- **Sales of $139.5 million for the quarter; up 6% from prior year**
- **Record Q4 EPS of $0.27 compared to $0.18 prior year**
- **EBITDA of $20.1 million in the quarter and $76.6 million for year**
- **Continued progress with ALC turnaround efforts**
- **$7.0 million returned to shareholders via share repurchases and dividends**
- **Balance sheet and liquidity remain very strong**

TORONTO, Nov. 26, 2018 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its fourth quarter and year ended September 30, 2018. In addition, the Company announced the quarterly dividend of $0.085 per common share which will be paid on December 28, 2018 to shareholders of record on December 13, 2018. The dividend is an “eligible dividend” in accordance with the Income Tax Act of Canada.

	Three Months ended September 30		Twelve Months ended September 30	
	(in $ millions except per share amounts)			
	2018	2017	**2018**	2017
Sales	**$139.5**	$131.4	**$575.6**	$584.2
Net income for the period	**$11.6**	$7.5	**$42.3**	$42.5
Diluted earnings per share from net income				
Reported	**$0.27**	$0.18	**$1.00**	$1.00
Adjusted to exclude certain one-time items[1]	**$0.27**	$0.18	**$1.00**	$1.03
Cash dividend paid per share	**$0.085**	$0.080	**$0.335**	$0.310
EBITDA[1]	**$20.1**	$15.8	**$76.6**	$83.2

"Exco ended fiscal 2018 on a strong note with record fourth quarter earnings,” said Brian Robbins, CEO of Exco. “We expect the forward momentum we demonstrated throughout the past year will continue in fiscal 2019, propelling our earnings to record levels in the year ahead,” added Robbins.

In the fourth quarter, consolidated sales were $139.5 million – an increase of $8.1 million or 6% from the prior year. Foreign exchange rate movements contributed $4.3 million of the sales increase.

The Automotive Solutions segment experienced a 2% increase in sales to $89.0 million compared to the fourth quarter of 2017. The increase was mainly driven by higher revenues at ALC assisted by temporary price increases on its main program. Polydesign also recorded higher sales driven mainly by new program launches in Morocco, where quoting activity remains extremely robust. In North America, overall vehicle production volumes were relatively flat during the quarter compared to a year ago, however the mix shift towards trucks/ SUV’s and away from passenger cars continued. These trends helped Polytech and Neocon generate higher revenues year over year although hampered the results of AFX. Sales were also impacted by the timing of program launches at the segment’s various businesses, and a focus on higher margin activities. Foreign exchange rate movements contributed $2.9 million to the segment’s sales gain.

The Casting and Extrusion segment’s revenues rose 14% over last year, to $50.5 million in the quarter. This increase was widespread with all three of the segment’s businesses contributing. Factors behind the increase include a rebound in demand for capital equipment within the Castool group together with price increases and strong demand for the group’s other innovative product offerings as well as continued seasoning of Castool’s operations in Thailand. Revenue generated by the Extrusion group were higher due to continued strong market conditions coupled with price increases (including the pass-through of US steel tariffs) and, management believes, market share gains. Large mould group sales were higher as the division continued to execute on its strong backlog while quoting activity for new programs remains robust. Foreign exchange rate movements contributed $1.4 million of sales.

The Company’s fourth quarter consolidated net income increased to $11.6 million or earnings of $0.27 per share compared to $7.5 million or earnings of $0.18 per share in the same quarter last year – an EPS increase of 50%. The effective income tax rate was 18.7% in the current quarter compared to 27.4% in the same quarter last year. The effective tax rate in the current period was improved by a reduction to the corporate income tax rate in the US and a greater proportion of earnings generated in lower tax rate jurisdictions.

Fourth quarter pretax earnings in the Automotive Solutions segment totalled $12.8 million, an increase of $3.9 million or 44% over the same quarter last year. This improvement was driven mostly by the segment's European operations where temporary price increases and various operating efficiency measures enabled ALC to record a profit this quarter compared to a loss the prior year period. The higher income occurred despite a $1.6 million ($0.04 per share) bad debt expense at ALC associated with a customer dispute upon program conclusion. ALC's results clearly demonstrate progress with efforts to turnaround that business units' performance. These efforts continue with an objective of further reducing ALC's footprint in Bulgaria and achieving a permanent price increase from ALC's main program customer. Also in the quarter, profitability was boosted in the segment's North American operations by $1.8 million due to the sale of a building. This gain offsets a drag on earnings from the lower sales volumes and underlying margin weakness. Margin rate reduction was caused by reduced absorption of factory overhead expenses, unfavorable product mix shifts and isolated supplier challenges with a new program launch that led to incremental costs.

Pretax earnings in the Casting and Extrusion segment improved by $0.6 million or 23% over the same quarter last year, to $3.4 million. The earnings improvement was mainly driven by contributions from the Castool and Extrusion groups which benefited from higher revenues and, in the case of Castool, margin expansion. These increases more than offset weaker results from the Large Mould group associated primarily with losses on a few near-complete programs for which production costs exceeded prior estimates due in part to increased outsourcing requirements. This occurred, in part, as internal capacity was limited by operating inefficiencies that persisted through the quarter. Program volumes and quoting activity however remain very healthy and after implementing various measures to resolve the group's challenges, management firmly believes the Large Mould group's performance is at an inflection point with stronger results expected ahead.

The Corporate segment in the fourth quarter recorded expenses of $1.8 million compared to $0.9 million last year with the higher amount mainly due to incentive compensation expense which was temporarily decreased in 2017. As a result of the forgoing, consolidated EBITDA in the quarter increased to $20.1 million (14.4% of sales) compared to $15.8 million (12.0% of sales) last year.

Exco generated free cash flow of $3.5 million during the quarter, after $1.8 million in net capital expenditures and $11.2 million in working capital investment, much of which is expected to reverse in the coming quarters. This cash flow and a modest increase in net debt funded the Company's quarterly dividend payment and $3.4 million in share repurchases during the quarter. For the year, Exco generated free cash flow of $27.4 million and ended with $2.7 million in net debt and $56.9 million in available liquidity, continuing its practice of maintaining a very strong balance sheet and liquidity position.

For further information and prior year comparison please refer to the Company's Fourth Quarter Condensed Financial Statements in the Investor Relations section posted at www.excocorp.com. Alternatively, please refer to www.sedar.com.

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1 Non-IFRS Measures: In this News Release, reference may be made to EBITDA, EBITDA Margin, adjusted EPS and free cash flow which are not measures of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates EBITDA as earnings before other income/expense, interest, taxes, depreciation and amortization and EBITDA Margin as EBITDA divided by sales. Exco calculates adjusted EPS as earnings before other income/expense and calculates free cash flow as cash provided by operating activities less interest paid less investment in fixed assets net of proceeds of disposal. EBITDA, EBITDA Margin, adjusted EPS and free cash flow are used by management, from time to time, to facilitate period-to-period operating comparisons and we believe some investors and analysts use these measures as well when evaluating Exco's financial performance. These measures, as calculated by Exco, do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers.

Quarterly Conference Call:
To access the live audio webcast, please log on to www.excocorp.com or https://edge.media-server.com/m6/p/8arrahrh a few minutes before the event. Real Player is required for access. For those unable to participate on November 27, 2018, an archived version will be available on the Exco website.

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About Exco Technologies Limited:

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 18 strategic locations in 8 countries, we employ 6,757 people and service a diverse and broad customer base.

Notice To Reader: Forward Looking Statements

Information in this document relating to projected growth and financial performance of the Company's business units, contribution of our start-up business units, contribution of awarded programs yet to be launched, margin performance, financial performance of acquisitions and operating efficiencies are forward-looking statements.

This press release may contain forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "anticipate", "plan", "may", "will", "should", "expect", "believe", "estimate" and similar expressions to identify forward-looking information and statements especially with respect to growth and financial performance of the Company's business units, contribution of our start-up business units, contribution of awarded programs yet to be launched, margin performance, financial performance of acquisitions and operating efficiencies are forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements throughout this document and are also cautioned that the foregoing list of important factors is not exhaustive. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, assumptions about the number of automobiles produced in North America and Europe, production mix between passenger cars and trucks, the number of extrusion dies required in North America and South America, the rate of economic growth in North America, Europe and emerging market countries, investment by OEMs in drivetrain architecture and other initiatives intended to reduce fuel consumption and/or the weight of automobiles, raw material prices, economic conditions, currency fluctuations, trade restrictions, our ability to close or otherwise dispose of unprofitable operations in a timely manner, our ability to integrate acquisitions and the rate at which our operations in Brazil, Bulgaria and Mexico achieve sustained profitability. 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. The Company will update its disclosure upon publication of each fiscal quarter's financial results and otherwise disclaims any obligations to update publicly or otherwise revise any such factors or any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in our 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 or www.excocorp.com.