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Unaudited Condensed Interim Report to the shareholders for the three and nine months ended June 30, 2019

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	Three Months Ended June 30		Nine Months Ended June 30	
(in $ thousands except per share amounts)				
	2019	2018	**2019**	2018
Sales	**119,944**	152,755	**$385,533**	$436,016
Net income	**7,477**	11,211	**19,859**	30,683
Basic earnings per share	**$0.18**	$0.27	**$0.48**	$0.73
Diluted earnings per share	**$0.18**	$0.27	**$0.48**	$0.72
Weighted avg basic common shares o/s (000's)	**41,253**	42,268	**41,334**	42,313

The following management's interim discussion and analysis of operations and financial position are prepared as at August 1, 2019 and should be read in conjunction with the consolidated financial statements and Management's Discussion and Analysis ("MD&A") in the Company's 2018 Annual Report.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102") of the Canadian Securities Administrators. Additional information regarding Exco, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.excocorp.com or through the SEDAR website at www.sedar.com.

Use of Non-IFRS Measures

In this MD&A, reference may be made to Adjusted EBITDA, Adjusted EBITDA Margin, adjusted EPS, adjusted net income, adjusted pretax profit and free cash flow which are not measures of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates Adjusted EBITDA as earnings before other income/expense, interest, taxes, depreciation and amortization and Adjusted EBITDA Margin as Adjusted EBITDA divided by sales. Exco calculates adjusted EPS as earnings before other income/expense divided by the weighted average number of shares. Adjusted net income is calculated as net income before other income/expense,and adjusted pretax profit as segmented earnings before other income/expense, interest and taxes. Free cash flow is calculated as cash provided by operating activities less interest paid less investment in fixed assets net of proceeds of disposal. Adjusted EBITDA, Adjusted EBITDA Margin, adjusted EPS, pretax profit 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated sales for the third quarter ended June 30, 2019 were $119.9 million compared to $152.8 million in the same quarter last year – a decrease of $32.8 million, or 21%. Year-to-date sales were $385.5 million compared to $436.0 million the prior year – a decrease of $50.5 million or 12%. The vast majority of the sales decline during the quarter and year-to-date periods was driven by the deconsolidation of ALC from Exco's results in January 2019 (see below). The average USD/CAD exchange rate was 3% higher in the quarter ($1.34 versus $1.30) and 4% higher year-to-date ($1.33 versus $1.28), increasing sales by $2.3 million and $9.7 million in the respective periods. The average EUR/CAD exchange rate was 2% lower in the quarter ($1.50 versus $1.53) and 2% lower year-to-date ($1.51 versus $1.54), reducing sales by $0.4 million and $1.1 million in the respective periods.

As previously disclosed, ALC filed a liquidation petition in Bulgaria on January 17, 2019 and it was deconsolidated from Exco's financial statements at that time as it no longer exercised control over the subsidiary. Given the immaterial activity at ALC until production cessation relative to Exco's overall income statement, Exco did not record any sales or related expenses for ALC during the second quarter (i.e. from January 1, 2019 to January 17, 2019) apart from a residual net expense on deconsolidation of $0.3 million that is included in Other Expense.

The Automotive Solutions segment reported sales of $71.0 million in the third quarter – a decrease of $28.9 million, or 29% from the same quarter last year. Year-to-date, segment sales totaled $233.7 million – a decrease of $52.9 million, or 18% compared to last year. Foreign exchange rate movements increased segment sales by $1.0 million in the quarter and $4.8 million year-to-date. Excluding the impact of ALC and foreign exchange rate movements, segment sales were up $1.7 million (or 2%) in the quarter and $2.2 million (or 1%) year-to-date. During the quarter and year-to-date periods, overall industry vehicle production volumes were modestly lower in North America and Europe. Segment sales were nonetheless supported by a number of program launches for both new and existing products, particularly at Polydesign and Neocon. More broadly, the group's four businesses continue to focus their efforts on higher margin activity. Relatedly, the curtailment of uneconomic programs has modestly dampened sales, particularly at AFX. Despite generally softer vehicle industry production levels, management continues to see ample opportunity for future growth supported by robust quoting activity for new programs in both North America and Europe.

The Casting and Extrusion segment reported sales of $48.9 million in the third quarter – a decrease of $3.9 million, or 7%, from the same period last year. Year-to-date, the segment reported sales of $151.8 million – an increase of $2.4 million, or 2%. Foreign exchange movements increased segment sales by $0.9 million in the quarter and $3.7 million year-to-date. During the quarter and year-to-date periods, sales were lower at the Large Mould group due to the completion/wind-down of uneconomic programs and – to a much lesser extent – customer timing requirements. Quoting activity for new awards to absorb this unused capacity remains robust and management expects such awards to materialize in the next several quarters. At Castool, the group's revenues were relatively flat in the quarter and modestly higher year-to-date. Castool continues to experience solid demand for its capital equipment globally. However, demand for its consumable products has been more varied, with modestly softer market demand evident throughout the second and third quarters, particularly in Asia. Extrusion group sales were essentially flat during the quarter despite the benefit of sales from the new Extrusion facility in Mexico, which began commercial production on April 1, 2019. Sales gains from this facility were offset by softer market conditions for extrusion dies in the United States, the group's largest market. Within the segment, US steel tariffs continued to reduce during the quarter as certain steel distributors began receiving exemptions of these tariffs during the second quarter of fiscal 2019. As Exco generally aims to pass such tariffs on to its customers, they positively impacted revenues when implemented, but are now having a dampening impact on revenues as they recede.

Consolidated net income for the third quarter was $7.5 million or basic and diluted earnings of $0.18 per share compared to $11.2 million or $0.27 per share in the same quarter last year – a decrease in net income of 33%. Year-to-date, consolidated net income was $19.9 million or $0.48 per basic share compared to $30.7 million or $0.73 per basic share last year – a decrease in net income of 35%. Excluding a net expense of $6.4 million related to the deconsolidation of ALC, adjusted net income totaled $26.3 million (adjusted EPS of $0.64) in the year-to-date period, or a 14% reduction in adjusted net income. There was no such charge during the current quarter. The consolidated effective income tax rate for the current quarter and year-to-date periods was 20% and 29% respectively. This compares to 23% and 24% in the respective prior year periods. The income tax rate in the current quarter was favorably impacted by the receipt of certain tax credits while the year-to-date income tax rate was unfavorably impacted by the non-deductibility of Other Expense related to the de-consolidation of ALC in the amount of $6.4 million. Excluding the impact of this charge, the effective income tax rate for the current year-to-date period would have been 24%.

The Automotive Solutions segment reported pretax profit of $7.9 million in the third quarter – a decrease of $3.5 million or 30% over the same quarter last year. Year-to-date, the segment reported pretax profit of $26.9 million – a decrease of $4.7 million or 15% compared to the prior year period. Current period results benefited from the elimination of ALC's operations, which contributed losses of $0.1 million in the third quarter of fiscal 2018 and losses of $3.6 million in the first three quarters of fiscal 2018 ($2.2 million in the same period of fiscal 2019). Segment pretax profits however were nonetheless adversely impacted by a number of factors in the current year periods. In particular, Polytech and AFX continue to absorb higher wages and bonus payments to production staff associated with the January annual wage settlement. The impact of the bonus payments totaled roughly $1.5 million in the current quarter and $2.5 million in the year-to-date periods. Additional expenses of roughly $1.5 million will continue in the fourth quarter of this year however management expects they will reduce significantly in 2020. As well, AFX and Polytech experienced some continuing costs associated with the labor disruption in January 2019 while severance costs associated with improving future efficiencies within the segment have also increased current period costs. Lastly, profitability and costs in the current quarter were adversely impacted by unfavorable product mix and front-end inefficiencies associated with several new product launches, particularly at Polydesign, AFX and Neocon. While such costs may continue into future quarters, management expects they will continue at lower levels than experienced in the current quarter and ultimately support higher segment profitability as the underlying programs mature.

The Casting and Extrusion segment reported $3.9 million of pretax profit in the third quarter – a decrease of $1.4 million or 26% from the same quarter last year. Year-to-date, the segment reported pretax profit of $14.0 million – a decrease of $0.9 million or 6% compared to the prior year period. During the quarter, profitability within the Extrusion group was adversely impacted by reduced market demand for extrusion dies within North America as well as operational support and start-up costs for the new Extrusion facility in Mexico which began commercial production on April 1, 2019. Nonetheless, despite the losses, management remains very encouraged by the early results of its latest facility. As is the case with Exco's prior greenfield operations, these operations typically require several quarters after production commences to mature and reach sustained profitability. Separately, profitability at the Large Mould group was higher during the quarter despite the revenue reduction due mainly to the recent completion of uneconomic programs. As indicated, the group is pursuing several programs which are expected to be awarded in the next couple of quarters and management remains optimistic about the prospects for continued profitability improvement within the group. Castool's profitability was down modestly in the quarter due to higher delivery and selling costs associated with slower market conditions in Asia as well as a mix shift towards lower margin products. Generally, management remains focused on reducing its overall cost structure and improving manufacturing efficiencies and expects such activities together with its sales efforts should lead to improved segment profitability over time.

The Corporate segment expenses were $2.3 million in the third quarter compared to $1.8 million in the prior year quarter. Year-to-date, Corporate expenses totaled $5.8 million compared to $5.2 million the prior year period. Year over year variances were mainly due to foreign exchange rate movements.

Consolidated adjusted EBITDA for the third quarter totaled $14.5 million compared to $20.1 million in the same quarter last year – a decrease of 28%. Year-to-date, consolidated adjusted EBITDA totaled $49.4 million compared to $56.5 million last year – a decrease of 13%. Adjusted EBITDA as a percentage of sales decreased to 12.1% in the current quarter compared to 13.2% the prior year. The adjusted EBITDA margin in the Casting and Extrusion segment declined to 14.9% from 16.3% last year while the adjusted EBITDA margin in the Automotive Solutions segment remained relatively stable at 13.3% compared to 13.2% last year.

Financial Resources, Liquidity and Capital Resources

Operating cash flow before net change in non-cash working capital totaled $13.0 million in the third quarter compared to $16.9 million in the same period last year. Year-to-date, operating cash flow before net change in non-working capital totaled $42.4 million compared to $48.0 million the prior year period. The year over year reduction was mostly driven by the lower net income in the current year periods partially offset by $6.4 million of non-cash costs related to ALC in the year-to-date period. As well, current period results included higher amounts for deferred income taxes while income in prior year to date period was reduced by $0.7 million of losses related to asset disposals. Non-cash working capital contributed $2.6 million of cash in the third quarter compared to a source of $6.3 million in the same quarter last year. Year-to-date, non-cash working capital consumed $7.1 million of cash compared to a use of $4.6 million the prior year period. The non-cash working capital movements were mainly driven by accounts receivable movements and modestly higher inventory levels. Consequently, net cash provided by operating activities amounted to $15.6 million in the current quarter compared to $23.2 million in the same quarter last year. Year-to-date, net cash provided by operating activities amounted to $35.4 million compared to $43.4 million the prior year period.

Cash used in financing activities in the current quarter was $10.4 million compared to $15.8 million of cash used in the same quarter last year. Year-to-date, cash used in financing activities totaled $35.1 million compared to $24.0 million the prior year period. The differences in the respective periods was primarily attributable to varying debt repayment amounts as well as an increased use of cash in the current year periods for share repurchases.

Cash used in investing activities was relatively stable in both the current quarter and year-to-date periods versus the prior year. Investing amounts in the third quarter totaled $4.3 million compared to $4.4 million in the same quarter last year while year-to-date, cash used in investing activities totaled $19.2 million compared to $18.6 million the prior year.

The Company's financial position and liquidity remain strong. Exco's net debt totaled $4.2 million as at June 30, 2019. Exco's principal sources of liquidity include generated free cash flow, $11.6 million of balance sheet cash and $36 million of unused availability under its $50 million committed credit facility, which matures February 2021. Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at June 30, 2019.

In addition to the obligations disclosed on the balance sheet, Exco also enters into operating lease arrangements from time to time. Exco owns all 15 of its manufacturing facilities and essentially all of its production equipment. The Company leases sales and support centers in Troy, Michigan, Port Huron, Michigan and a warehouse in Brownsville, Texas. The following table summarizes all short-term and long-term commitments Exco has entered.

	June 30, 2019			
	Total	< 1 year	1-3 years	4-5 years
Bank Indebtedness	$1,611	$1,611	$-	$-
Trade accounts payable	35,584	35,584	-	-
Long term debt	14,184	92	14,092	-
Operating leases	880	311	508	61
Purchase commitments	32,823	32,823	-	-
Capital expenditures	5,237	5,237	-	-
	$90,319	$75,658	$14,600	$61

∗ Exco leases facilities, automobiles, material handling vehicles and other miscellaneous office equipment. It is not Exco's policy to purchase these assets at the expiry of their terms but occasionally it may purchase the assets at the end of the lease terms when the purchase options are favorable. Exco does not expect any material liquidity or capital resource impacts from these possible purchases.

Quarterly results

The following table sets out financial information for each of the eight quarters through to the third quarter ended June 30, 2019:

($ thousands except per share amounts)	June 30, 2019	March 31, 2019	December 31, 2018[1]	September 30, 2018
Sales	$119,944	$123,465	$142,124	$139,538
Net income	$7,477	$8,564	$3,818	$11,587
Earnings per share				
Basic	$0.18	$0.21	$0.09	$0.27
Diluted	$0.18	$0.21	$0.09	$0.27

($ thousands except per share amounts)	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Sales	$152,755	$148,390	$134,871	$131,416
Net income	$11,211	$10,556	$8,916	$7,521
Earnings per share				
Basic	$0.27	$0.25	$0.21	$0.18
Diluted	$0.27	$0.25	$0.21	$0.18

[1] Net income in the first quarter of fiscal 2019 was reduced by the recognition of a $6.1 million ($0.15 per share) provision related to the voluntary liquidation of ALC Bulgaria

Exco typically experiences softer sales and profits in the first and fourth fiscal quarters, which coincides with our customers' plant shutdowns during the holiday season and summer months.

Non-IFRS Measures

The following table provides a reconciliation of net income for the periods to adjusted net income, adjusted pretax profit, adjusted EBITDA, adjusted basic earnings per share as well as a reconciliation of cash provided by operating activities to free cash flow.

	Three Months ended June 30		Nine Months ended June 30	
	(in $ thousands)			
	2019	2018	**2019**	2018
Net income	**$7,477**	$11,211	**$19,859**	$30,683
Other expense	**-**	-	**6,409**	-
Adjusted net income	**7,477**	11,211	**26,268**	30,683
Provision for income tax	**1,840**	3,389	**8,072**	9,681
Adjusted pretax profit	**9,317**	14,600	**34,340**	40,364
Depreciation	**3,965**	4,037	**11,303**	11,583
Amortization	**1,020**	1,230	**3,064**	3,688
Net interest expense	**181**	246	**660**	823
Adjusted EBITDA	**14,483**	20,113	**49,367**	56,458
Sales	**$119,944**	$152,755	**$385,533**	$436,016
Adjusted EBITDA margin	**12.1%**	13.2%	**12.8%**	12.9%
Weighted average basic shares outstanding	**41,253**	42,268	**41,334**	42,313
Adjusted EPS	**$0.18**	$0.27	**$0.64**	$0.73
Cash provided by operating activities	**15,647**	23,190	**35,379**	43,368
Interest	**(181)**	(246)	**(660)**	(823)
Investment in Fixed assets net of proceeds of disposal	**(4,293)**	(4,379)	**(19,241)**	(18,578)
Free Cash Flow	**11,173**	18,565	**15,478**	23,967

Recent Accounting Changes and Effective Dates

Please see the notes to the Company's consolidated financial statements for the year ended September 30, 2018, and the consolidated interim financial statements for the quarter ended June 30, 2019 for information regarding the accounting changes effective October 1, 2018.

Controls and Procedures

Based on the current Canadian Securities Administrators (the "CSA") rules under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer (or individuals performing similar functions as a chief executive officer or chief financial officer) are required to certify as at June 30, 2019 that they are responsible for establishing and maintaining disclosure controls and procedure and internal control over financial reporting.

No changes were made in the Corporation's internal control over financial reporting during the Corporation's most recent interim period, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Outstanding Share Capital

As at June 30, 2019 Exco had 41,105,981 common shares issued and outstanding and stock options outstanding to purchase up to 791,900 common shares at exercise prices ranging from $8.80 to $14.58.

Forward -looking information

This Management Discussion and Analysis contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "may", "will", "should", "expect", "believe", "estimates" 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, 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 including the availability and cost of labor, currency fluctuations, trade restrictions, our ability to turnaround, 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 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 2018 Annual Report, our 2018 Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at www.sedar.com.

NOTICE TO READER

The attached unaudited condensed interim consolidated financial statements have been prepared by management of the Company. The condensed interim consolidated financial statements for the three- and nine- month periods ended June 30, 2019 and 2018 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
$ (000)'s

	As at June 30, 2019	As at September 30, 2018
ASSETS		
Current		
Cash and cash equivalents	**$11,616**	$31,343
Accounts receivable	**100,488**	102,520
Unbilled revenue	**17,010**	24,438
Inventories	**62,231**	63,771
Prepaid expenses and deposits	**3,124**	3,585
Derivative instruments	**6**	779
Income taxes recoverable	**708**	3,170
Total current assets	**195,183**	229,606
Property, plant and equipment, net (note 4)	**123,069**	117,549
Intangible assets, net (note 5)	**34,355**	36,639
Goodwill (note 5)	**63,066**	62,843
Deferred tax assets	**775**	1,247
Total assets	**$416,448**	$447,884
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$1,611**	$11,764
Trade accounts payable	**35,584**	46,966
Accrued payroll liabilities	**10,627**	14,498
Other accrued liabilities	**8,175**	9,834
Provisions	**1,487**	1,267
Customer advance payments	**2,327**	2,865
Long-term debt - current portion (note 7)	**92**	4,108
Total current liabilities	**59,903**	91,302
Long-term debt - long-term portion (note 7)	**14,092**	18,181
Deferred tax liabilities	**8,932**	8,238
Total liabilities	**82,927**	117,721
Shareholders' equity		
Share capital (note 8)	**51,246**	51,230
Contributed surplus	**4,266**	4,391
Accumulated other comprehensive income	**12,192**	10,895
Retained earnings	**265,817**	263,647
Total shareholders' equity	**333,521**	330,163
Total liabilities and shareholders' equity	**$416,448**	$447,884

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
$ (000)'s except for income per common share

	Three months ended June 30		Nine months ended June 30	
	2019	2018	**2019**	2018
Sales	**$119,944**	$152,755	**$385,533**	$436,016
Cost of sales	**93,888**	121,356	**302,533**	346,450
Selling, general and administrative expenses	**11,664**	11,318	**33,758**	32,353
Depreciation (note 4)	**3,965**	4,037	**11,303**	11,583
Amortization (note 5)	**1,020**	1,230	**3,064**	3,688
Loss (gain) on disposal of property, plant and equipment	**(91)**	(32)	**(125)**	755
Interest expense, net	**181**	246	**660**	823
Other expense (note 12)	**-**	-	**6,409**	-
	110,627	138,155	**357,602**	395,652
Income before income taxes	**9,317**	14,600	**27,931**	40,364
Provision for income taxes (note 11)	**1,840**	3,389	**8,072**	9,681
Net income for the period	**7,477**	11,211	**19,859**	30,683
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized gain (loss) on derivatives designated as cash flow hedges (a)	**221**	(561)	**(570)**	(744)
Unrealized gain (loss) on foreign currency translation	**(4,319)**	476	**1,867**	10,670
	(4,098)	(85)	**1,297**	9,926
Comprehensive income	**$3,379**	$11,126	**$21,156**	$40,609
Income per common share				
Basic	**$0.18**	$0.27	**$0.48**	$0.73
Diluted	**$0.18**	$0.27	**$0.48**	$0.72
Weighted average number of common shares outstanding				
Basic	**41,253**	42,268	**41,334**	42,313
Diluted	**41,253**	42,295	**41,348**	42,346

(a) Net of income tax payable of $79 and income tax recoverable of $203 for the three- and nine- month periods ended June 30,2019 (2018 - net of income tax recoverable of $ 200 and $265 for the three- and nine- month periods ended June 30,2018)

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
$ (000)'s

				Accumulated other comprehensive income			
	Share capital	**Contributed surplus**	**Retained earnings**	**Net unrealized gain (loss) on derivatives designated as cash flow hedges**	**Unrealized gain (loss) on foreign currency translation**	**Total accumulated other comprehensive income (loss)**	**Total shareholders' equity**
Balance, October 1, 2018	**$51,230**	**$4,391**	**$263,647**	**$572**	**$10,323**	**$10,895**	**$330,163**
Net income for the period	**-**		**3,818**				**3,818**
Dividend paid (note 3)	**-**		**(3,524)**				**(3,524)**
Stock option grants	**-**	**110**					**110**
Exercise of stock options	**111**	**(34)**					**77**
Repurchase of Share Capital (note 8)	**(507)**		**(3,445)**				**(3,952)**
Other comprehensive income (loss)	**-**			**(1,376)**	**12,076**	**10,700**	**10,700**
Balance, December 31, 2018	**$50,834**	**$4,467**	**$260,496**	**($804)**	**$22,399**	**$21,595**	**$337,392**
Net income for the period			**8,564**			**-**	**8,564**
Dividend paid (note 3)			**(3,717)**			**-**	**(3,717)**
Stock option grants		**64**				**-**	**64**
Exercise of stock options	**849**	**(254)**				**-**	**595**
Repurchase of Share Capital (note 8)	**(236)**		**(1,629)**			**-**	**(1,865)**
Other comprehensive income (loss)				**585**	**(5,890)**	**(5,305)**	**(5,305)**
Balance, March 31, 2019	**$51,447**	**$4,277**	**$263,714**	**($219)**	**$16,509**	**$16,290**	**$335,728**
Net income for the quarter			**7,477**			**-**	**7,477**
Dividends paid (note 3)			**(3,702)**			**-**	**(3,702)**
Stock option grants		**13**				**-**	**13**
Exercise of stock options	**81**	**(24)**				**-**	**57**
Repurchase of Share Capital (note 8)	**(282)**		**(1,672)**			**-**	**(1,954)**
Other comprehensive income (loss)				**221**	**(4,319)**	**(4,098)**	**(4,098)**
Balance, June 30, 2019	**$51,246**	**$4,266**	**$265,817**	**$2**	**$12,190**	**$12,192**	**$333,521**

				Accumulated other comprehensive income			
	Share capital	**Contributed surplus**	**Retained earnings**	**Net unrealized gain (loss) on derivatives designated as cash flow hedges**	**Unrealized gain on foreign currency translation**	**Total accumulated other comprehensive income (loss)**	**Total shareholders' equity**
Balance, October 1, 2017	**$51,707**	**$3,998**	**$241,321**	**($233)**	**$4,465**	**$4,232**	**$301,258**
Net income for the period	**-**	**-**	**8,916**	**-**	**-**	**-**	**8,916**
Dividend paid (note 3)	**-**	**-**	**(3,396)**	**-**	**-**	**-**	**(3,396)**
Stock option grants	**-**	**126**	**-**	**-**	**-**	**-**	**126**
Repurchase of Share Capital (note 8)	**(66)**	**-**	**(475)**	**-**	**-**	**-**	**(541)**
Other comprehensive income (loss)	**-**	**-**	**-**	**(1,629)**	**521**	**(1,108)**	**(1,108)**
Balance, December 31, 2017	**$51,641**	**$4,124**	**$246,366**	**($1,862)**	**$4,986**	**$3,124**	**$305,255**
Net income for the period	**-**	**-**	**10,556**	**-**	**-**	**-**	**10,556**
Dividend paid (note 3)	**-**	**-**	**(3,597)**	**-**	**-**	**-**	**(3,597)**
Stock option grants	**-**	**127**	**-**	**-**	**-**	**-**	**127**
Exercise of stock options	**370**	**(111)**	**-**	**-**	**-**	**-**	**259**
Repurchase of Share Capital (note 8)	**(198)**	**-**	**(1,406)**	**-**	**-**	**-**	**(1,604)**
Other comprehensive income	**-**	**-**	**-**	**1,446**	**9,673**	**11,119**	**11,119**
Balance, March 31, 2018	**$51,813**	**$4,140**	**$251,919**	**($416)**	**$14,659**	**$14,243**	**$322,115**
Net income for the quarter	**-**	**-**	**11,211**	**-**	**-**	**-**	**11,211**
Dividends paid (note 3)	**-**	**-**	**(3,587)**	**-**	**-**	**-**	**(3,587)**
Stock option grants	**-**	**127**	**-**	**-**	**-**	**-**	**127**
Exercise of stock options	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Repurchase of Share Capital (note 8)	**(144)**	**-**	**(986)**	**-**	**-**	**-**	**(1,130)**
Other comprehensive income (loss)	**-**	**-**	**-**	**(561)**	**476**	**(85)**	**(85)**
Balance, June 30, 2018	**$51,669**	**$4,267**	**$258,557**	**($977)**	**$15,135**	**$14,158**	**$328,651**

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
$ (000)'s

	Three months ended June 30		Nine months ended June 30	
	2019	2018	**2019**	2018
OPERATING ACTIVITIES:				
Net income for the period	**$7,477**	$11,211	**$19,859**	$30,683
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	**3,965**	4,037	**11,303**	11,583
Amortization (note 5)	**1,020**	1,230	**3,064**	3,688
Stock-based compensation expense	**(48)**	141	**203**	391
Deferred income taxes	**540**	38	**1,076**	55
Net interest expense	**181**	246	**660**	823
Non-cash provision for ALC and Other expense (note 12)	**-**	-	**6,409**	-
Loss (gain) on disposal of property, plant and equipment	**(91)**	(32)	**(125)**	755
	13,044	16,871	**42,449**	47,978
Net change in non-cash working capital (note 10)	**2,603**	6,319	**(7,070)**	(4,610)
Cash provided by operating activities	**15,647**	23,190	**35,379**	43,368
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**1,011**	(5,931)	**(8,323)**	(7,867)
Repayment of long-term debt	**(5,649)**	(4,906)	**(8,105)**	(1,731)
Interest paid, net	**(181)**	(246)	**(660)**	(823)
Dividends paid (note 3)	**(3,702)**	(3,587)	**(10,943)**	(10,580)
Repurchase of share capital	**(1,954)**	(1,130)	**(7,771)**	(3,275)
Issuance of share capital	**57**	-	**729**	259
Cash used in financing activities	**(10,418)**	(15,800)	**(35,073)**	(24,017)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (note 4)	**(4,197)**	(4,326)	**(19,062)**	(18,549)
Purchase of intangible assets (note 5)	**(207)**	(130)	**(407)**	(541)
Proceeds from disposal of property, plant and equipment	**111**	77	**228**	512
Cash used in investing activities	**(4,293)**	(4,379)	**(19,241)**	(18,578)
Effect of exchange rate changes on cash	**(3,473)**	430	**172**	2,051
Net increase (decrease) in cash during the period	**(2,537)**	3,441	**(18,763)**	2,824
De-consolidation of ALC cash (note 12)	**-**	-	**(964)**	-
Cash, beginning of period	**14,153**	35,259	**31,343**	35,876
Cash, end of period	**$11,616**	$38,700	**$11,616**	$38,700

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

1. CORPORATE INFORMATION

Exco Technologies Limited (the "Company") is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. Through 15 strategic locations in 7 countries (see Note 12), the Company services a diverse and broad customer base. The Company is incorporated and domiciled in Canada. The registered office is located at 130 Spy Court, Markham, Ontario, Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
These unaudited condensed interim consolidated financial statements present the Company's financial results of operations and financial position as at and for the three- month and six- month periods ended March 31, 2019 and have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in the preparation of the 2018 audited annual consolidated financial statements except as noted below.

The Company's preparation of unaudited condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the application of the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements were essentially the same as those that applied to the Company's consolidated financial statements as at and for the year ended September 30, 2018.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2018 audited annual consolidated financial statements, which are available at www.sedar.com and on the Corporation's website at www.excocorp.com. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and nine- month periods ended June 30, 2019 were authorized for issue by the Board of Directors on August 1, 2019.

Basis of consolidation
The condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, its subsidiaries. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all of the following: power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases (see Note 12). All intercompany transactions and balances have been eliminated on consolidation.

The Company has an interest in a joint operation, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognized its share of the joint operation's assets, liabilities, revenues and expenses in the condensed interim consolidated financial statements.

Accounting standards adopted in fiscal year 2019

The Company's significant accounting policies are as outlined in the Company's consolidated financial statements as at and for the year ended September 30, 2018 except as follows:

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

Effective October 1,2018 the Company adopted IFRS 15, in accordance with the modified retrospective approach. The adoption of the standard did not result in any restatement of previously reported results and did not have a material impact on the presentation and disclosure in the consolidated financial statements.
The following should be read as a modification to the significant accounting policies in note 2 of the Company's annual audited consolidated financial statements for the year ended September 30, 2018 and is applicable to the three and nine month periods ended June 30,2019.

Revenue Recognition
The Company recognizes sales primarily from two categories of goods: production contracts (including finished production parts and assemblies, short-term die cast tooling contracts, extrusion and other tooling), and long-term large die cast mould contracts.

Revenue for production contracts is recognized at the point in time control of the goods is transferred to the customer. Control of finished production parts, assemblies and tooling transfers when the goods are shipped from the Company's manufacturing facilities to the customer.

The Company recognizes revenue from long-term large die cast mould contracts over time using the percentage-of-completion input method, which recognizes revenue as performance of the contract progresses. Contracts that do not meet the criteria for over time recognition are recognized at a point in time. Input methods recognize revenue on the basis of an entity's efforts or inputs toward satisfying a performance obligation (for example, resources consumed, labor hours expended, costs incurred, time lapsed, or machine hours used) relative to the total expected inputs to satisfy the performance obligation. The estimation of revenue and costs-to-complete is complex, subject to variables and requires significant judgement. The contract value may include fixed amounts, variable amounts or both. The Corporation estimates variable consideration at the most likely amount to which the Corporation expects to be entitled. The estimated variable amount is included in the transaction price to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimation of variable consideration is largely based on assessment of the Company's historical, current and forecasted information that is reasonably available.

IFRS 9, *Financial Instruments* ("IFRS 9")

The Company has adopted IFRS 9 using the modified retrospective approach effective October 1,2018.The adoption of IFRS 9 did not have a material impact on the consolidated financial statements. In accordance with the transitional provisions in the standard, comparative figures have not been restated.

The following should be read as a modification to the significant accounting policies in note 2 of the Company's annual audited consolidated financial statements for the year ended September 30, 2018 and is applicable to the three and nine month periods ended June 30,2019:

Financial instruments
(a) Financial assets and liabilities

The Company recognizes financial assets and financial liabilities initially at fair value and subsequently measures these at either fair value or amortized cost based on their classification under IFRS 9 as described below:

Amortized cost:
The Company classifies financial assets held to collect contractual cash flows at amortized cost, including trade and other receivables. The Company initially recognizes the carrying amount of such assets on the consolidated balance sheet at fair value plus directly attributable transaction costs, and subsequently measures these at amortized cost using the effective interest rate method, less any impairment losses.

Fair value through profit or loss (FVTPL):

Financial assets and financial liabilities purchased or incurred, respectively, with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as FVTPL. This category includes cash and cash equivalents, and derivative assets and derivative liabilities that do not qualify for hedge accounting. For items classified as FVTPL, the Company initially recognizes such financial assets and liabilities on the consolidated balance sheet at fair value and recognizes subsequent changes in the consolidated statement of operations. Transaction costs incurred are expensed in the consolidated statement of operations.

Loans and borrowings
The Company initially recognized the carrying amount of such liabilities on the consolidated balance sheet at fair value net of directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

(b) Impairment of financial assets:
IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. The ECL model is used in determining the allowance for doubtful accounts as it relates to trade and other receivables. The Company's ECL model aligns with the simplified approach under IFRS 9, which measures lifetime ECL and forward-looking information and did not result in a significant change as compared to the Company's pre-IFRS 9 approach. The Company's allowance is determined by historical experiences, and considers factors including, the aging of the balances, the customer's credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

(c) Hedge Accounting
The Company has applied hedge accounting prospectively. At the date of initial application of IFRS 9, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Company has continued to designate the change in fair value of the entire forward contract in the Company's cash flow hedge relationship in other comprehensive income (loss) to the extent the hedge continues to be highly effective. The related other comprehensive income (loss) amounts are allocated to the consolidated statements of income in the same period in which the hedged item affects earnings. The adoption of the new hedge accounting requirements resulted in no transitional adjustment to how the Company has applied hedge accounting under IFRS 9.

Accounting standards issued but not yet applied
The following standards are not yet effective for the year ending September 30, 2019. The Company is in the process of reviewing the standards to determine the impact on its consolidated financial statements.

IFRS 16, *Leases* ("IFRS 16")
In January 2016, the IASB issued IFRS 16 in which lessees will have a single accounting model for all leases, with certain exemptions and lessor accounting is substantially unchanged. The guidance would require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, which will be October 1, 2019 for the Company using a modified retrospective approach with the option to elect certain practical expedients. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements but application of IFRS 16 will result in an increase in liabilities and assets from the recognition of right to use assets and lease liabilities, as well as a decrease in cost of sales and selling, general and administrative expenses and an increase in interest expense and depreciation.

$(000)'s except per share amounts

3. CASH DIVIDEND

During the three- and nine- month periods ended June 30, 2019, the Company paid quarterly cash dividends totaling $3,702 and $10,943 (2018 -$3,587 and $10,580). The quarterly dividend rate in the third quarter of 2019 was $0.09 per common share (2018 - $0.085).

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Cost						
Balance as at September 30, 2018	203,981	22,923	71,289	12,012	2,631	312,836
Additions	1,247	1,256	425	-	16,134	19,062
Reclassification	9,720	1,283	3,542	-	(14,545)	-
Disposals	(6,306)	(78)	-	-	-	(6,384)
Deconsolidation of ALC (note 12)	(6,962)	(601)	-	-	-	(7,563)
Foreign exchange movement	868	103	232	26	(6)	1,223
Balance as at June 30, 2019	**$202,548**	**$24,886**	**$75,488**	**$12,038**	**$4,214**	**$319,174**

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Total
Accumulated depreciation and impairment losses						
Balance as at September 30, 2018	143,946	17,893	33,448	-	-	195,287
Depreciation for the period	7,740	1,297	2,266	-	-	11,303
Disposals	(6,240)	(42)	-	-	-	(6,282)
Deconsolidation of ALC (note 12)	(4,269)	(473)	-	-	-	(4,742)
Foreign exchange movement	402	84	53	-	-	539
Balance as at June 30, 2019	**$141,579**	**$18,759**	**$35,767**	**$-**	**$-**	**$196,105**
Carrying amounts						
As at September 30, 2018	$60,035	$5,030	$37,841	$12,012	$2,631	$117,549
As at June 30, 2019	**$60,969**	**$6,127**	**$39,721**	**$12,038**	**$4,214**	**$123,069**

$(000)'s except per share amounts

5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Cost					
Balance as at September 30, 2018	21,460	46,266	99	67,825	62,843
Additions	364	-	43	407	-
Reclassifications	34	-	(34)	-	-
Disposals	(253)	-	-	(253)	
Deconsolidation of ALC (note 12)	(321)	-	-	(321)	
Foreign exchange movement	34	462	-	496	223
Balance as at June 30, 2019	**$21,318**	**$46,728**	**$108**	**$68,154**	**$63,066**

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2018	19,797	11,389	-	31,186	-
Amortization for the period	632	2,432	-	3,064	-
Disposals	(253)	-	-	(253)	-
Deconsolidation of ALC (note 12)	(273)	-	-	(273)	-
Foreign exchange movement	30	45	-	75	-
Balance as at June 30, 2019	**$19,933**	**$13,866**	**$-**	**$33,799**	**$-**
Carrying amounts					
As at September 30, 2018	$1,663	$34,877	$99	$36,639	$62,843
As at June 30, 2019	**$1,385**	**$32,862**	**$108**	**$34,355**	**$63,066**

*Acquisition intangibles are comprised primarily of customer relationships and trade names resulting from business acquisitions.

6. FINANCIAL INSTRUMENTS

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Presented below is a comparison of the fair value of each financial instrument to its carrying value.

The fair value of cash and cash equivalents, bank indebtedness, trade and other receivables and trade and other payables approximates their carrying amounts due to the short-term maturities of these instruments. The estimated fair value of long-term debt approximates its carrying value since debt is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are variable and a reflection of market-based rates.

The fair value of derivative instruments that are not traded in an active market such as over-the-counter foreign exchange options and collars is determined using quoted forward exchange rates at the consolidated statement of financial position dates and are Level 2 instruments.

$(000)'s except per share amounts

During the nine-month period ended June 30, 2019 there were no transfers between Level 1 and Level 2 fair value measurements.
The carrying value and fair value of all financial instruments are as follows:

	June 30, 2019		September 30, 2018	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	**$11,616**	**$11,616**	$31,343	$31,343
Accounts receivable	**100,488**	**100,488**	102,520	102,520
Trade accounts payable	**(35,584)**	**(35,584)**	(46,966)	(46,966)
Bank indebtedness	**(1,611)**	**(1,611)**	(11,764)	(11,764)
Customer advance payments	**(2,327)**	**(2,327)**	(2,865)	(2,865)
Accrued liabilities	**(18,802)**	**(18,802)**	(24,332)	(24,332)
Derivative instruments	**6**	**6**	779	779
Long-term debt	**($14,184)**	**($14,184)**	($22,289)	($22,289)

7. LONG-TERM DEBT

On February 22, 2018, the Company closed an amendment to renew the $50,000 Committed Revolving Credit Facility with JP Morgan Chase Bank N.A, of which $14,000 was utilized as at June 30, 2019. The facility has a 3 year term and is collateralized by a general security agreement covering all assets of the Company's subsidiaries located in Canada and the US, with the exception of real property. There are no specific repayment terms prior to maturity.

The components of long-term debt are as follows:

	March 31, 2019	September 30, 2018
Bank debt	**$14,000**	$18,000
Term notes	**-**	4,017
Promissory note	**184**	272
Subtotal	**14,184**	22,289
Less: current portion	**(92)**	(4,108)
Long-term debt, long-term portion	**$14,092**	$18,181

Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at June 30, 2019.

8. SHARE CAPITAL

The Company received approval from the Toronto Stock Exchange for a normal course issuer bid for a 12-month period beginning February 18, 2019. The Company's Board of Directors authorized the purchase of up to 2,100,000 common shares representing approximately 5% of the Company's outstanding common shares. During the quarter and year-to-date 230,100 and 837,700 common shares were repurchased (2018 - 118,600 and 335,900) for a total cost of $1,954 and $7,771 respectively (2018 - $1,130 and $3,275). The cost to repurchase the common shares in the nine-month period exceeded their stated value by $6,746 (2018 - $2,867) which was recorded against retained earnings.

As at June 30, 2019 the Company had 41,105,981 common shares issued and outstanding.

$(000)'s except per share amounts

9. SEGMENTED INFORMATION

Business segments

The Company operates in two business segments: Casting and Extrusion Technology ("Casting and Extrusion") and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in note 2 to the consolidated financial statements.

The Casting and Extrusion segment designs and engineers tooling and other manufacturing equipment. Its operations are substantially for automotive and other industrial markets in North America.

The Automotive Solutions segment produces automotive interior components and assemblies primarily for seating, cargo storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers). (See Note 12)

The Company evaluates the performance of its operating segments primarily based on pre-tax income before interest and other expense.

The Corporate segment involves administrative expenses that are not directly related to the business activities of the above two operating segments.

	Three Months Ended June 30, 2019			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$51,212**	**$71,156**	**$-**	**$122,368**
Intercompany sales	**(2,280)**	**(144)**	**-**	**(2,424)**
Net sales	**48,932**	**71,012**	**-**	**119,944**
Depreciation	**3,273**	**672**	**20**	**3,965**
Amortization	**173**	**845**	**2**	**1,020**
Pre-tax income (loss) before interest and other expense	**3,856**	**7,924**	**(2,282)**	**9,498**
Net interest expense				**181**
Income before income taxes				**9,317**
Property, plant and equipment additions	**3,064**	**1,123**	**10**	**4,197**
Property, plant and equipment, net	**98,708**	**22,941**	**1,420**	**123,069**
Intangible asset additions	**203**	**4**	**-**	**207**
Intangible assets, net	**1,203**	**33,151**	**1**	**34,355**
Goodwill	**-**	**63,066**	**-**	**63,066**
Total assets	**215,384**	**210,590**	**(9,526)**	**416,448**
Total liabilities	**25,919**	**38,783**	**18,225**	**82,927**

$(000)'s except per share amounts

	Three Months Ended June 30, 2018			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$54,712	$100,093	$-	$154,805
Intercompany sales	(1,872)	(178)	-	(2,050)
Net sales	52,840	99,915	-	152,755
Depreciation	3,200	831	6	4,037
Amortization	217	1,013	-	1,230
Pre-tax income (loss) before interest and other expense	5,212	11,385	(1,751)	14,846
Net interest expense				(246)
Income before income taxes				14,600
Property, plant and equipment additions	3,603	712	11	4,326
Property, plant and equipment, net	91,052	27,175	1,265	119,492
Intangible asset additions	106	24	-	130
Intangible assets, net	1,515	37,171	3	38,689
Goodwill	-	64,041	-	64,041
Total assets	196,873	251,520	3,980	452,373
Total liabilities	29,928	59,321	34,473	123,722

	Nine Months Ended June 30, 2019			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$159,371**	**$242,074**	**$-**	**$401,445**
Intercompany sales	**(7,523)**	**(8,389)**	**-**	**(15,912)**
Net sales	**151,848**	**233,685**	**-**	**385,533**
Depreciation	**9,121**	**2,128**	**54**	**11,303**
Amortization	**524**	**2,538**	**2**	**3,064**
Pre-tax income (loss) before interest and other expense	**13,950**	**26,852**	**(5,802)**	**35,000**
Other expense		**(6,409)**		**(6,409)**
Net interest expense				**(660)**
Income before income taxes				**27,931**
Property, plant and equipment additions	**16,788**	**2,166**	**108**	**19,062**
Property, plant and equipment, net	**98,708**	**22,941**	**1,420**	**123,069**
Intangible asset additions	**364**	**43**	**-**	**407**
Intangible assets, net	**1,203**	**33,151**	**1**	**34,355**
Goodwill	**-**	**63,066**	**-**	**63,066**
Total assets	**215,384**	**210,590**	**(9,526)**	**416,448**
Total liabilities	**25,919**	**38,783**	**18,225**	**82,927**

$(000)'s except per share amounts

	Nine Months Ended June 30, 2018			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$154,300	$287,048	$-	$441,348
Intercompany sales	(4,875)	(457)	-	(5,332)
Net sales	149,425	286,591	-	436,016
Depreciation	9,088	2,466	29	11,583
Amortization	678	3,009	1	3,688
Pre-tax income (loss) before interest and other expense	14,826	31,533	(5,172)	41,187
Net interest expense				(823)
Income before income taxes				40,364
Property, plant and equipment additions	11,494	7,042	13	18,549
Property, plant and equipment, net	91,052	27,175	1,265	119,492
Intangible asset additions	409	132	-	541
Intangible assets, net	1,515	37,171	3	38,689
Goodwill	-	64,041	-	64,041
Total assets	196,873	251,520	3,980	452,373
Total liabilities	29,928	59,321	34,473	123,722

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	Nine months ended June 30	
	2019	2018
Accounts receivable	**($6,278)**	($7,009)
Unbilled revenue	**6,935**	(493)
Inventories	**(3,911)**	3,708
Prepaid expenses and deposits	**94**	(935)
Trade accounts payable	**(4,255)**	(19)
Accrued payroll liabilities	**(3,078)**	(691)
Other accrued liabilities	**1,404**	1,336
Provisions	**220**	(29)
Customer advance payments	**(492)**	(1,706)
Income taxes payable	**2,291**	1,228
	($7,070)	($4,610)

11. INCOME TAXES

The consolidated effective income tax rate for the three- and nine-month periods ended June 30, 2019 was 19.7% and 28.9% (three- and nine- month periods ended June 30, 2018 – 23.2% and 24.0%). The income tax rate in the current quarter was favorably impacted by the receipt of certain tax credits while the effective income tax rate for the nine-month period was adversely impacted by the non-deductibility of Other Expense related to the de-consolidation of

ALC in the amount of $6,409 (note 12). Excluding ALC, the effective income tax rate for the nine-month period ended June 30, 2019 would have been 23.5% (nine-month period ended June 30, 2018 – 24.0%).

12. DECONSOLIDATION OF ALC AND OTHER EXPENSE

On January 17, 2019, the Company's indirect wholly owned subsidiary ALC Bulgaria EOOD ("ALC") voluntarily filed a liquidation petition in Bulgaria. Consequently, all seat-cover production at ALC was ceased on that date. On April 8, 2019, the local courts declared the company insolvent effective January 1, 2019 and a receiver was appointed to liquidate ALC.

During the three months ended March 31, 2019, the Company lost control of and de-consolidated it from the Company's financial statements.

The Company had recorded a $6.1 million provision during the three months ended December 31, 2018 in respect to ALC, the result of which was that the net assets of ALC were $nil.

During the three months ended March 31,2019, the Company recorded Other Expense of $333 which included net expenses of $356 related to the realization of deferred foreign exchange losses included in Other Comprehensive Income associated with ALC and as well as entities in South Africa and Germany, the net impact of losses incurred between December 31, 2018 and the date of deconsolidation (these resulting in a gain on deconsolidation) and the net impact of the elimination of intercompany amounts with ALC.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 15 strategic locations in 7 countries, we employ approximately 5,400 people and service a diverse and broad customer base.

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