

Linamar First Quarter Earnings More than Double Q1 2020 on Strong Markets & Market Share Gains

May 6, 2021, Guelph, Ontario, Canada (TSX: LNR)

- During the first quarter of 2021 ("Q1 2021"), the Company experienced strong sales growth, up 15% vs Q1 2020, and outstanding normalized net earnings growth, up 2.3 times in comparison to last year;
- Strong normalized operating earnings growth in both segments;
- Mobility segment normalized operating earnings up nearly 2.5 times for Q1 2021 and Industrial segment normalized operating earnings up nearly 1.5 times;
- Free cash flow¹ was \$166.2 million for Q1 2021 compared to \$147.1 million for the first quarter of 2020 ("Q1 2020");
- Liquidity, measured as cash and cash equivalents and available credit as at March 31, 2021, is \$1.6 billion an increase from \$1.2 billion at March 31, 2020;
- New business wins maintain strong launch book of nearly \$3.7 billion, with more than a third of Q1 2021 new business wins for electrified vehicles;
- Strong Mobility market share gains with double digit Content per Vehicle growth in North America and Asia Pacific with a record high in North America;
- Strong equipment sales demand for agricultural equipment coupled with market share growth in targeted core and expansion markets; and
- Continued market share gains for access equipment in core North American markets.

	Three Months Ended March 31	March 31
	2021	2020
(in millions of dollars, except per share figures)	\$	\$
Sales	1,781.9	1,549.8
Operating Earnings (Loss)		
Industrial	35.7	42.9
Mobility	185.5	75.0
Operating Earnings (Loss) ¹	221.2	117.9
Net Earnings (Loss)	153.5	78.5
Net Earnings (Loss) per Share – Diluted	2.34	1.20
Earnings before interest, taxes and amortization ("EBITDA") ¹	332.7	228.0
Operating Earnings (Loss) – Normalized¹		
Industrial	45.9	31.4
Mobility	175.4	72.1
Operating Earnings (Loss) – Normalized	221.3	103.5
Net Earnings (Loss) – Normalized¹	158.3	67.9
Net Earnings (Loss) per Share – Diluted – Normalized¹	2.41	1.04
EBITDA – Normalized¹	341.3	213.9

Operating Highlights

Sales for Q1 2021 were \$1,781.9 million, up \$232.1 million from \$1,549.8 million in Q1 2020.

The Industrial segment ("Industrial") product sales increased 16.5%, or \$49.3 million, to \$348.3 million in Q1 2021 from Q1 2020. The sales increase was due to:

- increased agricultural sales from stronger equipment sales demand and growing market share in targeted core and expansion markets; and
- additional access equipment sales primarily due to increased market share in North America for telehandlers, scissors and booms; partially offset by
- European access equipment sales declines primarily attributed to adverse conditions associated with the COVID-19 pandemic; and
- an unfavourable impact on sales from the changes in foreign exchange rates from Q1 2020.

Sales for the Mobility segment ("Mobility") increased by \$182.8 million, or 14.6% in Q1 2021 compared with Q1 2020. The sales in Q1 2021 were impacted by:

- increased volumes for certain programs that the Company has significant business within North America and Asia;
- increased sales related to launching programs; and
- a favourable impact on sales from the changes in foreign exchange rates from Q1 2020; partially offset by
- sales declines primarily attributed to adverse conditions associated with semi conductor chip supply issues impacting our customers.

¹ For more information refer to the section entitled "Non-GAAP and Additional GAAP Measures" in the Company's separately released Management's Discussion and Analysis ("MD&A").

The Company's normalized operating earnings for Q1 2021 was \$221.3 million. This compares to normalized operating earnings of \$103.5 million in Q1 2020, an increase of \$117.8 million.

Industrial segment normalized operating earnings in Q1 2021 increased \$14.5 million, or 46.2% from Q1 2020. The Industrial normalized operating earnings results were predominantly driven by:

- increased agricultural sales from stronger equipment and parts sales demand; and
- a net increase in access equipment volumes; partially offset by
- an unfavourable impact on sales and expenses from the changes in foreign exchange rates from Q1 2020.

Q1 2021 normalized operating earnings for Mobility were higher by \$103.3 million, or 143.3% compared to Q1 2020. The Mobility segment's earnings were impacted by the following:

- increased volumes for certain programs that the Company has significant business within North America and Asia;
- increased sales related to launching programs;
- cost savings achieved in the quarter;
- a favourable impact on sales and expenses from the changes in foreign exchange rates from Q1 2020; and
- the utilization of government support programs related to the global COVID-19 pandemic; partially offset by
- sales declines primarily attributed to adverse conditions associated with semi conductor chip supply issues impacting our customers.

"We have come out of the gate very strong in 2021 with earnings up dramatically, double digit sales growth and continued free cash flow." said Linamar CEO Linda Hasenfratz, "New business wins are off to a strong start, notably on the electric vehicle side, and we continue to be in a very strong position in terms of cash and our balance sheet. We continue to play a leading role as well in fighting the pandemic with regular testing of employees, an active vaccination clinic and other community support initiatives. Vaccinations and testing are how we get through these next months, it is critical we all step up to take part."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2021 of CDN\$0.16 per share on the common shares of the company, payable on or after June 8, 2021 to shareholders of record on May 28, 2021.

Forward Looking Information, Risk and Uncertainties

Certain information provided by Linamar in this press release, MD&A, the consolidated financial statements and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; public health threats; cyclical and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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

Conference Call Information

Q1 2021 Release Information

Linamar will hold a webcast call on May 6, 2021, at 5:00 p.m. ET to discuss its first quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/news-event/q1-2021-earnings-call> and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 5546587, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on May 6, 2021, and at www.sedar.com by the start of business on May 7, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q1-2021-earnings-call> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on May 6, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 5546587. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q1-2021-earnings-call>.

Q2 2021 Release Information

Linamar will hold a webcast call on August 11, 2021, at 5:00 p.m. ET to discuss its second quarter results. The event will be simulcast and can be accessed at the following URL <https://www.linamar.com/news-event/q2-2021-earnings-call> and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (877) 668-0168 (North America) or (825) 312-2386 (International) Conference ID 1797109, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on August 11, 2021, and at www.sedar.com by the start of business on August 12, 2021. The webcast replay will be available at <https://www.linamar.com/news-event/q2-2021-earnings-call> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on August 11, 2021, for seven days. The number for the replay is (800) 585-8367 or (416) 621-4642, Passcode: 1797109. In addition, a recording of the call will be posted at <https://www.linamar.com/news-event/q2-2021-earnings-call>.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Mobility segment is subdivided into three regional groups: North America, Europe and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar has over 26,000 employees in 61 manufacturing locations, 12 R&D centres and 25 sales offices in 17 countries in North and South America, Europe and Asia which generated sales of \$7.4 billion in 2019. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

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

Guelph, Ontario
May 6, 2021