

Linamar’s Diversified Businesses Deliver Another Quarter of Outstanding Double-Digit Earnings Growth

May 8, 2024, Guelph, Ontario, Canada (TSX: LNR)

Strong financial performance

- ◆ Sales up 18.7% to \$2.72 billion in Q1 2024;
- ◆ Normalized Operating Earnings¹ up 38.7% in Q1 2024; and
- ◆ Normalized Diluted Earnings per Share¹ up 30.8% in Q1 2024.

Mobility Segment Performing

- ◆ Mobility segment finished the quarter strong with normalized operating earnings up 57.9% compared to Q1 2023; and
- ◆ Second consecutive quarter of margin expansion with normalized operating earnings margin reaching 6.2%, meaningfully improved from 2023 levels.

Diversified Strategy Success

- ◆ Industrial normalized operating earnings up 23.3% over Q1 2023, anchoring solid overall performance further validating diversification strategy;
- ◆ Industrial normalized operating earnings representing over 49% of consolidated normalized operating earnings solidly anchoring Linamar as a Diversified Industrial Business; and
- ◆ The acquisition of Bourgault Industries Ltd. (“Bourgault”) completed, expanding our agricultural profile to include broad acre seeding.

Double-Digit Sales Growth in Both Segments on Strong Market Share Growth

- ◆ Sales up 24.5% for Industrial for the quarter, due to exceptional global market share growth for combine drapers combined with our most recent acquisition of Bourgault;
- ◆ Sales up 16.7% for Mobility in the quarter, driven by both our Linamar Structures 2023 acquisitions as well as launching programs and increased volumes; and
- ◆ Content per vehicle¹ (“CPV”) up in every region, North American CPV hit a new quarterly record reflective of continued market share growth.

Returning Cash to Shareholders

- ◆ Linamar is maintaining its dividend to shareholders at quarterly \$0.25 per share.

(in millions of dollars, except per share figures)	Three Months Ended	
	2024	2023
	\$	\$
Sales	2,721.9	2,292.7
Operating Earnings (Loss)		
Industrial	139.7	104.9
Mobility	129.5	72.0
Operating Earnings (Loss)	269.2	176.9
Net Earnings (Loss)	178.5	117.0
Net Earnings (Loss) per Share – Diluted	2.90	1.90
Operating Earnings (Loss) – Normalized ¹		
Industrial	120.2	97.5
Mobility	123.6	78.3
Operating Earnings (Loss) – Normalized	243.8	175.8
Net Earnings (Loss) – Normalized ¹	159.6	121.7
Net Earnings (Loss) per Share – Diluted – Normalized ¹	2.59	1.98

“Q1 marked an outstanding start to the year for us at Linamar, with excellent double digit growth in both segments setting the baseline for yet another year of double digit earnings growth”, said Linamar Executive Chair and CEO Linda Hasenfratz, “With Industrial segment earnings consistently generating half or more of our earnings we can mark a successful transition of Linamar to a Diversified Industrial Business. It is great to see all parts of our business performing, growing market share, sales, and earnings so effectively.”

¹ Operating Earnings (Loss) – Normalized, Net Earnings (Loss) – Normalized, and Net Earnings (Loss) per Share – Diluted – Normalized 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.

DIVIDENDS

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2024, of CDN\$0.25 per share on the common shares of the company, payable on or after June 7, 2024, to shareholders of record on May 27, 2024.

NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses certain non-GAAP and other financial measures to provide useful information to both management, investors, and other stakeholders in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company's underlying operational performance. For this reason, management uses certain non-GAAP and other financial measures when analyzing operational performance on a consistent basis.

These Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP. Please see the "Non-GAAP and Other Financial Measures" section of the Company's MD&A for further information.

During Q1 2023, a normalizing item related to an "adjustment for contingent consideration on Mills River earn-out" impacted the Mobility segment by \$4.9 million. Also, during Q1 2023 a normalizing item impacting the Company's income taxes related to withholding tax on repatriation of cash from China by \$6.9 million.

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

	2024	2023	Three Months Ended March 31	
			+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%
Operating Earnings (Loss) – Normalized				
Operating Earnings (Loss)	269.2	176.9	92.3	52.2%
Foreign exchange (gain) loss	(25.4)	(6.0)	(19.4)	
Other items	-	4.9	(4.9)	
Operating Earnings (Loss) – Normalized	243.8	175.8	68.0	38.7%
Net Earnings (Loss) – Normalized				
Net Earnings (Loss)	178.5	117.0	61.5	52.6%
Foreign exchange (gain) loss	(25.4)	(6.0)	(19.4)	
Foreign exchange (gain) loss on debt and derivatives	0.5	0.2	0.3	
Other items	-	4.9	(4.9)	
Tax impact including Other Items	6.0	5.6	0.4	
Net Earnings (Loss) – Normalized	159.6	121.7	37.9	31.1%
Net Earnings (Loss) per Share – Diluted – Normalized				
Net Earnings (Loss) per Share – Diluted	2.90	1.90	1.00	52.6%
Foreign exchange (gain) loss	(0.41)	(0.09)	(0.32)	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01	
Other items	-	0.08	(0.08)	
Tax impact including Other Items	0.09	0.09	-	
Net Earnings (Loss) per Share – Diluted – Normalized	2.59	1.98	0.61	30.8%

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

(in millions of dollars)	Three Months Ended		
	Industrial	Mobility	Linamar
	\$	\$	\$
Operating Earnings (Loss) – Normalized			
Operating Earnings (Loss)	139.7	129.5	269.2
Foreign exchange (gain) loss	(19.5)	(5.9)	(25.4)
Other items	-	-	-
Operating Earnings (Loss) – Normalized	120.2	123.6	243.8

(in millions of dollars)	Three Months Ended		
	Industrial	Mobility	Linamar
	\$	\$	\$
Operating Earnings (Loss) – Normalized			
Operating Earnings (Loss)	104.9	72.0	176.9
Foreign exchange (gain) loss	(7.4)	1.4	(6.0)
Other items	-	4.9	4.9
Operating Earnings (Loss) – Normalized	97.5	78.3	175.8

FORWARD LOOKING INFORMATION, RISK AND UNCERTAINTIES

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

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

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

CONFERENCE CALL INFORMATION

Q1 2024 Release Information

Linamar will hold a webcast call on May 8, 2024, at 5:00 p.m. ET to discuss its first quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q1-2024-earnings-call/> and can also be navigated to on the Company’s website. For those who wish to listen to an audio-only call-in option, the numbers for this call are (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 90762585, 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 May 8, 2024, and at www.sedar.com by the start of business on May 9, 2024. The webcast replay will be available at

<https://www.linamar.com/event/q1-2024-earnings-call/> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on May 8, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 762585 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q1-2024-earnings-call/>.

Q2 2024 Release Information

Linamar will hold a webcast call on August 8, 2024, at 5:00 p.m. ET to discuss its second-quarter results. The event will be simulcast and can be accessed at the following <https://www.linamar.com/event/q2-2024-earnings-call/> and can also be navigated to on the Company's website. For those who wish to listen to an audio-only call-in option, the numbers for this call are (+1) 888 259-6580 (North America) or (+1) 416 764-8624 (International) Conference ID 60435601, 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 August 8, 2024, and at www.sedar.com by the start of business on August 9, 2024. The webcast replay will be available at <https://www.linamar.com/event/q2-2024-earnings-call/> after the call. A taped replay of the conference call will also be made available starting at 8:00 p.m. ET on August 8, 2024, for seven days. The number for the replay is (+1) (877) 674-7070 or (+1) (416) 764-8692, Passcode: 435601 #. In addition, a recording of the call will be posted at <https://www.linamar.com/event/q2-2024-earnings-call/>.

Linamar Corporation (TSX:LNR) is a diversified advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and the newly formed Linamar Agriculture operating group which consists of the MacDon, Salford and Bourgault brands. Skyjack manufactures scissors, boom and telehandler lifts for the aerial work platform industry. Within the Agriculture portfolio MacDon manufactures combine draper headers and self-propelled windrowers for harvesting, Salford supplies farm tillage and crop fertilizer application equipment while Bourgault is a leader in air seeding technology. The Mobility segment is focused on propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered vehicle markets. Operationally, Mobility is organized into three regional groups North America, Europe, Asia Pacific and the new Linamar Structures product group. The Regional Mobility groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly. The Linamar Structures Group offers competitive lightweight innovations for safety-critical components and systems for the global mobility market. Design, development, and testing services for the Mobility segment are provided by McLaren Engineering. Linamar's medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 34,000 employees in 75 manufacturing locations, 17 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of more than \$9.7 billion in 2023. 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
May 8, 2024

LINAMAR CORPORATION

Management's Discussion and Analysis

For the Quarter Ended March 31, 2024

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated financial statements for the quarter March 31, 2024. This MD&A has been prepared as at May 8, 2024. The financial information presented herein has been prepared on the basis of IFRS® Accounting Standards. References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS Accounting Standards as adopted. All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

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

OVERALL CORPORATE PERFORMANCE

Overview of the Business

Linamar Corporation (TSX:LNR) is a diversified advanced manufacturing company where the intersection of leading-edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future. The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and the newly formed Linamar Agriculture operating group which consists of the MacDon, Salford and Bourgault brands. Skyjack manufactures scissors, boom and telehandler lifts for the aerial work platform industry. Within the Agriculture portfolio MacDon manufactures combine draper headers and self-propelled windrowers for harvesting, Salford supplies farm tillage and crop fertilizer application equipment while Bourgault is a leader in air seeding technology. The Mobility segment is focused on propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered vehicle markets. Operationally, Mobility is organized into three regional groups North America, Europe, Asia Pacific and the new Linamar Structures product group. The Regional Mobility groups are vertically integrated operations combining expertise in light metal casting, forging, machining and assembly. The Linamar Structures Group offers competitive lightweight innovations for safety-critical components and systems for the global mobility market. Design, development, and testing services for the Mobility segment are provided by McLaren Engineering. Linamar's medical solutions group, Linamar MedTech, focuses on manufacturing solutions for medical devices and precision medical components. Linamar has over 34,000 employees in 75 manufacturing locations, 17 R&D centres and 31 sales offices in 19 countries in North and South America, Europe and Asia, which generated sales of more than \$9.7 billion in 2023. 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 first quarter of 2024 ("Q1 2024") and 2023 ("Q1 2023"):

(in millions of dollars, except per share figures)	2024	2023	Three Months Ended March 31	
			+/-	+/-
	\$	\$	\$	%
Sales	2,721.9	2,292.7	429.2	18.7%
Gross Margin	393.2	300.5	92.7	30.8%
Operating Earnings (Loss)	269.2	176.9	92.3	52.2%
Net Earnings (Loss)	178.5	117.0	61.5	52.6%
Net Earnings (Loss) per Share - Diluted	2.90	1.90	1.00	52.6%
Earnings before interest, taxes and amortization ("EBITDA") ¹	411.7	298.0	113.7	38.2%
Operating Earnings (Loss) - Normalized ¹	243.8	175.8	68.0	38.7%
Net Earnings (Loss) - Normalized ¹	159.6	121.7	37.9	31.1%
Net Earnings (Loss) per Share - Diluted - Normalized ¹	2.59	1.98	0.61	30.8%
EBITDA – Normalized ¹	386.9	297.1	89.8	30.2%

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

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

BUSINESS SEGMENT REVIEW

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

(in millions of dollars)	Three Months Ended March 31 2024		
	Industrial \$	Mobility \$	Linamar \$
Sales	728.6	1,993.3	2,721.9
Operating Earnings (Loss)	139.7	129.5	269.2
EBITDA	159.1	252.6	411.7
Operating Earnings (Loss) – Normalized	120.2	123.6	243.8
EBITDA – Normalized	140.1	246.8	386.9

(in millions of dollars)	Three Months Ended March 31 2023		
	Industrial \$	Mobility \$	Linamar \$
Sales	585.0	1,707.7	2,292.7
Operating Earnings (Loss)	104.9	72.0	176.9
EBITDA	121.0	177.0	298.0
Operating Earnings (Loss) – Normalized	97.5	78.3	175.8
EBITDA – Normalized	113.7	183.4	297.1

Industrial Highlights

(in millions of dollars)	Three Months Ended March 31			
	2024 \$	2023 \$	+/- \$	+/- %
Sales	728.6	585.0	143.6	24.5%
Operating Earnings (Loss)	139.7	104.9	34.8	33.2%
EBITDA	159.1	121.0	38.1	31.5%
Operating Earnings (Loss) – Normalized	120.2	97.5	22.7	23.3%
EBITDA – Normalized	140.1	113.7	26.4	23.2%

The Industrial segment ("Industrial") product sales increased 24.5%, or \$143.6 million, to \$728.6 million in Q1 2024 from Q1 2023. The sales increase was due to:

- ◆ increased sales related to the acquisition of Bourgault Industries Ltd. and its subsidiaries ("Bourgault") in Q1 2024; and
- ◆ a significant increase in agricultural sales primarily due to exceptional global market share growth for combine drapers, our largest agricultural product family.

Industrial segment normalized operating earnings in Q1 2024 increased \$22.7 million, or 23.3%, from Q1 2023. The Industrial normalized operating earnings results were predominantly driven by:

- ◆ a significant increase in agricultural sales; and
- ◆ increased sales related to the acquisition of Bourgault in Q1 2024; partially offset by
- ◆ an increase in costs related to launching two new access equipment facilities in Mexico and China; and
- ◆ an increase in selling, general and administrative ("SG&A") costs supporting growth.

Mobility Highlights

(in millions of dollars)	Three Months Ended March 31			
	2024	2023	+/-	+/-
	\$	\$	\$	%
Sales	1,993.3	1,707.7	285.6	16.7%
Operating Earnings (Loss)	129.5	72.0	57.5	79.9%
EBITDA	252.6	177.0	75.6	42.7%
Operating Earnings (Loss) – Normalized	123.6	78.3	45.3	57.9%
EBITDA – Normalized	246.8	183.4	63.4	34.6%

Sales for the Mobility segment (“Mobility”) increased by \$285.6 million, or 16.7%, in Q1 2024 compared with Q1 2023. The sales in Q1 2024 were impacted by:

- ◆ increased sales related to the Battery Enclosures Business and the Chassis and Suspension Business (“Linamar Structures acquisitions”) acquired in 2023;
- ◆ increased sales related to launching programs and increased volumes for certain programs that the Company has significant business with; and
- ◆ increased pricing related to customer cost recoveries not included in the prior year; partially offset by
- ◆ a sales decline primarily attributed to lower production for certain ending programs.

Q1 2024 normalized operating earnings for Mobility were higher by \$45.3 million, or 57.9%, compared to Q1 2023. The Mobility segment’s earnings were impacted by the following:

- ◆ increased sales related to the Linamar Structures acquisitions completed in 2023;
- ◆ increased sales related to launching programs and increased volumes for certain programs that the Company has significant business with; and
- ◆ increased pricing related to customer cost recoveries not included in the prior year, partially offset by
- ◆ a sales decline primarily attributed to lower production for certain ending programs; and
- ◆ an increase in SG&A costs supporting growth.

Automotive Sales and Content Per Vehicle¹

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company’s location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one 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 units² 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.

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

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

	Three Months Ended			
			March 31	
	2024	2023	+/-	%
<i>North America</i>				
Vehicle Production Units	4.09	4.04	0.05	1.2%
Automotive Sales	\$ 1,206.5	\$ 983.5	\$ 223.0	22.7%
Content Per Vehicle	\$ 294.99	\$ 243.26	\$ 51.73	21.3%
<i>Europe</i>				
Vehicle Production Units	4.52	4.63	(0.11)	(2.4%)
Automotive Sales	\$ 497.6	\$ 449.4	\$ 48.2	10.7%
Content Per Vehicle	\$ 110.10	\$ 96.99	\$ 13.11	13.5%
<i>Asia Pacific</i>				
Vehicle Production Units	11.54	11.66	(0.12)	(1.0%)
Automotive Sales	\$ 125.5	\$ 110.8	\$ 14.7	13.3%
Content Per Vehicle	\$ 10.87	\$ 9.51	\$ 1.36	14.3%

North American automotive sales for Q1 2024 increased 22.7% from Q1 2023 in a market that saw an increase of 1.2% in production volumes for the same period. As a result, content per vehicle in Q1 2024 increased 21.3% from \$243.26 to \$294.99. The increase in North American content per vehicle was mainly driven by increased sales related to the Linamar Structures acquisitions in 2023, launching programs, and pricing related to customer cost recoveries, partially offset by lower production for certain ending programs.

European automotive sales for Q1 2024 increased 10.7% from Q1 2023 in a market that saw a decrease of 2.4% in production volumes for the same period. As a result, content per vehicle in Q1 2024 increased 13.5% from \$96.99 to \$110.10. The increase in European content per vehicle was a result of increased sales related to higher volumes on programs we have significant business with, the Linamar Structures acquisitions in 2023, and pricing related to customer cost recoveries. This was partially offset by lower production for certain ending programs.

Asia Pacific automotive sales for Q1 2024 increased 13.3% from Q1 2023 in a market that saw a decrease of 1.0% in production volumes for the same period. As a result, content per vehicle in Q1 2024 increased 14.3% from \$9.51 to \$10.87. The increase in Asian content per vehicle was a result of increased sales related to launching programs and higher volumes on programs we have significant business with.

RESULTS OF OPERATIONS

Gross Margin

(in millions of dollars)	Three Months Ended	
	2024	2023
Sales	\$ 2,721.9	\$ 2,292.7
Cost of Sales before amortization	2,189.5	1,876.8
Amortization	139.2	115.4
Cost of Sales	2,328.7	1,992.2
Gross Margin	\$ 393.2	\$ 300.5
Gross Margin percentage	14.4%	13.1%

Gross margin percentage increased in Q1 2024 to 14.4% compared to 13.1% in Q1 2023. Cost of sales before amortization as a percentage of sales decreased in Q1 2024 to 80.4% compared to 81.9% for the same quarter as last year. In dollar terms, gross margin increased \$92.7 million in Q1 2024 compared with Q1 2023 as a result of the items discussed earlier in this analysis such as:

- ◆ increased sales related to the Linamar Structures acquisitions completed in 2023;
- ◆ increased sales related to the acquisition of Bourgault in Q1 2024;
- ◆ increased sales related to launching Mobility programs and increased volumes for certain programs that the Company has significant business with;
- ◆ a significant increase in agricultural sales; and
- ◆ increased pricing related to Mobility customer cost recoveries not included in the prior year; partially offset by
- ◆ a sales decline primarily attributed to lower production for certain ending Mobility programs; and
- ◆ an increase in costs related to launching two new access equipment facilities in Mexico and China.

Amortization as a percentage of sales increased to 5.1% of sales compared to 5.0% for the same quarter as last year. In dollar terms, Q1 2024 amortization increased as a result of:

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

Selling, General and Administration

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
Selling, general and administrative	\$ 151.7	\$ 124.7
SG&A percentage	5.6%	5.4%

Selling, general and administrative (“SG&A”) costs increased in Q1 2024 to \$151.7 million from \$124.7 million, or 5.6% as a percentage of sales in Q1 2023. This increase, in dollar terms, is primarily due to:

- ♦ additional expenses related to the Linamar Structures acquisitions completed in 2023 and the Q1 2024 acquisition of Bourgault; and
- ♦ an increase in management and sales costs supporting growth.

Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
Operating Earnings (Loss)	\$ 269.2	\$ 176.9
Finance Income and (Expenses)	(32.9)	(13.2)
Provision for (Recovery of) Income Taxes	57.8	46.7
Net Earnings (Loss)	178.5	117.0

Finance Expenses

Finance expenses increased \$19.7 million in Q1 2024 from \$13.2 million in Q1 2023 to \$32.9 million due to:

- ♦ the issuance of \$550 million private placement notes in June 2023 (“2033 Notes”) used primarily to fund the Linamar Structures acquisitions in 2023;
- ♦ the issuance of \$700 million term credit agreement issued in February 2024 used primarily to fund the Bourgault acquisition;
- ♦ an increase in interest costs associated with leases acquired in the Linamar Structures acquisitions; and
- ♦ an increase in interest costs due to change in the Bank of Canada overnight rate and United States Federal Funds rate.

The consolidated effective interest rate for Q1 2024 increased to 5.2% compared to 3.9% in Q1 2023. The changes in the effective interest rate were driven by increases in the Bank of Canada overnight rate and United States Federal Funds rate, the issuance of the 2033 Notes, and the issuance of term credit agreement.

Income Taxes

The effective tax rate for Q1 2024 was 24.4%, a decrease from the 28.5% rate in the same quarter of 2023. The decrease in the effective tax rate in Q1 2024 was primarily due to:

- ♦ Q1 2023 withholding tax on the repatriation of funds from China that did not recur in Q1 2024;
- ♦ a favourable mix of foreign tax rates; partially offset by
- ♦ an increase in expenses that are not deductible in determining taxable earnings; and
- ♦ an increase in unused tax losses not recognized as deferred tax assets.

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 61,578,157 common shares were outstanding as of May 8, 2024. The Company’s common shares constitute its only class of voting securities. As of May 8, 2024, there were 1,250,000 options to acquire common shares outstanding and 3,300,000 options still available to be granted under the Company’s share option plan.

SELECTED FINANCIAL INFORMATION

Quarterly Results

The following table sets forth unaudited information for each of the eight quarters ended June 30, 2022 through March 31, 2024. This information has been derived from the Company’s unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sep 30 2022	Jun 30 2022
(in millions of dollars, except per share figures)	\$	\$	\$	\$	\$	\$	\$	\$
Sales	2,721.9	2,453.9	2,434.2	2,552.8	2,292.7	2,060.0	2,098.1	1,981.6
Net Earnings (Loss)	178.5	104.4	146.7	135.0	117.0	92.2	133.2	104.5
Net Earnings (Loss) per Share								
Basic	2.90	1.70	2.38	2.19	1.90	1.49	2.10	1.61
Diluted	2.90	1.69	2.38	2.19	1.90	1.49	2.10	1.61

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second and third quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Mobility segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower OEM production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules. Additionally, the prolonged supply chain disruptions and cost pressures had continued to have adverse impacts on 2023 and 2022.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Cash generated from (used in):		
Operating Activities	150.1	181.7
Financing Activities	792.5	10.1
Investing Activities	(813.7)	(166.9)
Effect of translation adjustment on cash	5.0	5.3
Increase (decrease) in cash and cash equivalents	133.9	30.2
Cash and cash equivalents – Beginning of Period	653.3	860.5
Cash and cash equivalents – End of Period	787.2	890.7
Comprised of:		
Cash in bank	497.3	494.2
Short-term deposits	293.0	400.6
Unpresented cheques	(3.1)	(4.1)
	787.2	890.7

The Company's cash and cash equivalents (net of unpresented cheques) at March 31, 2024 were \$787.2 million, a decrease of \$103.5 million, or 11.6%, compared to March 31, 2023.

Cash generated from operating activities was \$150.1 million, a decrease of \$31.6 million from Q1 2023, due to increased use of cash in net operating assets partially offset by increased earnings.

Financing activities generated \$792.5 million of cash compared to \$10.1 million generated in Q1 2023. The increased generation of cash in Q1 2024 was primarily due to proceeds from the term credit agreement.

Investing activities used \$813.7 million in Q1 2024 compared to \$166.9 million used in Q1 2023. The use of cash was primarily for the 2024 business acquisition of Bourgault.

Operating Activities

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Net Earnings (Loss) for the period	178.5	117.0
Adjustments to earnings	146.5	117.2
	325.0	234.2
Changes in operating assets and liabilities	(174.9)	(52.5)
Cash generated from (used in) operating activities	150.1	181.7

Cash generated by operations before the effect of changes in operating assets and liabilities increased \$90.8 million, or 38.8%, in Q1 2024 to \$325.0 million, compared to \$234.2 million in Q1 2023 primarily due to higher net earnings.

Changes in operating assets and liabilities for Q1 2024 used cash of \$174.9 million primarily due to increases in accounts receivables and inventories, partially offset by an increase in accounts payable required to support sales.

Financing Activities

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Proceeds from (repayments of) long-term debt	129.7	24.4
Proceeds from term credit agreement	700.0	-
Finance income received (expenses paid)	(37.2)	(14.3)
Cash generated from (used in) financing activities	792.5	10.1

Cash generated by financing activities for Q1 2024 was \$792.5 million compared to \$10.1 million generated in Q1 2023. Financing activities in Q1 2024 were primarily driven by the proceeds from the new term credit agreement partially used for the acquisition of Bourgault.

Investing Activities

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Payments for purchase of property, plant and equipment	(189.8)	(162.7)
Proceeds on disposal of property, plant and equipment	0.4	0.4
Payments for purchase of intangible assets	(6.9)	(4.5)
Business acquisitions, net of cash acquired	(617.3)	-
Other	(0.1)	(0.1)
Cash generated from (used in) investing activities	(813.7)	(166.9)

Cash used for investing activities for Q1 2024 was \$813.7 million compared to Q1 2023 at \$166.9 million. In addition to the Company's ongoing purchase of property, plant and equipment, the primary use of cash in Q1 2024 was for the acquisition of Bourgault.

Liquidity and Capital Resources

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

At March 31, 2024, cash and cash equivalents, including short-term deposits was \$787.2 million and the Company's credit facilities had available credit of \$522.9 million. Combined, the Company believes this liquidity¹ of \$1.3 billion at March 31, 2024 is sufficient to meet cash flow needs. Free cash flow¹ was (\$39.3) million for Q1 2024 primarily due to cash used for purchase of property, plant and equipment, partially offset by cash generated from operating activities.

Commitments and Contingencies

Please see the Company's December 31, 2023 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, 2023.

Financial Instruments

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

The Company's strategy, risks and presentation of its financial instruments remain substantially unchanged during the quarter ended March 31, 2024. For more information, please see the Company's December 31, 2023 annual MD&A and the Company's consolidated financial statements for the year ended December 31, 2023.

CURRENT AND PROPOSED TRANSACTIONS

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault for a preliminary purchase price of \$618.5 million. Headquartered in St. Brieux, Saskatchewan, Canada, Bourgault is a market and technology leader in broad acre seeding.

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

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

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 Competition, Outsourcing and Insourcing; Sources and Availability of Raw Materials; Labour Markets and Dependence on Key Personnel; Dependence on Certain Customers; Technological Change and Product Launches; Public Health Threats; Foreign Business Risk; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Cyclicity and Seasonality; Legal Proceedings and Insurance Coverage; Credit Risk; 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 March 31, 2024. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2023 annual MD&A, and the Company's December 31, 2023 Annual Information Form, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2024, 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.

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 Battery Enclosures Business, which the Company acquired on August 3, 2023, ii) the Chassis and Suspension Business, which the Company acquired on October 31, 2023 and iii) Bourgault Industries Ltd, which the Company acquired on February 1, 2024. The charts below present the summary financial information of the Battery Enclosures Business, the Chassis and Suspension Business, and Bourgault:

(in millions of dollars)	Battery Enclosures Business \$	Chassis and Suspension Business \$
For the 2023 acquisitions, from the date of acquisition until December 31, 2023:		
Sales	135.7	94.7
Net Earnings (Loss) for the Period	6.3	2.6
As at March 31, 2024:		
Current Assets	105.7	125.7
Non-Current Assets	402.9	152.1
Current Liabilities	40.9	186.6
Non-Current Liabilities	52.5	47.4

(in millions of dollars)	Bourgault \$
For the 2024 acquisition, from the date of acquisition until March 31, 2024:	
Sales	98.8
Net Earnings (Loss) for the Period	9.6
As at March 31, 2024:	
Current Assets	236.5
Non-Current Assets	538.4
Current Liabilities	61.3
Non-Current Liabilities	66.5

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. Management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts

of assets and liabilities within the next year have been set out in the Company's consolidated financial statements for the year ended December 31, 2023.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

For information pertaining to accounting changes effective in 2023 and for future fiscal years please see the Company's consolidated financial statements for the year ended December 31, 2023 and the consolidated interim financial statements for the quarter ended March 31, 2024.

NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses certain non-GAAP and other financial measures to provide useful information to both management, investors, and other stakeholders in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company's underlying operational performance. For this reason, management uses certain non-GAAP and other financial measures when analyzing operational performance on a consistent basis.

These Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Normalized Non-GAAP Financial Measures and Ratios

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

Operating Earnings (Loss) – Normalized

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

Net Earnings (Loss) – Normalized

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

Net Earnings (Loss) per Share – Diluted – Normalized

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

EBITDA and EBITDA – Normalized

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

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

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

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Adjustment for contingent consideration of Mills River earn-out	-	4.9
Other items impacting Operating Earnings (loss) – Normalized and Net Earnings (Loss) - Normalized	-	4.9
Adjustment for contingent consideration of Mills River earn-out	-	4.9
Other items	-	4.9
Asset impairment provision, net of reversals	0.1	-
Other items and asset impairments impacting EBITDA – Normalized	0.1	4.9

Normalizing items for asset impairment provisions, net of reversals adjusted EBITDA and impacted the Mobility segment by \$0.1 million for Q1 2024 (\$Nil for Q1 2023).

During Q1 2023, a normalizing item related to an “adjustment for contingent consideration on Mills River earn-out” impacted the Mobility segment by \$4.9 million. Also, during Q1 2023 a normalizing item impacting the Company’s income taxes related to withholding tax on repatriation of cash from China by \$6.9 million.

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

(in millions of dollars, except per share figures)	Three Months Ended			
	2024	2023	March 31	
	\$	\$	+/-	+/-
			\$	%
Operating Earnings (Loss) – Normalized				
Operating Earnings (Loss)	269.2	176.9	92.3	52.2%
Foreign exchange (gain) loss	(25.4)	(6.0)	(19.4)	
Other items	-	4.9	(4.9)	
Operating Earnings (Loss) – Normalized	243.8	175.8	68.0	38.7%
Net Earnings (Loss) – Normalized				
Net Earnings (Loss)	178.5	117.0	61.5	52.6%
Foreign exchange (gain) loss	(25.4)	(6.0)	(19.4)	
Foreign exchange (gain) loss on debt and derivatives	0.5	0.2	0.3	
Other items	-	4.9	(4.9)	
Tax impact including Other Items	6.0	5.6	0.4	
Net Earnings (Loss) – Normalized	159.6	121.7	37.9	31.1%

	2024	2023	Three Months Ended	
			March 31	
			+/-	+/-
(in millions of dollars, except per share figures)	\$	\$	\$	%
Net Earnings (Loss) per Share – Diluted – Normalized				
Net Earnings (Loss) per Share – Diluted	2.90	1.90	1.00	52.6%
Foreign exchange (gain) loss	(0.41)	(0.09)	(0.32)	
Foreign exchange (gain) loss on debt and derivatives	0.01	-	0.01	
Other items	-	0.08	(0.08)	
Tax impact including Other Items	0.09	0.09	-	
Net Earnings (Loss) per Share – Diluted – Normalized	2.59	1.98	0.61	30.8%
EBITDA and EBITDA – Normalized				
Net Earnings (Loss) before income taxes	236.3	163.7	72.6	44.3%
Amortization of property, plant and equipment	122.6	100.1	22.5	
Amortization of other intangible assets	17.6	15.9	1.7	
Interest expense	30.0	13.2	16.8	
Other interest	5.2	5.1	0.1	
EBITDA	411.7	298.0	113.7	38.2%
Foreign exchange (gain) loss	(25.4)	(6.0)	(19.4)	
Foreign exchange (gain) loss on debt and derivatives	0.5	0.2	0.3	
Asset impairment provision, net of reversals	0.1	-	0.1	
Other items	-	4.9	(4.9)	
EBITDA – Normalized	386.9	297.1	89.8	30.2%

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

	Industrial	Mobility	Three Months Ended	
			March 31	
			2024	
(in millions of dollars)	\$	\$	Linamar	\$
Operating Earnings (Loss) – Normalized				
Operating Earnings (Loss)	139.7	129.5	269.2	
Foreign exchange (gain) loss	(19.5)	(5.9)	(25.4)	
Other items	-	-	-	
Operating Earnings (Loss) – Normalized	120.2	123.6	243.8	
EBITDA – Normalized				
EBITDA	159.1	252.6	411.7	
Foreign exchange (gain) loss	(19.5)	(5.9)	(25.4)	
Foreign exchange (gain) loss on debt and derivatives	0.5	-	0.5	
Asset impairment provision, net of reversals	-	0.1	0.1	
Other items	-	-	-	
EBITDA – Normalized	140.1	246.8	386.9	

(in millions of dollars)	Three Months Ended		
	Industrial	Mobility	Linamar
	\$	\$	\$
Operating Earnings (Loss) – Normalized			
Operating Earnings (Loss)	104.9	72.0	176.9
Foreign exchange (gain) loss	(7.4)	1.4	(6.0)
Other items	-	4.9	4.9
Operating Earnings (Loss) – Normalized	97.5	78.3	175.8
EBITDA – Normalized			
EBITDA	121.0	177.0	298.0
Foreign exchange (gain) loss	(7.4)	1.4	(6.0)
Foreign exchange (gain) loss on debt and derivatives	0.1	0.1	0.2
Asset impairment provision, net of reversals	-	-	-
Other items	-	4.9	4.9
EBITDA – Normalized	113.7	183.4	297.1

Other Non-GAAP Financial Measures

Free Cash Flow

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

Liquidity

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

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

(in millions of dollars)	Three Months Ended	
	2024	March 31 2023
	\$	\$
Free Cash Flow		
Cash generated from (used in) operating activities	150.1	181.7
Payments for purchase of property, plant and equipment	(189.8)	(162.7)
Proceeds on disposal of property, plant and equipment	0.4	0.4
Free Cash Flow	(39.3)	19.4
Liquidity		
Cash and cash equivalents	787.2	890.7
Available credit	522.9	425.0
Liquidity	1,310.1	1,315.7

Supplementary Financial Measures

Content per Vehicle

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

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

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

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at March 31, 2024 with comparatives as at December 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	March 31 2024 \$	December 31 2023 \$
ASSETS		
Cash and cash equivalents	787,189	653,327
Accounts and other receivables	1,594,310	1,343,322
Inventories	2,125,740	1,836,665
Income taxes recoverable	38,528	41,481
Current portion of long-term receivables (Note 6)	24,790	24,151
Current portion of derivative financial instruments (Note 6)	20,617	32,970
Prepaid expenses and other current assets	70,040	65,052
Current Assets	4,661,214	3,996,968
Long-term receivables (Note 6)	33,042	39,142
Derivative financial instruments (Note 6)	2,909	5,110
Property, plant and equipment	3,866,681	3,652,498
Investments	8,483	8,227
Deferred tax assets	178,147	172,832
Intangible assets	1,179,341	942,274
Goodwill	1,196,008	1,033,449
Assets	11,125,825	9,850,500
LIABILITIES		
Accounts payable and accrued liabilities	2,594,910	2,328,651
Provisions	51,848	49,255
Income taxes payable	36,643	95,781
Current portion of long-term debt (Notes 6, 7)	120,263	40,530
Current portion of derivative financial instruments (Note 6)	8,978	4,698
Current Liabilities	2,812,642	2,518,915
Long-term debt (Notes 6, 7)	2,494,792	1,731,817
Derivative financial instruments (Note 6)	647	139
Deferred tax liabilities	324,225	277,526
Liabilities	5,632,306	4,528,397
EQUITY		
Capital stock	142,100	142,100
Retained earnings	5,224,934	5,046,422
Contributed surplus	34,953	34,177
Accumulated other comprehensive earnings (loss)	91,532	99,404
Equity	5,493,519	5,322,103
Liabilities and Equity	11,125,825	9,850,500

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

On behalf of the Board of Directors:

(Signed) "Linda Hasenfratz"

Linda Hasenfratz
Director

(Signed) "Jim Jarrell"

Jim Jarrell
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars, except per share figures)

	Three Months Ended	
	2024	March 31
	2023	2023
	\$	\$
Sales	2,721,896	2,292,662
Cost of sales	2,328,704	1,992,139
Gross Margin	393,192	300,523
Selling, general and administrative	151,722	124,652
Other income and (expenses) (Note 8)	27,755	1,068
Operating Earnings (Loss)	269,225	176,939
Finance income and (expenses) (Note 9)	(32,944)	(13,226)
Net Earnings (Loss) before Income Taxes	236,281	163,713
Provision for (recovery of) income taxes	57,769	46,716
Net Earnings (Loss) for the Period	178,512	116,997
Net Earnings (Loss) per Share:		
Basic	2.90	1.90
Diluted	2.90	1.90

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

LINAMAR CORPORATION**Consolidated Interim Statements of Comprehensive Earnings**

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2024	March 31
	2023	
	\$	\$
Net Earnings (Loss) for the Period	178,512	116,997
Items that may be reclassified subsequently to net income		
Unrealized gains (losses) on translating financial statements of foreign operations	8,126	68,163
Change in unrealized gains (losses) on net investment hedges	320	(6,464)
Change in unrealized gains (losses) on cash flow hedges	(17,523)	10,589
Change in cost of hedging	1,609	(2,067)
Reclassification to earnings of gains (losses) on cash flow hedges	(5,844)	5,120
Tax impact of above	5,440	(3,443)
Other Comprehensive Earnings (Loss)	(7,872)	71,898
Comprehensive Earnings (Loss) for the Period	170,640	188,895

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

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
Balance at January 1, 2023	138,925	4,597,513	31,359	59,764	(15,850)	4,811,711
Net Earnings (Loss)	-	116,997	-	-	-	116,997
Other comprehensive earnings (loss)	-	-	-	61,699	10,199	71,898
Comprehensive Earnings (Loss)	-	116,997	-	61,699	10,199	188,895
Hedging transferred to the carrying value of inventory	-	-	-	-	130	130
Share-based compensation	-	-	1,200	-	-	1,200
Balance at March 31, 2023	138,925	4,714,510	32,559	121,463	(5,521)	5,001,936

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
Balance at January 1, 2024	142,100	5,046,422	34,177	82,446	16,958	5,322,103
Net Earnings (Loss)	-	178,512	-	-	-	178,512
Other comprehensive earnings (loss)	-	-	-	8,447	(16,319)	(7,872)
Comprehensive Earnings (Loss)	-	178,512	-	8,447	(16,319)	170,640
Share-based compensation	-	-	776	-	-	776
Balance at March 31, 2024	142,100	5,224,934	34,953	90,893	639	5,493,519

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

LINAMAR CORPORATION

Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Cash generated from (used in)		
Operating Activities		
Net Earnings (Loss) for the Period	178,512	116,997
Adjustments for:		
Amortization of property, plant and equipment	122,637	100,065
Amortization of other intangible assets	17,563	15,912
Deferred income taxes	(16,373)	(14,143)
Asset impairment provision, net of reversals	157	23
Share-based compensation	776	1,200
Finance (income) and expenses	32,944	13,226
Other	(11,169)	884
	325,047	234,164
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(184,647)	(119,077)
(Increase) decrease in inventories	(109,396)	(94,326)
(Increase) decrease in prepaid expenses and other current assets	(3,059)	3,762
(Increase) decrease in long-term receivables	5,847	3,915
Increase (decrease) in income taxes	(46,019)	13,268
Increase (decrease) in accounts payable and accrued liabilities	162,383	139,286
Increase (decrease) in provisions	(89)	715
	(174,980)	(52,457)
Cash generated from (used in) operating activities	150,067	181,707
Financing Activities		
Proceeds from (repayments of) long-term debt	129,662	24,326
Proceeds from term credit agreement	700,000	-
Finance income received (expenses paid)	(37,156)	(14,271)
Cash generated from (used in) financing activities	792,506	10,055
Investing Activities		
Payments for purchase of property, plant and equipment	(189,842)	(162,748)
Proceeds on disposal of property, plant and equipment	460	398
Payments for purchase of intangible assets	(6,894)	(4,402)
Business acquisition, net of cash acquired	(617,301)	-
Other	(80)	(126)
Cash generated from (used in) investing activities	(813,657)	(166,878)
	128,916	24,884
Effect of translation adjustment on cash	4,946	5,290
Increase (decrease) in cash and cash equivalents	133,862	30,174
Cash and cash equivalents - Beginning of Period	653,327	860,515
Cash and cash equivalents - End of Period	787,189	890,689
Comprised of:		
Cash in bank	497,284	494,167
Short-term deposits	292,994	400,591
Unpresented cheques	(3,089)	(4,069)
	787,189	890,689

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

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

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 March 31, 2024 were authorized for issue in accordance with a resolution of the Company's Board of Directors on May 8, 2024.

2 Basis of Preparation and Material Accounting Policies

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

These interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023. 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, 2023. These policies have been consistently applied to all periods presented, unless otherwise stated.

3 Changes in Accounting Policies

New Standards and Amendments Adopted

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

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

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2024, the IASB issued disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on the Company's liabilities, cash flows and exposure to liquidity risk.

New Standards and Interpretations Not Yet Adopted

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management's most critical estimates and assumptions in determining the value of

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set out in the Company's annual financial statements for the year ended December 31, 2023.

5 Seasonality

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

6 Composition of Financial Instruments

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

	Subsequent Measurement	March 31, 2024		December 31, 2023	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	57,832	57,222	63,293	62,803
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(4,577)	(4,577)	15,385	15,385
USD sales forwards – MXN functional entities	Fair value (Level 2)	21,172	21,172	20,653	20,653
USD sales forwards – CNY functional entities	Fair value (Level 2)	(1,016)	(1,016)	(702)	(702)
Derivative financial instruments (held for trading)					
CAD foreign currency forwards	Fair value (Level 2)	(1,678)	(1,678)	(2,093)	(2,093)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	8,483	8,483	8,227	8,227
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(2,408,180)	(2,306,316)	(1,568,834)	(1,478,148)

7 Long-Term Debt

	March 31 2024 \$	December 31 2023 \$
Private placement notes	1,014,973	1,015,213
Bank borrowings	1,328,578	485,195
Lease liabilities	206,875	203,513
Government borrowings	64,629	68,426
	2,615,055	1,772,347
Less: current portion	120,263	40,530
	2,494,792	1,731,817

In February 2024, the Company entered into a new term credit agreement for \$700,000 in connection with the acquisition of Bourgault (Note 13) and general corporate purposes. The term credit agreement is repayable in three tranches with the first due in February 2025 and the last due in February 2027. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

As of March 31, 2024, \$522,932 was available under the revolving credit facility.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

8 Other Income and (Expenses)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Foreign exchange gain (loss)	25,432	6,028
Other income (expense)	2,323	(4,960)
	27,755	1,068

9 Finance Income and (Expenses)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Interest expense	(30,061)	(13,221)
Foreign exchange gain (loss) on debt and derivatives	(458)	(200)
Interest earned	4,131	6,170
Other	(6,556)	(5,975)
	(32,944)	(13,226)

10 Commitments

As at March 31, 2024, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$377,564 (March 31, 2023 - \$345,003). Of this amount \$331,533 (March 31, 2023 - \$306,030) relates to the purchase of manufacturing equipment and \$46,031 (March 31, 2023 - \$38,973) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$37,416 (March 31, 2023 - \$788) were commitments to a related party, a company owned by the spouse of an officer and director. The majority of these commitments are due within the next twelve months.

11 Related Party Transactions

Building additions made by a related party, a company owned by the spouse of an officer and director, were \$17,977 for the three months ended March 31, 2024 (\$3,239 for the three months ended March 31, 2023).

12 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 from the collaborative design, development and manufacture of propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered markets.

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

The segments are differentiated by the products that each produces and reflects how 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.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

	Three Months Ended March 31, 2024		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,993,294	13,525	129,491
Industrial	728,602	3,126	139,734
Total	2,721,896	16,651	269,225

	Three Months Ended March 31, 2023		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,707,681	13,472	72,049
Industrial	584,981	2,840	104,890
Total	2,292,662	16,312	176,939

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	
	March 31 2024	March 31 2023
	\$	\$
Canada	1,438,961	1,265,309
Rest of North America	529,064	315,579
Asia Pacific	132,893	121,678
Europe	620,978	590,096
Total	2,721,896	2,292,662

13 Business Acquisitions

(i) Bourgault

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault Industries Ltd. ("Bourgault"), headquartered in St. Brieux, Saskatchewan, Canada. The acquisition will expand the Company's agricultural portfolio into broad acre seeding. The preliminary purchase price is \$618,450.

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 preliminary amount of \$162,932 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 consideration paid for the Bourgault's acquired net assets, recognized at the acquisition date, which has been accounted for as a business combination.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

Preliminary summary of identifiable assets acquired and liabilities assumed after acquisition completed on February 1, 2024:

	\$
Current assets	234,196
Non-current assets	377,549
Goodwill	162,932
Total assets acquired	774,677
Current liabilities	89,709
Non-current liabilities	66,518
Total liabilities assumed	156,227
Preliminary net identifiable assets acquired	618,450

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

The sales included in the consolidated statements of earnings from February 1, 2024 to March 31, 2024 contributed by Bourgault were \$98,756. Bourgault also contributed net earnings of \$9,596 over the same period. Bourgault is included in the Industrial segment.

(ii) Battery Enclosures Business

On August 3, 2023, the Company acquired three battery enclosures facilities from Dura-Shiloh ("Battery Enclosures Business") through the acquisition of certain assets and shares. As at March 31, 2024, 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. As at March 31, 2024, all details remain unchanged from December 31, 2023.

(iii) Chassis and Suspension Business

On October 31, 2023, the Company acquired the substantial portion of the US-based assets from Mobex Fourth and 1, LLC ("Chassis and Suspension Business") and certain of its affiliates. As at March 31, 2024, 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. As at March 31, 2024, all details remain unchanged from December 31, 2023.