

# LINAMAR CORPORATION

## Management's Discussion and Analysis

For the Quarter Ended June 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 June 30, 2025. This MD&A has been prepared as at August 13, 2025. The financial information presented herein has been prepared on the basis of IFRS<sup>®</sup> 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](http://www.linamar.com) or through the SEDAR website at [www.sedar.com](http://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 34,000 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](http://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 second quarter of 2025 ("Q2 2025") and 2024 ("Q2 2024"):

(in millions of dollars, except per share figures)	Three Months Ended June 30				Six Months Ended June 30			
	2025	2024	+/-	+/-	2025	2024	+/-	+/-
	\$	\$	\$	%	\$	\$	\$	%
Sales	2,642.7	2,848.7	(206.0)	(7.2%)	5,174.8	5,570.6	(395.8)	(7.1%)
Gross Margin	398.2	424.8	(26.6)	(6.3%)	800.6	818.0	(17.4)	(2.1%)
Operating Earnings (Loss)	206.2	271.5	(65.3)	(24.1%)	472.5	540.8	(68.3)	(12.6%)
Net Earnings (Loss)	126.9	174.1	(47.2)	(27.1%)	304.6	352.6	(48.0)	(13.6%)
Net Earnings (Loss) per Share - Diluted	2.12	2.82	(0.70)	(24.8%)	5.06	5.72	(0.66)	(11.5%)
Earnings before interest, taxes and amortization ("EBITDA") <sup>1</sup>	362.1	424.2	(62.1)	(14.6%)	787.9	835.9	(48.0)	(5.7%)
Operating Earnings (Loss) - Normalized <sup>1</sup>	254.2	290.5	(36.3)	(12.5%)	506.2	534.3	(28.1)	(5.3%)
Net Earnings (Loss) - Normalized <sup>1</sup>	168.4	188.4	(20.0)	(10.6%)	335.6	348.0	(12.4)	(3.6%)
Net Earnings (Loss) per Share - Diluted - Normalized <sup>1</sup>	2.81	3.06	(0.25)	(8.2%)	5.57	5.65	(0.08)	(1.4%)
EBITDA – Normalized <sup>1</sup>	410.4	443.4	(33.0)	(7.4%)	820.9	830.3	(9.4)	(1.1%)

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

<sup>1</sup> 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 June 30, 2025.

(in millions of dollars)	Three Months Ended June 30 2025			Six Months Ended June 30 2025		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	688.2	1,954.5	2,642.7	1,321.5	3,853.3	5,174.8
Operating Earnings (Loss)	53.8	152.4	206.2	196.7	275.8	472.5
EBITDA	77.7	284.4	362.1	244.2	543.7	787.9
Operating Earnings (Loss) – Normalized	103.3	150.9	254.2	229.9	276.3	506.2
EBITDA – Normalized	127.2	283.2	410.4	277.5	543.4	820.9

(in millions of dollars)	Three Months Ended June 30 2024			Six Months Ended June 30 2024		
	Industrial \$	Mobility \$	Linamar \$	Industrial \$	Mobility \$	Linamar \$
Sales	886.6	1,962.1	2,848.7	1,615.2	3,955.4	5,570.6
Operating Earnings (Loss)	154.7	116.8	271.5	294.5	246.3	540.8
EBITDA	180.0	244.2	424.2	339.1	496.8	835.9
Operating Earnings (Loss) – Normalized	164.3	126.2	290.5	284.5	249.8	534.3
EBITDA – Normalized	189.7	253.7	443.4	329.7	500.6	830.3

### Industrial Highlights

(in millions of dollars)	Three Months Ended June 30				Six Months Ended June 30			
	2025 \$	2024 \$	+/- \$	+/- %	2025 \$	2024 \$	+/- \$	+/- %
Sales	688.2	886.6	(198.4)	(22.4%)	1,321.5	1,615.2	(293.7)	(18.2%)
Operating Earnings (Loss)	53.8	154.7	(100.9)	(65.2%)	196.7	294.5	(97.8)	(33.2%)
EBITDA	77.7	180.0	(102.3)	(56.8%)	244.2	339.1	(94.9)	(28.0%)
Operating Earnings (Loss) – Normalized	103.3	164.3	(61.0)	(37.1%)	229.9	284.5	(54.6)	(19.2%)
EBITDA – Normalized	127.2	189.7	(62.5)	(32.9%)	277.5	329.7	(52.2)	(15.8%)

The Industrial segment ("Industrial") product sales decreased 22.4%, or \$198.4 million, to \$688.2 million in Q2 2025 from Q2 2024. The sales decrease was due to:

- ♦ lower agricultural sales in a market that was down significantly, despite market share growth for combine drapers, seeding and tillage products in key regions; and
- ♦ reduced sales due to significantly lower market demand for access equipment, despite market share growth for scissors globally and booms in Europe.

Year to date ("YTD") sales for Industrial decreased by 18.2%, or \$293.7 million, compared with YTD 2024. The factors that impacted Q2 2025 similarly impacted the YTD results.

Industrial segment normalized operating earnings in Q2 2025 decreased \$61.0 million, or 37.1%, from Q2 2024. The Industrial normalized operating earnings results were predominantly driven by:

- ♦ lower agricultural sales in a market that was down significantly;
- ♦ reduced volumes due to lower market demand for access equipment; and
- ♦ unfavourable product mix; partially offset by
- ♦ improvements driven from cost reductions and operational efficiencies.

The YTD normalized operating earnings decreased by \$54.6 million, or 19.2%, compared with YTD 2024. The factors that impacted Q2 2025 similarly impacted the YTD results.

## Mobility Highlights

(in millions of dollars)	Three Months Ended June 30				Six Months Ended June 30			
	2025 \$	2024 \$	+/- \$	+/- %	2025 \$	2024 \$	+/- \$	+/- %
Sales	1,954.5	1,962.1	(7.6)	(0.4%)	3,853.3	3,955.4	(102.1)	(2.6%)
Operating Earnings (Loss)	152.4	116.8	35.6	30.5%	275.8	246.3	29.5	12.0%
EBITDA	284.4	244.2	40.2	16.5%	543.7	496.8	46.9	9.4%
Operating Earnings (Loss) – Normalized	150.9	126.2	24.7	19.6%	276.3	249.8	26.5	10.6%
EBITDA – Normalized	283.2	253.7	29.5	11.6%	543.4	500.6	42.8	8.5%

Sales for the Mobility segment (“Mobility”) decreased by \$7.6 million, or 0.4%, in Q2 2025 compared with Q2 2024. The sales in Q2 2025 were impacted by:

- ◆ lower sales as a result of automotive market declines notably in North America and Europe, particularly the electric vehicle (“EV”) markets; and
- ◆ lower production for certain ending programs; partially offset by
- ◆ increased sales related to launching programs and cost recoveries; and
- ◆ increased sales from the changes in foreign exchange rates from Q2 2024.

YTD sales for Mobility decreased by \$102.1 million, or 2.6%, compared to YTD 2024. The factors that impacted Q2 2025 similarly impacted the YTD results.

Q2 2025 normalized operating earnings for Mobility increased by \$24.7 million, or 19.6%, compared to Q2 2024. The Mobility segment’s earnings were impacted by the following:

- ◆ improvements driven from cost reductions, operational efficiencies, and favourable product mix;
- ◆ increased sales related to launching programs; and
- ◆ a favourable impact from the changes in foreign exchange rates from Q2 2024; partially offset by
- ◆ lower sales as a result of automotive market declines notably in North America and Europe, particularly the EV markets and lower production for certain ending programs.

The YTD normalized operating earnings increased by \$26.5 million, or 10.6%, compared with YTD 2024. The factors that impacted Q2 2025 similarly impacted the YTD results

### Automotive Sales and Content Per Vehicle<sup>1</sup>

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 units<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> 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				Six Months Ended			
			June 30				June 30	
<i>North America</i>	2025	2024	+/-	%	2025	2024	+/-	%
Vehicle Production Units	4.09	4.25	(0.16)	(3.8%)	7.96	8.38	(0.42)	(5.0%)
Automotive Sales	\$ 1,192.8	\$ 1,225.5	\$ (32.7)	(2.7%)	\$ 2,364.7	\$ 2,449.2	\$ (84.5)	(3.5%)
<b>Content Per Vehicle</b>	<b>\$ 291.63</b>	<b>\$ 288.36</b>	<b>\$ 3.27</b>	<b>1.1%</b>	<b>\$ 297.23</b>	<b>\$ 292.38</b>	<b>\$ 4.85</b>	<b>1.7%</b>
<i>Europe</i>								
Vehicle Production Units	4.41	4.50	(0.09)	(2.0%)	8.80	9.11	(0.31)	(3.4%)
Automotive Sales	\$ 433.0	\$ 447.5	\$ (14.5)	(3.2%)	\$ 858.5	\$ 928.3	\$ (69.8)	(7.5%)
<b>Content Per Vehicle</b>	<b>\$ 98.15</b>	<b>\$ 99.47</b>	<b>\$ (1.32)</b>	<b>(1.3%)</b>	<b>\$ 97.57</b>	<b>\$ 101.90</b>	<b>\$ (4.33)</b>	<b>(4.2%)</b>
<i>Asia Pacific</i>								
Vehicle Production Units	13.03	12.28	0.75	6.1%	25.82	23.94	1.88	7.9%
Automotive Sales	\$ 147.6	\$ 132.1	\$ 15.5	11.7%	\$ 294.4	\$ 259.1	\$ 35.3	13.6%
<b>Content Per Vehicle</b>	<b>\$ 11.32</b>	<b>\$ 10.76</b>	<b>\$ 0.56</b>	<b>5.2%</b>	<b>\$ 11.41</b>	<b>\$ 10.82</b>	<b>\$ 0.59</b>	<b>5.5%</b>

North American automotive sales for Q2 2025 decreased 2.7% from Q2 2024 in a market that saw a decrease of 3.8% in production volumes for the same period. As a result, content per vehicle in Q2 2025 increased 1.1% from \$288.36 to \$291.63. The increase in North American content per vehicle was mainly driven by launching programs, certain mature programs and foreign exchange; partially offset by lower production for certain ending programs and market declines on EV programs.

European automotive sales for Q2 2025 decreased 3.2% from Q2 2024 in a market that saw a decrease of 2.0% in production volumes for the same period. As a result, content per vehicle in Q2 2025 decreased 1.3% from \$99.47 to \$98.15. The decrease in European content per vehicle was mainly driven by lower production for certain mature and ending programs and market declines on EV programs, partially offset by foreign exchange and launching programs.

Asia Pacific automotive sales for Q2 2025 increased 11.7% from Q2 2024 in a market that saw an increase of 6.1% in production volumes for the same period. As a result, content per vehicle in Q2 2025 increased 5.2% from \$10.76 to \$11.32. The increase in Asian content per vehicle was mainly driven by launching programs.

## RESULTS OF OPERATIONS

### Gross Margin

(in millions of dollars)	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2025	2024	2025	2024
Sales	\$ 2,642.7	\$ 2,848.7	\$ 5,174.8	\$ 5,570.6
Cost of Sales before amortization	2,094.1	2,276.2	4,069.7	4,465.7
Amortization	150.4	147.7	304.5	286.9
Cost of Sales	2,244.5	2,423.9	4,374.2	4,752.6
Gross Margin	\$ 398.2	\$ 424.8	\$ 800.6	\$ 818.0
Gross Margin percentage	15.1%	14.9%	15.5%	14.7%

Gross margin percentage increased in Q2 2025 to 15.1% compared to 14.9% in Q2 2024. Cost of sales before amortization as a percentage of sales decreased in Q2 2025 to 79.2% compared to 79.9% for the same quarter as last year. In dollar terms, gross margin decreased \$26.6 million in Q2 2025 compared with Q2 2024 as a result of the items discussed earlier in this analysis such as:

- ♦ lower agricultural sales in a market that was down significantly;
- ♦ a reduction from automotive market declines notably in North America and Europe, in particular the EV markets and lower production for certain ending programs; and
- ♦ reduced volumes due to lower market demand for access equipment; partially offset by
- ♦ improvements driven from cost reductions, operational efficiencies, and the net favourable product mix;
- ♦ a favourable impact on earnings from the changes in foreign exchange rates from Q2 2024; and
- ♦ increased sales related to launching programs.

YTD gross margin increased to 15.5% from 14.7%, compared to YTD 2024. The decrease, in dollar terms, in the YTD gross margin was a result of similar factors that impacted Q2 2025.

Amortization as a percentage of sales increased to 5.7% compared to 5.2% for the same quarter as last year. In dollar terms, Q2 2025 amortization expense is consistent with the same quarter last year.

YTD amortization was higher at \$304.5 million compared to \$286.9 million in YTD 2024. YTD amortization as a percentage of sales increased to 5.9% compared to 5.2% in YTD 2024. In dollar terms YTD amortization was impacted by:

- ♦ additional amortization from launching programs and facilities; and
- ♦ additional amortization related to the acquisition of Bourgault Industries Ltd. and its subsidiaries ("Bourgault") in Q1 2024.

## Selling, General and Administration

(in millions of dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Selling, general and administrative	\$ 143.8	\$ 153.1	\$ 295.9	\$ 304.8
SG&A percentage	5.4%	5.4%	5.7%	5.5%

Selling, general and administrative (“SG&A”) costs decreased in Q2 2025 to \$143.8 million from \$153.1 million, or 5.4% as a percentage of sales in Q2 2024. This decrease, in dollar terms, is primarily due to:

- ◆ a reduction in management and sales costs as a result of lower sales and earnings; and
- ◆ lower travel expenses compared to same quarter last year.

On a YTD basis, SG&A costs reflected similar factors that impacted Q2 2025 and increased as a percentage of sales to 5.7% from 5.5% when compared to YTD 2024.

## Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Operating Earnings (Loss)	206.2	271.5	472.5	540.8
Finance Income and (Expenses)	(23.7)	(37.3)	(48.4)	(70.3)
Net Earnings (Loss) before Income Taxes	182.5	234.2	424.1	470.5
Provision for (Recovery of) Income Taxes	55.6	60.1	119.5	117.9
Net Earnings (Loss)	126.9	174.1	304.6	352.6

### Finance Expenses

Finance expenses decreased \$13.6 million to \$23.7 million in Q2 2025 from \$37.3 million in Q2 2024 due to:

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

YTD finance expenses decreased \$21.9 million from \$70.3 million in YTD 2024 to \$48.4 million primarily due to similar factors that impacted the quarter.

The consolidated effective interest rate for Q2 2025 decreased to 4.2%, compared to 5.4% in Q2 2024. The consolidated effective interest rate for YTD 2025 decreased to 4.3% compared to 5.3% in YTD 2024. The changes in the effective interest rate for both Q2 2025 and YTD 2025 were driven by the mix of factors explained above.

### Income Taxes

The normalized effective tax rate for Q2 2025 was 27.0%, compared to 25.6% in Q2 2024. The increase was primarily driven by:

- ◆ adjustments related to prior periods;
- ◆ higher non-deductible expenses; and
- ◆ the impact of previously unrecognized deferred tax assets; partially offset by
- ◆ a favourable mix of tax rates across jurisdictions.

The normalized effective tax rate for YTD Q2 2025 was 26.7%, compared to 25.1% in the same period of 2024. Similar factors that impacted Q2 also impacted the YTD with two key differences:

- ◆ an unfavourable mix of tax rates; partially offset by
- ◆ the Q1 2025 impact of the recognition of previously unrecognized tax loss carry-forwards.

## 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 59,809,587 common shares were outstanding as of August 13, 2025. The Company’s common shares constitute its only class of voting securities. As of August 13, 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 six months ended June 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 September 30, 2023 through June 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.

	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
(in millions of dollars, except per share figures)	\$	\$	\$	\$	\$	\$	\$	\$
Sales	2,642.7	2,532.1	2,375.7	2,635.7	2,848.7	2,721.9	2,453.9	2,434.2
Net Earnings (Loss)	126.9	177.7	(232.3)	138.0	174.1	178.5	104.4	146.7
Net Earnings (Loss) per Share								
Basic	2.12	2.94	(3.79)	2.24	2.83	2.90	1.70	2.38
Diluted	2.12	2.94	(3.78)	2.24	2.82	2.90	1.69	2.38

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 June 30		Six Months Ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cash generated from (used in):				
Operating Activities	305.3	236.0	469.6	386.0
Financing Activities	(51.9)	(88.8)	(276.6)	703.7
Investing Activities	(134.1)	(174.6)	(228.1)	(988.3)
Effect of translation adjustment on cash	(24.2)	0.1	(15.2)	5.2
Increase (decrease) in cash and cash equivalents	95.1	(27.3)	(50.3)	106.6
Cash and cash equivalents – Beginning of Period	909.2	787.2	1,054.6	653.3
Cash and cash equivalents – End of Period	1,004.3	759.9	1,004.3	759.9
Comprised of:				
Cash in bank	667.4	442.6	667.4	442.6
Short-term deposits	336.9	317.3	336.9	317.3
	1,004.3	759.9	1,004.3	759.9

The Company's cash and cash equivalents (net of unrepresented cheques) at June 30, 2025 were \$1,004.3 million, an increase of \$244.4 million, or 32.2%, compared to June 30, 2024.

### Operating Activities

(in millions of dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net Earnings (Loss) for the period	126.9	174.1	304.6	352.6
Adjustments to earnings	151.0	177.1	342.3	323.7
	277.9	351.2	646.9	676.3
Changes in operating assets and liabilities	27.4	(115.2)	(177.3)	(290.3)
Cash generated from (used in) operating activities	305.3	236.0	469.6	386.0

Cash generated by operations before the effect of changes in operating assets and liabilities decreased \$73.3 million, or 20.9%, in Q2 2025 to \$277.9 million, compared to \$351.2 million in Q2 2024 primarily due to decreased net earnings. YTD cash generated from operations

before the effect of changes in operating assets and liabilities decreased \$29.4 million in 2025 to \$646.9 million, compared to \$676.3 million for YTD 2024.

Changes in operating assets and liabilities for Q2 2025 generated cash of \$27.4 million primarily due to a decrease in inventories and an increase in accounts payable, partially offset by an increase in accounts receivables. Changes in operating assets and liabilities YTD used cash of \$177.3 million primarily due to an increase in accounts receivables partially offset by increased accounts payables.

## Financing Activities

(in millions of dollars)	Three Months Ended		Six Months Ended	
	2025	June 30 2024	2025	June 30 2024
	\$	\$	\$	\$
Proceeds from (repayments of) long-term debt	(1.7)	(31.5)	(139.2)	98.2
Proceeds from term credit agreement	-	-	-	700.0
Repurchase of shares	(4.4)	-	(57.9)	-
Dividends to shareholders	(32.3)	(30.8)	(32.3)	(30.8)
Finance income received (expenses paid)	(13.5)	(26.5)	(47.2)	(63.7)
Cash generated from (used in) financing activities	(51.9)	(88.8)	(276.6)	703.7

Cash used by financing activities for Q2 2025 was \$51.9 million compared to \$88.8 million used in Q2 2024 and YTD financing activities used \$276.6 million of cash compared to \$703.7 generated in YTD 2024. Financing activities for both the quarter and YTD were impacted by dividends paid to shareholders. YTD 2025 was also impacted by repayments of long-term debt and funds used for the Company's 2024 normal course issuer bid program. This compares to YTD 2024, which also included proceeds from the new term credit agreement which was partially used for the acquisition of Bourgault in Q1 2024.

## Investing Activities

(in millions of dollars)	Three Months Ended		Six Months Ended	
	2025	June 30 2024	2025	June 30 2024
	\$	\$	\$	\$
Payments for purchase of property, plant and equipment	(133.2)	(174.0)	(222.0)	(363.8)
Proceeds on disposal of property, plant and equipment	5.5	5.1	6.3	5.6
Payments for purchase of intangible assets	(6.4)	(5.7)	(12.1)	(12.7)
Business acquisitions, net of cash acquired	-	-	-	(617.3)
Other	-	-	(0.3)	(0.1)
Cash generated from (used in) investing activities	(134.1)	(174.6)	(228.1)	(988.3)

Cash used for investing activities for Q2 2025 was \$134.1 million compared to Q2 2024 at \$174.6 million. YTD cash used for investing activities was \$228.1 million compared to YTD 2024 at \$988.3 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-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 June 30, 2025, cash and cash equivalents, including short-term deposits was \$1.0 billion and the Company's credit facilities had available credit of \$914.6 million. Combined, the Company believes this liquidity<sup>1</sup> of \$1.9 billion at June 30, 2025 is sufficient to meet cash flow needs. Free cash flow<sup>1</sup> was \$177.6 million for Q2 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.

## Financial Instruments

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended June 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.

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

## CURRENT AND PROPOSED TRANSACTIONS

There are no current and proposed transactions for the quarter ended June 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; Cyclical 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 June 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 June 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 June 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		Six Months Ended	
	2025	2024	2025	2024
	\$	\$	\$	\$
Adjustment for duties relating to certain Industrial segment products	-	15.8	-	15.8
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	15.8	-	15.8
Asset impairment provision, net of reversals	0.2	0.1	(0.9)	0.3
Other items and Asset impairments impacting EBITDA – Normalized	0.2	15.9	(0.9)	16.1

Normalizing items for asset impairment provisions, net of reversals adjusted EBITDA and impacted the Mobility segment by \$0.2 million for Q2 2025 and (\$0.9) million YTD 2025 (\$0.1 million for Q2 2024 and \$0.3 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:

(in millions of dollars, except per share figures)	Three Months Ended				Six Months Ended			
	2025	2024	+/-	+/-	2025	2024	+/-	+/-
	\$	\$	\$	%	\$	\$	\$	%
<b>Operating Earnings (Loss) – Normalized</b>								
Operating Earnings (Loss)	206.2	271.5	(65.3)	(24.1%)	472.5	540.8	(68.3)	(12.6%)
Foreign exchange (gain) loss	48.0	3.2	44.8		33.7	(22.3)	56.0	
Other items	-	15.8	(15.8)		-	15.8	(15.8)	
Operating Earnings (Loss) – Normalized	254.2	290.5	(36.3)	(12.5%)	506.2	534.3	(28.1)	(5.3%)
<b>Net Earnings (Loss) – Normalized</b>								
Net Earnings (Loss)	126.9	174.1	(47.2)	(27.1%)	304.6	352.6	(48.0)	(13.6%)
Foreign exchange (gain) loss	48.0	3.2	44.8		33.7	(22.3)	56.0	
Foreign exchange (gain) loss on debt and derivatives	0.1	0.1	-		0.2	0.6	(0.4)	
Other items	-	15.8	(15.8)		-	15.8	(15.8)	
Tax impact including Other Items	(6.6)	(4.8)	(1.8)		(2.9)	1.3	(4.2)	
Net Earnings (Loss) – Normalized	168.4	188.4	(20.0)	(10.6%)	335.6	348.0	(12.4)	(3.6%)
Effective tax rate	30.5%	25.7%			28.2%	25.1%		
Effective tax rate - Normalized	27.0%	25.6%			26.7%	25.1%		

	Three Months Ended June 30				Six Months Ended June 30			
	2025	2024	+/-	+/-	2025	2024	+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%	\$	\$	\$	%
<b>Net Earnings (Loss) per Share – Diluted – Normalized</b>								
Net Earnings (Loss) per Share – Diluted	2.12	2.82	(0.70)	(24.8%)	5.06	5.72	(0.66)	(11.5%)
Foreign exchange (gain) loss	0.80	0.05	0.75		0.56	(0.36)	0.92	
Foreign exchange (gain) loss on debt and derivatives	-	-	-		-	0.01	(0.01)	
Other items	-	0.26	(0.26)		-	0.26	(0.26)	
Tax impact including Other Items	(0.11)	(0.07)	(0.04)		(0.05)	0.02	(0.07)	
Net Earnings (Loss) per Share – Diluted – Normalized	2.81	3.06	(0.25)	(8.2%)	5.57	5.65	(0.08)	(1.4%)
<b>EBITDA and EBITDA – Normalized</b>								
Net Earnings (Loss) before income taxes	182.5	234.2	(51.7)	(22.1%)	424.1	470.5	(46.4)	(9.9%)
Amortization of property, plant and equipment	131.6	128.7	2.9		266.6	251.3	15.3	
Amortization of other intangible assets	19.9	20.2	(0.3)		39.9	37.8	2.1	
Interest expense	23.0	34.9	(11.9)		47.5	65.0	(17.5)	
Other interest	5.1	6.2	(1.1)		9.8	11.3	(1.5)	
EBITDA	362.1	424.2	(62.1)	(14.6%)	787.9	835.9	(48.0)	(5.7%)
Foreign exchange (gain) loss	48.0	3.2	44.8		33.7	(22.3)	56.0	
Foreign exchange (gain) loss on debt and derivatives	0.1	0.1	-		0.2	0.6	(0.4)	
Asset impairment provision, net of reversals	0.2	0.1	0.1		(0.9)	0.3	(1.2)	
Other items	-	15.8	(15.8)		-	15.8	(15.8)	
EBITDA – Normalized	410.4	443.4	(33.0)	(7.4%)	820.9	830.3	(9.4)	(1.1%)

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

	Three Months Ended June 30 2025			Six Months Ended June 30 2025		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
(in millions of dollars)	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	53.8	152.4	206.2	196.7	275.8	472.5
Foreign exchange (gain) loss	49.5	(1.5)	48.0	33.2	0.5	33.7
Other items	-	-	-	-	-	-
Operating Earnings (Loss) – Normalized	103.3	150.9	254.2	229.9	276.3	506.2
<b>EBITDA – Normalized</b>						
EBITDA	77.7	284.4	362.1	244.2	543.7	787.9
Foreign exchange (gain) loss	49.5	(1.5)	48.0	33.2	0.5	33.7
Foreign exchange (gain) loss on debt and derivatives	-	0.1	0.1	0.1	0.1	0.2
Asset impairment provision, net of reversals	-	0.2	0.2	-	(0.9)	(0.9)
Other items	-	-	-	-	-	-
EBITDA – Normalized	127.2	283.2	410.4	277.5	543.4	820.9

(in millions of dollars)	Three Months Ended			Six Months Ended		
	Industrial	Mobility	Linamar	Industrial	Mobility	Linamar
	\$	\$	\$	\$	\$	\$
<b>Operating Earnings (Loss) – Normalized</b>						
Operating Earnings (Loss)	154.7	116.8	271.5	294.5	246.3	540.8
Foreign exchange (gain) loss	(6.2)	9.4	3.2	(25.8)	3.5	(22.3)
Other items	15.8	-	15.8	15.8	-	15.8
<b>Operating Earnings (Loss) – Normalized</b>	<b>164.3</b>	<b>126.2</b>	<b>290.5</b>	<b>284.5</b>	<b>249.8</b>	<b>534.3</b>
<b>EBITDA – Normalized</b>						
EBITDA	180.0	244.2	424.2	339.1	496.8	835.9
Foreign exchange (gain) loss	(6.2)	9.4	3.2	(25.8)	3.5	(22.3)
Foreign exchange (gain) loss on debt and derivatives	0.1	-	0.1	0.6	-	0.6
Asset impairment provision, net of reversals	-	0.1	0.1	-	0.3	0.3
Other items	15.8	-	15.8	15.8	-	15.8
<b>EBITDA – Normalized</b>	<b>189.7</b>	<b>253.7</b>	<b>443.4</b>	<b>329.7</b>	<b>500.6</b>	<b>830.3</b>

## Other Non-GAAP Financial Measures

### Free Cash Flow

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

### 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		Six Months Ended	
	2025	June 30 2024	2025	June 30 2024
	\$	\$	\$	\$
<b>Free Cash Flow</b>				
Cash generated from (used in) operating activities	305.3	236.0	469.6	386.0
Payments for purchase of property, plant and equipment	(133.2)	(174.0)	(222.0)	(363.8)
Proceeds on disposal of property, plant and equipment	5.5	5.1	6.3	5.6
<b>Free Cash Flow</b>	<b>177.6</b>	<b>67.1</b>	<b>253.9</b>	<b>27.8</b>
<b>Liquidity</b>				
Cash and cash equivalents			1,004.3	759.9
Available credit			914.6	547.8
<b>Liquidity</b>			<b>1,918.9</b>	<b>1,307.7</b>

## 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 June 30, 2025	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	3.87	4.09	3.87	7.96
Automotive Sales	\$ 1,171.9	\$ 1,192.8	\$ 1,171.9	\$ 2,364.7
<b>Content Per Vehicle</b>	<b>\$ 303.15</b>	<b>\$ 291.63</b>	<b>\$ 303.15</b>	<b>\$ 297.23</b>
<i>Europe</i>				
Vehicle Production Units	4.39	4.41	4.39	8.80
Automotive Sales	\$ 425.6	\$ 433.0	\$ 425.6	\$ 858.5
<b>Content Per Vehicle</b>	<b>\$ 96.98</b>	<b>\$ 98.15</b>	<b>\$ 96.98</b>	<b>\$ 97.57</b>
<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
<b>Content Per Vehicle</b>	<b>\$ 11.49</b>	<b>\$ 11.32</b>	<b>\$ 11.49</b>	<b>\$ 11.41</b>
Estimates as of March 31, 2025				
	Three Months Ended		Year to Date	
	Mar 31 2025		Mar 31 2025	
<i>North America</i>				
Vehicle Production Units	3.90		3.90	
Automotive Sales	\$ 1,171.9		\$ 1,171.9	
<b>Content Per Vehicle</b>	<b>\$ 300.79</b>		<b>\$ 300.79</b>	
<i>Europe</i>				
Vehicle Production Units	4.30		4.30	
Automotive Sales	\$ 426.2		\$ 426.2	
<b>Content Per Vehicle</b>	<b>\$ 99.06</b>		<b>\$ 99.06</b>	
<i>Asia Pacific</i>				
Vehicle Production Units	12.52		12.52	
Automotive Sales	\$ 147.3		\$ 147.3	
<b>Content Per Vehicle</b>	<b>\$ 11.76</b>		<b>\$ 11.76</b>	
Change in Estimates from Prior Quarter				
	Three Months Ended		Year to Date	
	Mar 31 2025		Mar 31 2025	
<i>North America</i>				
Vehicle Production Units	+/-		+/-	
Vehicle Production Units	(0.03)		(0.03)	
Automotive Sales	\$ -		\$ -	
<b>Content Per Vehicle</b>	<b>\$ 2.36</b>		<b>\$ 2.36</b>	
<i>Europe</i>				
Vehicle Production Units	0.09		0.09	
Automotive Sales	\$ (0.6)		\$ (0.6)	
<b>Content Per Vehicle</b>	<b>\$ (2.08)</b>		<b>\$ (2.08)</b>	
<i>Asia Pacific</i>				
Vehicle Production Units	0.26		0.26	
Automotive Sales	\$ (0.4)		\$ (0.4)	
<b>Content Per Vehicle</b>	<b>\$ (0.27)</b>		<b>\$ (0.27)</b>	

## 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; 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.