

LINAMAR CORPORATION

Management's Discussion and Analysis

For the Quarter Ended September 30, 2025

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 ended September 30, 2025. This MD&A has been prepared as at November 12, 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. At the heart of Linamar is the technologies we deliver; casting, forging, metal forming, machining and assembly and fully engineered products. We serve a broad variety of industries, from our On and Off Highway Mobility business to our Agricultural and Access businesses to new areas of expansion in MedTech, Water, Power, Defense and Robotics. We proudly market our global, class leading products under the brands Linamar, Skyjack, MacDon, Salford, Bourgault and McLaren Engineering. Linamar has over 34,000 employees in 75 manufacturing locations, 17 R&D centers and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of more than \$10.5 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 third quarter of 2025 ("Q3 2025") and 2024 ("Q3 2024"):

(in millions of dollars, except per share figures)	Three Months Ended September 30				Nine Months Ended September 30			
	2025 \$	2024 \$	+/- \$	+/- %	2025 \$	2024 \$	+/- \$	+/- %
Sales	2,541.7	2,635.7	(94.0)	(3.6%)	7,716.5	8,206.3	(489.8)	(6.0%)
Gross Margin	367.5	380.2	(12.7)	(3.3%)	1,168.1	1,198.2	(30.1)	(2.5%)
Operating Earnings (Loss)	250.9	220.1	30.8	14.0%	723.4	760.9	(37.5)	(4.9%)
Net Earnings (Loss)	169.2	138.0	31.2	22.6%	473.8	490.6	(16.8)	(3.4%)
Net Earnings (Loss) per Share - Diluted	2.82	2.24	0.58	25.9%	7.89	7.96	(0.07)	(0.9%)
Earnings before interest, taxes and amortization ("EBITDA") ¹	409.3	373.4	35.9	9.6%	1,197.2	1,209.3	(12.1)	(1.0%)
Operating Earnings (Loss) - Normalized ¹	227.6	228.6	(1.0)	(0.4%)	733.8	762.9	(29.1)	(3.8%)
Net Earnings (Loss) - Normalized ¹	150.1	144.6	5.5	3.8%	485.7	492.6	(6.9)	(1.4%)
Net Earnings (Loss) per Share - Diluted - Normalized ¹	2.51	2.35	0.16	6.8%	8.08	7.99	0.09	1.1%
EBITDA - Normalized ¹	386.3	382.8	3.5	0.9%	1,207.2	1,213.1	(5.9)	(0.5%)

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 September 30, 2025.

(in millions of dollars)	Three Months Ended September 30 2025			Nine Months Ended September 30 2025		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	619.7	1,922.0	2,541.7	1,941.2	5,775.3	7,716.5
Operating Earnings (Loss)	89.8	161.1	250.9	286.5	436.9	723.4
EBITDA	113.7	295.6	409.3	357.9	839.3	1,197.2
Operating Earnings (Loss) – Normalized	61.7	165.9	227.6	291.6	442.2	733.8
EBITDA – Normalized	85.6	300.7	386.3	363.0	844.2	1,207.2

(in millions of dollars)	Three Months Ended September 30 2024			Nine Months Ended September 30 2024		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	841.3	1,794.4	2,635.7	2,456.5	5,749.8	8,206.3
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
EBITDA	166.0	207.4	373.4	505.1	704.2	1,209.3
Operating Earnings (Loss) – Normalized	140.2	88.4	228.6	424.7	338.2	762.9
EBITDA – Normalized	164.8	218.0	382.8	494.6	718.5	1,213.1

Industrial Highlights

(in millions of dollars)	2025		2024		Three Months Ended September 30		Nine Months Ended September 30	
	\$	\$	\$	\$	+/- \$	+/- %	+/- \$	+/- %
Sales	619.7	841.3	221.6	(26.3%)	1,941.2	2,456.5	(515.3)	(21.0%)
Operating Earnings (Loss)	89.8	141.8	(52.0)	(36.7%)	286.5	436.3	(149.8)	(34.3%)
EBITDA	113.7	166.0	(52.3)	(31.5%)	357.9	505.1	(147.2)	(29.1%)
Operating Earnings (Loss) – Normalized	61.7	140.2	(78.5)	(56.0%)	291.6	424.7	(133.1)	(31.3%)
EBITDA – Normalized	85.6	164.8	(79.2)	(48.1%)	363.0	494.6	(131.6)	(26.6%)

The Industrial segment ("Industrial") product sales decreased 26.3%, or \$221.6 million, to \$619.7 million in Q3 2025 from Q3 2024. The sales decrease was due to:

- ♦ lower agricultural sales in a market that was down significantly; and
- ♦ marginally reduced sales due to lower market demand for access equipment, largely offset by market share growth for scissors globally and booms in Europe.

Year to date ("YTD") sales for Industrial decreased by 21.0%, or \$515.3 million, compared with YTD 2024. The factors that impacted Q3 2025 similarly impacted the YTD results.

Industrial segment normalized operating earnings in Q3 2025 decreased \$78.5 million, or 56.0%, from Q3 2024. The Industrial normalized operating earnings results were predominantly driven by:

- ♦ lower agricultural sales in a market that was down significantly; partially offset by
- ♦ improvements driven from operational efficiencies and cost reductions.

The YTD normalized operating earnings decreased by \$133.1 million, or 31.3%, compared with YTD 2024. The factors that impacted Q3 2025 similarly impacted the YTD results.

Mobility Highlights

(in millions of dollars)	Three Months Ended September 30				Nine Months Ended September 30			
	2025 \$	2024 \$	+/- \$	+/- %	2025 \$	2024 \$	+/- \$	+/- %
Sales	1,922.0	1,794.4	127.6	7.1%	5,775.3	5,749.8	25.5	0.4%
Operating Earnings (Loss)	161.1	78.3	82.8	105.7%	436.9	324.6	112.3	34.6%
EBITDA	295.6	207.4	88.2	42.5%	839.3	704.2	135.1	19.2%
Operating Earnings (Loss) – Normalized	165.9	88.4	77.5	87.7%	442.2	338.2	104.0	30.8%
EBITDA – Normalized	300.7	218.0	82.7	37.9%	844.2	718.5	125.7	17.5%

Sales for the Mobility segment (“Mobility”) increased by \$127.6 million, or 7.1%, in Q3 2025 compared with Q3 2024. The sales in Q3 2025 were impacted by:

- ◆ a significant increase in sales related to launching programs;
- ◆ higher volumes on programs the company has substantial business with; and
- ◆ impact on sales from the changes in foreign exchange rates from Q3 2024; partially offset by
- ◆ a sales decline from lower volumes on electric vehicle (“EV”) programs and lower production for certain ending programs.

YTD sales for Mobility increased by \$25.5 million, or 0.4%, compared to YTD 2024. The factors that impacted Q3 2025 similarly impacted the YTD results.

Q3 2025 normalized operating earnings for Mobility increased by \$77.5 million, or 87.7%, compared to Q3 2024. The Mobility segment’s earnings were impacted by the following:

- ◆ a significant increase in sales related to launching programs;
- ◆ higher volumes on programs the company has substantial business with; and
- ◆ improvements driven from operational efficiencies, cost reductions, and favourable product mix.

The YTD normalized operating earnings increased by \$104.0 million, or 30.8%, compared with YTD 2024. The factors that impacted Q3 2025 similarly impacted the YTD results.

Automotive Sales and Content Per Vehicle¹

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 region, and the final vehicle being assembled in another region. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the vehicle production units² for each region.

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.

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.

	Three Months Ended				Nine Months Ended			
	2025		2024		September 30		September 30	
			+/-	%			+/-	%
<i>North America</i>								
Vehicle Production Units	4.08	3.92	0.16	4.1%	12.05	12.29	(0.24)	(2.0%)
Automotive Sales	\$ 1,188.2	\$ 1,126.3	\$ 61.9	5.5%	\$ 3,551.3	\$ 3,575.5	\$ (24.2)	(0.7%)
Content Per Vehicle	\$ 291.32	\$ 287.54	\$ 3.78	1.3%	\$ 294.66	\$ 290.84	\$ 3.82	1.3%
<i>Europe</i>								
Vehicle Production Units	3.77	3.74	0.03	0.8%	12.61	12.85	(0.24)	(1.9%)
Automotive Sales	\$ 396.9	\$ 388.4	\$ 8.5	2.2%	\$ 1,256.3	\$ 1,316.8	\$ (60.5)	(4.6%)
Content Per Vehicle	\$ 105.20	\$ 103.95	\$ 1.25	1.2%	\$ 99.66	\$ 102.50	\$ (2.84)	(2.8%)
<i>Asia Pacific</i>								
Vehicle Production Units	13.42	12.68	0.74	5.8%	39.40	36.63	2.77	7.6%
Automotive Sales	\$ 146.0	\$ 114.0	\$ 32.0	28.1%	\$ 440.6	\$ 373.1	\$ 67.5	18.1%
Content Per Vehicle	\$ 10.88	\$ 8.99	\$ 1.89	21.0%	\$ 11.18	\$ 10.19	\$ 0.99	9.7%

North American automotive sales for Q3 2025 increased 5.5% from Q3 2024 in a market that saw an increase of 4.1% in production volumes for the same period. As a result, content per vehicle in Q3 2025 increased 1.3% from \$287.54 to \$291.32. The increase in North American content per vehicle was mainly driven by launching programs and certain mature programs; partially offset by market decline on EV programs and lower production for certain ending programs.

European automotive sales for Q3 2025 increased 2.2% from Q3 2024 in a market that saw an increase of 0.8% in production volumes for the same period. As a result, content per vehicle in Q3 2025 increased 1.2% from \$103.95 to \$105.20. The increase in European content per vehicle was mainly driven by foreign exchange and launching programs; partially offset by lower production for certain ending programs and market decline on EV programs.

Asia Pacific automotive sales for Q3 2025 increased 28.1% from Q3 2024 in a market that saw an increase of 5.8% in production volumes for the same period. As a result, content per vehicle in Q3 2025 increased 21.0% from \$8.99 to \$10.88. The increase in Asian content per vehicle was mainly driven by launching programs and higher volumes on programs that the company has significant business with.

RESULTS OF OPERATIONS

Gross Margin

(in millions of dollars)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Sales	\$ 2,541.7	\$ 2,635.7	\$ 7,716.5	\$ 8,206.3
Cost of Sales before amortization	2,022.3	2,106.1	6,092.0	6,571.8
Amortization	151.9	149.4	456.4	436.3
Cost of Sales	2,174.2	2,255.5	6,548.4	7,008.1
Gross Margin	\$ 367.5	\$ 380.2	\$ 1,168.1	\$ 1,198.2
Gross Margin percentage	14.5%	14.4%	15.1%	14.6%

Gross margin percentage increased in Q3 2025 to 14.5% compared to 14.4% in Q3 2024. Cost of sales before amortization as a percentage of sales decreased in Q3 2025 to 79.6% compared to 79.9% for the same quarter as last year. In dollar terms, gross margin decreased \$12.7 million in Q3 2025 compared with Q3 2024 as a result of the items discussed earlier in this analysis such as:

- ♦ lower agricultural sales in a market that was down significantly; partially offset by
- ♦ a significant increase in sales related to launching programs;
- ♦ higher volumes on programs the company has substantial business with; and
- ♦ improvements driven from operational efficiencies, cost reductions, and favourable product mix.

YTD gross margin increased to 15.1% from 14.6%, compared to YTD 2024. The decrease, in dollar terms, in the YTD gross margin was a result of similar factors that impacted Q3 2025.

Amortization as a percentage of sales increased to 6.0% compared to 5.7% for the same quarter as last year. In dollar terms, amortization increased due to additional amortization from launching programs.

YTD amortization was higher at \$456.4 million compared to \$436.3 million in YTD 2024. YTD amortization as a percentage of sales increased to 5.9% compared to 5.3% in YTD 2024. In dollar terms YTD amortization was impacted by the same factors as the quarter.

Selling, General and Administration

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Selling, general and administrative	\$ 141.7	\$ 152.4	\$ 437.6	\$ 457.2
SG&A percentage	5.6%	5.8%	5.7%	5.6%

Selling, general and administrative (“SG&A”) costs decreased in Q3 2025 to \$141.7 million from \$152.4 million and are 5.6% as a percentage of sales in Q3 2024. This decrease is primarily due to a reduction in management and sales costs as a result of lower sales.

On a YTD basis, SG&A costs reflected similar factors that impacted Q3 2025 and increased as a percentage of sales to 5.7% from 5.6% when compared to YTD 2024.

Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Operating Earnings (Loss)	250.9	220.1	723.4	760.9
Finance Income and (Expenses)	(21.8)	(35.5)	(70.2)	(105.8)
Net Earnings (Loss) before Income Taxes	229.1	184.6	653.2	655.1
Provision for (Recovery of) Income Taxes	59.9	46.6	179.4	164.5
Net Earnings (Loss)	169.2	138.0	473.8	490.6

Finance Expenses

Finance expenses decreased \$13.7 million to \$21.8 million in Q3 2025 from \$35.5 million in Q3 2024 due to:

- ◆ a decrease in interest costs due to reductions in the Bank of Canada’s overnight rate and United States federal fund rate;
- ◆ a decrease in outstanding bank debt; and
- ◆ an increase in interest income resulting from increased average daily cash balances.

YTD finance expenses decreased \$35.6 million from \$105.8 million in YTD 2024 to \$70.2 million primarily due to similar factors that impacted Q3 2025.

The consolidated effective interest rate for Q3 2025 decreased to 4.0%, compared to 5.2% in Q3 2024. The consolidated effective interest rate for YTD 2025 decreased to 4.2% compared to 5.3% in YTD 2024. The changes in the effective interest rate for both Q3 2025 and YTD 2025 were driven by the mix of factors explained above.

Income Taxes

The normalized effective tax rate for Q3 2025 was 27.1%, compared to 25.3% in Q3 2024. The increase was primarily driven by:

- ◆ higher non-deductible expenses;
- ◆ an unfavourable mix of tax rates across jurisdictions; and
- ◆ the impact of unrecognized tax benefit of losses carried forward; partially offset by
- ◆ favourable adjustments related to prior periods.

The normalized effective tax rate for YTD Q3 2025 was 26.8%, compared to 25.2% in the same period of 2024. Similar factors that impacted Q3 also impacted the YTD.

TOTAL EQUITY AND OUTSTANDING SHARE DATA

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

The Company is authorized to issue an unlimited number of common shares, of which 59,809,487 common shares were outstanding as of November 12, 2025. The Company’s common shares constitute its only class of voting securities. As of November 12, 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.

For the nine months ended September 30, 2025, the Company repurchased and cancelled 1,084,459 common shares under its normal course issuer bid for a total of \$57.9 million.

SELECTED FINANCIAL INFORMATION

Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended December 31, 2023 through September 30, 2025. 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.

	Sep 30 2025	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023
(in millions of dollars, except per share figures)	\$	\$	\$	\$	\$	\$	\$	\$
Sales	2,541.7	2,642.7	2,532.1	2,375.7	2,635.7	2,848.7	2,721.9	2,453.9
Net Earnings (Loss)	169.2	126.9	177.7	(232.3)	138.0	174.1	178.5	104.4
Net Earnings (Loss) per Share								
Basic	2.83	2.12	2.94	(3.79)	2.24	2.83	2.90	1.70
Diluted	2.82	2.12	2.94	(3.78)	2.24	2.82	2.90	1.69

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 September 30		Nine Months Ended September 30	
	2025 \$	2024 \$	2025 \$	2024 \$
Cash generated from (used in):				
Operating Activities	389.7	370.4	859.3	756.4
Financing Activities	(116.8)	(200.2)	(393.3)	503.5
Investing Activities	(72.1)	(111.0)	(300.2)	(1,099.3)
Effect of translation adjustment on cash	27.2	5.3	11.9	10.5
Increase (decrease) in cash and cash equivalents	228.0	64.5	177.7	171.1
Cash and cash equivalents – Beginning of Period	1,004.3	759.9	1,054.6	653.3
Cash and cash equivalents – End of Period	1,232.3	824.4	1,232.3	824.4
Comprised of:				
Cash in bank	872.8	501.6	872.8	501.6
Short-term deposits	359.5	322.8	359.5	322.8
	1,232.3	824.4	1,232.3	824.4

The Company's cash and cash equivalents at September 30, 2025 were \$1,232.3 million, an increase of \$407.9 million, or 49.5%, compared to September 30, 2024.

Operating Activities

(in millions of dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2025 \$	2024 \$	2025 \$	2024 \$
Net Earnings (Loss) for the period	169.2	138.0	473.8	490.6
Adjustments to earnings	164.1	171.7	506.4	495.4
	333.3	309.7	980.2	986.0
Changes in operating assets and liabilities	56.4	60.7	(120.9)	(229.6)
Cash generated from (used in) operating activities	389.7	370.4	859.3	756.4

Cash generated by operations before the effect of changes in operating assets and liabilities increased \$23.6 million, or 7.6%, in Q3 2025 to \$333.3 million, compared to \$309.7 million in Q3 2024 primarily due to increased net earnings. YTD cash generated from operations

before the effect of changes in operating assets and liabilities decreased \$5.8 million in YTD 2025 to \$980.2 million, compared to \$986.0 million for YTD 2024.

Changes in operating assets and liabilities for Q3 2025 generated cash of \$56.4 million primarily due to a decrease in inventories and accounts receivables, partially offset by a decrease in accounts payables. Changes in operating assets and liabilities YTD used cash of \$120.9 million primarily due to an increase in accounts receivables partially offset by a decrease in inventories and increased accounts payables.

Financing Activities

(in millions of dollars)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Proceeds from (repayments of) long-term debt	(69.4)	(72.2)	(208.5)	26.0
Proceeds from term credit agreement	-	-	-	700.0
Repayment of term credit agreement	-	(75.0)	-	(75.0)
Repurchase of shares	-	-	(57.9)	-
Dividends to shareholders	(17.4)	(15.4)	(49.7)	(46.2)
Finance income received (expenses paid)	(30.0)	(37.6)	(77.2)	(101.3)
Cash generated from (used in) financing activities	(116.8)	(200.2)	(393.3)	503.5

Cash used by financing activities for Q3 2025 was \$116.8 million compared to \$200.2 million used in Q3 2024 and YTD financing activities used \$393.3 million of cash compared to \$503.5 generated in YTD 2024. Financing activities for Q3 2025 and Q3 2024 were driven by a partial repayment of long-term debt. In addition, the Company made a partial repayment to its term credit agreement in Q3 2024. YTD 2025 was impacted by a repayment of long-term debt and funds used for the Company's 2024 normal course issuer bid program. YTD 2024 included proceeds from the new term credit agreement which was partially used for the acquisition of Bourgault Industries Ltd. and its subsidiaries ("Bourgault") in Q1 2024.

Investing Activities

(in millions of dollars)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Payments for purchase of property, plant and equipment	(72.6)	(102.5)	(294.6)	(466.3)
Proceeds on disposal of property, plant and equipment	3.8	1.7	10.1	7.3
Payments for purchase of intangible assets	(3.3)	(7.0)	(15.3)	(19.7)
Business acquisitions, net of cash acquired	-	(3.2)	-	(620.5)
Other	-	-	(0.4)	(0.1)
Cash generated from (used in) investing activities	(72.1)	(111.0)	(300.2)	(1,099.3)

Cash used for investing activities for Q3 2025 was \$72.1 million compared to Q3 2024 at \$111.0 million. YTD cash used for investing activities was \$300.2 million compared to YTD 2024 at \$1,099.3 million. In addition to the Company's ongoing purchase of property, plant and equipment, the primary use of cash from Q1 2024 was for the acquisition of Bourgault.

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 level of debt, strong cash position, and significant new program launches all providing prospects for growth. Management expects that future operating capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At September 30, 2025, cash and cash equivalents, including short-term deposits was \$1.2 billion and the Company's credit facilities had available credit of \$978.2 million. Combined, the Company believes this liquidity¹ of \$2.2 billion at September 30, 2025 is sufficient to meet cash flow needs. Free cash flow¹ was \$320.9 million for Q3 2025 primarily due to cash generated from operating activities.

Commitments and Contingencies

Please see the Company's December 31, 2024 annual MD&A for a table summarizing the contractual obligations by category. Also, certain guarantees and legal claims are described in the notes to the Company's consolidated financial statements for the year ended December 31, 2024.

¹ Liquidity and Free Cash Flow are Non-GAAP financial measures. Please see "Non-GAAP and Other Financial Measures" section of this MD&A.

Financial Instruments

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended September 30, 2025. For more information, please see the Company's December 31, 2024 annual MD&A and the Company's consolidated financial statements for the year ended December 31, 2024.

CURRENT AND PROPOSED TRANSACTIONS

On October 7, 2025, the Company announced a definitive agreement to acquire 100% of the equity interest of Georg Fischer's Leipzig casting facility for a total estimated EUR 45.0 million, with certain adjustments for cash, debt and working capital. The acquisition will diversify the Company's casting solutions to include large ductile iron castings for heavy industrial on and off-highway applications.

On October 9, 2025, the Company announced a definitive agreement to acquire select assets of Aludyne Incorporated's North American operations for a total estimated USD \$300.0 million, less closing cash, and certain adjustments for working capital. The acquisition is expected to close before the end of the year. The acquisition will add advanced capabilities to the Company's lightweight aluminum chassis and structural technologies and expand the Company's footprint across North America, notably in the United States.

There are no other current and proposed transactions for the quarter ended September 30, 2025.

RISK MANAGEMENT

The Company is exposed to a number of risks in the normal course of business that have the potential to affect its operating results. These include, but are not limited to International Trade Policies; Competition, Outsourcing and Insourcing; Sources and Availability of Raw Materials; Labour Markets and Dependence on Key Personnel; Dependence on Certain Customers; Technological Change and Product Launches; Public Health Threats; Foreign Business Risk; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Cyclicity and Seasonality; Legal Proceedings and Insurance Coverage; Credit Risk; Climate Change; Weather; Emission Standards; Capital and Liquidity Risk; Tax Laws; Securities Laws Compliance and Corporate Governance Standards; and Environmental Matters. These risk factors remain substantially unchanged during the quarter ended September 30, 2025. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2024 annual MD&A, and the Company's December 31, 2024 Annual Information Form, 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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2025, 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. 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 consolidated financial statements for the year ended December 31, 2024.

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, and the consolidated interim financial statements for the quarter ended September 30, 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.

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:

(in millions of dollars)	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
	\$	\$	\$	\$
Adjustment for duties relating to certain Industrial segment products	-	-	-	15.8
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	-	-	15.8
Asset impairment provision, net of reversals	0.3	0.5	(0.5)	0.7
Other items and Asset impairments impacting EBITDA – Normalized	0.3	0.5	(0.5)	16.5

Normalizing items for asset impairment provisions, net of reversals adjusted EBITDA and impacted the Mobility segment by \$0.3 million for Q3 2025 and (\$0.5) million YTD 2025 (\$0.5 million for Q3 2024 and \$0.7 million YTD 2024).

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.

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

	Three Months Ended September 30				Nine Months Ended September 30			
	2025	2024	+/-	+/-	2025	2024	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	250.9	220.1	30.8	14.0%	723.4	760.9	(37.5)	(4.9%)
Foreign exchange (gain) loss	(23.3)	8.5	(31.8)		10.4	(13.8)	24.2	
Other items	-	-	-		-	15.8	(15.8)	
Operating Earnings (Loss) – Normalized	227.6	228.6	(1.0)	(0.4%)	733.8	762.9	(29.1)	(3.8%)
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	169.2	138.0	31.2	22.6%	473.8	490.6	(16.8)	(3.4%)
Foreign exchange (gain) loss	(23.3)	8.5	(31.8)		10.4	(13.8)	24.2	
Foreign exchange (gain) loss on debt and derivatives	-	0.4	(0.4)		0.1	1.1	(1.0)	
Other items	-	-	-		-	15.8	(15.8)	
Tax impact including Other Items	4.2	(2.3)	6.5		1.4	(1.1)	2.5	
Net Earnings (Loss) – Normalized	150.1	144.6	5.5	3.8%	485.7	492.6	(6.9)	(1.4%)
Effective tax rate	26.2%	25.3%			27.5%	25.1%		
Effective tax rate - Normalized	27.1%	25.3%			26.8%	25.2%		
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	2.82	2.24	0.58	25.9%	7.89	7.96	(0.07)	(0.9%)
Foreign exchange (gain) loss	(0.38)	0.14	(0.52)		0.17	(0.22)	0.39	
Foreign exchange (gain) loss on debt and derivatives	-	0.01	(0.01)		-	0.02	(0.02)	
Other items	-	-	-		-	0.26	(0.26)	
Tax impact including Other Items	0.07	(0.04)	0.11		0.02	(0.03)	0.05	
Net Earnings (Loss) per Share – Diluted – Normalized	2.51	2.35	0.16	6.8%	8.08	7.99	0.09	1.1%
EBITDA and EBITDA – Normalized								
Net Earnings (Loss) before income taxes	229.1	184.6	44.5	24.1%	653.2	655.1	(1.9)	(0.3%)
Amortization of property, plant and equipment	132.4	131.0	1.4		399.0	382.3	16.7	
Amortization of other intangible assets	20.6	19.2	1.4		60.5	57.0	3.5	
Interest expense	22.2	33.3	(11.1)		69.8	98.3	(28.5)	
Other interest	5.0	5.3	(0.3)		14.7	16.6	(1.9)	
EBITDA	409.3	373.4	35.9	9.6%	1,197.2	1,209.3	(12.1)	(1.0%)
Foreign exchange (gain) loss	(23.3)	8.5	(31.8)		10.4	(13.8)	24.2	
Foreign exchange (gain) loss on debt and derivatives	-	0.4	(0.4)		0.1	1.1	(1.0)	
Asset impairment provision, net of reversals	0.3	0.5	(0.2)		(0.5)	0.7	(1.2)	
Other items	-	-	-		-	15.8	(15.8)	
EBITDA – Normalized	386.3	382.8	3.5	0.9%	1,207.2	1,213.1	(5.9)	(0.5%)

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

(in millions of dollars)	Three Months Ended September 30 2025			Nine Months Ended September 30 2025		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	89.8	161.1	250.9	286.5	436.9	723.4
Foreign exchange (gain) loss	(28.1)	4.8	(23.3)	5.1	5.3	10.4
Other items	-	-	-	-	-	-
Operating Earnings (Loss) – Normalized	61.7	165.9	227.6	291.6	442.2	733.8
EBITDA – Normalized						
EBITDA	113.7	295.6	409.3	357.9	839.3	1,197.2
Foreign exchange (gain) loss	(28.1)	4.8	(23.3)	5.1	5.3	10.4
Foreign exchange (gain) loss on debt and derivatives	-	-	-	-	0.1	0.1
Asset impairment provision, net of reversals	-	0.3	0.3	-	(0.5)	(0.5)
Other items	-	-	-	-	-	-
EBITDA – Normalized	85.6	300.7	386.3	363.0	844.2	1,207.2
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	141.8	78.3	220.1	436.3	324.6	760.9
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Other items	-	-	-	15.8	-	15.8
Operating Earnings (Loss) – Normalized	140.2	88.4	228.6	424.7	338.2	762.9
EBITDA – Normalized						
EBITDA	166.0	207.4	373.4	505.1	704.2	1,209.3
Foreign exchange (gain) loss	(1.6)	10.1	8.5	(27.4)	13.6	(13.8)
Foreign exchange (gain) loss on debt and derivatives	0.4	-	0.4	1.1	-	1.1
Asset impairment provision, net of reversals	-	0.5	0.5	-	0.7	0.7
Other items	-	-	-	15.8	-	15.8
EBITDA – Normalized	164.8	218.0	382.8	494.6	718.5	1,213.1

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 September 30		Nine Months Ended September 30	
	2025 \$	2024 \$	2025 \$	2024 \$
Free Cash Flow				
Cash generated from (used in) operating activities	389.7	370.4	859.3	756.4
Payments for purchase of property, plant and equipment	(72.6)	(102.5)	(294.6)	(466.3)
Proceeds on disposal of property, plant and equipment	3.8	1.7	10.1	7.3
Free Cash Flow	320.9	269.6	574.8	297.4
Liquidity				
Cash and cash equivalents			1,232.3	824.4
Available credit			978.2	602.4
Liquidity			2,210.5	1,426.8

Supplementary Financial Measures

Content per Vehicle

CPV 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 September 30, 2025	Three Months Ended			Year to Date		
	Mar 31 2025	Jun 30 2025	Sep 30 2025	Mar 31 2025	Jun 30 2025	Sep 30 2025
<i>North America</i>						
Vehicle Production Units	3.89	4.09	4.08	3.89	7.97	12.05
Automotive Sales	\$ 1,171.4	\$ 1,191.7	\$ 1,188.2	\$ 1,171.4	\$ 2,363.1	\$ 3,551.3
Content Per Vehicle	\$ 301.41	\$ 291.57	\$ 291.32	\$ 301.41	\$ 296.37	\$ 294.66
<i>Europe</i>						
Vehicle Production Units	4.38	4.46	3.77	4.38	8.83	12.61
Automotive Sales	\$ 426.3	\$ 433.1	\$ 396.9	\$ 426.3	\$ 859.4	\$ 1,256.3
Content Per Vehicle	\$ 97.39	\$ 97.20	\$ 105.20	\$ 97.39	\$ 97.30	\$ 99.66
<i>Asia Pacific</i>						
Vehicle Production Units	12.80	13.18	13.42	12.80	25.98	39.40
Automotive Sales	\$ 146.7	\$ 147.9	\$ 146.0	\$ 146.7	\$ 294.6	\$ 440.6
Content Per Vehicle	\$ 11.46	\$ 11.22	\$ 10.88	\$ 11.46	\$ 11.34	\$ 11.18
Estimates as of June 30, 2025	Three Months Ended			Year to Date		
	Mar 31	Jun 30		Mar 31	Jun 30	
<i>North America</i>	2025	2025		2025	2025	
Vehicle Production Units	3.87	4.09		3.87	7.96	
Automotive Sales	\$ 1,171.9	\$ 1,192.8		\$ 1,171.9	\$ 2,364.7	
Content Per Vehicle	\$ 303.15	\$ 291.63		\$ 303.15	\$ 297.23	
<i>Europe</i>						
Vehicle Production Units	4.39	4.41		4.39	8.80	
Automotive Sales	\$ 425.6	\$ 433.0		\$ 425.6	\$ 858.5	
Content Per Vehicle	\$ 96.98	\$ 98.15		\$ 96.98	\$ 97.57	
<i>Asia Pacific</i>						
Vehicle Production Units	12.78	13.03		12.78	25.82	
Automotive Sales	\$ 146.9	\$ 147.6		\$ 146.9	\$ 294.4	
Content Per Vehicle	\$ 11.49	\$ 11.32		\$ 11.49	\$ 11.41	

Change in Estimates from Prior Quarter	Three Months Ended		Year to Date	
	Mar 31 2025	Jun 30 2025	Mar 31 2025	Jun 30 2025
	+/-	+/-	+/-	+/-
<i>North America</i>				
Vehicle Production Units	0.02	-	0.02	0.01
Automotive Sales	\$ (0.5)	\$ (1.1)	\$ (0.5)	\$ (1.6)
Content Per Vehicle	\$ (1.74)	\$ (0.06)	\$ (1.74)	\$ (0.86)
<i>Europe</i>				
Vehicle Production Units	(0.01)	0.05	(0.01)	0.03
Automotive Sales	\$ 0.7	\$ 0.1	\$ 0.7	\$ 0.9
Content Per Vehicle	\$ 0.41	\$ (0.95)	\$ 0.41	\$ (0.27)
<i>Asia Pacific</i>				
Vehicle Production Units	0.02	0.15	0.02	0.16
Automotive Sales	\$ (0.2)	\$ 0.3	\$ (0.2)	\$ 0.2
Content Per Vehicle	\$ (0.03)	\$ (0.10)	\$ (0.03)	\$ (0.07)

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; cyclicity and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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