Strong Markets and Market Share Performance Drive Earnings Growth at Linamar Despite Tough Cost Environment

August 10, 2022, Guelph, Ontario, Canada (TSX: LNR)

- Excellent new business wins ("NBW") take launch book to nearly $4.9 billion;
    - 74% of year to date ("YTD") NBW with electrified vehicles
- Sales up 28.2% for Industrial due to strong agricultural and access sales on stronger markets and market share growth;
- Sales up 25.0% for Mobility on stronger markets and cost recoveries;
- Two acquisitions completed in the quarter;
- Strong content per vehicle[1] growth in North America and Europe driven by a positive customer platform mix and launches; and
- Liquidity[1], measured as cash and cash equivalents and available credit as at June 30, 2022, was $1.4 billion.

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
(in millions of dollars, except per share figures)	$	$	$	$
Sales	**1,981.6**	**1,575.3**	**3,759.7**	**3,357.1**
Operating Earnings (Loss)				
Industrial	39.7	73.7	61.2	109.4
Mobility	104.1	80.0	216.7	265.5
Operating Earnings (Loss)	143.8	153.7	277.9	374.9
Net Earnings (Loss)	104.5	108.0	200.8	261.5
Net Earnings (Loss) per Share – Diluted	1.61	1.65	3.08	3.99
Earnings before interest, taxes and amortization ("EBITDA")[1]	256.5	261.2	495.2	594.0
Operating Earnings (Loss) – Normalized[1]				
Industrial	**49.4**	**66.3**	**62.8**	**112.2**
Mobility	**99.8**	**85.9**	**193.0**	**261.4**
Operating Earnings (Loss) – Normalized	**149.2**	**152.2**	**255.8**	**373.6**
Net Earnings (Loss) – Normalized[1]	**109.3**	**106.9**	**180.2**	**265.2**
Net Earnings (Loss) per Share – Diluted – Normalized[1]	**1.68**	**1.63**	**2.76**	**4.05**
EBITDA – Normalized[1]	**262.9**	**259.2**	**473.7**	**600.6**

Operating Highlights

Sales for the second quarter of 2022 ("Q2 2022") were $1,981.6 million, up $406.3 million from $1,575.3 million in the second quarter of 2021 ("Q2 2021").

The Industrial segment ("Industrial") product sales increased 28.2%, or $111.1 million, to $504.6 million in Q2 2022 from Q2 2021. The sales increase was due to:

- an increase in agricultural sales from market growth further improved by global market share growth in all core products;
- additional access equipment sales primarily due to increased market volumes in North America for all products amplified by North American market share growth in booms and global market share growth in scissors;
- increased pricing to help partially relieve increased supply chain costs; and
- increased sales related to the acquisition of the Salford Group of Companies ("Salford").

Sales for the Mobility segment ("Mobility") increased by $295.2 million, or 25.0% in Q2 2022 compared with Q2 2021. The sales in Q2 2022 were impacted by:

- a sales increase primarily attributed to an improvement in adverse conditions associated with supply related issues experienced by our customers compared to Q2 2021;
- increased pricing related to cost recovery partially offsetting the associated raw material, utilities and freight increases;
- increased sales related to the acquisition of the remaining 50% interest in the joint venture GF Linamar LLC ("GFL"); and
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; partially offset by
- an unfavourable impact on sales from the changes in foreign exchange rates from Q2 2021.

[1] Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, Net Earnings (Loss) per Share – Diluted – Normalized, EBITDA, EBITDA – Normalized, Liquidity, and Free Cash Flow are non-GAAP financial measures. Content per Vehicle is a Supplementary Financial Measure. Please see "Non-GAAP and Other Financial Measures" section of this press release.

The Company's normalized operating earnings for Q2 2022 was $149.2 million. This compares to normalized operating earnings of $152.2 million in Q2 2021, a decrease of $3.0 million.

Industrial segment normalized operating earnings in Q2 2022 decreased $16.9 million, or 25.5% from Q2 2021. The Industrial normalized operating earnings results were predominantly driven by:

- the non-recurrence of a gain recognized in Q2 2021 for receivables collected that had been previously provided for;
- an increase in material, labour, freight and utilities costs;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- an unfavourable impact from the changes in foreign exchange rates from Q2 2021; partially offset by
- an increase in agricultural sales; and
- an increase in access equipment sales.

Q2 2022 normalized operating earnings for Mobility were higher by $13.9 million, or 16.2% compared to Q2 2021. The Mobility segment's earnings were impacted by the following:

- a sales increase primarily attributed to an improvement in adverse conditions associated with supply related issues experienced by our customers compared to Q2 2021; and
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; partially offset by
- reduction in earnings related to the acquisition of GFL;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- increased costs related to raw material, utilities and freight partially offset by customer cost recovered in sales.

"Q2 was a strong quarter thanks to markets improving in all of our businesses, market share growing and some relief starting to flow on customer pricing related to higher costs," said Linamar Executive Chair and CEO Linda Hasenfratz, "We continue to strongly execute on electrified NBW's in our mobility business, 74% of wins YTD, and well over double the dollar value of all of 2021 in just 2 quarters. We are also executing on articulated strategies to grow our light metal structural casting business and expand our agricultural business into the nutrition space with our Mills River Foundry and Salford acquisitions. We have repurchased nearly 1.9 million shares under our NCIB, 1.3 million in Q2 alone and continue to execute on such. We remain focused on generating high single digit EPS growth this year."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2022 of CDN$0.20 per share on the common shares of the company, payable on or after September 9, 2022 to shareholders of record on August 23, 2022.

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, finance costs, and other interest.

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

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

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
(in millions of dollars)	$	$	$	$
Gain on sale of unused land	-	-	(22.1)	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	-	(22.1)	-
Gain on sale of unused land	-	-	(22.1)	-
Other items	-	-	(22.1)	-
Asset impairment provision, net of reversals	0.1	(0.5)	0.1	1.6
Other items and asset impairments impacting EBITDA – Normalized	0.1	(0.5)	(22.0)	1.6

Normalizing items for asset impairment provisions adjusted EBITDA and impacted the Mobility segment by $0.1 million for Q2 2022 and $0.1 million for YTD 2022 ($0.5 million gain for Q2 2021 and $1.6 million loss for YTD 2021).

During Q1 2022, a normalizing item related to a "gain on sale of unused land" adjusted the Mobility segment by $22.1 million.

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

	Three Months Ended June 30				Six Months Ended June 30			
	2022	2021	+/-	+/-	2022	2021	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	143.8	153.7	(9.9)	(6.4%)	277.9	374.9	(97.0)	(25.9%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Other items	-	-	-		(22.1)	-	(22.1)	
Operating Earnings (Loss) – Normalized	149.2	152.2	(3.0)	(2.0%)	255.8	373.6	(117.8)	(31.5%)
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	104.5	108.0	(3.5)	(3.2%)	200.8	261.5	(60.7)	(23.2%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Foreign exchange (gain) loss on debt and derivatives	0.9	-	0.9		0.5	6.3	(5.8)	
Other items	-	-	-		(22.1)	-	(22.1)	
Tax impact	(1.5)	0.4	(1.9)		1.0	(1.3)	2.3	
Net Earnings (Loss) – Normalized	109.3	106.9	2.4	2.2%	180.2	265.2	(85.0)	(32.1%)

(in millions of dollars)	2022 $	2021 $	Three Months Ended June 30 +/- $	+/- %	2022 $	2021 $	Six Months Ended June 30 +/- $	+/- %
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	1.61	1.65	(0.04)	(2.4%)	3.08	3.99	(0.91)	(22.8%)
Foreign exchange (gain) loss	0.08	(0.02)	0.10		-	(0.02)	0.02	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01		0.01	0.10	(0.09)	
Other items	-	-	-		(0.34)	-	(0.34)	
Tax impact	(0.02)	-	(0.02)		0.01	(0.02)	0.03	
Net Earnings (Loss) per Share – Diluted – Normalized	1.68	1.63	0.05	3.1%	2.76	4.05	(1.29)	(31.9%)
EBITDA and EBITDA – Normalized								
Net Earnings (Loss) before income taxes	138.9	145.7	(6.8)	(4.7%)	266.5	353.1	(86.6)	(24.5%)
Amortization of property, plant and equipment	97.2	97.9	(0.7)		189.5	205.1	(15.6)	
Amortization of other intangible assets	13.6	12.2	1.4		27.5	24.1	3.4	
Finance costs	5.0	4.7	0.3		8.9	10.1	(1.2)	
Other interest	1.8	0.7	1.1		2.8	1.6	1.2	
EBITDA	256.5	261.2	(4.7)	(1.8%)	495.2	594.0	(98.8)	(16.6%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Foreign exchange (gain) loss on debt and derivatives	0.9	-	0.9		0.5	6.3	(5.8)	
Asset impairment provision, net of reversals	0.1	(0.5)	0.6		0.1	1.6	(1.5)	
Other items	-	-	-		(22.1)	-	(22.1)	
EBITDA – Normalized	262.9	259.2	3.7	1.4%	473.7	600.6	(126.9)	(21.1%)

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

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended June 30 2022 Linamar $	Industrial $	Mobility $	Six Months Ended June 30 2022 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	39.7	104.1	143.8	61.2	216.7	277.9
Foreign exchange (gain) loss	9.7	(4.3)	5.4	1.6	(1.6)	-
Other items	-	-	-	-	(22.1)	(22.1)
Operating Earnings (Loss) – Normalized	49.4	99.8	149.2	62.8	193.0	255.8
EBITDA – Normalized						
EBITDA	52.9	203.6	256.5	87.2	408.0	495.2
Foreign exchange (gain) loss	9.7	(4.3)	5.4	1.6	(1.6)	-
Foreign exchange (gain) loss on debt and derivatives	0.2	0.7	0.9	0.1	0.4	0.5
Asset impairment provision, net of reversals	-	0.1	0.1	-	0.1	0.1
Other items	-	-	-	-	(22.1)	(22.1)
EBITDA – Normalized	62.8	200.1	262.9	88.9	384.8	473.7

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended June 30 2021 Linamar $	Industrial $	Mobility $	Six Months Ended June 30 2021 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	73.7	80.0	153.7	109.4	265.5	374.9
Foreign exchange (gain) loss	(7.4)	5.9	(1.5)	2.8	(4.1)	(1.3)
Other items	-	-	-	-	-	-
Operating Earnings (Loss) – Normalized	66.3	85.9	152.2	112.2	261.4	373.6
EBITDA – Normalized						
EBITDA	88.0	173.2	261.2	137.8	456.2	594.0
Foreign exchange (gain) loss	(7.4)	5.9	(1.5)	2.8	(4.1)	(1.3)
Foreign exchange (gain) loss on debt and derivatives	(0.1)	0.1	-	1.2	5.1	6.3
Asset impairment provision, net of reversals	-	(0.5)	(0.5)	-	1.6	1.6
Other items	-	-	-	-	-	-
EBITDA – Normalized	80.5	178.7	259.2	141.8	458.8	600.6

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 June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Free Cash Flow				
Cash generated from (used in) operating activities	66.4	186.0	128.8	409.9
Payments for purchase of property, plant and equipment	(84.9)	(50.8)	(172.8)	(110.3)
Proceeds on disposal of property, plant and equipment	3.8	2.5	33.0	4.4
Free Cash Flow	(14.7)	137.7	(11.0)	304.0
Liquidity				
Cash	877.5	731.6	877.5	731.6
Available credit	527.0	957.6	527.0	957.6
Liquidity	1,404.5	1,689.2	1,404.5	1,689.2

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, 2022	Three Months Ended		Year to Date	
	Mar 31	Jun 30	Mar 31	Jun 30
North America	2022	2022	2022	2022
Vehicle Production Units	3.70	3.69	3.70	7.39
Automotive Sales	$ 761.6	$ 870.6	$ 761.6	$ 1,632.2
Content Per Vehicle	$ 205.83	$ 235.70	$ 205.83	$ 220.76
Europe				
Vehicle Production Units	3.90	3.94	3.90	7.84
Automotive Sales	$ 390.6	$ 396.0	$ 390.6	$ 786.7
Content Per Vehicle	$ 100.14	$ 100.47	$ 100.14	$ 100.30
Asia Pacific				
Vehicle Production Units	11.31	10.02	11.31	21.34
Automotive Sales	$ 133.9	$ 97.7	$ 133.9	$ 231.6
Content Per Vehicle	$ 11.83	$ 9.75	$ 11.83	$ 10.85

Estimates as of March 21, 2022	Three Months Ended	Year to Date
	Mar 31	Mar 31
North America	2022	2022
Vehicle Production Units	3.70	3.70
Automotive Sales	$ 761.6	$ 761.6
Content Per Vehicle	$ 206.00	$ 206.00
Europe		
Vehicle Production Units	3.87	3.87
Automotive Sales	$ 390.6	$ 390.6
Content Per Vehicle	$ 100.82	$ 100.82
Asia Pacific		
Vehicle Production Units	11.11	11.11
Automotive Sales	$ 133.9	$ 133.9
Content Per Vehicle	$ 12.05	$ 12.05

Change in Estimates from Prior Quarter	Three Months Ended	Year to Date
	Mar 31	Mar 31
	2022	2022
North America	+/-	+/-
Vehicle Production Units	-	-
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.17)	$ (0.17)
Europe		
Vehicle Production Units	0.03	0.03
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.68)	$ (0.68)
Asia Pacific		
Vehicle Production Units	0.20	0.20
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.22)	$ (0.22)

Forward Looking Information, Risk and Uncertainties

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

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by

Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; public health threats; cyclicality and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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

Conference Call Information

Q2 2022 Release Information

Linamar will hold a webcast call on August 10, 2022, at 5:00 p.m. ET to discuss its second-quarter results. The event will be simulcast and can be accessed at the following URL linamar.com/event/q2-2022-earnings-call/ and can also be navigated to on the company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (+1) 888 886 7786 (North America) or (+1) 416 764 8658 (International) Conference ID 14490656, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Chair and Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on August 10, 2022, and at www.sedar.com by the start of business on August 11, 2022. The webcast replay will be available at linamar.com/event/q2-2022-earnings-call/ after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on August 10, 2022, for seven days. The number for the replay is (+1) 877 674 7070 or (+1) 416 764 8692, Passcode: 490656 #. In addition, a recording of the call will be posted at linamar.com/event/q2-2022-earnings-call/.

Q3 2022 Release Information

Linamar will hold a webcast call on November 9, 2022, at 5:00 p.m. ET to discuss its third quarter results. The event will be simulcast and can be accessed at the following URL linamar.com/event/q3-2022-earnings-call/ and can also be navigated to on the Company's website. For those who wish to listen to an audio only call-in option, the numbers for this call are (+1) 888 886-7786 (North America) or (+1) 416 764-8658 (International) Conference ID 21070291, with a call-in required 15 minutes prior to the start of the webcast. The conference call will be chaired by Linda Hasenfratz, Linamar's Executive Chair and Chief Executive Officer. A copy of the Company's quarterly financial statements, including the Management's Discussion & Analysis, will be available on the Company's website after 4:00 p.m. ET on November 9, 2022, and at www.sedar.com by the start of business on November 10, 2022. The webcast replay will be available at linamar.com/event/q3-2022-earnings-call/ after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on November 9, 2022, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 070291#. In addition, a recording of the call will be posted at linamar.com/event/q3-2022-earnings-call/.

Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack, MacDon and Salford. Skyjack manufactures scissors, booms and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. Salford also supplies the agriculture market with farm tillage and crop nutrition application equipment. The Mobility segment is subdivided into three regional groups: North America, Europe and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. In addition to the recently formed eLIN Product Solutions Group that focuses on Electrification, McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar has 26,796 employees in 65 manufacturing locations, 14 R&D centres and 28 sales offices in 17 countries in North and South America, Europe and Asia, which generated sales of more than $6.5 billion in 2021. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on our social media channels.

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

Guelph, Ontario
August 10, 2022

LINAMAR CORPORATION
Management's Discussion and Analysis
For the Quarter Ended June 30, 2022

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 interim financial statements for the quarter ended June 30, 2022. This MD&A has been prepared as at August 10, 2022. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS"). References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS 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 an advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack, MacDon and Salford. Skyjack manufactures scissors, booms and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. Salford also supplies the agriculture market with farm tillage and crop nutrition application equipment. The Mobility segment is subdivided into three regional groups: North America, Europe and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly for both the global electrified and traditionally powered vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. In addition to the recently formed eLIN Product Solutions Group that focuses on Electrification, McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar has 26,796 employees in 65 manufacturing locations, 14 R&D centres and 28 sales offices in 17 countries in North and South America, Europe and Asia, which generated sales of more than $6.5 billion in 2021. 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 second quarter of 2022 ("Q2 2022") and 2021 ("Q2 2021"):

				Three Months Ended June 30				Six Months Ended June 30
(in millions of dollars, except per share figures)	2022 $	2021 $	+/- $	+/- %	2022 $	2021 $	+/- $	+/- %
Sales	1,981.6	1,575.3	406.3	25.8%	3,759.7	3,357.1	402.6	12.0%
Gross Margin	249.9	228.5	21.4	9.4%	448.1	541.2	(93.1)	(17.2%)
Operating Earnings (Loss)	143.8	153.7	(9.9)	(6.4%)	277.9	374.9	(97.0)	(25.9%)
Net Earnings (Loss)	104.5	108.0	(3.5)	(3.2%)	200.8	261.5	(60.7)	(23.2%)
Net Earnings (Loss) per Share - Diluted	1.61	1.65	(0.04)	(2.4%)	3.08	3.99	(0.91)	(22.8%)
Earnings before interest, taxes and amortization ("EBITDA")[1]	256.5	261.2	(4.7)	(1.8%)	495.2	594.0	(98.8)	(16.6%)
Operating Earnings (Loss) - Normalized[1]	149.2	152.2	(3.0)	(2.0%)	255.8	373.6	(117.8)	(31.5%)
Net Earnings (Loss) - Normalized[1]	109.3	106.9	2.4	2.2%	180.2	265.2	(85.0)	(32.1%)
Net Earnings (Loss) per Share - Diluted - Normalized[1]	1.68	1.63	0.05	3.1%	2.76	4.05	(1.29)	(31.9%)
EBITDA – Normalized[1]	262.9	259.2	3.7	1.4%	473.7	600.6	(126.9)	(21.1%)

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.

IMPACT ON LINAMAR'S RESULTS AND BUSINESS RELATED TO COVID-19

During 2021 and into 2022, the demand for the Company's products has been negatively impacted by semiconductor supply related issues as well as labour, material and freight costs associated with the pandemic. Therefore, the pandemic and resulting economic contraction have had, and is expected to continue to have, a negative impact on the demand for the Company's products.

Despite these continued impacts, the Company has maintained sufficient liquidity[1] to satisfy its financial obligations during this period and liquidity, measured as cash and cash equivalents and available credit, at June 30, 2022 is $1.4 billion compared with $1.7 billion at June 30, 2021 due to two acquisitions in Q2 2022.

Continuing with the second quarter of 2022, the regional COVID-19 restrictions have not had a significant impact on Linamar's sales or expenses as Linamar has been subject to 'essential business' exemptions in the various jurisdictions in which we operate. Consequently, volumes have not been adversely affected by such restrictions. Given the currently available information, these restrictions are not expected to have a significant impact to the Company's performance. However, the length and extent of the COVID-19 pandemic and current and potential future governmental and other responses to it, such as regional business shut-downs, stay-at-home orders, business, border, travel and other restrictions and their impacts on the overall global economy are not known. Accordingly, there is material uncertainty as to the overall impact relating to the Company's future operations due to the ongoing pandemic. The Company is unable to quantify the overall impact of COVID-19 on Linamar's financial results including net of any mitigating factors.

In light of these events, the Company, if necessary, will continue to update its disclosures including: commentary in the "Business Segment Review", "Results of Operations, "Selected Financial Information", and "Financial Condition, Liquidity and Capital Resources" sections, as well as the risk factors in the "Risk Management" section, commentary related to COVID-19 in the "Disclosure Controls and Procedures and Internal Controls Over Financial Reporting" section, and its discussion of critical accounting estimates in the "Critical Accounting Estimates and Judgements" 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 interim financial statements for the quarter ended June 30, 2022.

			Three Months Ended June 30 2022			Six Months Ended June 30 2022
(in millions of dollars)	Industrial $	Mobility $	Linamar $	Industrial $	Mobility $	Linamar $
Sales	504.6	1,477.0	1,981.6	872.8	2,886.9	3,759.7
Operating Earnings (Loss)	39.7	104.1	143.8	61.2	216.7	277.9
EBITDA	52.9	203.6	256.5	87.2	408.0	495.2
Operating Earnings (Loss) – Normalized	49.4	99.8	149.2	62.8	193.0	255.8
EBITDA – Normalized	62.8	200.1	262.9	88.9	384.8	473.7

			Three Months Ended June 30 2021			Six Months Ended June 30 2021
(in millions of dollars)	Industrial $	Mobility $	Linamar $	Industrial $	Mobility $	Linamar $
Sales	393.5	1,181.8	1,575.3	741.8	2,615.3	3,357.1
Operating Earnings (Loss)	73.7	80.0	153.7	109.4	265.5	374.9
EBITDA	88.0	173.2	261.2	137.8	456.2	594.0
Operating Earnings (Loss) – Normalized	66.3	85.9	152.2	112.2	261.4	373.6
EBITDA – Normalized	80.5	178.7	259.2	141.8	458.8	600.6

Industrial Highlights

				Three Months Ended June 30				Six Months Ended June 30
(in millions of dollars)	2022 $	2021 $	+/- $	+/- %	2022 $	2021 $	+/- $	+/- %
Sales	504.6	393.5	111.1	28.2%	872.8	741.8	131.0	17.7%
Operating Earnings (Loss)	39.7	73.7	(34.0)	(46.1%)	61.2	109.4	(48.2)	(44.1%)
EBITDA	52.9	88.0	(35.1)	(39.9%)	87.2	137.8	(50.6)	(36.7%)
Operating Earnings (Loss) – Normalized	49.4	66.3	(16.9)	(25.5%)	62.8	112.2	(49.4)	(44.0%)
EBITDA – Normalized	62.8	80.5	(17.7)	(22.0%)	88.9	141.8	(52.9)	(37.3%)

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

The Industrial segment ("Industrial") product sales increased 28.2%, or $111.1 million, to $504.6 million in Q2 2022 from Q2 2021. The sales increase was due to:

- an increase in agricultural sales from market growth further improved by global market share growth in all core products;
- additional access equipment sales primarily due to increased market volumes in North America for all products amplified by North American market share growth in booms and global market share growth in scissors;
- increased pricing to help partially relieve increased supply chain costs; and
- increased sales related to the acquisition of the Salford Group of Companies ("Salford").

Year to date ("YTD") sales for Industrial increased by $131.0 million, or 17.7% compared with YTD 2021. The factors that impacted Q2 2022 similarly impacted the YTD results with the exception of the agricultural revenues which have declined due to supply chain and labour constraints which are significantly impacting our ability to deliver equipment on a YTD basis.

Industrial segment normalized operating earnings in Q2 2022 decreased $16.9 million, or 25.5% from Q2 2021. The Industrial normalized operating earnings results were predominantly driven by:

- the non-recurrence of a gain recognized in Q2 2021 for receivables collected that had been previously provided for;
- an increase in material, labour, freight and utilities costs;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- an unfavourable impact from the changes in foreign exchange rates from Q2 2021; partially offset by
- an increase in agricultural sales; and
- an increase in access equipment sales.

The YTD normalized operating earnings for Industrial decreased by $49.4 million, or 44.0% compared with YTD 2021. The factors that impacted Q2 2022 similarly impacted the YTD results with the exception of the agricultural revenues which have declined due to supply chain and labour constraints which are significantly impacting our ability to deliver equipment on a YTD basis.

Mobility Highlights

	Three Months Ended June 30				Six Months Ended June 30			
	2022	2021	+/-	+/-	2022	2021	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	1,477.0	1,181.8	295.2	25.0%	2,886.9	2,615.3	271.6	10.4%
Operating Earnings (Loss)	104.1	80.0	24.1	30.1%	216.7	265.5	(48.8)	(18.4%)
EBITDA	203.6	173.2	30.4	17.6%	408.0	456.2	(48.2)	(10.6%)
Operating Earnings (Loss) – Normalized	99.8	85.9	13.9	16.2%	193.0	261.4	(68.4)	(26.2%)
EBITDA – Normalized	200.1	178.7	21.4	12.0%	384.8	458.8	(74.0)	(16.1%)

Sales for the Mobility segment ("Mobility") increased by $295.2 million, or 25.0% in Q2 2022 compared with Q2 2021. The sales in Q2 2022 were impacted by:

- a sales increase primarily attributed to an improvement in adverse conditions associated with supply related issues experienced by our customers compared to Q2 2021;
- increased pricing related to cost recovery partially offsetting the associated raw material, utilities and freight increases;
- increased sales related to the acquisition of the remaining 50% interest in the joint venture GF Linamar LLC ("GFL"); and
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; partially offset by
- an unfavourable impact on sales from the changes in foreign exchange rates from Q2 2021.

YTD sales for Mobility increased by $271.6 million, or 10.4% compared to YTD 2021. The factors that impacted Q2 2022 similarly impacted the YTD results.

Q2 2022 normalized operating earnings for Mobility were higher by $13.9 million, or 16.2% compared to Q2 2021. The Mobility segment's earnings were impacted by the following:

- a sales increase primarily attributed to an improvement in adverse conditions associated with supply related issues experienced by our customers compared to Q2 2021; and
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; partially offset by
- reduction in earnings related to the acquisition of GFL;
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic; and
- increased costs related to raw material, utilities and freight partially offset by customer cost recovered in sales.

The YTD normalized operating earnings decreased by $68.4 million, or 26.2% compared with YTD 2021. The factors that impacted Q2 2022 similarly impacted the YTD results with the exception of the impact on earnings from the changes in foreign exchange rates which was a negative impact from on a YTD basis.

AUTOMOTIVE SALES AND CONTENT PER VEHICLE[1]

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

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

	Three Months Ended June 30				Six Months Ended June 30			
North America	2022	2021	+/-	%	2022	2021	+/-	%
Vehicle Production Units	3.69	3.30	0.39	11.8%	7.39	7.04	0.35	5.0%
Automotive Sales	$ 870.6	$ 591.0	$ 279.6	47.3%	$ 1,632.2	$ 1,314.5	$ 317.7	24.2%
Content Per Vehicle	$ 235.70	$ 178.85	$ 56.85	31.8%	$ 220.76	$ 186.66	$ 34.10	18.3%
Europe								
Vehicle Production Units	3.94	4.14	(0.20)	(4.8%)	7.84	8.89	(1.05)	(11.8%)
Automotive Sales	$ 396.0	$ 332.3	$ 63.7	19.2%	$ 786.7	$ 720.6	$ 66.1	9.2%
Content Per Vehicle	$ 100.47	$ 80.18	$ 20.29	25.3%	$ 100.30	$ 81.09	$ 19.21	23.7%
Asia Pacific								
Vehicle Production Units	10.02	10.29	(0.27)	(2.6%)	21.34	21.38	(0.04)	(0.2%)
Automotive Sales	$ 97.7	$ 126.4	$ (28.7)	(22.7%)	$ 231.6	$ 275.1	$ (43.5)	(15.8%)
Content Per Vehicle	$ 9.75	$ 12.28	$ (2.53)	(20.6%)	$ 10.85	$ 12.86	$ (2.01)	(15.6%)

North American automotive sales for Q2 2022 increased 47.3% from Q2 2021 in a market that saw an increase of 11.8% in production volumes for the same period. As a result, content per vehicle in Q2 2022 increased 31.8% from $178.85 to $235.70. The increase in North American content per vehicle was mainly driven by programs we have significant business with that have enjoyed disproportionately higher volumes and increased sales for launching programs. These increases were also partially driven by additional sales obtained through the acquisition of GFL and increased pricing related to cost recovery partially offsetting the associated raw material, utilities and freight increases.

European automotive sales for Q2 2022 increased 19.2% from Q2 2021 in a market that saw a decrease of 4.8% in production volumes for the same period. As a result, content per vehicle in Q2 2022 increased 25.3% from $80.18 to $100.47. The increase in European content per vehicle was mainly driven by programs we have significant business with that have enjoyed disproportionately higher volumes and increased sales for launching programs. These increases were also partially driven by increased pricing related to cost recovery partially offsetting the associated raw material, utilities and freight increases.

Asia Pacific automotive sales for Q2 2022 decreased 22.7% from Q2 2021 in a market that saw a decrease of 2.6% in production volumes for the same period. As a result, content per vehicle in Q2 2022 decreased 20.6% from $12.28 to $9.75. The decrease in Asian content per vehicle was mainly driven by production disruptions related to COVID-19 and semi conductor and other supply issues disproportionately impacting OEMs that the Company has significant business with. These sales declines were partially offset by increases in sales for launching programs.

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.

RESULTS OF OPERATIONS

Gross Margin

(in millions of dollars)		Three Months Ended 2022		June 30 2021		Six Months Ended 2022		June 30 2021
Sales	$	1,981.6	$	1,575.3	$	3,759.7	$	3,357.1
Cost of Sales before amortization		1,621.7		1,237.4		3,096.0		2,588.3
Amortization		110.0		109.4		215.6		227.6
Cost of Sales		1,731.7		1,346.8		3,311.6		2,815.9
Gross Margin	$	249.9	$	228.5	$	448.1	$	541.2
Gross Margin percentage		12.6%		14.5%		11.9%		16.1%

Gross margin percentage decreased in Q2 2022 to 12.6% compared to 14.5% in Q2 2021. Cost of sales before amortization as a percentage of sales increased in Q2 2022 to 81.8% compared to 78.6% for the same quarter of last year. In dollar terms, gross margin increased $21.4 million in Q2 2022 compared with Q2 2021 as a result of the items discussed earlier in this analysis such as:

- a sales increase primarily attributed to an improvement in adverse conditions associated with supply related issues experienced by our customers compared to Q2 2021;
- additional sales for launching programs and increased volumes for certain programs that the Company has significant business with; and
- an increase in industrial sales; partially offset by
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic;
- reduction in earnings related to the acquisition of GFL;
- an increase in material, energy, freight, and labour costs partially offset by customer pricing increases; and
- an unfavourable impact from the changes in foreign exchange rates from Q2 2021.

Q2 2022 amortization remained flat at $110.0 million compared to Q2 2021. Amortization as a percentage of sales decreased to 5.6% of sales compared to 6.9% in Q2 2021. YTD amortization was lower as a result of lower capital investment during the pandemic at $215.6 million compared to $227.6M in YTD 2021. YTD amortization as a percentage of sales decreased to 5.7% of sales compared to 6.8% in YTD 2021.

YTD gross margin decreased to 11.9% from 16.1% in the same period of 2021. The decrease in the YTD gross margin was a result of the same factors that impacted Q2 2022.

Selling, General and Administration

(in millions of dollars)		Three Months Ended 2022		June 30 2021		Six Months Ended 2022		June 30 2021
Selling, general and administrative	$	100.7	$	77.0	$	192.4	$	168.5
SG&A percentage		5.1%		4.9%		5.1%		5.0%

Selling, general and administrative ("SG&A") costs increased in Q2 2022 to $100.7 million from $77.0 million and increased as a percentage of sales to 5.1% from 4.9% when compared to Q2 2021. This increase, in dollar terms, is primarily due to:

- the non-recurrence of a gain recognized in Q2 2021 for receivables collected that had been previously provided for;
- increased travel expenses from reductions in global travel restrictions;
- additional expenses from the acquisition of GFL and Salford; and
- a reduction in the utilization of Government support programs related to the global COVID-19 pandemic.

On a YTD basis, SG&A costs reflected similar factors that impacted Q2 2022 and increased as a percentage of sales to 5.1% from 5.0% when compared to YTD 2021.

Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended 2022 $	June 30 2021 $	Six Months Ended 2022 $	June 30 2021 $
Operating Earnings (Loss)	143.8	153.7	277.9	374.9
Share of Net Earnings (Loss) of Investments Accounted for Using the Equity Method	-	(7.3)	(6.0)	(13.5)
Finance Income and (Expenses)	(4.9)	(0.7)	(5.4)	(8.3)
Provision for (Recovery of) Income Taxes	34.4	37.7	65.7	91.6
Net Earnings (Loss)	104.5	108.0	200.8	261.5

Finance Expenses
Finance expenses increased $4.2 million in Q2 2022 from $0.7 million in Q2 2021 to $4.9 million due to:

- lower interest earned due to the decreasing long-term receivable balances;
- increase in interest costs due to change in the Bank of Canada rates;
- increased borrowings to fund business acquisitions and to fund the Company's share repurchase program; and
- an increase in foreign exchange impacts on debt and derivatives.

YTD finance expenses decreased $2.9 million compared to $8.3 million in YTD 2021 primarily due to a one-time foreign exchange impact due to the repayment of the United States Dollar ("USD") denominated bank borrowings and receipt of the new Euro ("EUR") 320 million private placement notes ("2031 Notes") in January 2021 that did not recur.

The consolidated effective interest rate for Q2 2022 increased to 2.1% compared to 2.0% in Q2 2021. The effective interest rate increased to 2.0% YTD versus 1.9% YTD 2021. The changes in the effective interest rate for both Q2 2022 and YTD were driven by increases in the Bank of Canada rates.

Income Taxes
The effective tax rate for Q2 2022 was 24.8%, a decrease from the 25.9% rate in the second quarter of 2021. The decrease in the effective tax rate in Q2 2022 was primarily due to a non-recurring decrease in non-deductible expenses and the impact of the Company's acquisition of GFL, partially offset by an increase due to a less favourable mix of foreign tax rates.

The YTD 2022 effective tax rate was 24.7%, a decrease from the 25.9% rate for YTD 2021. The YTD 2022 effective tax rate was impacted by similar factors that impacted the Q2 2022 effective tax rate.

TOTAL EQUITY AND OUTSTANDING SHARE DATA

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

The Company is authorized to issue an unlimited number of common shares, of which 63,585,737 common shares were outstanding as of August 10, 2022. The Company's common shares constitute its only class of voting securities. As of August 10, 2022, there were 1,050,000 options to acquire common shares outstanding and 3,600,000 options still available to be granted under the Company's share option plan.

In November 2021, the Company announced Toronto Stock Exchange ("TSX") approval to commence a new normal course issuer bid ("NCIB" or "Bid"). This bid permits the Company to acquire for cancellation up to 4,421,507 common shares between November 30, 2021 and November 29, 2022. This bid is subject to daily limits and blackout periods. For the six months ended June 30, 2022, the Company repurchased and cancelled 1,510,996 common shares under its bid for a total amount of $83,170. Subsequent to the period end and before entering into the next blackout period, the Company has repurchased and cancelled 353,964 common shares under its bid for a total amount of $19,567.

SELECTED FINANCIAL INFORMATION

Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended September 30, 2020 through June 30, 2022. This information has been derived from the Company's unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

(in millions of dollars, except per share figures)	Jun 30 2022 $	Mar 31 2022 $	Dec 31 2021 $	Sep 30 2021 $	Jun 30 2021 $	Mar 31 2021 $	Dec 31 2020 $	Sep 30 2020 $
Sales	1,981.6	1,778.1	1,534.4	1,645.0	1,575.3	1,781.9	1,704.8	1,637.4
Net Earnings (Loss)	104.5	96.3	50.2	108.8	108.0	153.5	113.1	125.5
Net Earnings (Loss) per Share								
Basic	1.61	1.47	0.77	1.66	1.65	2.35	1.73	1.92
Diluted	1.61	1.47	0.77	1.66	1.65	2.34	1.73	1.92

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules. Additionally, COVID-19 had adverse impacts on each quarter of 2020, 2021, and YTD 2022. Plant shutdowns began mainly in March 2020 and April 2020 with the automotive OEM's restarting production in May 2020 resulting in volumes growing over the remainder of the year.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(in millions of dollars)	Three Months Ended June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Cash generated from (used in):				
Operating Activities	66.4	186.0	128.8	409.9
Financing Activities	323.3	(72.9)	300.5	(411.0)
Investing Activities	(412.7)	(56.1)	(473.4)	(117.2)
Effect of translation adjustment on cash	(3.4)	2.7	(6.8)	(11.2)
Increase (decrease) in cash and cash equivalents	(26.4)	59.7	(50.9)	(129.5)
Cash and cash equivalents – Beginning of Period	903.9	671.9	928.4	861.1
Cash and cash equivalents – End of Period	877.5	731.6	877.5	731.6
Comprised of:				
Cash in bank	475.5	429.9	475.5	429.9
Short-term deposits	409.1	310.8	409.1	310.8
Unpresented cheques	(7.1)	(9.1)	(7.1)	(9.1)
	877.5	731.6	877.5	731.6

The Company's cash and cash equivalents (net of unpresented cheques) at June 30, 2022 were $877.5 million, an increase of $145.9 million compared to June 30, 2021.

Cash generated from operating activities was $66.4 million, a decrease of $119.6 million from Q2 2021, due to an increased use of cash in operating assets and liabilities due to the sales increases and decreased earnings for the period. YTD cash generated from operating activities was $128.8 million, $281.1 million less than was provided in YTD 2021, due to the same factors as described above.

Financing activities generated $323.3 million of cash compared to $72.9 million used in Q2 2021. This generation of cash for Q2 2022 was primarily due to borrowings used for the acquisition of the Company's remaining 50% interest in GFL and 100% of the issued and outstanding equity of Salford. For YTD 2022, cash generated from financing activities was used for these business acquisitions as well as $83.2 million used for the repurchase of 1,510,996 shares under the Company's NCIB program. For YTD 2021, $411.0 of cash was used primarily for the repayment of the Company's USD denominated bank borrowings a portion which came due in January 2021 partially offset by funding received through the Company's new 2031 Notes.

Investing activities used $412.7 million in Q2 2022 compared to $56.1 million used in Q2 2021 and YTD 2022 investing activities used $473.4 million compared to $117.2 million in YTD 2021. The use of cash was primarily for business acquisitions and the purchases of property, plant and equipment.

Operating Activities

(in millions of dollars)	Three Months Ended June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Net Earnings (Loss) for the period	104.5	108.0	200.8	261.5
Adjustments to earnings	99.6	112.3	187.8	224.0
	204.1	220.3	388.6	485.5
Changes in operating assets and liabilities	(137.7)	(34.3)	(259.8)	(75.6)
Cash generated from (used in) operating activities	66.4	186.0	128.8	409.9

Cash generated by operations before the effect of changes in operating assets and liabilities decreased $16.2 million in Q2 2022 to $204.1 million, compared to $220.3 million in Q2 2021. YTD cash generated from operations before the effect of changes in operating assets and liabilities decreased $96.9 million in 2022 to $388.6 million, compared to $485.5 million YTD 2021.

Changes in operating assets and liabilities for Q2 2022 used cash of $137.7 million primarily due to increases in accounts receivables and inventories. Changes in operating assets and liabilities YTD used cash of $259.8 million primarily due to increased accounts receivables and inventories partially offset by increased accounts payables.

Financing Activities

(in millions of dollars)	Three Months Ended June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Proceeds from (repayments of) long-term debt	423.5	(53.7)	413.4	(845.7)
Proceeds from senior unsecured notes	-	-	-	494.0
Repurchase of shares	(73.2)	-	(83.2)	-
Dividends	(26.1)	(20.9)	(26.1)	(20.9)
Finance income received (expenses paid)	(0.9)	1.7	(3.6)	2.1
Settlement of derivative contracts	-	-	-	(40.5)
Cash generated from (used in) financing activities	323.3	(72.9)	300.5	(411.0)

Financing activities for Q2 2022 generated $323.3 million of cash compared to $72.9 million used in Q2 2021 and YTD financing activities generated $300.5 million of cash compared to $411.0 million used in YTD 2021 primarily driven by the Company's proceeds from borrowings related to the acquisitions of GFL and Salford in Q2 2022. In addition, the Company used $73.2 million in Q2 2022 and $83.2 million YTD for the repurchase of shares under its NCIB program. In January 2021, the Company received EUR 320 million of its 2031 Notes, issued at an annual rate of 1.37%, coming due January 2031 and paying interest semi-annually. In January 2021, the Company also repaid USD denominated bank borrowings a portion which came due in January 2021 that was maturing under its bank credit facility.

Investing Activities

(in millions of dollars)	Three Months Ended June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Payments for purchase of property, plant and equipment	(84.9)	(50.8)	(172.8)	(110.3)
Proceeds on disposal of property, plant and equipment	3.8	2.5	33.0	4.4
Payments for purchase of intangible assets	(2.3)	(1.8)	(4.3)	(5.3)
Business acquisitions, net of cash acquired	(328.4)	-	(328.4)	
Other	(0.9)	(6.0)	(0.9)	(6.0)
Cash generated from (used in) investing activities	(412.7)	(56.1)	(473.4)	(117.2)

Cash used for investing activities for Q2 2022 was $412.7 million compared to Q2 2021 at $56.1 million. YTD cash used on investing activities was $473.4 million compared to YTD 2021 at $117.2 million. In addition to the Company's ongoing purchase of property, plant and equipment, the primary use of cash in Q2 2022 was for the acquisitions of GFL and Salford.

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, 2022, cash and cash equivalents, including short-term deposits was $877.5 million and the Company's credit facilities had available credit of $527.0 million. Combined, the Company believes this liquidity of $1.4 billion at June 30, 2022 is sufficient to meet cash flow needs. Free cash flow was negative $14.7 million for Q2 2022 primarily due to the change in operating assets and liabilities from the increase in sales.

Commitments and Contingencies

Please see the Company's December 31, 2021 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, 2021.

Financial Instruments

A portion of the Company's financial instruments are held as long-term receivables totalling $79.2 million at June 30, 2022 compared to $230.1 million at December 31, 2021. Long-term receivables are primarily made up of financing loans for the sale of industrial access equipment which decreased by $11.7 million to $51.2 million, and receivables for government assistance which decreased by $6.2 million to $25.1 million. During Q2 2022, the Company purchased the remaining 50% interest in GFL.

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended June 30, 2022. For more information, please see the Company's December 31, 2021 annual MD&A and the Company's consolidated financial statements for the year ended December 31, 2021.

CURRENT AND PROPOSED TRANSACTIONS

On April 1, 2022, the Company acquired the remaining 50% interest in the joint venture, GF Linamar LLC, from GF Casting Solutions, a division of Georg Fischer AG thereby assuming 100% ownership and operational control. The ownership change will help secure the Company's long-term growth plan in lightweight structural castings; a critical component in electrified vehicles. The preliminary purchase price is USD $73 million plus an earn out of up to a maximum of USD $24 million, for a total in CAD of $121.3 million.

On June 3, 2022, the Company acquired 100% of the issued and outstanding equity of the Salford Group of Companies. The ownership will expand the Company's agricultural portfolio into crop nutrition application and tillage products. The preliminary purchase price is CAD $248.5 million.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of consideration, including earn outs, assets acquired and liabilities assumed, is subject to further adjustments.

There are no other current and proposed transactions for the quarter ended June 30, 2022.

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 Public Health Threats; 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; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Foreign Business Risk; Cyclicality and Seasonality; Legal Proceedings and Insurance Coverage; Credit Risk; Weather; Emission Standards; Capital and Liquidity Risk; Tax Laws; Securities Laws Compliance and Corporate Governance Standards; and Environmental Matters. These risk factors remain substantially unchanged during the quarter ended June 30, 2022. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2021 annual MD&A, and the Company's December 31, 2021 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

In response to the COVID-19 pandemic, certain physical distancing measures taken by the Company, customers, suppliers and governments had the potential to impact the design and performance of internal controls over financial reporting for the Company. Although our pre-existing controls were not specifically designed to operate in this current pandemic environment, we continue to believe that our established internal control over financial reporting addresses all identified risk areas. There were no changes in the Company's internal control over financial reporting during the quarter ended June 30 2022, which have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, except as outlined below in the Limitation of Scope of Design section.

The Company will continue to monitor any risk associated with a change to its control environment in response to the pandemic.

Limitation of Scope of Design

The Company has limited the scope of design of our internal controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of i) the GFL business, which the Company acquired the remaining 50% interest in the joint venture on April 1, 2022, and ii) the Salford business, which the Company acquired 100% of the then outstanding shares on June 3, 2022. The chart below presents the summary financial information of GFL and Salford:

	From the Date of Acquisition for the Period Ended June 30 2022	
	GFL	Salford
(in millions of dollars)	$	$
Sales	41.1	12.5
Net Earnings (Loss) for the Period	(13.6)	0.6
Current Assets	88.3	57.0
Non-Current Assets	207.0	230.8
Current Liabilities	56.0	36.3
Non-Current Liabilities	0.2	2.7

The scope limitation is in accordance with section 3.3(1)(b) of National Instrument 52-109 to which this MD&A relates, which allows an issuer to limit its design of disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days prior to the end of the fiscal period.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS 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. Due to the uncertainty of COVID-19, the following discussion sets forth an update to 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.

Impact of COVID-19 on Results and Risk Management Practices

During 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, spread across the globe impacting worldwide economic activity. The extent to which the financial results and condition of the Company in future periods may be affected by COVID-19 depends on future developments and cannot be reliably determined at the date of these financial statements. The Company has not changed its fundamental risk management practices. The Company will continue to evaluate the situation and monitor any impacts or potential impacts to its business.

Purchase Price Allocations

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

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

For information pertaining to accounting changes effective in 2021 and for future fiscal years please see the Company's consolidated financial statements for the year ended December 31, 2021 and the consolidated interim financial statements for the quarter ended June 30, 2022.

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, finance costs, and other interest.

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

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

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
(in millions of dollars)	$	$	$	$
Gain on sale of unused land	-	-	(22.1)	-
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	-	(22.1)	-
Gain on sale of unused land	-	-	(22.1)	-
Other items	-	-	(22.1)	-
Asset impairment provision, net of reversals	0.1	(0.5)	0.1	1.6
Other items and asset impairments impacting EBITDA – Normalized	0.1	(0.5)	(22.0)	1.6

Normalizing items for asset impairment provisions adjusted EBITDA and impacted the Mobility segment by $0.1 million for Q2 2022 and $0.1 million for YTD 2022 ($0.5 million gain for Q2 2021 and $1.6 million loss for YTD 2021).

During Q1 2022, a normalizing item related to a "gain on sale of unused land" adjusted the Mobility segment by $22.1 million.

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

	Three Months Ended June 30				Six Months Ended June 30			
	2022	2021	+/-	+/-	2022	2021	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Operating Earnings (Loss) – Normalized								
Operating Earnings (Loss)	143.8	153.7	(9.9)	(6.4%)	277.9	374.9	(97.0)	(25.9%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Other items	-	-	-		(22.1)	-	(22.1)	
Operating Earnings (Loss) – Normalized	149.2	152.2	(3.0)	(2.0%)	255.8	373.6	(117.8)	(31.5%)
Net Earnings (Loss) – Normalized								
Net Earnings (Loss)	104.5	108.0	(3.5)	(3.2%)	200.8	261.5	(60.7)	(23.2%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Foreign exchange (gain) loss on debt and derivatives	0.9	-	0.9		0.5	6.3	(5.8)	
Other items	-	-	-		(22.1)	-	(22.1)	
Tax impact	(1.5)	0.4	(1.9)		1.0	(1.3)	2.3	
Net Earnings (Loss) – Normalized	109.3	106.9	2.4	2.2%	180.2	265.2	(85.0)	(32.1%)

(in millions of dollars)	2022 $	2021 $	Three Months Ended June 30 +/- $	+/- %	2022 $	2021 $	Six Months Ended June 30 +/- $	+/- %
Net Earnings (Loss) per Share – Diluted – Normalized								
Net Earnings (Loss) per Share – Diluted	1.61	1.65	(0.04)	(2.4%)	3.08	3.99	(0.91)	(22.8%)
Foreign exchange (gain) loss	0.08	(0.02)	0.10		-	(0.02)	0.02	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01		0.01	0.10	(0.09)	
Other items	-	-	-		(0.34)	-	(0.34)	
Tax impact	(0.02)	-	(0.02)		0.01	(0.02)	0.03	
Net Earnings (Loss) per Share – Diluted – Normalized	1.68	1.63	0.05	3.1%	2.76	4.05	(1.29)	(31.9%)
EBITDA and EBITDA – Normalized								
Net Earnings (Loss) before income taxes	138.9	145.7	(6.8)	(4.7%)	266.5	353.1	(86.6)	(24.5%)
Amortization of property, plant and equipment	97.2	97.9	(0.7)		189.5	205.1	(15.6)	
Amortization of other intangible assets	13.6	12.2	1.4		27.5	24.1	3.4	
Finance costs	5.0	4.7	0.3		8.9	10.1	(1.2)	
Other interest	1.8	0.7	1.1		2.8	1.6	1.2	
EBITDA	256.5	261.2	(4.7)	(1.8%)	495.2	594.0	(98.8)	(16.6%)
Foreign exchange (gain) loss	5.4	(1.5)	6.9		-	(1.3)	1.3	
Foreign exchange (gain) loss on debt and derivatives	0.9	-	0.9		0.5	6.3	(5.8)	
Asset impairment provision, net of reversals	0.1	(0.5)	0.6		0.1	1.6	(1.5)	
Other items	-	-	-		(22.1)	-	(22.1)	
EBITDA – Normalized	262.9	259.2	3.7	1.4%	473.7	600.6	(126.9)	(21.1%)

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

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended June 30 2022 Linamar $	Industrial $	Mobility $	Six Months Ended June 30 2022 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	39.7	104.1	143.8	61.2	216.7	277.9
Foreign exchange (gain) loss	9.7	(4.3)	5.4	1.6	(1.6)	-
Other items	-	-	-	-	(22.1)	(22.1)
Operating Earnings (Loss) – Normalized	49.4	99.8	149.2	62.8	193.0	255.8
EBITDA – Normalized						
EBITDA	52.9	203.6	256.5	87.2	408.0	495.2
Foreign exchange (gain) loss	9.7	(4.3)	5.4	1.6	(1.6)	-
Foreign exchange (gain) loss on debt and derivatives	0.2	0.7	0.9	0.1	0.4	0.5
Asset impairment provision, net of reversals	-	0.1	0.1	-	0.1	0.1
Other items	-	-	-	-	(22.1)	(22.1)
EBITDA – Normalized	62.8	200.1	262.9	88.9	384.8	473.7

(in millions of dollars)	Industrial $	Mobility $	Three Months Ended June 30 2021 Linamar $	Industrial $	Mobility $	Six Months Ended June 30 2021 Linamar $
Operating Earnings (Loss) – Normalized						
Operating Earnings (Loss)	73.7	80.0	153.7	109.4	265.5	374.9
Foreign exchange (gain) loss	(7.4)	5.9	(1.5)	2.8	(4.1)	(1.3)
Other items	-	-	-	-	-	-
Operating Earnings (Loss) – Normalized	66.3	85.9	152.2	112.2	261.4	373.6
EBITDA – Normalized						
EBITDA	88.0	173.2	261.2	137.8	456.2	594.0
Foreign exchange (gain) loss	(7.4)	5.9	(1.5)	2.8	(4.1)	(1.3)
Foreign exchange (gain) loss on debt and derivatives	(0.1)	0.1	-	1.2	5.1	6.3
Asset impairment provision, net of reversals	-	(0.5)	(0.5)	-	1.6	1.6
Other items	-	-	-	-	-	-
EBITDA – Normalized	80.5	178.7	259.2	141.8	458.8	600.6

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 June 30 2022 $	2021 $	Six Months Ended June 30 2022 $	2021 $
Free Cash Flow				
Cash generated from (used in) operating activities	66.4	186.0	128.8	409.9
Payments for purchase of property, plant and equipment	(84.9)	(50.8)	(172.8)	(110.3)
Proceeds on disposal of property, plant and equipment	3.8	2.5	33.0	4.4
Free Cash Flow	(14.7)	137.7	(11.0)	304.0
Liquidity				
Cash	877.5	731.6	877.5	731.6
Available credit	527.0	957.6	527.0	957.6
Liquidity	1,404.5	1,689.2	1,404.5	1,689.2

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, 2022	Three Months Ended		Year to Date	
	Mar 31	Jun 30	Mar 31	Jun 30
North America	2022	2022	2022	2022
Vehicle Production Units	3.70	3.69	3.70	7.39
Automotive Sales	$ 761.6	$ 870.6	$ 761.6	$ 1,632.2
Content Per Vehicle	$ 205.83	$ 235.70	$ 205.83	$ 220.76
Europe				
Vehicle Production Units	3.90	3.94	3.90	7.84
Automotive Sales	$ 390.6	$ 396.0	$ 390.6	$ 786.7
Content Per Vehicle	$ 100.14	$ 100.47	$ 100.14	$ 100.30
Asia Pacific				
Vehicle Production Units	11.31	10.02	11.31	21.34
Automotive Sales	$ 133.9	$ 97.7	$ 133.9	$ 231.6
Content Per Vehicle	$ 11.83	$ 9.75	$ 11.83	$ 10.85

Estimates as of March 21, 2022	Three Months Ended	Year to Date
	Mar 31	Mar 31
North America	2022	2022
Vehicle Production Units	3.70	3.70
Automotive Sales	$ 761.6	$ 761.6
Content Per Vehicle	$ 206.00	$ 206.00
Europe		
Vehicle Production Units	3.87	3.87
Automotive Sales	$ 390.6	$ 390.6
Content Per Vehicle	$ 100.82	$ 100.82
Asia Pacific		
Vehicle Production Units	11.11	11.11
Automotive Sales	$ 133.9	$ 133.9
Content Per Vehicle	$ 12.05	$ 12.05

Change in Estimates from Prior Quarter	Three Months Ended	Year to Date
	Mar 31	Mar 31
	2022	2022
North America	+/-	+/-
Vehicle Production Units	-	-
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.17)	$ (0.17)
Europe		
Vehicle Production Units	0.03	0.03
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.68)	$ (0.68)
Asia Pacific		
Vehicle Production Units	0.20	0.20
Automotive Sales	$ -	$ -
Content Per Vehicle	$ (0.22)	$ (0.22)

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, changes in the competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by

Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; public health threats; cyclicality and seasonality; legal proceedings and insurance coverage; credit risk; weather; emission standards; capital and liquidity risk; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at June 30, 2022 with comparatives as at December 31, 2021 (Unaudited)
(in thousands of Canadian dollars)

	June 30 2022 $	December 31 2021 $
ASSETS		
Cash and cash equivalents	877,483	928,428
Accounts and other receivables	1,130,236	870,551
Inventories	1,336,720	1,066,456
Income taxes recoverable	24,603	23,188
Current portion of long-term receivables (Note 6)	29,996	43,883
Current portion of derivative financial instruments (Note 6)	13,176	9,099
Prepaid expenses and other current assets	34,835	40,588
Current Assets	3,447,049	2,982,193
Long-term receivables (Note 6)	49,148	186,186
Derivative financial instruments (Note 6)	1,926	1,031
Property, plant and equipment	2,591,514	2,415,916
Investments	15,319	14,375
Deferred tax assets	138,473	130,925
Intangible assets	911,845	806,476
Goodwill	890,155	853,288
Assets	8,045,429	7,390,390
LIABILITIES		
Accounts payable and accrued liabilities	1,874,389	1,603,466
Provisions	34,308	35,910
Income taxes payable	40,497	77,390
Current portion of long-term debt (Notes 6, 7)	656,290	21,055
Current portion of derivative financial instruments (Note 6)	12,795	7,299
Current Liabilities	2,618,279	1,745,120
Long-term debt (Notes 6, 7)	558,616	770,490
Derivative financial instruments (Note 6)	1,524	1,044
Deferred tax liabilities	264,918	274,940
Liabilities	3,443,337	2,791,594
EQUITY		
Capital stock	142,828	146,204
Retained earnings	4,544,551	4,449,643
Contributed surplus	30,345	28,816
Accumulated other comprehensive earnings (loss)	(115,632)	(25,867)
Equity	4,602,092	4,598,796
Liabilities and Equity	8,045,429	7,390,390

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

On behalf of the Board of Directors:

(Signed) "Linda Hasenfratz"

Linda Hasenfratz
Director

(Signed) "Jim Jarrell"

Jim Jarrell
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)
(in thousands of Canadian dollars, except per share figures)

	Three Months Ended June 30		Six Months Ended June 30	
	2022 $	2021 $	2022 $	2021 $
Sales	1,981,640	1,575,270	3,759,729	3,357,127
Cost of sales	1,731,772	1,346,739	3,311,671	2,815,889
Gross Margin	249,868	228,531	448,058	541,238
Selling, general and administrative	100,649	77,018	192,352	168,538
Other income and (expenses) (Note 9)	(5,427)	2,171	22,227	2,220
Operating Earnings (Loss)	143,792	153,684	277,933	374,920
Share of net earnings (loss) of investments accounted for using the equity method	-	(7,284)	(6,086)	(13,509)
Finance income and (expenses) (Note 10)	(4,858)	(716)	(5,395)	(8,336)
Net Earnings (Loss) before Income Taxes	138,934	145,684	266,452	353,075
Provision for (recovery of) income taxes	34,465	37,727	65,692	91,586
Net Earnings (Loss) for the Period	104,469	107,957	200,760	261,489
Net Earnings (Loss) per Share:				
Basic	1.61	1.65	3.08	4.00
Diluted	1.61	1.65	3.08	3.99

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

LINAMAR CORPORATION
Consolidated Interim Statements of Comprehensive Earnings
For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended	June 30	Six Months Ended	June 30
	2022	2021	2022	2021
	$	$	$	$
Net Earnings (Loss) for the Period	104,469	107,957	200,760	261,489
Items that may be reclassified subsequently to net income				
Unrealized gains (losses) on translating financial statements of foreign operations	(47,008)	1,109	(119,216)	(129,179)
Change in unrealized gains (losses) on net investment hedges	10,336	1,056	28,352	35,222
Change in unrealized gains (losses) on cash flow hedges	(19,101)	8,096	(1,720)	3,105
Change in cost of hedging	1,501	(764)	3,070	(2,385)
Reclassification to earnings of gains (losses) on cash flow hedges	4,457	(8,890)	3,106	(7,780)
Tax impact of above	3,797	448	(366)	(1,474)
Other Comprehensive Earnings (Loss)	(46,018)	1,055	(86,774)	(102,491)
Comprehensive Earnings (Loss) for the Period	58,451	109,012	113,986	158,998

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

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)
(in thousands of Canadian dollars)

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2022	146,204	4,449,643	28,816	(21,284)	(4,583)	4,598,796
Net Earnings (Loss)	-	200,760	-	-	-	200,760
Other comprehensive earnings (loss)	-	-	-	(90,863)	4,089	(86,774)
Comprehensive Earnings (Loss)	-	200,760	-	(90,863)	4,089	113,986
Hedging transferred to the carrying value of inventory	-	-	-	-	(2,991)	(2,991)
Share-based compensation	-	-	1,529	-	-	1,529
Common shares repurchased and cancelled (Note 8)	(3,376)	(79,794)	-	-	-	(83,170)
Dividends	-	(26,058)	-	-	-	(26,058)
Balance at June 30, 2022	142,828	4,544,551	30,345	(112,147)	(3,485)	4,602,092

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Total Equity $
Balance at January 1, 2021	146,204	4,073,591	25,546	91,598	16,559	4,353,498
Net Earnings (Loss)	-	261,489	-	-	-	261,489
Other comprehensive earnings (loss)	-	-	-	(97,185)	(5,306)	(102,491)
Comprehensive Earnings (Loss)	-	261,489	-	(97,185)	(5,306)	158,998
Hedging transferred to the carrying value of inventory	-	-	-	-	110	110
Share-based compensation	-	-	1,412	-	-	1,412
Dividends	-	(20,944)	-	-	-	(20,944)
Balance at June 30, 2021	146,204	4,314,136	26,958	(5,587)	11,363	4,493,074

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

LINAMAR CORPORATION
Consolidated Interim Statements of Cash Flows
For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended	June 30	Six Months Ended	June 30
	2022	2021	2022	2021
	$	$	$	$
Cash generated from (used in)				
Operating Activities				
Net Earnings (Loss) for the Period	104,469	107,957	200,760	261,489
Adjustments for:				
Amortization of property, plant and equipment	97,153	97,941	189,514	205,148
Amortization of other intangible assets	13,645	12,226	27,541	24,098
Deferred income taxes	(17,839)	(3,125)	(18,214)	(13,587)
Asset impairment provision, net of reversals	64	(511)	139	1,640
Share-based compensation	765	706	1,529	1,412
Equity investment (earnings) loss	-	7,284	6,086	13,509
Finance (income) and expenses	4,858	716	5,395	8,336
Other	1,000	(2,845)	(24,115)	(16,523)
	204,115	220,349	388,635	485,522
Changes in operating assets and liabilities:				
(Increase) decrease in accounts and other receivables	(89,780)	3,776	(225,243)	(100,608)
(Increase) decrease in inventories	(76,623)	(57,633)	(217,916)	(103,305)
(Increase) decrease in prepaid expenses and other current assets	4,733	2,832	6,543	2,756
(Increase) decrease in long-term receivables	7,685	132,458	10,665	123,606
Increase (decrease) in income taxes	6,291	997	(40,961)	(19,118)
Increase (decrease) in accounts payable and accrued liabilities	10,323	(117,456)	209,250	22,793
Increase (decrease) in provisions	(393)	656	(2,125)	(1,746)
	(137,764)	(34,370)	(259,787)	(75,622)
Cash generated from (used in) operating activities	66,351	185,979	128,848	409,900
Financing Activities				
Proceeds from (repayments of) long-term debt	423,453	(53,705)	413,333	(845,694)
Proceeds from senior unsecured notes	-	-	-	493,952
Repurchase of shares (Note 8)	(73,183)	-	(83,170)	-
Dividends	(26,058)	(20,944)	(26,058)	(20,944)
Finance income received (expenses paid)	(932)	1,753	(3,626)	2,120
Settlement of derivative contracts	-	-	-	(40,470)
Cash generated from (used in) financing activities	323,280	(72,896)	300,479	(411,036)
Investing Activities				
Payments for purchase of property, plant and equipment	(84,840)	(50,799)	(172,850)	(110,351)
Proceeds on disposal of property, plant and equipment	3,801	2,560	32,988	4,405
Payments for purchase of intangible assets	(2,361)	(1,871)	(4,311)	(5,271)
Business acquisitions, net of cash acquired (Note 14)	(328,352)	-	(328,352)	-
Other	(903)	(5,981)	(903)	(5,981)
Cash generated from (used in) investing activities	(412,655)	(56,091)	(473,428)	(117,198)
	(23,024)	56,992	(44,101)	(118,334)
Effect of translation adjustment on cash	(3,435)	2,677	(6,844)	(11,195)
Increase (decrease) in cash and cash equivalents	(26,459)	59,669	(50,945)	(129,529)
Cash and cash equivalents - Beginning of Period	903,942	671,902	928,428	861,100
Cash and cash equivalents - End of Period	877,483	731,571	877,483	731,571
Comprised of:				
Cash in bank	475,528	429,853	475,528	429,853
Short-term deposits	409,061	310,768	409,061	310,768
Unpresented cheques	(7,106)	(9,050)	(7,106)	(9,050)
	877,483	731,571	877,483	731,571

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

1 General Information

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

The consolidated interim financial statements of the Company for the period ended June 30, 2022 were authorized for issue in accordance with a resolution of the Company's Board of Directors on August 10, 2022.

2 Basis of Preparation and Significant Accounting Policies

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

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2021. These policies have been consistently applied to all periods presented, unless otherwise stated.

3 Changes in Accounting Policies

New Standards and Amendments Adopted

Certain new standards and amendments became effective during the current period; however the adoption of these new standards and amendments did not significantly impact the Company's net earnings or financial position.

New Standards and Interpretations Not Yet Adopted

All pronouncements will be adopted in the Company's accounting policies after the effective date of the pronouncement. At the date of authorization of these interim financial statements, there were no new standards, amendments and interpretations to existing standards that were relevant to the Company.

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Due to the uncertainty of COVID-19, the following discussion sets forth an update to 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.

Impact of COVID-19 on Results and Risk Management Practices

During 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, spread across the globe impacting worldwide economic activity. The extent to which the financial results and condition of the Company in future periods may be affected by COVID-19 depends on future developments and cannot be reliably determined at the date of these financial statements. The Company has not changed its fundamental risk management practices. The Company will continue to evaluate the situation and monitor any impacts or potential impacts to its business.

Purchase Price Allocations

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

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

Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2021 consolidated annual financial statements for additional information.

5 Seasonality

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

6 Composition of Financial Instruments

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

		June 30, 2022		December 31, 2021	
	Subsequent Measurement	Carrying Value Asset (Liability) $	Fair Value $	Carrying Value Asset (Liability) $	Fair Value $
Long-term receivables	Amortized cost (Level 2)	79,144	85,695	230,069	240,456
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(13,919)	(13,919)	(3,880)	(3,880)
USD sales forwards – MXN functional entities	Fair value (Level 2)	5,102	5,102	3,323	3,323
USD sales forwards – CNY functional entities	Fair value (Level 2)	(279)	(279)	1,045	1,045
CAD purchase forwards – GBP functional entities	Fair value (Level 2)	9,589	9,589	1,299	1,299
Derivative financial instruments (held for trading)					
USD foreign currency forwards	Fair value (Level 2)	290	290	-	-
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	7,191	7,191	6,794	6,794
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(1,131,926)	(1,041,031)	(732,249)	(700,197)

7 Long-Term Debt

	June 30 2022 $	December 31 2021 $
Senior unsecured notes	430,191	458,521
Bank borrowings	629,411	198,007
Lease liabilities	82,980	59,296
Government borrowings	72,324	75,721
	1,214,906	791,545
Less: current portion	656,290	21,055
	558,616	770,490

As of June 30, 2022, $527,025 was available under the revolving credit facility.

8 Capital Stock

In November 2021, the Company announced TSX approval to commence a new normal course issuer bid. This bid permits the Company to acquire for cancellation up to 4,421,507 common shares between November 30, 2021 and November 29, 2022. This bid is subject to daily limits and blackout periods. For the six months ended June 30, 2022, the Company repurchased and cancelled 1,510,996 common shares under its bid for a total amount of $83,170. Subsequent to the period end and before entering into the next blackout period, the Company has repurchased and cancelled 353,964 common shares under its bid for a total amount of $19,597.

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

9 Other Income and (Expenses)

	Three Months Ended		Six Months Ended	
		June 30		June 30
	2022	2021	2022	2021
	$	$	$	$
Foreign exchange gain (loss)	(5,455)	1,436	17	1,359
Gain on sale of unused land	-	-	22,157	-
Other income (expense)	28	735	53	861
	(5,427)	2,171	22,227	2,220

10 Finance Income and (Expenses)

	Three Months Ended		Six Months Ended	
		June 30		June 30
	2022	2021	2022	2021
	$	$	$	$
Finance costs	(4,969)	(4,722)	(8,835)	(10,122)
Foreign exchange gain (loss) on debt and derivatives	(909)	-	(567)	(6,324)
Interest earned	3,862	5,603	8,918	11,768
Other	(2,842)	(1,597)	(4,911)	(3,658)
	(4,858)	(716)	(5,395)	(8,336)

11 Commitments

As at June 30, 2022, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $324,572 (June 30, 2021 - $167,935). Of this amount $306,318 (June 30, 2021 - $151,146) relates to the purchase of manufacturing equipment and $18,254 (June 30, 2021 - $16,789) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, $5,792 (June 30, 2021 - $13,319) were commitments to a related party, a company owned by the spouse of an officer and director. The majority of these commitments are due within the next twelve months.

12 Related Party Transactions

Related party transactions include long-term receivables due from an investee accounted for using the equity method at June 30, 2022 of $Nil (June 30, 2021 - $118,030). Interest earned on the receivable included in finance income was $Nil for the three months ended June 30, 2022 and $1,470 for the six months ended June 30, 2022 ($1,200 for the three months ended June 30, 2021 and $2,333 for the six months ended June 30, 2021). Included in the cost of sales are material purchases from the same related party of $Nil for the three months ended June 30, 2022 and $7,458 for the six months ended June 30, 2022 ($7,493 for the three months ended June 30, 2021 and $10,803 for the six months ended June 30, 2021), with amounts payable at June 30, 2022 of $Nil (June 30, 2021 of $6,450). Please see Note 14 regarding the business acquisition of the remaining 50% interest in the equity accounted investment on April 1, 2022.

Building additions made by a related party, a company owned by the spouse of an officer and director, were $4,606 for the three months ended June 30, 2022 and $9,928 for the six months ended June 30, 2022 ($63 for the three months ended June 30, 2021 and $262 for the six months ended June 30, 2021).

13 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Mobility: The Mobility segment derives revenues primarily from the collaborative design, development and manufacture of both systems and components for new energy powertrains, body and chassis, driveline, engine, and transmission systems for both the global electrified and traditionally powered on and off highway vehicle markets.

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

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

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

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

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

	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	$	$	$	$	$	$
Mobility	1,477,031	9,352	104,100	2,886,965	18,863	216,726
Industrial	504,609	2,700	39,692	872,764	5,238	61,207
Total	1,981,640	12,052	143,792	3,759,729	24,101	277,933

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	$	$	$	$	$	$
Mobility	1,181,774	7,595	80,030	2,615,342	13,947	265,544
Industrial	393,496	2,213	73,654	741,785	4,448	109,376
Total	1,575,270	9,808	153,684	3,357,127	18,395	374,920

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

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
	$	$	$	$
Canada	1,036,796	777,789	1,929,400	1,662,632
Rest of North America	273,313	181,529	497,089	404,155
Asia Pacific	128,315	135,332	277,262	274,403
Europe	543,216	480,620	1,055,978	1,015,937
Total	1,981,640	1,575,270	3,759,729	3,357,127

14 Business Acquisitions

(i) GF Linamar LLC

On April 1, 2022, the Company acquired the remaining 50% interest in the joint venture, GF Linamar LLC ("GFL"), from GF Casting Solutions, a division of Georg Fischer AG thereby assuming 100% ownership and operational control. The ownership change will help secure the Company's long-term growth plan in lightweight structural castings; a critical component in electrified vehicles. The preliminary purchase price is USD $73,000 plus an earn out of up to a maximum of USD $24,000, for a total in CAD of $121,316.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of the purchase price, including the earn out, assets acquired and liabilities assumed, is not yet complete and are subject to further adjustments. The Company will disclose the finalized purchase price allocation when the determination of the fair value is complete. The following table summarizes the $121,316 consideration paid for the remaining 50% interest paid for GFL's acquired net assets, recognized at the acquisition date, which has been accounted for as a step business combination.

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

Preliminary summary of identifiable assets acquired and liabilities assumed after step acquisition completed on April 1, 2022:

	$
Current assets	83,829
Non-current assets	204,056
Total assets acquired	287,885
Current liabilities	45,594
Non-current liabilities	158
Total liabilities assumed	45,752
Net assets	242,133
Less: Net assets of original 50% equity investment in joint venture	120,817
Preliminary net identifiable assets acquired	121,316

The sales included in the consolidated statement of earnings from April 1, 2022 to June 30, 2022 contributed by GFL were $41,095. GFL also contributed net losses of $13,649 over the same period.

(ii) Salford Group of Companies

On June 3, 2022, the Company acquired 100% of the issued and outstanding equity of the Salford Group of Companies ("Salford"). The ownership will expand the Company's agricultural portfolio into crop nutrition application and tillage products. The preliminary purchase price is CAD $248,474.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of the purchase price, assets acquired and liabilities assumed, is not yet complete and are subject to further adjustments. The Company has recorded a provisional amount of $64,666 to goodwill as the current unallocated portion of the purchase price. The Company will update this balance and disclose the finalized purchase price allocation when the determination of the fair value is complete. The following table summarizes the $248,474 consideration paid for Salford's acquired net assets, recognized at the acquisition date, which has been accounted for as a business combination.

Preliminary summary of identifiable assets acquired and liabilities assumed after acquisition completed on June 3, 2022:

	$
Current assets	60,689
Non-current assets	166,569
Goodwill	64,666
Total assets acquired	291,924
Current liabilities	43,450
Non-current liabilities	-
Total liabilities assumed	43,450
Preliminary net identifiable assets acquired	248,474

The sales included in the consolidated statement of earnings from June 3, 2022 to June 30, 2022 contributed by Salford were $12,455. Salford also contributed net earnings of $649 over the same period.

(iii) Consolidated Pro-forma Sales and Earnings

If both acquisitions had occurred on January 1, 2022, the Company's consolidated pro-forma sales and net earnings for the six month period ended June 30, 2022 would have been $3,887,827 and $204,006 respectively. These amounts have been calculated using GFL and Salford's results adjusted for the additional depreciation and amortization that would have been charged assuming the preliminary fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2022, together with the consequential tax effects.