



Technologies Limited



MOULDING

OUR FUTURE

Q4 F2018 Results

November 27, 2018

Cautionary Statement



Information in this presentation relating to projected growth and financial performance of the Company's business units, contribution of our greenfield business units, margin performance and operating efficiencies are forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements made during this presentation referring to growth and financial performance of the Company's business units, margin, operating improvement, capital expenditures and acquisitions because these plans, intentions or expectations are based on, among other things, assumptions about the number of automobiles produced in North America and Europe, the number of extrusion dies required in North America and South America, the rate of economic growth in North America and Europe and emerging markets, investment by OEMs in drivetrain and structural part architecture and other initiatives intended to reduce fuel consumption and/or the weight of automobiles, raw material prices, general economic conditions, capital expenditures and currency fluctuations. These forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results or achievements to be materially different from those expressed or implied. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in the latest Annual Report, Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at www.sedar.com and www.excocorp.com.

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Darren Kirk
Chief Operating Officer

Q4 F2018 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

Europe (ALC and Polydesign) compared to Q4 F17

- Overall combined revenue growth of 14%
- Operations were solidly profitable for both the quarter and the year versus losses in prior year periods
- Restructuring of ALC continues
 - Shifting diversified programs and a portion of BMW Mini seat cover program to Polydesign; on target to be complete by Dec 31/18
- Results continued to benefit from ALC temporary price support by main customer; discussions for permanent price increase ongoing
- Morocco continues to see an influx of opportunities from the tight labour markets in Eastern Europe
 - Polydesign is the “go-to” supplier
 - Polydesign evaluating ~50% increase in building square footage to meet expected demand growth

Q4 F2018 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

North America (Polytech, Neocon, AFX) compared to Q4 F17

- Flat N.A. industry vehicle production
 - Passenger cars down 9%; trucks (inc SUV/ CUV) up 4% (30% cars/ 70% trucks)
 - Segment revenue exposure now roughly 40%/60% between car/ truck
- Revenue and underlying margin weakness persisted in the quarter due to program launch timing, pricing pressures, cost increases and isolated supplier challenges
- EBITDA boosted by gain on building sale
- New product initiatives and bidding activity remain good; very optimistic AS North America segment will return to year/ year earnings growth in F19
- NAFTA renegotiation moving forward (USMCA) although must still be ratified by Congress; no material impact expected

Q4 F2018 Operations Overview



Key Highlights in the Quarter – Casting & Extrusion

Extrusion Group

- Results remain firm year over year on the back of strong market conditions and operating improvements
- Plant harmonization initiative essentially complete
 - Lower cost structure, improved product flow and enhanced quality leading to market share gains and modest pricing power
 - Expect benefit will continue to be evident through F2019
- Construction of new plant in Mexico well advanced; operational in early C2019

Castool Group

- Group sales and profitability up sharply
- Results benefiting from selective price increases, continuing rebound in capital equipment sales, seasoning of operations in Thailand and well positioned product portfolio

Q4 F2018 Operations Overview



Key Highlights in the Quarter – Casting & Extrusion

Large Mould Group

- Higher revenues driven by large order book
- Margin/ profitability down on input cost inflation, losses on near-complete contracts and operating inefficiencies
- Remain focused on improving new manufacturing cell in Newmarket
 - Progress continues, albeit at slower than expected pace; significant opportunity remains
 - Approximately 60% of insert volumes now going through new cell; on target for 75% by year end
- Pricing conditions continue to improve
- New order, quoting activity and backlog remain very strong
- Nominated as 2019 Finalist for prestigious Automotive industry PACE awards – Additive manufacturing



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Drew Knight
Chief Financial Officer

Q4 F2018 Financial Overview



Consolidated Results Versus Prior Year Period

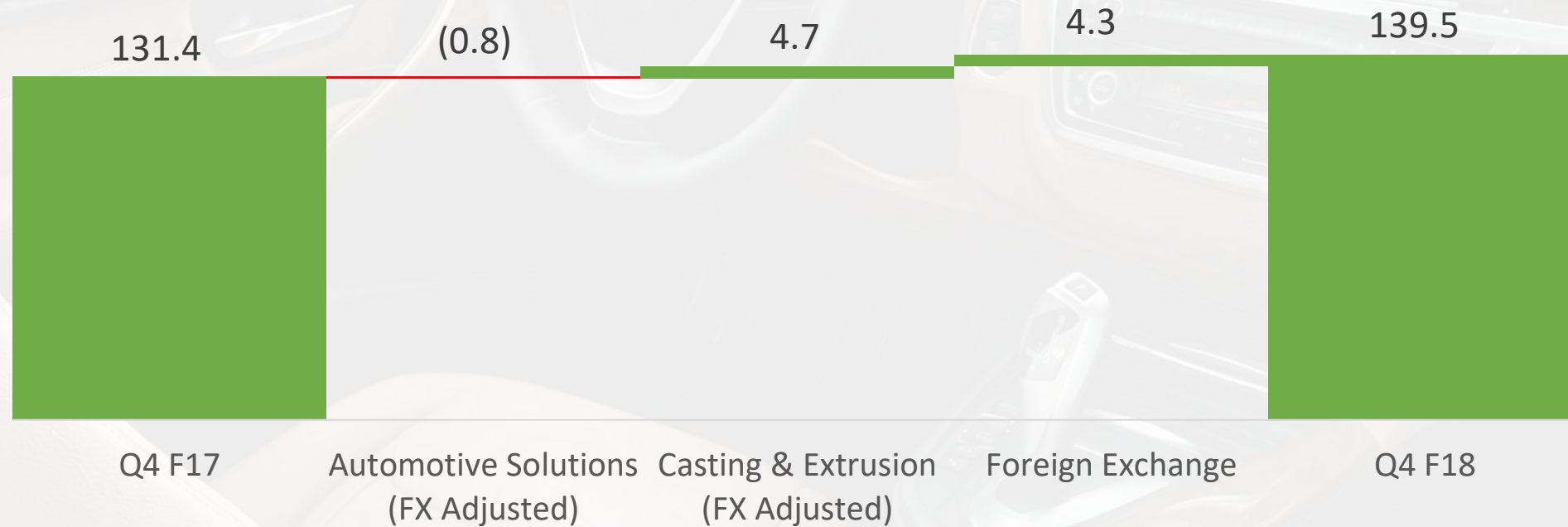
- Revenue of \$139.5; up \$8.1 or 6%; AS down \$0.8M, C&E up \$4.7M, FX increased revenues by \$4.3M
- EBITDA of \$20.1M; up \$4.3M or 27%; AS up \$3.7M, C&E up \$0.3M, FX increased EBITDA by \$1.2M
- EPS of \$0.27 per share versus \$0.18 per share prior year quarter
- Record Q4 earnings
- Tax rate 19% – favorable impact of lower US tax rate and profit shift towards lower tax rate jurisdictions
- Free cash flow of \$3.5 million in the quarter; lower than usual due to working capital swings
- Repurchased \$3.4 million of shares during quarter
- Balance sheet in a \$2.7 net debt position (\$31.3M of cash less \$34.0M of debt)

Q4 F2018 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

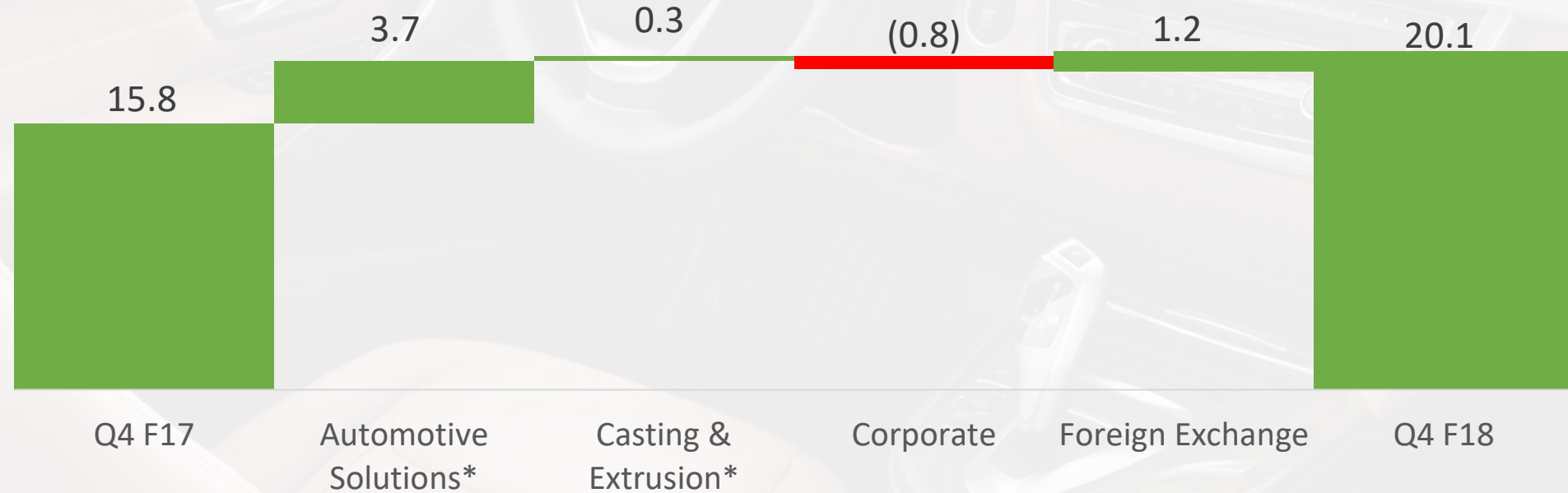


Q4 F2018 Financial Overview



Consolidated EBITDA Reconciliation

C\$ Millions



* FX Adjusted

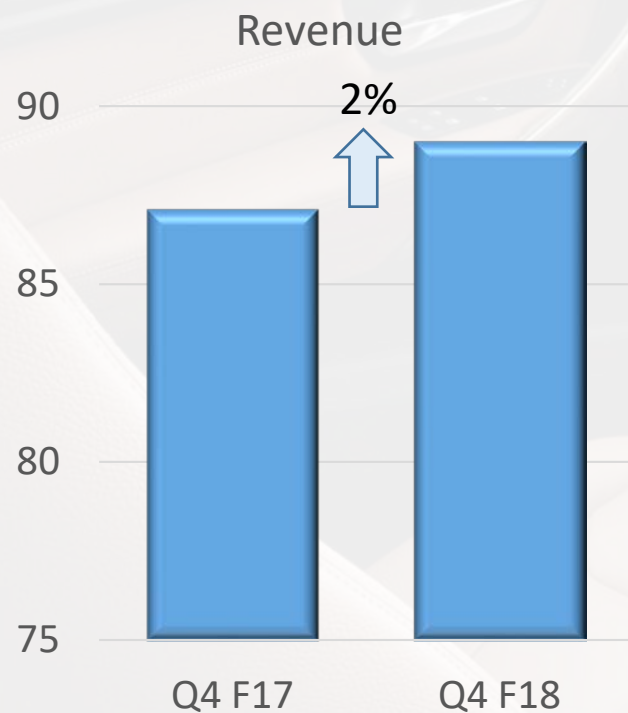
Q4 F2018 Financial Overview



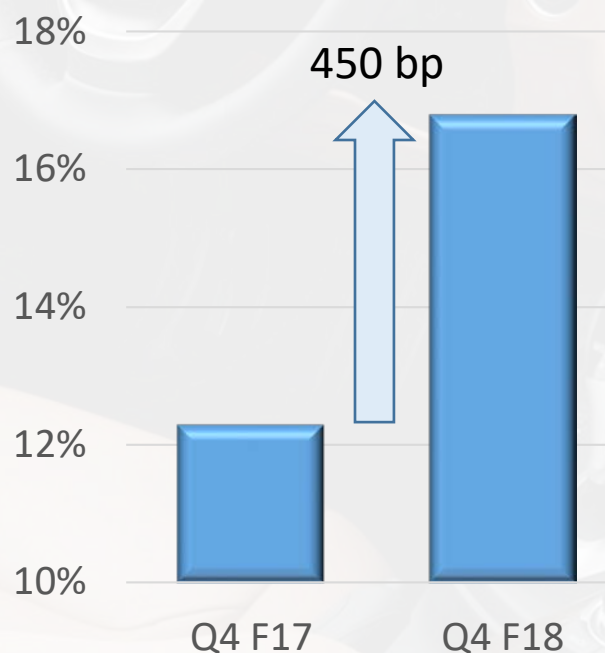
Strong EBITDA growth driven by Europe and aided by gain on asset sale

Automotive Solutions Segment

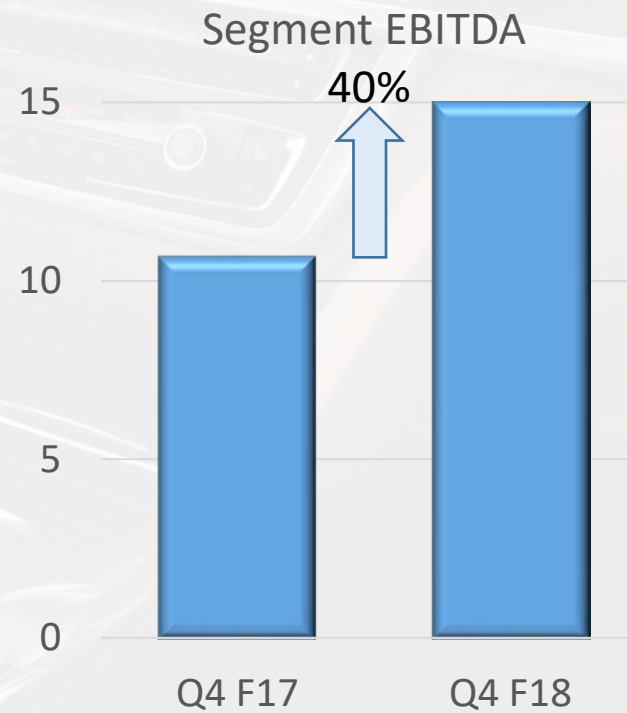
C\$ Millions



Segment EBITDA Margin



C\$ Millions



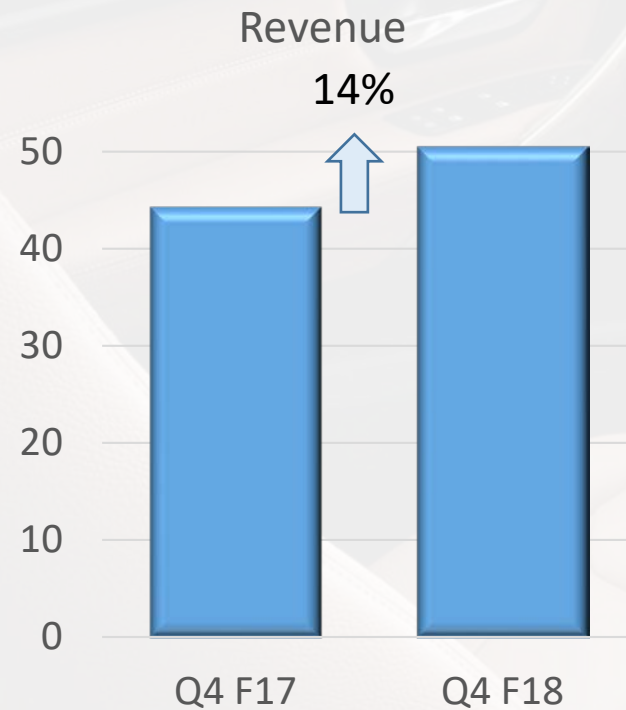
Q4 F2018 Financial Overview



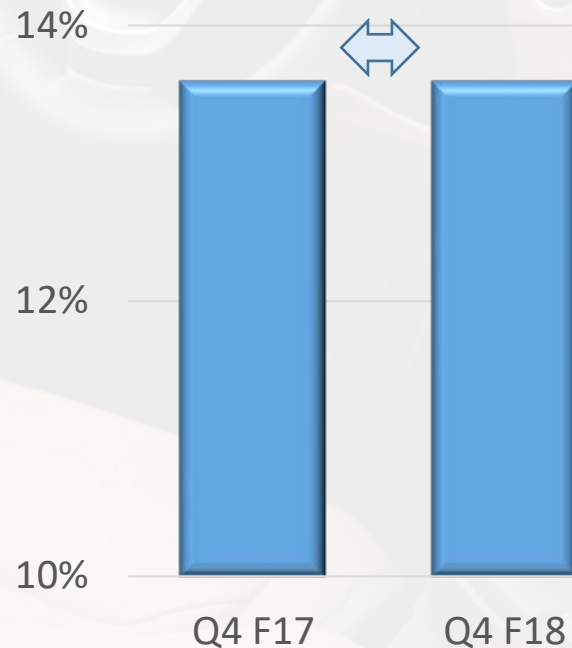
EBITDA followed revenue higher on stable margin

Casting and Extrusion Segment

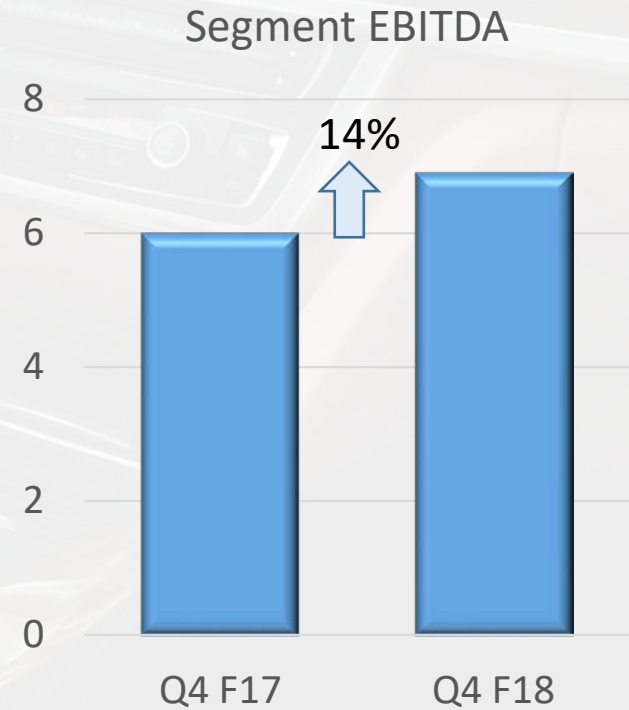
C\$ Millions



Segment EBITDA Margin



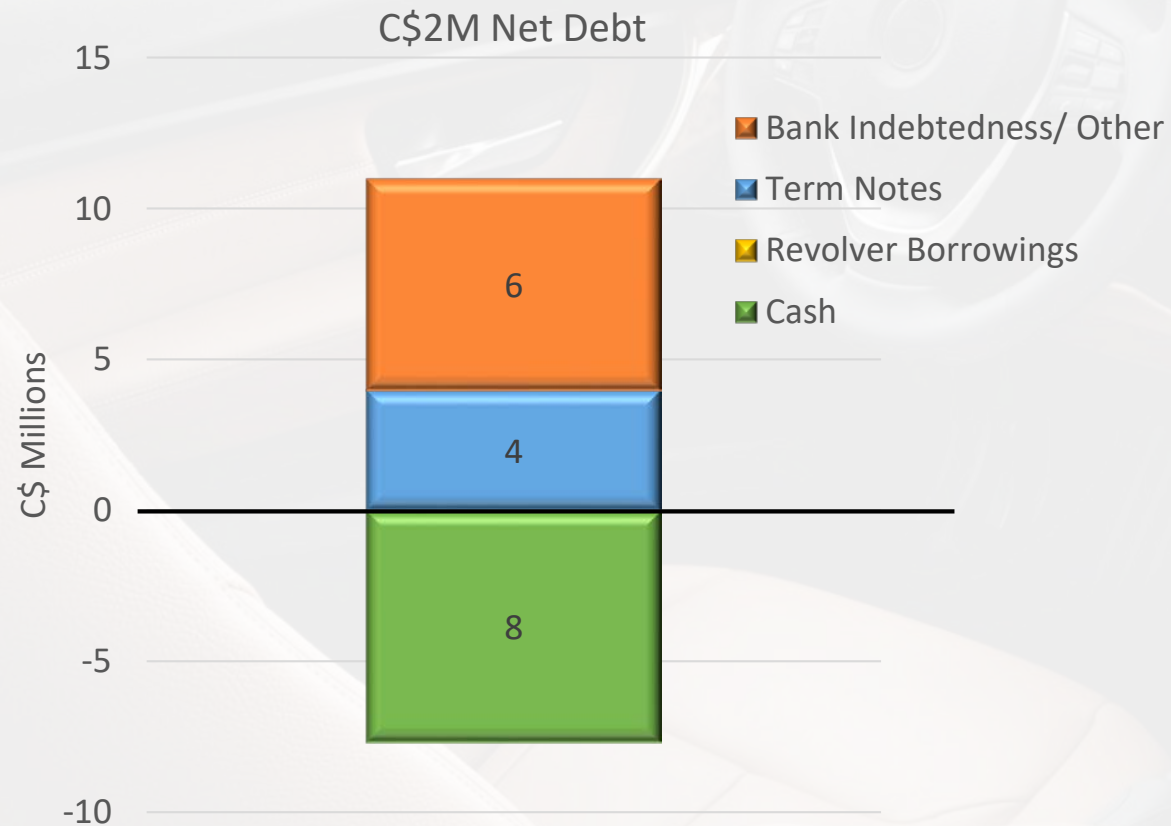
C\$ Millions



Financial Leverage and Liquidity



Very Strong Balance Sheet and Liquidity Position



- F2018 EBITDA of C\$77M
- Unused C\$50M committed revolver matures February 2021
- Balance sheet cash of \$8M
- Consistently positive free cash flow

As at September 30, 2018 pro-forma for C\$23M debt reduction with cash on hand October 2018

Questions





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