long-term agreements with raw material suppliers to ensure continued availability of certain raw materials on more favourable terms. In the event of significant unanticipated increase in demand for the Company's products and the supply of raw materials, the Company may be unable to manufacture certain products in a quantity sufficient to meet its customers' demand.

Labour Markets and Dependence on Key Personnel

For the development and production of products, the ability for the Company to compete successfully will depend on its ability to acquire and retain competent trades people, management, and product development staff that allow the Company to quickly adapt to technological change and advances in processes. Loss of certain members of the executive team or key technical leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Competition for personnel throughout the industry is intense. The Company may be unable to retain its key employees or attract, assimilate, train or retain other necessary qualified employees, which may restrict its growth potential.

Dependence on Certain Customers

The Company's Mobility segment has a limited number of customers that individually account for more than 10% of its consolidated revenues or receivables at any given time. The global precision machining industry is characterized by a large number of manufacturers. As a result, manufacturers, such as the Company, tend to have a relatively small share of the markets they serve. Nonetheless, the Company believes that it is currently the sole supplier being used by its customers worldwide for products that represent more than half of the Company's Mobility sales.

Typically, sales are similarly concentrated for the Industrial segment as product distribution is largely through major access equipment rental companies and agricultural dealerships. Through its Skyjack subsidiary, the Company engages in the production and sale of access equipment including scissor lifts, booms and telehandlers. Through its Linamar Agriculture Group, the Company engages in the production and sale of farm equipment. There is a relatively defined sales cycle in these industries, as it is closely related to, and affected by, the product life cycle of these construction and agricultural sectors. Therefore, the risks and fluctuations in the construction and agricultural industries in the countries that Skyjack and the Linamar Agriculture Group operate in also affect the Company's Industrial sales.

Any disruption in the Company's relationships with these major customers or any decrease in revenue from these major customers, as a consequence of current or future conditions or events in the economy or markets in general or in the automotive (including medium/heavy duty trucks) and industrial industries in particular, could have a material adverse effect on the Company's business, financial condition, or results of operations.

Technological Change and Product Launches

Both operating segments may encounter technological change within their end markets. These can arise from new product introductions, product abandonment, and evolving industry requirements and standards. Accordingly, the Company believes that its future success depends on its ability to continue to innovate, launch new programs and ensure it delivers products at competitive prices and in a timely manner. The Company's inability, given technological or other reasons, to enhance, develop, or launch products in a timely manner in response to changing market conditions or customer requirements could have a material adverse effect on the Company's results of operations. In addition, there can be no assurance that products or technologies developed by other companies will not render the Company's products uncompetitive or obsolete.

Public Health Threats

Public health crises, such as the COVID-19 pandemic, and the measures taken in response to such events, have previously negatively impacted, and may again in the future negatively impact, our operations, workforce, and those of our partners, customers, and suppliers. The outbreak of a contagious disease, including viruses like COVID-19, can lead to a variety of challenges, including plant closures, labor shortages, and disruptions in supply chains and distribution channels. These events can cause temporary market disruptions, restrict production, elevate absenteeism, and reduce consumer demand for vehicles due to stay-at-home orders or restrictions on movement. Economic volatility stemming from these crises can adversely affect financial markets, impacting our stock price and limiting our access to capital, which may constrain our ability to meet liquidity needs.

Supply chain disruptions that prevent timely product delivery can result in unrecoverable price increases, added costs, business interruptions, reputational damage, and potential loss of future business. Over the medium to long-term, these disruptions could lead to societal shifts, such as reduced reliance on vehicles due to expanded remote work or increased reluctance to use public transit, which may have both positive and negative effects on the automotive industry. The overall impact of such public health events on our business will depend on developments and responses outside of our control, which remain uncertain and difficult to predict.

Foreign Business Risk

The Company's operations in Europe, the Americas, and Asia, are subject to general business risks that may not exist in Canada. The political climate and government policies are less stable and less predictable in certain countries. As well, certain countries do not currently have the same economic infrastructure as exists in Canada.

Operations outside Canada subject the Company to other potential risks associated with international operations, including, but not limited to: complications in both compliance with and unexpected changes in foreign government laws and regulations, tariffs and other trade barriers, potential adverse tax consequences, fluctuations in currency exchange rates, difficulty in collecting accounts receivable, difficulty in staffing and managing foreign operations, events of international terrorism, geopolitical conflicts impacting customer volumes, supplier sourcing, and cost inputs, economic effects of any epidemic, pandemic or other public health threats such as COVID-19, recessionary environments in foreign economies, uncertainties in local commercial practices, and uncertainties in local accepted business practices and standards which may not be similar to accepted business practices and standards in Canada and which may create unforeseen business or public relations situations.

Expansion of the Company's operations in non-traditional markets is an important element of our strategy and, as a result, the Company's exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential effect on the Company vary from country to country and are unpredictable.

Foreign Currency Risk

Although the Company's financial results are reported in Canadian dollars, a significant portion of the Company's revenues and operating costs are realized in other currencies. Fluctuations in the exchange rates between these currencies may affect the Company's results of operations.

The Company's foreign currency cash flows for the purchases of materials and certain capital equipment denominated in foreign currencies are naturally hedged when contracts to sell products are denominated in those same foreign currencies. In an effort to manage the remaining exposure to foreign currency risk, if material, the Company will employ hedging programs as appropriate. The purpose of the Company's foreign currency hedging activities is to minimize the effect of exchange rate fluctuations on business decisions and the resulting uncertainty on future financial results. From time to time the Company will incur foreign denominated debt to finance the acquisition of foreign operations. In these cases, the Company may elect to designate the foreign denominated debt as a net investment hedge of the foreign operation.

Long-term Contracts

Through its Mobility businesses, the Company principally engages in the supply of precision metallic components and systems for the automotive industry. These generally involve long-run processes for long-term contracts. Long-term contracts support the long-term sales of the Company, but these contracts do not guarantee production volumes and as such the volumes produced by the Company could be significantly different than the volume capacity for which the contract was awarded.

Contracts for customer programs not yet in production generally provide for the supply of components for a customer's future production levels. Actual production volumes may vary significantly from these estimates. These contracts can be terminated by a customer at any time and, if terminated, could result in the Company incurring pre-production, engineering and other various costs which may not be recoverable from the customer.

Long term supply agreements may also include mutually agreed price reductions over the life of the agreement. The Company attempts to offset price concessions and costs in a number of ways, including through negotiations with our customers, improved operating efficiencies and cost reduction efforts.

Acquisition and Expansion Risk

The Company may expand its operations, depending on certain conditions, by acquiring additional businesses, products or technologies. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses, or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income. The failure of the Company to manage its acquisition or expansion strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Cyclicality and Seasonality

The demand for the Company's products is cyclical and is driven by changing market conditions in which the Company's sells into. Current or future conditions or events in the economy or markets in general, or in the automotive (including medium/heavy duty trucks) and industrial industries in particular, could have a material adverse effect on the Company's business, financial condition, or results of operations.

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second quarter, for the Industrial segment, are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

Legal Proceedings and Insurance Coverage

The Company may be threatened from time to time in the ordinary course of conducting its business with, or may be named as a defendant in, various legal and regulatory proceedings. These legal proceedings could include securities, environmental or occupational health and safety regulatory proceedings, as well as product liability claims, general liability, warranty or recall claims, or other consequential damages claims. A significant judgment against the Company, or the imposition of a significant fine or penalty because of a finding that the Company has failed to comply with laws or regulations, could have a material adverse effect on the Company.

No assurance can be given that the insurance coverage or insurance coverage limits of the Company would be adequate to protect it against any claims for product liability claims, warranty or recall claims, or business interruption claims that may arise. The Company may require additional insurance coverage in these areas as the Company advances its involvement with product design and development. This type of insurance could be expensive and may not be available on acceptable terms, or at all. Any uninsured or underinsured product liability claims, general liability, warranty or recall claims, or business interruption claims could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Credit Risk

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and receivables. The Company's credit risk for cash and cash equivalents is reduced as balances are held with major financial institutions with investment grade ratings. A substantial portion of the Company's receivables are with large customers in the automotive, truck, commercial, and industrial sectors which gives rise to concentration risk within those industries. The Company cannot guarantee that its customers will not experience financial difficulties in the future, making it unable to collect all its receivables.

Climate Change

Climate change presents a growing risk to our operations, supply chains, and overall business stability. Increasingly erratic weather patterns, such as more frequent and severe storms, floods, and droughts, can disrupt production schedules, damage infrastructure, and affect the availability of raw materials. Rising global temperatures and shifting environmental regulations may require significant investments in sustainability initiatives, including transitioning to greener manufacturing processes and reducing carbon emissions. These challenges could lead to higher operational costs, supply chain interruptions, and potential reputational risks if the Company fails to meet environmental expectations set by consumers, governments, or investors. Over the long term, the physical impacts of climate change, coupled with evolving regulatory and market pressures, could reshape demand for automotive products, with greater emphasis on electric vehicles and other sustainable solutions. As a result, climate change could pose both operational and strategic challenges and require proactive measures to mitigate risks and capitalize on new opportunities in an increasingly environmentally conscious market.

Weather

Generally, adverse weather may impact Linamar's operations and its ability to produce product. For example, weather such as drought and flooding can have an adverse effect on crop quality and yields and therefore net farm income and new equipment orders.

Emission Standards

Fuel Economy and Emissions standards, even certain government mandates such as Electric or Zero Emissions Vehicle targets can play a major factor on technology within the auto industry. These regulations could potentially impact the sales of certain products the Company manufactures; in particular, components for internal combustion engines could be negatively impacted by increased penetration of electric or fuel cell vehicles. Conversely, products for Electric or Fuel Cell vehicles can fail to meet expected volumes levels dependant upon consumer preferences. In recent years, the Company has made strides in mitigating this risk by increasing its portfolio to include a wide array of internal combustions, Hybrid, Electric and Fuel Cell Electric Vehicle component and system offerings. The company has also significantly increased its content potential of propulsion-agnostic components in an effort to remain flexible and responsive to the market, no matter which technology becomes the most dominant.

Capital and Liquidity Risk

The Company is engaged in a capital-intensive business, and it may have fewer financial resources than some of its principal competitors. There is no assurance that the Company will be able to obtain additional debt or equity financing that may be required to successfully achieve its strategic plans.

The Company's current credit facilities and the private placement notes require the Company to comply with certain financial covenants. There can be no assurance of the Company's ability to continue to comply with its financial covenants, to appropriately service its debt, or to obtain continued commitments from debt providers. Additionally, the Company, if required, cannot guarantee access to additional equity or capital given current or future economic market events related to changes in the Company's segments.

Tax Laws

The tax laws in Canada and abroad are continuously changing and no assurance can be given that Canadian federal or provincial tax laws or the tax laws in foreign jurisdictions will not be changed in a manner that adversely affects the Company. There is no assurance that tax legislation or tax rates will remain unchanged. The Company currently has tax losses and credits in several countries that, given unforeseen changes in tax laws, may not continue indefinitely. Also, the Company's expansion into emerging markets subjects the Company to new tax regimes that may change based on political or social conditions.

Securities Laws Compliance and Corporate Governance Standards

The securities laws in Canada and abroad may change at any time. The impact of these changes on the Company cannot be predicted.

Environmental Matters

The Company's manufacturing operations are subject to a wide range of environmental laws and regulations imposed by governmental authority in the jurisdictions in which the Company conducts business, including among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials, including greenhouse gases, into the environment; and health and safety. Changes in laws and regulations, however, and the enforcement of such laws and regulations, are ongoing and may make environmental compliance, such as emissions control, site clean-ups and waste disposal, increasingly expensive. Senior management regularly assesses the work and costs required to address environmental matters but is not able to predict the future costs (whether or not material) that may be incurred to meet environmental obligations.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA") requires Chief Executive Officers ("CEOs") and Chief Financial Officers ("CFOs") to certify that they are responsible for establishing and maintaining disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about the effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

As of December 31, 2024, the Company's management evaluated the effectiveness of the Company's disclosure controls and procedures, as defined under rules adopted by the CSA. This evaluation was performed under the supervision of, and with the participation of, the CEO and the CFO.

The Company's management, inclusive of the CEO and the CFO, does not expect that the Company's disclosure controls and procedures will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

Based on this evaluation, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, the Company's disclosure controls and procedures are effective in providing reasonable, not absolute assurance that the objectives of our disclosure control system have been met.

Internal Control over Financial Reporting

National Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

As of December 31, 2024, the Company's management evaluated the effectiveness of the Company's internal control over financial reporting, as defined under rules adopted by the CSA. This evaluation was performed under the supervision of, and with the participation of, the CEO and the CFO.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, internal control over financial reporting can provide only reasonable, not absolute, assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Based on this evaluation, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, the Company's internal control over financial reporting is effective in providing reasonable, not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2024, which have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

Impairment of Non-Financial Assets

The Company believes that the estimate of impairment for goodwill and non-financial assets is a "critical accounting estimate" because management is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired and to make significant forward-looking assumptions. In assessing whether there is an indication that an asset may be impaired, there are a number of external and internal sources of information which require a high degree of judgement. Judgement is used for what determines the cash-generating units ("CGU") or group CGUs and this may impact the results of an impairment review. The recoverable amounts of CGUs have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward-looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of supply chain constraints and escalated input costs.

Current Income Taxes

The Company is subject to income taxes in numerous jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred Income Tax Assets and Liabilities

Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.

Useful Lives of Depreciable Assets

Due to the significance of property, plant and equipment and intangible assets on the Company's statements of financial position, the Company considers the amortization policy relating to property, plant and equipment and intangible assets to be a "critical accounting estimate". The Company considers the expected useful life of the assets, expected residual value, and contract length when setting the amortization rates of its assets. Judgement is involved when establishing these estimates as such factors as technological innovation, maintenance programs, and relevant market information must be taken into consideration. The assets' residual values, useful lives and amortization methods are reviewed at the end of each reporting period and are adjusted if expectations differ from previous estimates. If circumstances impacting these assumptions and estimates change, the change in accounting estimates may represent a material impact to the consolidated financial statements.

Purchase Price Allocations

The determination of the purchase price is a critical estimate. The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities; as a result, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings due to its impact on future depreciation and amortization expense as well as impairment tests.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

For information pertaining to accounting changes effective in 2024 and for future fiscal years please see the Company's consolidated financial statements for the year ended December 31, 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.

Normalized Non-GAAP Financial Measures and Ratios

All Non-GAAP financial measures denoted with 'Normalized' as presented by the Company are adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and other items.

Operating Earnings (Loss) – Normalized

Operating Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Operating Earnings (Loss) – Normalized is calculated as Operating Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

Net Earnings (Loss) – Normalized

Net Earnings (Loss) – Normalized is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) – Normalized is calculated as Net Earnings (Loss), the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

Net Earnings (Loss) per Share – Diluted – Normalized

Net Earnings (Loss) per Share – Diluted – Normalized is a non-GAAP financial ratio and the Company believes it is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net Earnings (Loss) per Share – Diluted – Normalized is calculated as Net Earnings (Loss) – Normalized (as defined above) divided by the fully diluted number of shares outstanding as at the period end date.

EBITDA and EBITDA – Normalized

EBITDA is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA is calculated as Net Earnings (Loss) before income taxes, the most directly comparable measure as presented in the Company's consolidated statement of earnings, adjusted for amortization of property, plant and equipment, amortization of other intangible assets, interest expense, and other interest.

EBITDA – Normalized is a non-GAAP financial measure and the Company believes EBITDA – Normalized is useful in assessing the Company's underlying operational performance of cash flow and profitability, the effective use and allocation of resources, and to provide more meaningful comparisons of operating results. EBITDA – Normalized is calculated as EBITDA (as defined above) adjusted for foreign exchange gain (loss), foreign exchange gain (loss) on debt and derivatives, non-cash asset impairments and any other items, if applicable, that are considered not to be indicative of underlying operational performance.

All these other items contained in these non-GAAP financial measures are summarized as follows:

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
(in millions of dollars)	$	$	$	$
Adjustment for goodwill impairment	385.5	-	385.5	-
Adjustment for the electrified vehicle market and certain other prematurely ending programs	(6.2)	-	(6.2)	-
Adjustment for restructuring	16.0	-	16.0	-
Adjustment for contingent consideration of Mills River earn-out	(12.2)	-	(12.2)	4.9
Adjustment for duties relating to certain Industrial segment products	-	-	15.8	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	383.1	-	398.9	4.9
Asset impairment provision, net of reversals	0.4	0.3	1.3	0.3
Other items and asset impairments impacting EBITDA – Normalized	383.5	0.3	400.2	5.2

Normalizing items for asset impairment provisions, net of reversals adjusted EBITDA and impacted the Mobility segment by $0.4 million for Q4 2024 and $1.3 million for the full year 2024 ($0.3 million for Q4 2023 and $0.3 million full year 2023).

During Q4 2024, Europe continued to experience economic challenges including a significant decline in automotive production. As a result of these economic challenges, within the Linamar Mobility Europe group the Company recorded a non-cash impairment charge of $385.5 million within operating earnings which was determined by comparing the carrying amount of the group to its recoverable amount. Also during Q4 2024, a normalizing item related to 'the electrified vehicle market and certain other prematurely ending programs' adjusted the Mobility segment by $6.2 million. Included in this normalizing item were customers compensation recoveries largely offset by inventory impairments, commercial settlements, and property, plant and equipment and technology intangible impairments.

Additionally, during Q4 2024, a normalizing item related to 'restructuring' adjusted the Mobility segment by $16.0 million. The restructuring was to improve operational efficiencies, primarily in Europe. Also during Q4 2024, a normalizing item related to an adjustment for 'contingent consideration on Mills River earn-out' impacted the Mobility segment by $12.2 million.

Lastly, 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 December 31				Twelve Months Ended December 31			
	2024	2023	+/-	+/-	2024	2023	+/-	+/-
(in millions of dollars, except per share figures)	$	$	$	%	$	$	$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	(149.5)	169.6	(319.1)	-	611.3	774.8	(163.5)	(21.1%)
Foreign exchange (gain) loss	(52.5)	22.3	(74.8)		(66.3)	19.2	(85.5)	
Other items	383.1	-	383.1		398.9	4.9	394.0	
Operating Earnings (Loss) – Normalized	181.1	191.9	(10.8)	(5.6%)	943.9	798.9	145.0	18.1%
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	(232.3)	104.4	(336.7)	-	258.3	503.1	(244.8)	(48.7%)
Foreign exchange (gain) loss	(52.5)	22.3	(74.8)		(66.3)	19.2	(85.5)	
Foreign exchange (gain) loss on debt and derivatives	-	2.5	(2.5)		1.0	2.5	(1.5)	
Other items	383.1	-	383.1		398.9	4.9	394.0	
Tax impact including Other Items	13.5	(7.0)	20.5		12.5	11.4	1.1	
Net Earnings (Loss) – Normalized	111.8	122.2	(10.4)	(8.5%)	604.4	541.1	63.3	11.7%
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	(3.78)	1.69	(5.47)	-	4.19	8.17	(3.98)	(48.7%)
Foreign exchange (gain) loss	(0.86)	0.36	(1.22)		(1.08)	0.31	(1.39)	
Foreign exchange (gain) loss on debt and derivatives	-	0.04	(0.04)		0.02	0.04	(0.02)	
Other items	6.24	-	6.24		6.48	0.08	6.40	
Tax impact including Other Items	0.22	(0.11)	0.33		0.20	0.18	0.02	
Net Earnings (Loss) per Share – Diluted – Normalized	1.82	1.98	(0.16)	(8.1%)	9.81	8.78	1.03	11.7%
EBITDA and EBITDA – Normalized								
Net Earnings (Loss) before income taxes	(179.0)	144.9	(323.9)	-	476.1	703.8	(227.7)	(32.4%)
Amortization of property, plant and equipment	145.7	119.2	26.5		528.0	427.4	100.6	
Amortization of other intangible assets	20.4	17.3	3.1		77.3	64.1	13.2	
Interest expense	28.5	20.8	7.7		126.8	69.4	57.4	
Other interest	5.0	5.3	(0.3)		21.6	20.7	0.9	
EBITDA	20.6	307.5	(286.9)	(93.3%)	1,229.8	1,285.4	(55.6)	(4.3%)
Foreign exchange (gain) loss	(52.5)	22.3	(74.8)		(66.3)	19.2	(85.5)	
Foreign exchange (gain) loss on debt and derivatives	-	2.5	(2.5)		1.0	2.5	(1.5)	
Asset impairment provision, net of reversals	0.4	0.3	0.1		1.3	0.3	1.0	
Other items	383.1	-	383.1		398.9	4.9	394.0	
EBITDA – Normalized	351.6	332.6	19.0	5.7%	1,564.7	1,312.3	252.4	19.2%

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

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended December 31 2024 Linamar $	Industrial $	Mobility $	Twelve Months Ended December 31 2024 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	152.9	(302.4)	(149.5)	589.2	22.1	611.3
Foreign exchange (gain) loss	(61.5)	9.0	(52.5)	(88.8)	22.5	(66.3)
Other items	-	383.1	383.1	15.8	383.1	398.9
Operating Earnings (Loss) – Normalized	91.4	89.7	181.1	516.2	427.7	943.9
EBITDA – Normalized						
EBITDA	177.4	(156.8)	20.6	682.5	547.3	1,229.8
Foreign exchange (gain) loss	(61.5)	9.0	(52.5)	(88.8)	22.5	(66.3)
Foreign exchange (gain) loss on debt and derivatives	-	-	-	1.0	-	1.0
Asset impairment provision, net of reversals	-	0.4	0.4	-	1.3	1.3
Other items	-	383.1	383.1	15.8	383.1	398.9
EBITDA – Normalized	115.9	235.7	351.6	610.5	954.2	1,564.7

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended December 31 2023 Linamar $	Industrial $	Mobility $	Twelve Months Ended December 31 2023 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	85.8	83.8	169.6	460.9	313.9	774.8
Foreign exchange (gain) loss	14.7	7.6	22.3	10.5	8.7	19.2
Other items	-	-	-	-	4.9	4.9
Operating Earnings (Loss) – Normalized	100.5	91.4	191.9	471.4	327.5	798.9
EBITDA – Normalized						
EBITDA	101.9	205.6	307.5	526.1	759.3	1,285.4
Foreign exchange (gain) loss	14.7	7.6	22.3	10.5	8.7	19.2
Foreign exchange (gain) loss on debt and derivatives	0.6	1.9	2.5	0.6	1.9	2.5
Asset impairment provision, net of reversals	-	0.3	0.3	-	0.3	0.3
Other items	-	-	-	-	4.9	4.9
EBITDA – Normalized	117.2	215.4	332.6	537.2	775.1	1,312.3

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.

Liquidity

Liquidity is a non-GAAP financial measure and the Company believes it is useful in assessing the Company's ability to satisfy its financial obligations as they come due. Liquidity is calculated as Cash, the most directly comparable measure as presented in the Company's consolidated statements of financial position, adjusted for the Company's available credit.

All other non-GAAP financial measures are reconciled as follows:

(in millions of dollars)	Three Months Ended December 31 2024 $	2023 $	Twelve Months Ended December 31 2024 $	2023 $
Free Cash Flow				
Cash generated from (used in) operating activities	497.6	276.4	1,254.0	793.6
Payments for purchase of property, plant and equipment	(66.3)	(194.7)	(532.6)	(762.7)
Proceeds on disposal of property, plant and equipment	59.5	1.4	66.9	3.7
Free Cash Flow	490.8	83.1	788.3	34.6
Liquidity				
Cash and cash equivalents	1,054.6	653.3	1,054.6	653.3
Available credit	791.2	668.4	791.2	668.4
Liquidity	1,845.8	1,321.7	1,845.8	1,321.7

Supplementary Financial Measures

Content per Vehicle

Content per Vehicle is a supplementary financial measure and is calculated within the Mobility segment for the region indicated as automotive sales less tooling sales divided by vehicle production units.

Summary of Content per Vehicle by Quarter

The following table summarizes the updated CPV for the current year for changes in volumes as revised by industry sources:

Estimates as of December 31, 2024	Three Months Ended Mar 31 2024	Jun 30 2024	Sep 30 2024	Dec 31 2024	Year to Date Mar 31 2024	Jun 30 2024	Sep 30 2024	Dec 31 2024
North America								
Vehicle Production Units	4.13	4.25	3.92	3.77	4.13	8.38	12.29	16.07
Automotive Sales	$ 1,223.7	$ 1,225.5	$ 1,126.3	$ 1,042.2	$ 1,223.7	$ 2,449.2	$ 3,575.5	$ 4,617.6
Content Per Vehicle	$ 296.52	$ 288.36	$ 287.54	$ 276.19	$ 296.52	$ 292.38	$ 290.84	$ 287.40
Europe								
Vehicle Production Units	4.61	4.50	3.74	4.27	4.61	9.11	12.85	17.12
Automotive Sales	$ 480.9	$ 447.5	$ 388.4	$ 374.4	$ 480.9	$ 928.3	$ 1,316.8	$ 1,691.2
Content Per Vehicle	$ 104.28	$ 99.47	$ 103.95	$ 87.61	$ 104.28	$ 101.90	$ 102.50	$ 98.78
Asia Pacific								
Vehicle Production Units	11.66	12.28	12.68	15.06	11.66	23.94	36.63	51.68
Automotive Sales	$ 127.0	$ 132.1	$ 114.0	$ 156.4	$ 127.0	$ 259.1	$ 373.1	$ 529.6
Content Per Vehicle	$ 10.89	$ 10.76	$ 8.99	$ 10.39	$ 10.89	$ 10.82	$ 10.19	$ 10.25

Estimates as of September 30, 2024	Three Months Ended Mar 31 2024	Jun 30 2024	Sep 30 2024	Year to Date Mar 31 2024	Jun 30 2024	Sep 30 2024
North America						
Vehicle Production Units	4.13	4.25	3.90	4.13	8.38	12.28
Automotive Sales	$ 1,223.1	$ 1,223.4	$ 1,126.7	$ 1,223.1	$ 2,446.5	$ 3,573.2
Content Per Vehicle	$ 296.45	$ 287.62	$ 288.81	$ 296.45	$ 291.97	$ 290.96
Europe						
Vehicle Production Units	4.63	4.51	3.70	4.63	9.14	12.83
Automotive Sales	$ 480.9	$ 447.4	$ 387.3	$ 480.9	$ 928.3	$ 1,315.6
Content Per Vehicle	$ 103.84	$ 99.29	$ 104.81	$ 103.84	$ 101.60	$ 102.52
Asia Pacific						
Vehicle Production Units	11.66	12.28	12.75	11.66	23.94	36.68
Automotive Sales	$ 127.0	$ 132.1	$ 113.6	$ 127.0	$ 259.1	$ 372.7
Content Per Vehicle	$ 10.89	$ 10.76	$ 8.91	$ 10.89	$ 10.83	$ 10.16

Change in Estimates from Prior Quarter	Three Months Ended			Year to Date		
	Mar 31 2024	Jun 31 2024	Sep 30 2024	Mar 31 2024	Jun 31 2024	Sep 30 2024
North America	+/-	+/-	+/-	+/-	+/-	+/-
Vehicle Production Units	-	-	0.02	-	-	0.01
Automotive Sales	$ 0.6	$ 2.1	$ (0.4)	$ 0.6	$ 2.7	$ 2.3
Content Per Vehicle	$ 0.07	$ 0.74	$ (1.27)	$ 0.07	$ 0.41	$ (0.12)
Europe						
Vehicle Production Units	(0.02)	(0.01)	0.04	(0.02)	(0.03)	0.02
Automotive Sales	$ -	$ 0.1	$ 1.1	$ -	$ -	$ 1.2
Content Per Vehicle	$ 0.44	$ 0.18	$ (0.86)	$ 0.44	$ 0.30	$ (0.02)
Asia Pacific						
Vehicle Production Units	-	-	(0.07)	-	-	(0.05)
Automotive Sales	$ -	$ -	$ 0.4	$ -	$ -	$ 0.4
Content Per Vehicle	$ -	$ -	$ 0.08	$ -	$ (0.01)	$ 0.03

FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this 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, international trade policies including tariffs; 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; 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.

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at December 31, 2024 with comparatives as at December 31, 2023 (Unaudited)
(in thousands of Canadian dollars)

	December 31 2024 $	December 31 2023 $
ASSETS		
Cash and cash equivalents	1,054,598	653,327
Accounts and other receivables	1,312,281	1,343,322
Inventories	2,062,358	1,836,665
Income taxes recoverable	76,612	41,481
Current portion of long-term receivables (Note 6)	21,656	24,151
Current portion of derivative financial instruments (Note 6)	-	32,970
Prepaid expenses and other current assets	78,062	65,052
Current Assets	4,605,567	3,996,968
Long-term receivables (Note 6)	32,023	39,142
Derivative financial instruments (Note 6)	-	5,110
Property, plant and equipment	3,642,618	3,652,498
Investments	1,419	8,227
Deferred tax assets	250,601	172,832
Intangible assets	1,135,042	942,274
Goodwill	832,572	1,033,449
Assets	10,499,842	9,850,500
LIABILITIES		
Accounts payable and accrued liabilities	2,247,695	2,328,651
Provisions	74,925	49,255
Income taxes payable	54,633	95,781
Current portion of long-term debt (Notes 6, 7)	45,658	40,530
Current portion of derivative financial instruments (Note 6)	64,125	4,698
Current Liabilities	2,487,036	2,518,915
Long-term debt (Notes 6, 7)	2,246,861	1,731,817
Derivative financial instruments (Note 6)	9,020	139
Deferred tax liabilities	328,979	277,526
Liabilities	5,071,896	4,528,397
EQUITY		
Capital stock	140,521	142,100
Retained earnings	5,201,851	5,046,422
Contributed surplus	37,669	34,177
Accumulated other comprehensive earnings (loss)	47,905	99,404
Equity	5,427,946	5,322,103
Liabilities and Equity	10,499,842	9,850,500

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

(Signed) "Linda Hasenfratz"

Linda Hasenfratz
Director

(Signed) "Jim Jarrell"

Jim Jarrell
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the twelve months ended December 31, 2024 and December 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except per share figures)

	Three Months Ended December 30		Twelve Months Ended December 30	
	2024	2023	2024	2023
	$	$	$	$
Sales	2,375,737	2,453,875	10,582,022	9,733,532
Cost of sales	2,069,892	2,133,697	9,078,009	8,410,685
Gross Margin	305,845	320,178	1,504,013	1,322,847
Selling, general and administrative	134,956	131,462	592,106	526,649
Goodwill impairment (Note 15)	385,523	-	385,523	-
Other income and (expenses) (Note 8)	65,094	(19,163)	84,942	(21,374)
Operating Earnings (Loss)	(149,540)	169,553	611,326	774,824
Finance income and (expenses) (Note 9)	(29,452)	(24,638)	(135,188)	(71,013)
Net Earnings (Loss) before Income Taxes	(178,992)	144,915	476,138	703,811
Provision for (recovery of) income taxes	53,322	40,558	217,879	200,757
Net Earnings (Loss) for the Period	(232,314)	104,357	258,259	503,054
Net Earnings (Loss) per Share:				
Basic	(3.79)	1.70	4.20	8.18
Diluted	(3.78)	1.69	4.19	8.17

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Comprehensive Earnings

For the twelve months ended December 31, 2024 and December 31, 2023 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
	$	$	$	$
Net Earnings (Loss) for the Period	(232,314)	104,357	258,259	503,054
Items that may be reclassified subsequently to net income				
Unrealized gains (losses) on translating financial statements of foreign operations	(11,445)	37,573	25,503	27,258
Change in unrealized gains (losses) on net investment hedges	5,184	(8,992)	(8,704)	(4,576)
Change in unrealized gains (losses) on cash flow hedges	(67,620)	27,863	(114,474)	39,087
Change in cost of hedging	1,654	(1,727)	3,870	(4,799)
Reclassification to earnings of gains (losses) on cash flow hedges	17,160	2,172	19,540	7,317
Tax impact of above	12,202	(7,132)	22,766	(10,936)
Other Comprehensive Earnings (Loss)	(42,865)	49,757	(51,499)	53,351
Comprehensive Earnings (Loss) for the Period	(275,179)	154,114	206,760	556,405

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the twelve months ended December 31, 2024 and December 31, 2023 (Unaudited)
(in thousands of Canadian dollars)

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2024	142,100	5,046,422	34,177	82,446	16,958	5,322,103
Net Earnings (Loss)	-	258,259	-	-	-	258,259
Other comprehensive earnings (loss)	-	-	-	16,799	(68,298)	(51,499)
Comprehensive Earnings (Loss)	-	258,259	-	16,799	(68,298)	206,760
Share-based compensation	-	-	3,492	-	-	3,492
Common shares repurchased and cancelled	(1,579)	(41,287)	-	-	-	(42,866)
Dividends	-	(61,543)	-	-	-	(61,543)
Balance at December 31, 2024	140,521	5,201,851	37,669	99,245	(51,340)	5,427,946

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2023	138,925	4,597,513	31,359	59,764	(15,850)	4,811,711
Net Earnings (Loss)	-	503,054	-	-	-	503,054
Other comprehensive earnings (loss)	-	-	-	22,682	30,669	53,351
Comprehensive Earnings (Loss)	-	503,054	-	22,682	30,669	556,405
Hedging transferred to the carrying value of inventory	-	-	-	-	2,139	2,139
Share-based compensation	-	-	3,937	-	-	3,937
Shares issued on exercise of options	3,175	-	(1,119)	-	-	2,056
Dividends	-	(54,145)	-	-	-	(54,145)
Balance at December 31, 2023	142,100	5,046,422	34,177	82,446	16,958	5,322,103

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Cash Flows

For the twelve months ended December 31, 2024 and December 31, 2023 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
	$	$	$	$
Cash generated from (used in)				
Operating Activities				
Net Earnings (Loss) for the Period	(232,314)	104,357	258,259	503,054
Adjustments for:				
Amortization of property, plant and equipment	145,714	119,230	528,030	427,430
Amortization of other intangible assets	20,363	17,288	77,334	64,092
Deferred income taxes	(3,820)	(18,210)	(54,725)	(62,679)
Asset impairment provision, net of reversals (Note 14)	115,398	337	116,167	365
Goodwill impairment (Note 15)	385,523	-	385,523	-
Share-based compensation	1,164	1,170	3,492	3,937
Finance (income) and expenses	29,452	24,638	135,188	71,013
Other	17,377	525	15,616	(5,111)
	478,857	249,335	1,464,884	1,002,101
Changes in operating assets and liabilities				
(Increase) decrease in accounts and other receivables	357,560	167,876	202,175	(120,033)
(Increase) decrease in inventories	27,312	(108,568)	(37,022)	(239,837)
(Increase) decrease in prepaid expenses and other current assets	304	(4,366)	(10,864)	(3,656)
(Increase) decrease in long-term receivables	(10,032)	(4,091)	11,387	4,163
Increase (decrease) in income taxes	(15,581)	7,161	(81,927)	72,839
Increase (decrease) in accounts payable and accrued liabilities	(359,830)	(32,400)	(313,830)	74,792
Increase (decrease) in provisions	19,032	1,467	19,232	3,183
	18,765	27,079	(210,849)	(208,549)
Cash generated from (used in) operating activities	497,622	276,414	1,254,035	793,552
Financing Activities				
Proceeds from (repayments of) long-term debt	(183,730)	(283)	(157,748)	(242,337)
Proceeds from term credit agreement	-	-	700,000	-
Repayments of term credit agreement	-	-	(75,000)	-
Proceeds from private placement notes	-	-	-	550,000
Proceeds from exercise of stock options	-	2,056	-	2,056
Repurchase of shares (Note 16)	(42,025)	-	(42,025)	-
Dividends	(15,359)	(13,536)	(61,543)	(54,145)
Finance income received (expenses paid)	(26,441)	(10,466)	(127,760)	(48,178)
Cash generated from (used in) financing activities	(267,555)	(22,229)	235,924	207,396
Investing Activities				
Payments for purchase of property, plant and equipment	(66,272)	(194,660)	(532,598)	(762,709)
Proceeds on disposal of property, plant and equipment	59,491	1,344	66,833	3,778
Payments for purchase of intangible assets	(11,349)	(9,640)	(31,101)	(27,584)
Business acquisition, net of cash acquired	-	(88,730)	(620,496)	(407,060)
Other	(1)	(14)	(80)	(439)
Cash generated from (used in) investing activities	(18,131)	(291,700)	(1,117,442)	(1,194,014)
	211,936	(37,515)	372,517	(193,066)
Effect of translation adjustment on cash	18,231	(3,772)	28,754	(14,122)
Increase (decrease) in cash and cash equivalents	230,167	(41,287)	401,271	(207,188)
Cash and cash equivalents - Beginning of Period	824,431	694,614	653,327	860,515
Cash and cash equivalents - End of Period	1,054,598	653,327	1,054,598	653,327
Comprised of:				
Cash in bank	712,030	392,636	712,030	392,636
Short-term deposits	345,383	266,158	345,383	266,158
Unpresented cheques	(2,815)	(5,467)	(2,815)	(5,467)
	1,054,598	653,327	1,054,598	653,327

The accompanying notes are an integral part of these consolidated interim financial statements.

1 General Information

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange ("TSX"). The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended December 31, 2024 were authorized for issue in accordance with a resolution of the Company's Board of Directors on March 5, 2025.

2 Basis of Preparation and Material Accounting Policies

The Company has prepared its consolidated interim financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2024. These policies have been consistently applied to all periods presented, unless otherwise stated.

3 Changes in Accounting Policies

New Standards and Amendments Adopted

Certain new standards and amendments became effective during the current period. The impact from the adoption of these new standards and amendments are discussed below.

IAS 7 Statement of Cash Flows, IFRS 7 Financial Instruments: Disclosures

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2024, the IASB issued disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on the Company's liabilities, cash flows and exposure to liquidity risk. Under the transitional provisions, the Company is not required to disclose comparative information prior to the effective date.

New Standards and Interpretations Not Yet Adopted

All pronouncements will be adopted in the Company's accounting policies after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments and interpretations to existing standards were not relevant nor would they significantly impact the Company's net earnings or financial position.

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2027, the IASB issued a new standard replacing *IAS 1 Presentation of Financial Statements.* Although the new standard carries forward many requirements from IAS 1 unchanged, IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. Management is currently assessing the impact that these amendments will have on the financial statements.

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set out in the Company's annual financial statements for the year ended December 31, 2024.

(in thousands of Canadian dollars, except where otherwise noted)

5 Seasonality

Historically, earnings in the second and third quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers' production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

6 Composition of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with their fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

		December 31, 2024		December 31, 2023	
	Subsequent Measurement	Carrying Value Asset (Liability) $	Fair Value $	Carrying Value Asset (Liability) $	Fair Value $
Long-term receivables	Amortized cost (Level 2)	53,679	52,425	63,293	62,803
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(52,043)	(52,043)	15,385	15,385
USD sales forwards – MXN functional entities	Fair value (Level 2)	(19,657)	(19,657)	20,653	20,653
USD sales forwards – CNY functional entities	Fair value (Level 2)	(1,445)	(1,445)	(702)	(702)
Derivative financial instruments (held for trading)					
CAD foreign currency forwards	Fair value (Level 2)	-	-	(2,093)	(2,093)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	1,419	1,419	8,227	8,227
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(2,083,042)	(1,994,979)	(1,568,834)	(1,478,148)

7 Long-Term Debt

	December 31 2024 $	December 31 2023 $
Private placement notes	1,024,245	1,015,213
Bank borrowings	979,628	485,195
Lease liabilities	209,477	203,513
Government borrowings	79,169	68,426
	2,292,519	1,772,347
Less: current portion	45,658	40,530
	2,246,861	1,731,817

In February 2024, the Company entered into a new term credit agreement for $700.0 million in connection with the acquisition of Bourgault (Note 13) and general corporate purposes. The term credit agreement is repayable in three tranches with the last due in February 2027. The first tranche due in February 2025 of $75.0 million was repaid during the third quarter of 2024. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

As of December 31, 2024, $791,248 was available under the Company's credit facility.

(in thousands of Canadian dollars, except where otherwise noted)

8 Other Income and (Expenses)

	Three Months Ended	December 31	Twelve Months Ended	December 31
	2024	2023	2024	2023
	$	$	$	$
Foreign exchange gain (loss)	52,500	(22,320)	66,300	(19,192)
Other income (expense)	12,594	3,157	18,642	(2,182)
	65,094	(19,163)	84,942	(21,374)

9 Finance Income and (Expenses)

	Three Months Ended	December 31	Twelve Months Ended	December 31
	2024	2023	2024	2023
	$	$	$	$
Interest expense	(28,517)	(20,745)	(126,786)	(69,370)
Foreign exchange gain (loss) on debt and derivatives	39	(2,514)	(1,017)	(2,505)
Interest earned	5,434	5,123	19,886	25,884
Other	(6,408)	(6,502)	(27,271)	(25,022)
	(29,452)	(24,638)	(135,188)	(71,013)

10 Commitments

As at December 31, 2024, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $216,863 (December 31, 2023 - $419,983). Of this amount $206,251 (December 31, 2023 - $350,151) relates to the purchase of manufacturing equipment and $10,612 (December 31, 2023 - $69,832) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, $6,553 (December 31, 2023 - $55,313) were commitments to a related party, a company owned by the spouse of an officer and director. The majority of these commitments are due within the next twelve months.

11 Related Party Transactions

Building additions made by a related party, a company owned by the spouse of an officer and director, were $2,664 for the three months ended December 31, 2024 and $56,297 for the twelve months ended December 31, 2024 ($19,608 for the three months ended December 31, 2023 and $54,948 for the twelve months ended December 31, 2023).

12 Segmented Information

Management has determined the operating segments based on the reports reviewed by senior management that are used to make strategic decisions.

Mobility: The Mobility segment derives revenues from the collaborative design, development and manufacture of propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative industrial equipment, notably its class-leading aerial work platforms, telehandlers, and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how senior management manages the business. Corporate headquarters and other small operating entities are allocated to the Mobility and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, net earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

(in thousands of Canadian dollars, except where otherwise noted)

	Three Months Ended December 31, 2024			Twelve Months Ended December 31, 2024		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	$	$	$	$	$	$
Mobility	1,738,606	8,119	(302,417)	7,488,420	42,960	22,157
Industrial	637,131	3,724	152,877	3,093,602	13,808	589,169
Total	2,375,737	11,843	(149,540)	10,582,022	56,768	611,326

	Three Months Ended December 31, 2023			Twelve Months Ended December 31, 2023		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	$	$	$	$	$	$
Mobility	1,846,473	17,003	83,740	7,087,269	56,878	313,946
Industrial	607,402	3,009	85,813	2,646,263	11,521	460,878
Total	2,453,875	20,012	169,553	9,733,532	68,399	774,824

The Company operates in four geographic segments. The sales to external customers in Canada, Rest of North America, Asia Pacific and Europe are as follows:

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
	$	$	$	$
Canada	1,159,607	1,211,590	5,628,926	5,226,312
Rest of North America	466,875	481,357	1,974,316	1,457,682
Asia Pacific	218,924	189,995	666,856	646,531
Europe	530,331	570,933	2,311,924	2,403,007
Total	2,375,737	2,453,875	10,582,022	9,733,532

13 Business Acquisitions

(i) Bourgault

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault Industries Ltd. ("Bourgault"), headquartered in St. Brieux, Saskatchewan, Canada. The acquisition will expand the Company's agricultural portfolio into broad acre seeding. The purchase price was $621,645.

Summary of identifiable assets acquired and liabilities assumed completed on February 1, 2024 as a business combination:

	$
Cash and cash equivalents	1,149
Accounts and other receivables	48,028
Inventories	166,577
Income taxes recoverable	1,291
Prepaid expenses and other current assets	1,374
Property, plant and equipment	137,733
Leased assets	422
Deferred tax assets	731
Intangible assets	239,880
Goodwill	182,350
Total assets acquired	779,535
Accounts payable and accrued liabilities	87,117
Provisions	5,089
Income taxes payable	1,324
Lease liabilities	422
Deferred tax liabilities	63,938
Total liabilities assumed	157,890
Net identifiable assets acquired	621,645

The goodwill is attributable to expanding the Company's capabilities and further diversifies the Company's end markets. The acquisition further positions the Company as a global agricultural equipment manufacturer. The goodwill arising from this acquisition is not deductible for tax purposes.

The sales included in the consolidated statements of earnings from February 1, 2024 to December 31, 2024 contributed by Bourgault was $370,150. Bourgault also contributed net earnings of $11,550 over the same period. Bourgault is included in the Industrial segment.

(ii) Battery Enclosures Business
On August 3, 2023, the Company acquired three battery enclosures facilities from Dura-Shiloh ("Battery Enclosures Business") through the acquisition of certain assets and shares. The acquisition will increase the Company's electrified product portfolio with increased future battery electric vehicle content. During 2024, due to a change in purchase price, the total consideration decreased by $20,049 to $298,811, thereby decreasing the fair value of property, plant and equipment by $7,990 to $215,301, decreasing goodwill by $8,865 to $71,707, and other insignificant adjustments. The determination of the fair value of the assets acquired and liabilities assumed have been completed.

(iii) Chassis and Suspension Business
On October 31, 2023 the Company acquired the substantial portion of the US-based assets from Mobex Fourth and 1, LLC ("Chassis and Suspension Business") and certain of its affiliates. The acquisition will increase the Company's propulsion-agnostic solutions that can be supplied to BEV, hybrid and internal combustion-powered vehicle applications. The purchase price was $88,730. The determination of the fair value of the assets acquired and liabilities assumed have been completed and are unchanged from December 31, 2023.

14 Asset Impairment Provision

An impairment loss of $104,612 for the three months ended December 31, 2024 and $105,381 for the twelve months ended December 31, 2024 was recorded in cost of sales, primarily for machinery and tooling in the Mobility segment. The impairments were related to Mobility electrified vehicle market and certain other programs that prematurely ended. The same programs also impacted technology intangibles for an impairment loss of $10,786 for the three months ended December 31, 2024 recorded in cost of sales in the Mobility segment. Customer compensation recoveries that were recorded in cost of sales for the three months ended December 31, 2024 more than offsets these impairments.

15 Goodwill Impairment

Management performed the annual goodwill and indefinite intangible asset impairment analysis during the fourth quarters of 2024 and 2023 and found that there were no impairments, except for the Linamar Mobility Europe group in 2024. During 2024, Europe continued to experience economic challenges including a significant decline in automotive production. As a result of these economic challenges, the Company recorded a non-cash impairment charge of $385,523 within operating earnings which was determined by comparing the carrying amount of the group to its recoverable amount.

16 Capital Stock

In November 2024, the Company announced Toronto Stock Exchange approval to commence a normal course issuer bid. This bid permitted the Company to acquire for cancellation up to 4,021,282 common shares between November 15, 2024 and November 14, 2025. This bid is subject to daily limits. For the three months ended December 31, 2024, the Company repurchased and cancelled 684,111 common shares under its bid for a total of $42,025. Subsequent to the period end, the Company repurchased and cancelled 707,869 common shares under its bid for a total of $38,529.

17 Subsequent Event

In early 2025, the United States ("U.S.") administration has announced intentions to implement or increase tariffs. On March 4, 2025 tariffs of 25% went into affect on most Canadian and Mexican goods as well as 20% on Chinese products imported into the U.S. The same day retaliatory tariffs were implemented by Canada and China with Mexico planning its response. At this time, specific additional actions remain uncertain. The effect of these potential tariffs on our business and financial condition is influenced by several unknown factors, including the effective date and duration of such tariffs, their scope and nature, the amount imposed, and any retaliatory measures by the target countries.

Given these uncertainties, the Company cannot assure that any mitigating actions available to us, such as passing along some or all of the tariff costs to our customers, will be successful. Any further escalation of trade tensions, additional tariffs, retaliatory measures, or shifts in Canadian or international trade policies could adversely impact our business. The United States-Mexico-Canada Agreement (USMCA) is up for renewal in 2026, and there is no assurance that renegotiated terms will not adversely affect our business. It remains unclear what specific actions the current U.S. administration may take to address trade-related issues, and the U.S. and other governments could impose additional sanctions or export controls that might restrict our ability to conduct business directly or indirectly with certain countries or parties.