



*Technologies Limited*

Shaping a  
**Sustainable**  
Future

# Investor Presentation December 2020



# 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, the current uncertain global economic impact of the COVID-19 pandemic or similar outbreak of epidemic, pandemic, or contagious diseases that may emerge in the human population, which may have a material affect on how we and our customers operate our businesses and the duration and extent to which this will impact our future operating results, 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](http://www.sedar.com) and [www.excocorp.com](http://www.excocorp.com).

While Exco believes that the expectations expressed by such forward-looking statements are reasonable, we cannot assure that they will be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors which could cause actual results or events to differ materially from those indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, 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.

# Company Overview



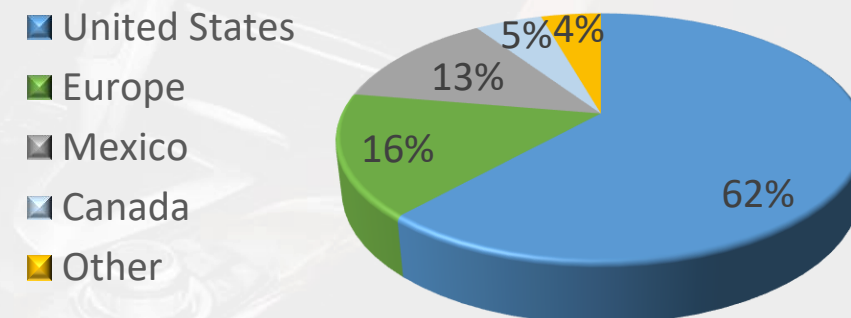
## Business Highlights

- Manufacturer of tooling for the light metal industries + interior trim components & solutions for the automotive market
- Leading market positions in niche industries; over 60 year operating history
- Leveraged to SUV/CUV's and growth in Electric vehicles, which have greater cabin/ cargo space for various products as well as increased aluminum requirements
- Global footprint with 15 plants in 7 countries and 4,800 employees; concentrated in low cost jurisdictions
- Meaningful diversity of customer and end markets
- Decentralized divisions run as profit centers
- TSX listed (XTC); single share class; insiders own 48%

## Financial Highlights

- F2020 revenue of C\$412 million and EBITDA of C\$53 million (13% margin) despite COVID-related disruptions
- Consistently strong free cash flow
- Dividend has been increased 12 times in 11 consecutive years
- Net-cash position & very strong liquidity

## F2020 Sales by Customer Location





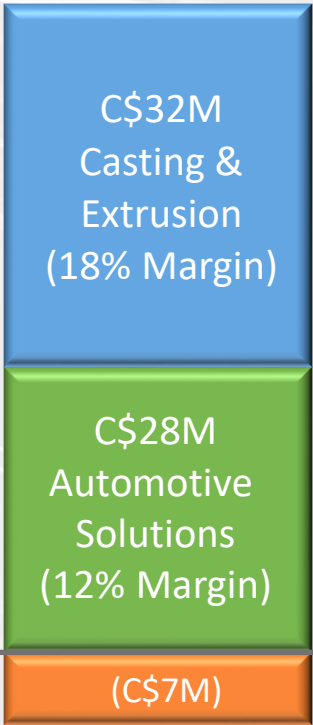
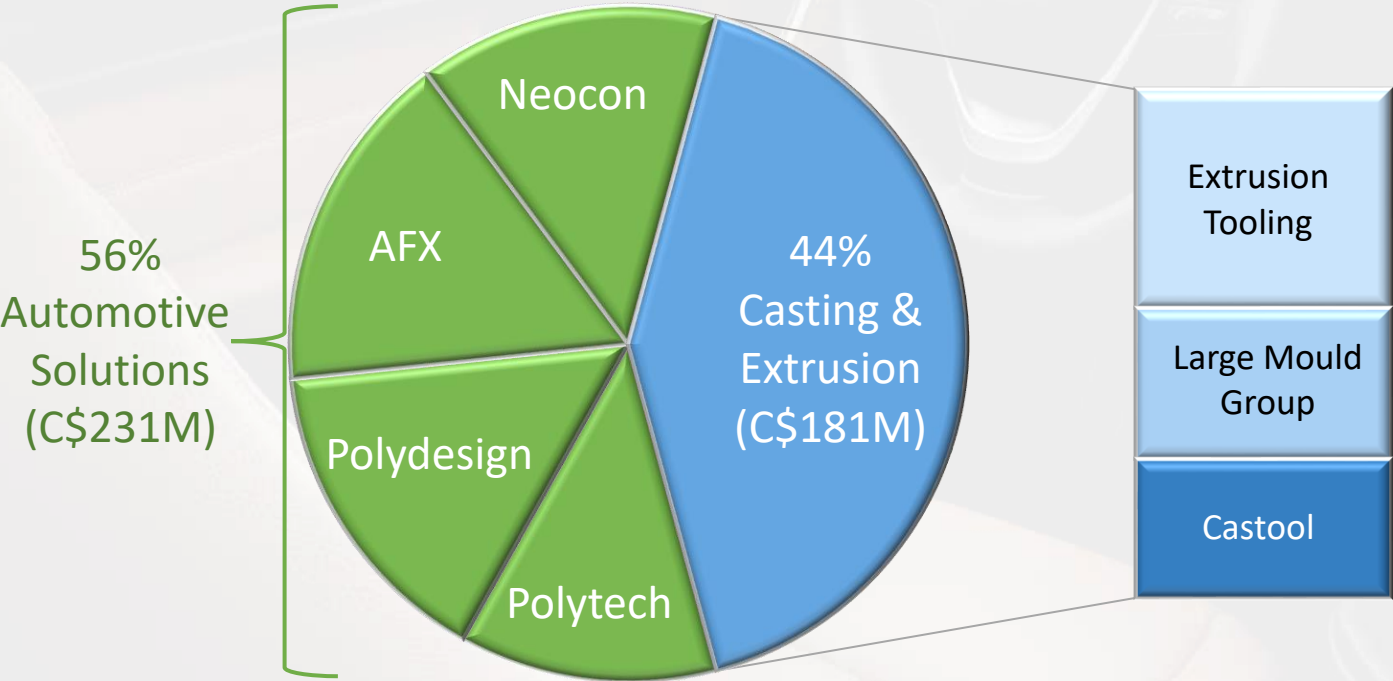
# Principal Business Segments



Last Twelve Months Revenue and EBITDA Through Sept 30, 2020

C\$412 million Revenue

C\$53 million in EBITDA (13% Margin)

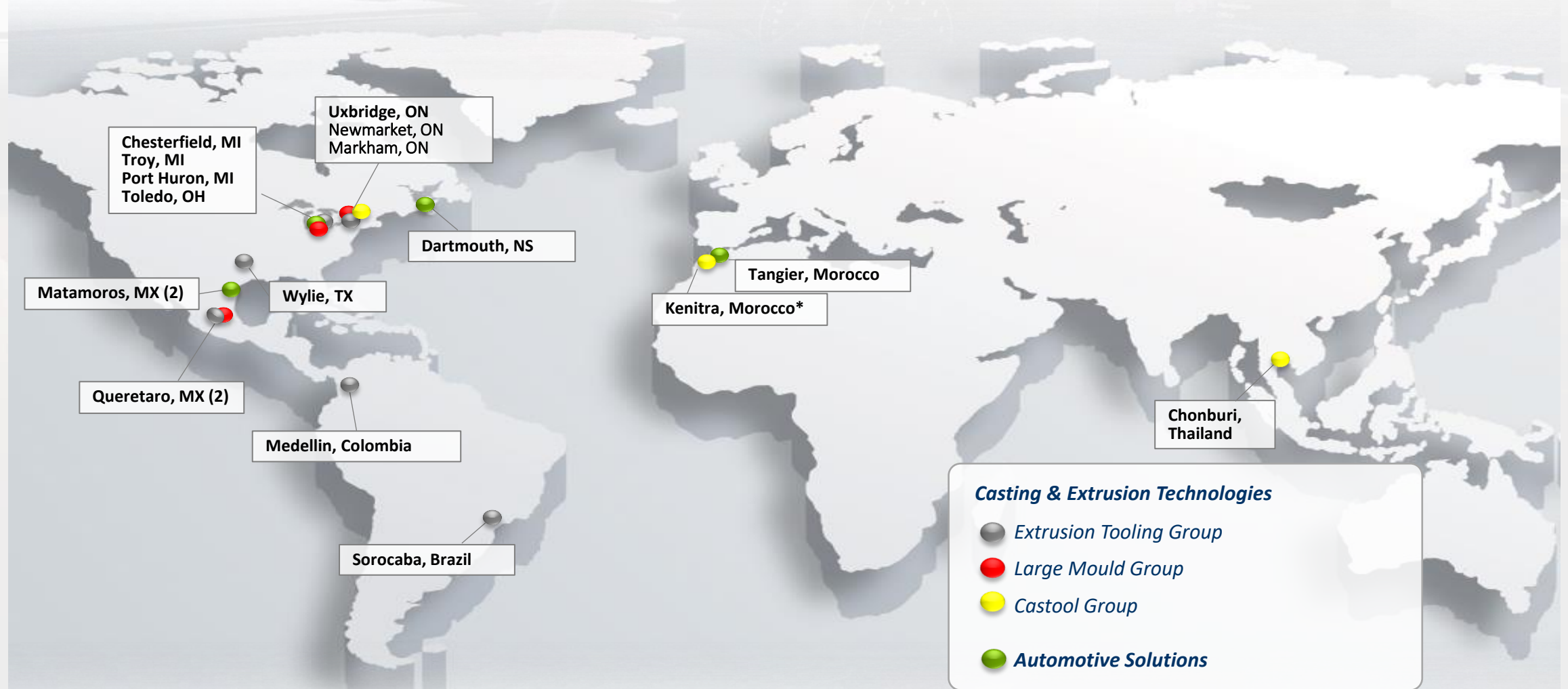


Fiscal year ended September 30

# Global Presence



15 Manufacturing Locations in 7 Countries and 5,400 Employees

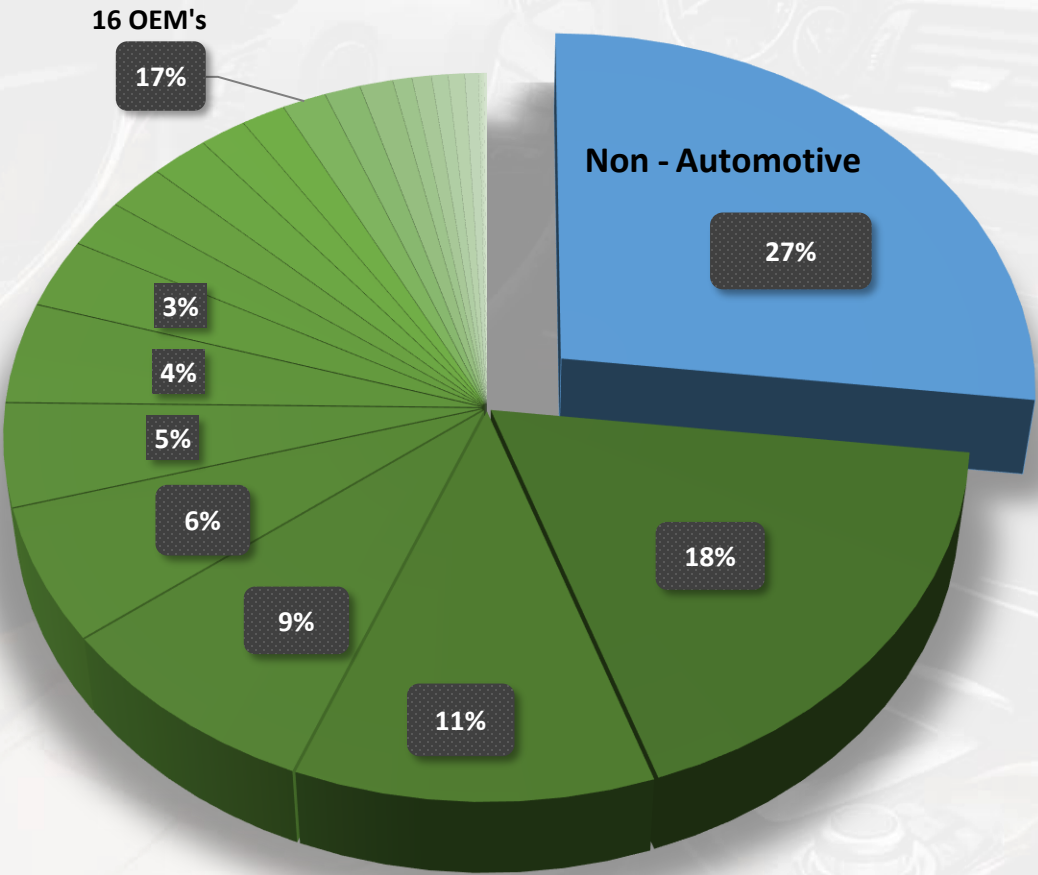


\*Castool expansion plant under construction

# End Customer Sales Diversity



F2020 C\$412M Consolidated Sales by Ultimate OEM customer



# Vision and Mission



**Vision:** *To be the benchmark for innovation, efficiency and quality in the industries we serve*

**Mission:** *We enhance the look and functionality of passenger vehicles and tool up light metal industries for superior performance*



# Exco Values



**Safety:** We strive for all our employees to go home unharmed



**Entrepreneurial spirit:** Our culture fosters idea generation and risk taking



**Excellence:** We set the standard for high quality craftsmanship



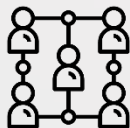
**Integrity:** We expect honesty and transparency in all our dealings



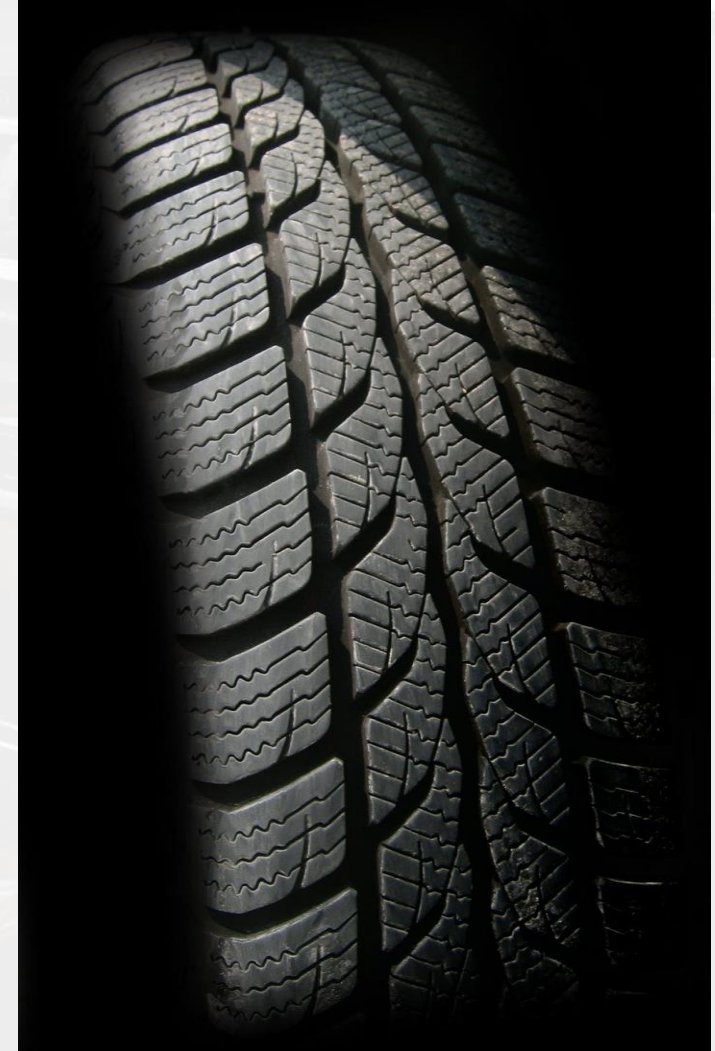
**Accountability:** We empower our people to make decisions and reward them accordingly



**Inclusion:** We believe that a diverse workforce delivers the best results



**Social responsibility:** All of our stakeholders matter





# Automotive Solutions Segment



# Automotive Solutions Segment



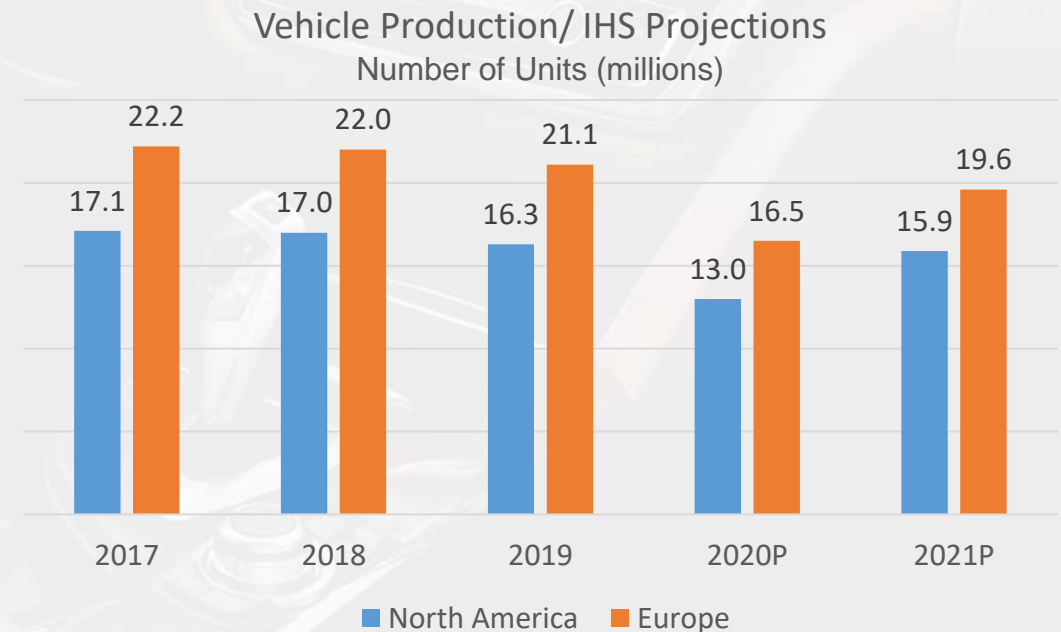
A innovative provider of interior trim and convenience solutions to the global auto market

## Competitive Strengths

- Leading supplier of flexible restraint (netting), vehicle protection (cargo trays/ mats) and storage systems
- Specialists in manufacturing/ cutting/ wrapping and assembly of various interior trim components with an emphasis on leather
- Above-market growth potential given trend towards SUV/CUV's and EV's (greater cabin/ cargo space)
- Mix of highly innovative accessory and core parts gives exposure to both sales and production cycles
- Serve all main North American and European OEM's from four strategically located plants in low-cost Free Trade Zones: Mexico, Morocco and Canada
- Operations are primarily Tier 1 and 2; no aftermarket

## Market Conditions

- Production significantly disrupted by COVID-19
- IHS projects production will rebound towards historical norms in 2021



# Automotive Solutions Segment



Four businesses provide an expanding array of product offerings

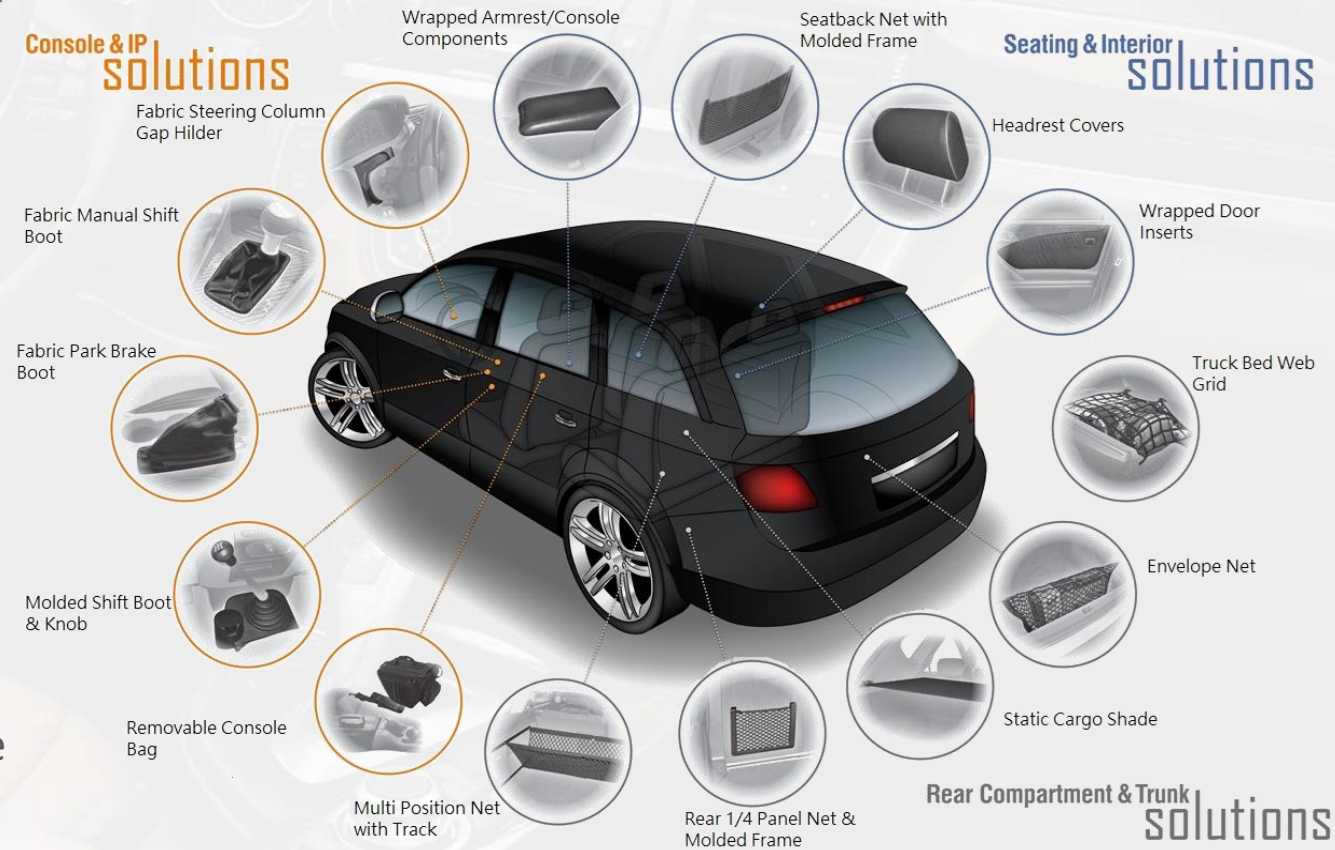
Business	Manufacturing Location(s)	Facility Size	Key Products/ Programs
Polytech	Mexico	130,000 sq ft	<ul style="list-style-type: none"><li>• Netting-based storage systems for trunks, seat backs and door panels, etc.</li><li>• Netting-based restraint systems for passenger/ cargo separation</li><li>• Plastic injected moulded consoles, gearshift boots and componentry</li></ul>
Polydesign	Morocco	215,000 sq ft	<ul style="list-style-type: none"><li>• Similar products as Polytech</li><li>• Cutting and sewing of leather for instrument panels, door panels, consoles, steering wheels, sun visor assembly and wrapping</li><li>• Go-to company for wrapping of automotive parts in Europe</li></ul>
Neocon	Canada	77,000 sq ft	<ul style="list-style-type: none"><li>• Thermoformed products</li><li>• Cargo organizer systems</li><li>• Flooring and protective systems including bumper covers</li></ul>
AFX	Mexico	96,000 sq ft	<ul style="list-style-type: none"><li>• Tier 2 supplier of interior trim components to diversified N.A customers</li><li>• Die cut leather sets for seating and most other interior trim applications</li><li>• Leather wrapped, machine and hand sewn automotive interior parts include steering wheels &amp; center caps, shift knobs &amp; boots, brake handles, armrests</li></ul>



## Leading manufacturer of automotive netting and storage solutions for North America

### Business Overview

- Clear market leader in design, engineering and manufacturing of flexible restraint and storage systems for OEM customers in North America
- Product portfolio continues to broaden into other automotive interior components such as gap-hiders
- Vertically integrated operations facilitates low cost and high quality production
- Mix of accessory and core products sold to a diversified customer list, including approximately 15 OEM's and dozens of Tier 1 customers globally
- Significant truck/ SUV/ CUV and growing EV exposure
- 130,000 sq ft facility located in Mexico

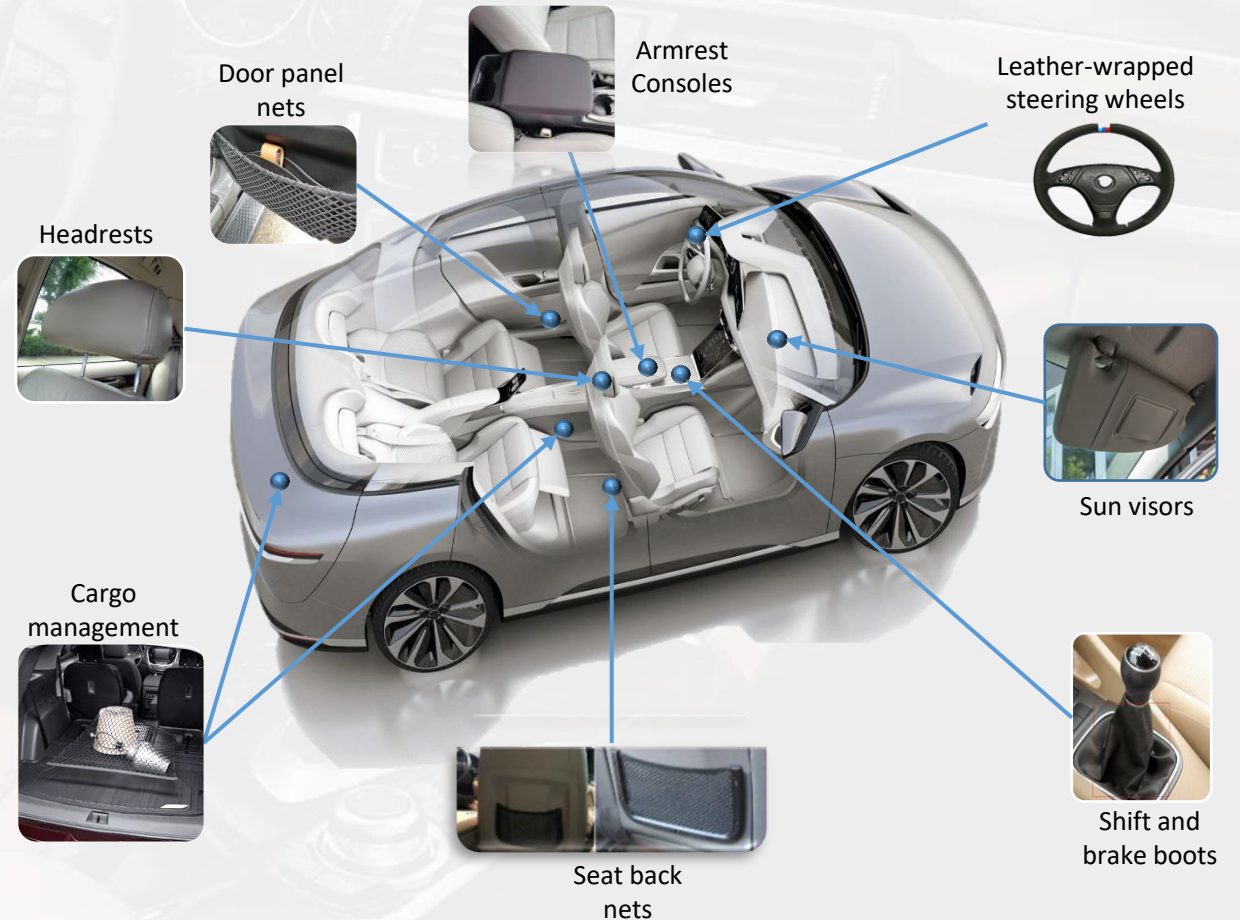




## Leading manufacturer of automotive netting and wrapped products for Europe

### Business Overview

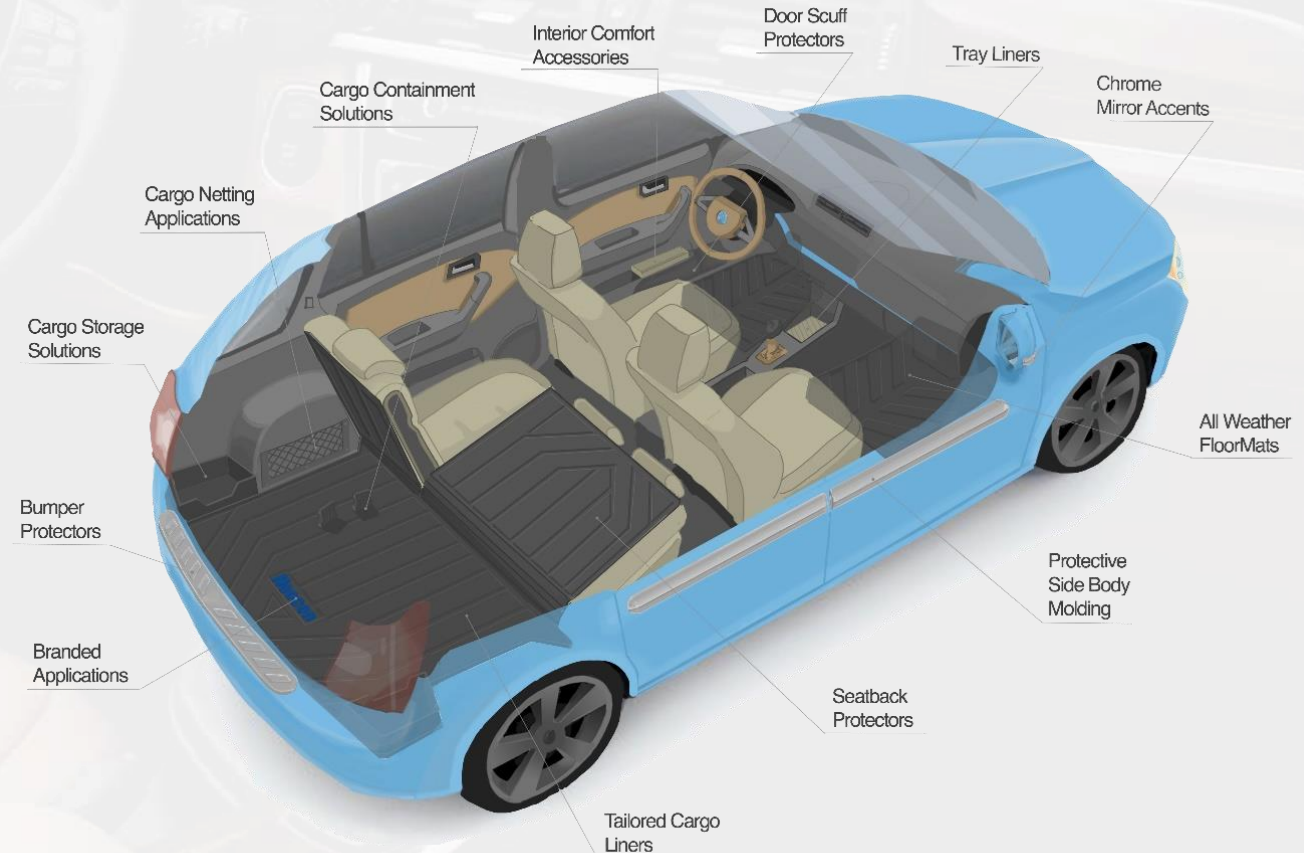
- Diversified product portfolio with an emphasis on integrated assemblies that take advantage of our vertical integration (injection moulding, foaming, cut, sew, knitting, weaving, braiding)
- Key products include wrapped parts, netting solutions, injection moulded components and sun visors
- Primarily a Tier 2 supplier delivering products to approximately 25 unique customers in 29 countries
- Strategically located to supply Europe more economically than many competitors
- 215,000 sq ft facility located in Tangier, Morocco



## Award winning designer and manufacturer of innovative accessory products for OEM's

### Business Overview

- Diversified and growing portfolio of vehicle protection and storage solutions
- Market leader in thermoformed cargo trays and chrome plated bumper protectors
- Significant SUV/ CUV and growing EV exposure driven by outsized cargo areas in these vehicles
- Highly creative team with full in-house capabilities including design, manufacturing, process research and material development
- Tier 1 supplier to 20+ automotive OEM's in North America; market share gains from aftermarket providers
- 77,000 sq ft facility located in Halifax, Nova Scotia



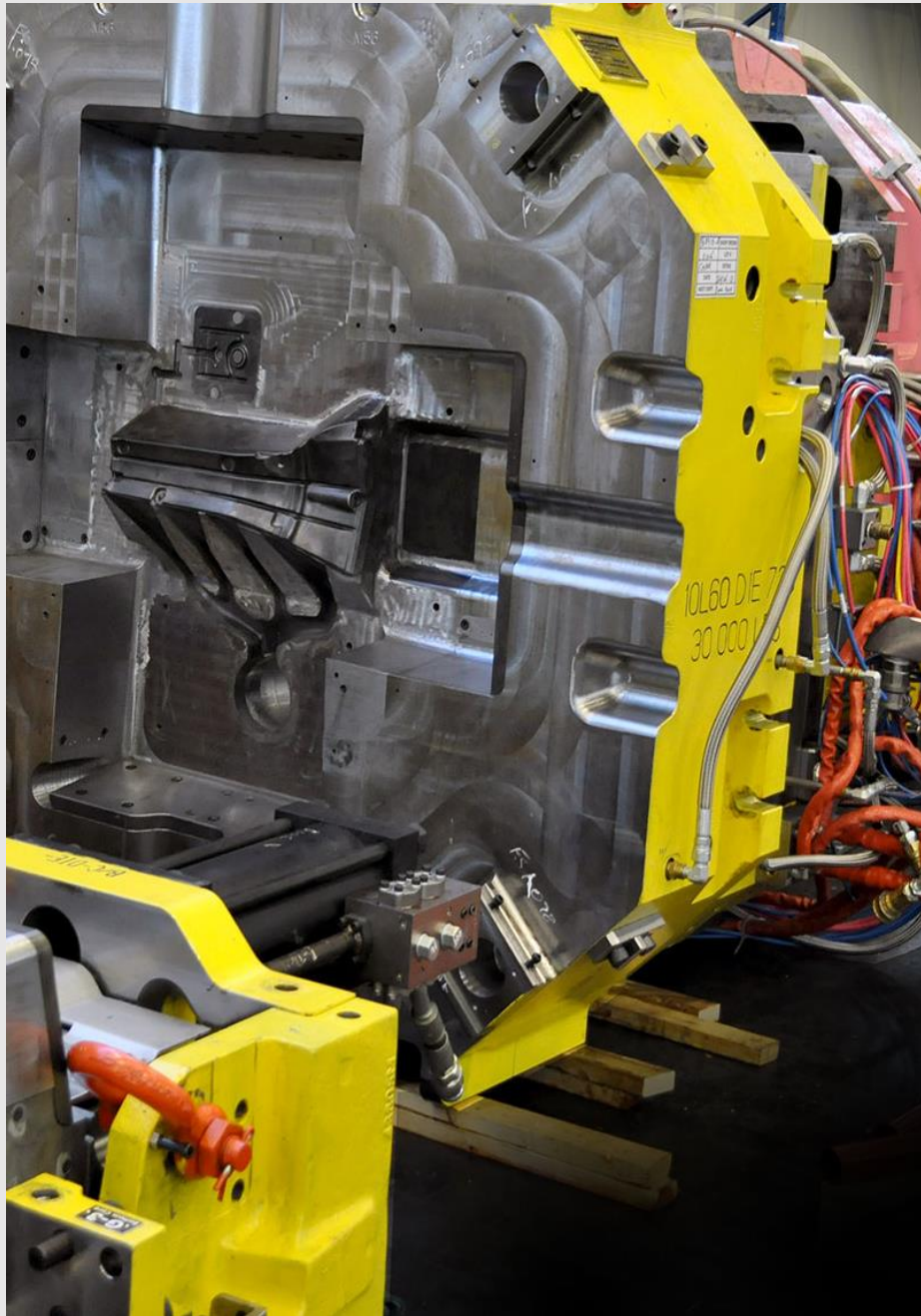
# Leading supplier of hand wrapped interior trim components in North America

## Business Overview

- Leading independent supplier of hand wrapped interior trim components
- Specialists in cutting leather and other trim materials for seating and various applications
- Tier 2 supplier to a diversified customer base, serving domestic and non-domestic OEM's
- Growth is expected in overall market for leather and leather-like interior components as OEMs continue to look to add content in their vehicles
- Strong relationship with premium European tannery
- 91,000 sq foot facility located in Mexico to serve the North American market







# Casting & Extrusion Segment

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# Casting & Extrusion Segment



World's largest independent provider of tooling for the Extrusion and Die Cast markets

## Competitive Strengths

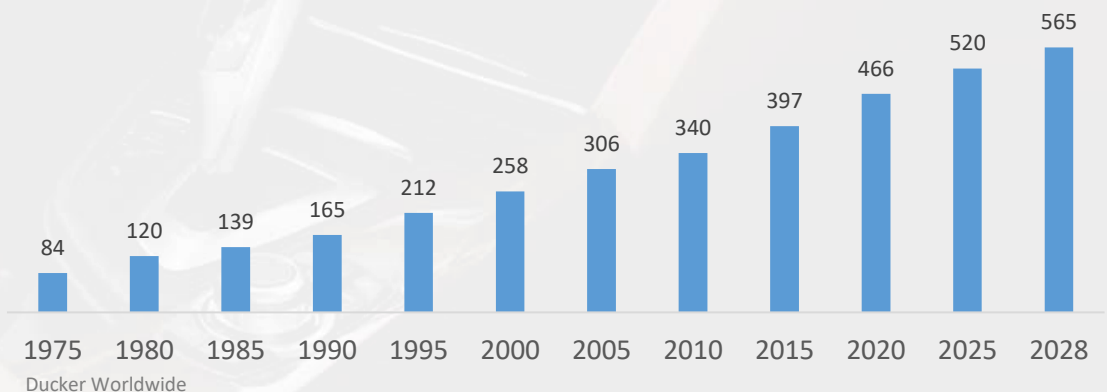
- Large scale, diversified operations with a total of 11 tooling plants in six countries
- Leading market positions in both die-cast and extrusion tooling
- Upgraded equipment and commonality of manufacturing processes
- Fragmented market; vast majority of competitors lack the financial strength, market reach and capabilities of Exco
- Exposure to long cycle programs & essential services provides stability to revenues in economic downturns
- Approximately 50% of tooling revenues derived from a diverse number of non-automotive end markets

## Market Conditions

- Aluminum use is growing across many applications with significant increased demand within the automotive industry driven by vehicle light-weighting trends and move towards EV's
- Increased aluminum demand favorable for both extrusion and die-cast

### North American Light Vehicle Aluminum Content

Net pounds per vehicle

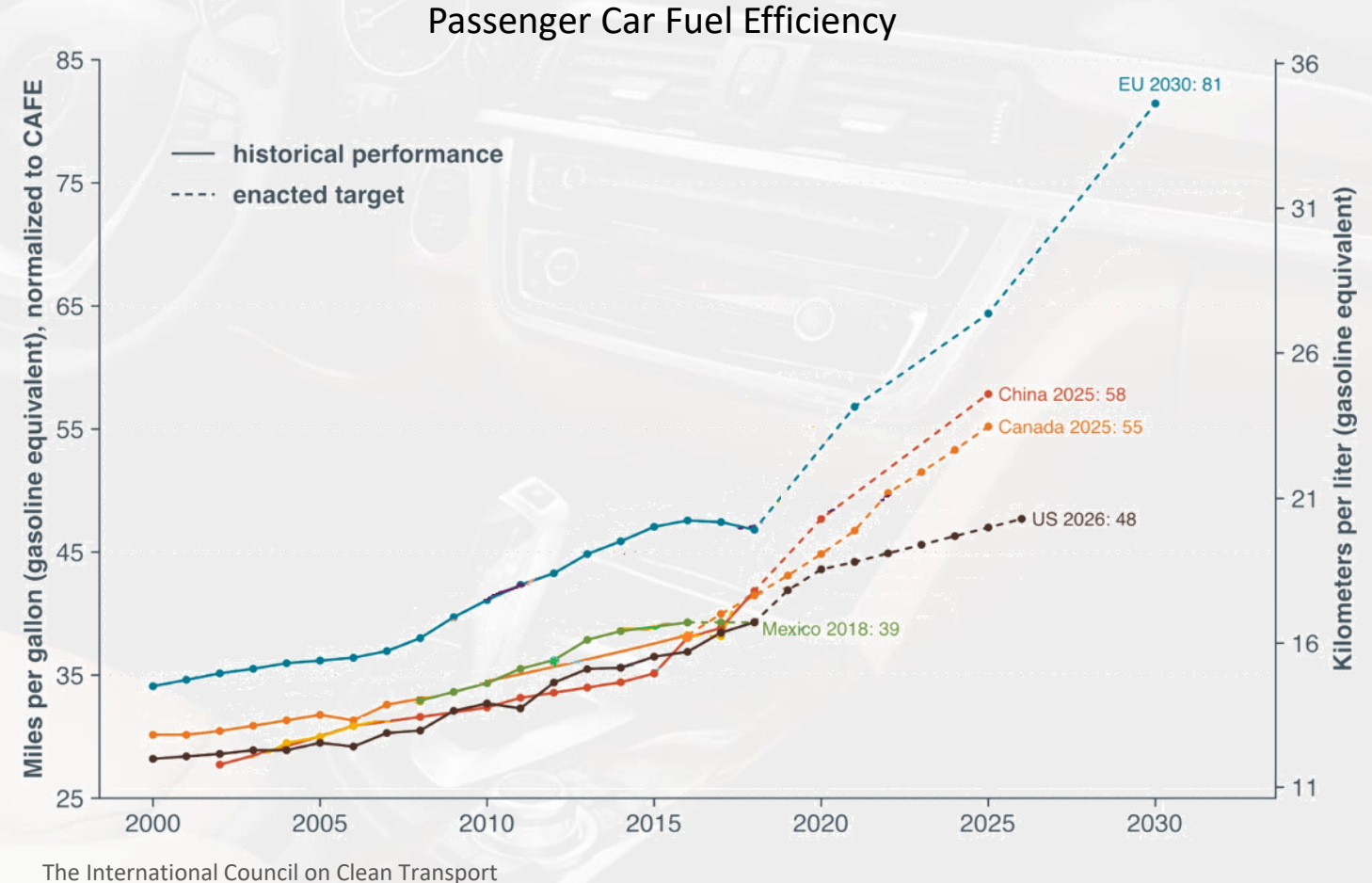


# Casting & Extrusion Segment



Vehicle light-weighting provides significant growth opportunity across the entire segment

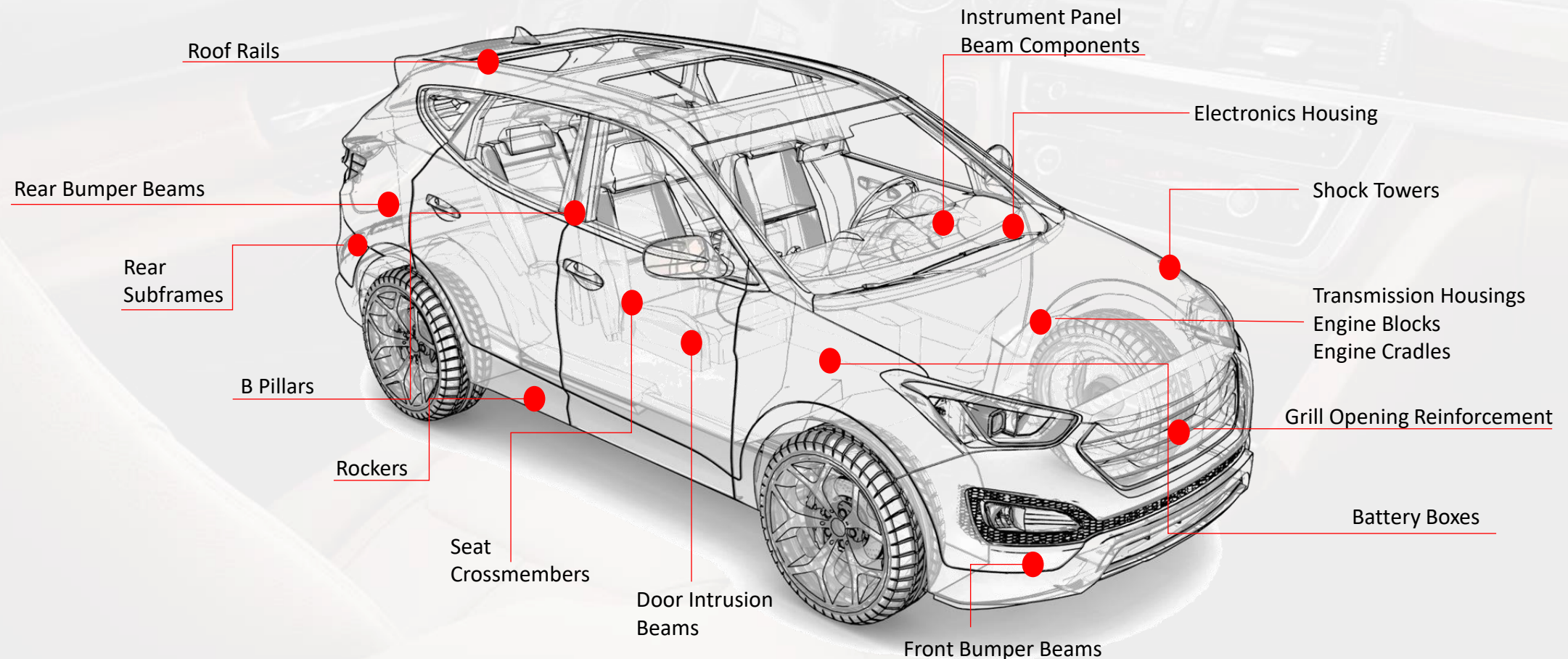
- Ever more stringent fuel efficiency and emission reduction standards are driving the development of increasingly advanced engines and transmissions by OEM and tier 1 suppliers
- Better fuel economy and lower emissions are also driving transition from steel to aluminum alloys in the production of non-powertrain structural components
- Electric vehicles make extensive use of aluminum components to reduce weight and maximize battery performance
- Recent Trump Administration EPA target roll-backs may slow, but not reverse these trends



# Casting & Extrusion Segment






Both Internal Combustion Engine and Electric Vehicles are using an increasing number of extruded and die-cast aluminum components to reduce weight



# Casting & Extrusion Segment



Three related business groups covering die-cast and extrusion tooling

Group	Business	Manufacturing Locations	Total Group Facility Sizes	Key Products/ Programs
Large Mould		Ontario, Canada Toledo, Ohio Queretaro, Mexico	200,000 sq ft	<ul style="list-style-type: none"> <li>Design and manufacture of large high pressure die-cast moulds</li> <li>Rebuild of existing moulds</li> <li>Integrated additive manufacturing</li> </ul>
Extrusion Tooling		Ontario, Canada Michigan, USA Texas, USA Queretaro, Mexico Medellin, Colombia Sorocaba, Brazil	210,000 sq ft	<ul style="list-style-type: none"> <li>Design and manufacture of dies for aluminum extrusion</li> </ul>
Castool		Ontario, Canada Chonburi, Thailand Kenitra, Morocco*	150,000 sq ft*	<ul style="list-style-type: none"> <li>Proprietary supporting tooling and systems for the die-cast and extrusion markets</li> </ul>

\*Kenitra facility currently under construction



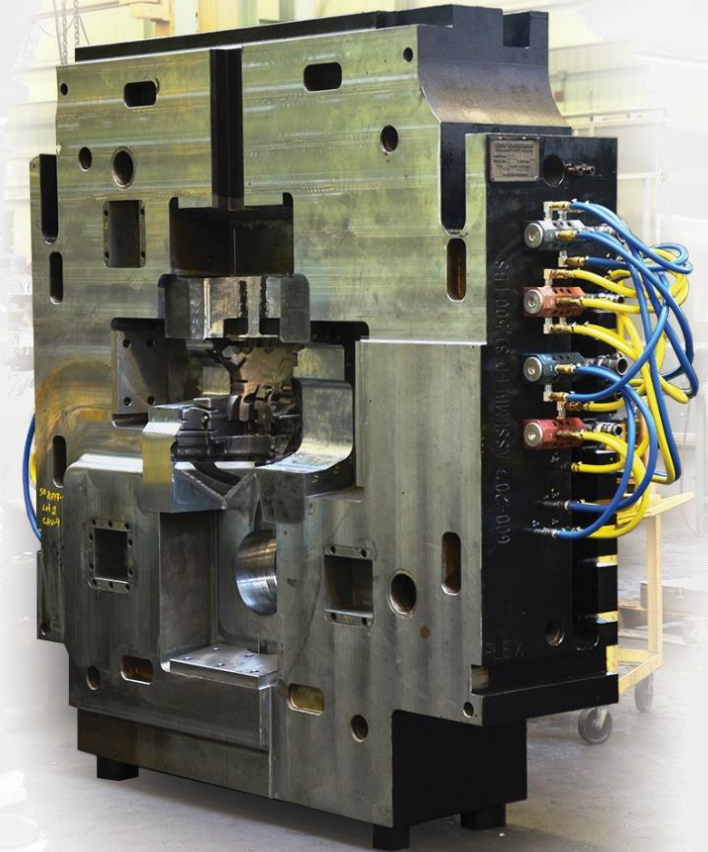
# Large Mould Group



Aluminum-focused tooling for automotive powertrain and structural components

## Business Overview

- Largest independent manufacturer of high pressure die-cast (HPDC) moulds in North America; exclusively focused on large moulds
- Moulds for both powertrain and non-powertrain components
- Mix of revenues from new programs and ongoing rebuild work
- Industry-leading design, engineering, manufacturing equipment and processes
- Tier 1 partner to North American, European and Asian OEM's
- 3,500 ton die-casting machine and foundry to test products. Furnaces deliver standard aluminum alloy, structural aluminum alloy & magnesium
- Three locations (Ontario, Ohio and Mexico) with combined facilities totalling 200,000 square feet



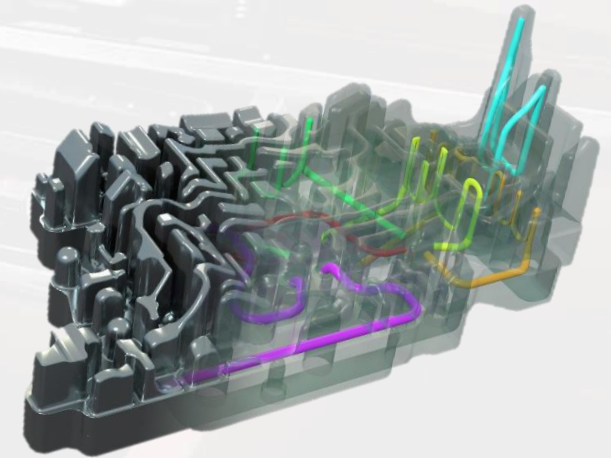
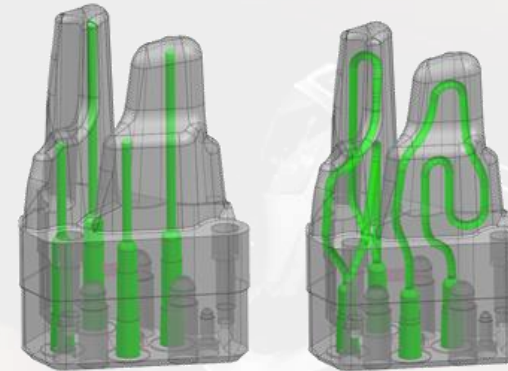
# Exco Additive Manufacturing



Global leader in the additive manufacturing of tool steel for die casting applications

## Business Overview

- Three, quad-laser, large scale additive machines dedicated for tooling applications
- Fully integrated into large mould design to provide enhanced overall die performance and life over conventionally built tools
- Thermal and stress simulation drives design and optimizes cooling channel placement
- In-house heat treatment ensures speed of execution and quality control
- F2019 Winner of Automotive Industry PACE Award



# Extrusion Tooling Group

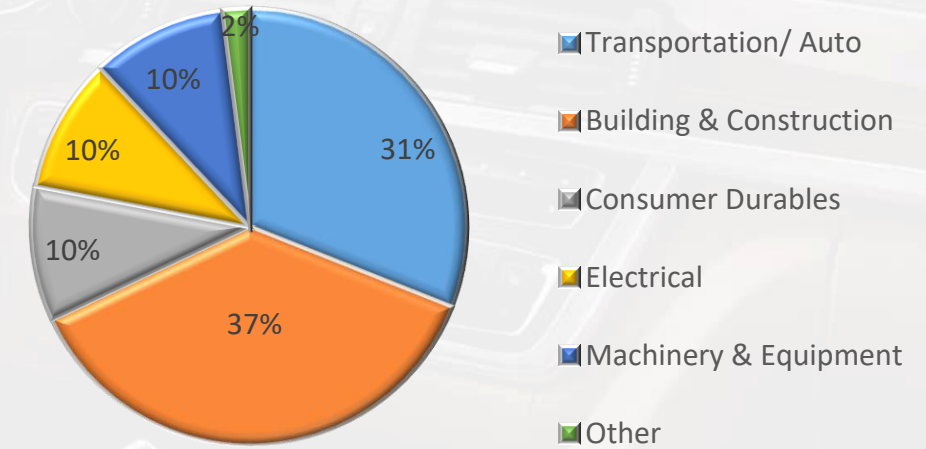


Largest designer and manufacturer of dies for aluminum extrusions in the Americas

## Business Overview

- Six manufacturing locations in the Americas (Ontario, Michigan, Texas, Mexico, Brazil, Colombia)
- Estimated market share of 30% in North America
- Commonality of design and manufacturing process across plants provides unmatched flexibility
- Leading edge technology and upgraded machinery
- Very diverse end-market demand; majority non-auto and a number of “essential” industries
- Automotive applications growing double digits through light-weighting & electric vehicle demands
- Customer consolidation and competitor shake-out benefiting well-capitalized players such as Exco

## Extruded Products by End Market<sup>1</sup>



<sup>1</sup> The Aluminum Association, Exco

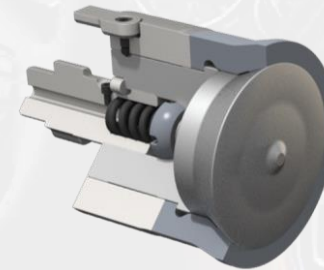




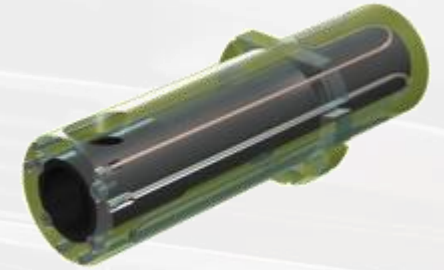
## Equipment, accessories and tooling for aluminum die-cast machines and extrusion presses

### Business Overview

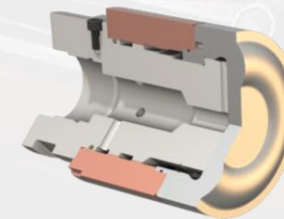
- Proprietary consumable tooling components and modular systems designed to dramatically increase overall efficiency of extrusion presses and die-cast machines through improved uptime and yields
- Systems-based design results in significant recurring revenues from related tooling components
- Products promote energy conservation and environmental friendliness
- Clear market leader with a highly diverse customer base and global reach
- Patented products, materials and processes
- Production facilities in Ontario and Thailand; currently building a greenfield facility in Morocco



Dummy Blocks



Die-Cast Shot Sleeves



Plunger Tips



Extrusion Containers



Die Ovens



# Financial Results

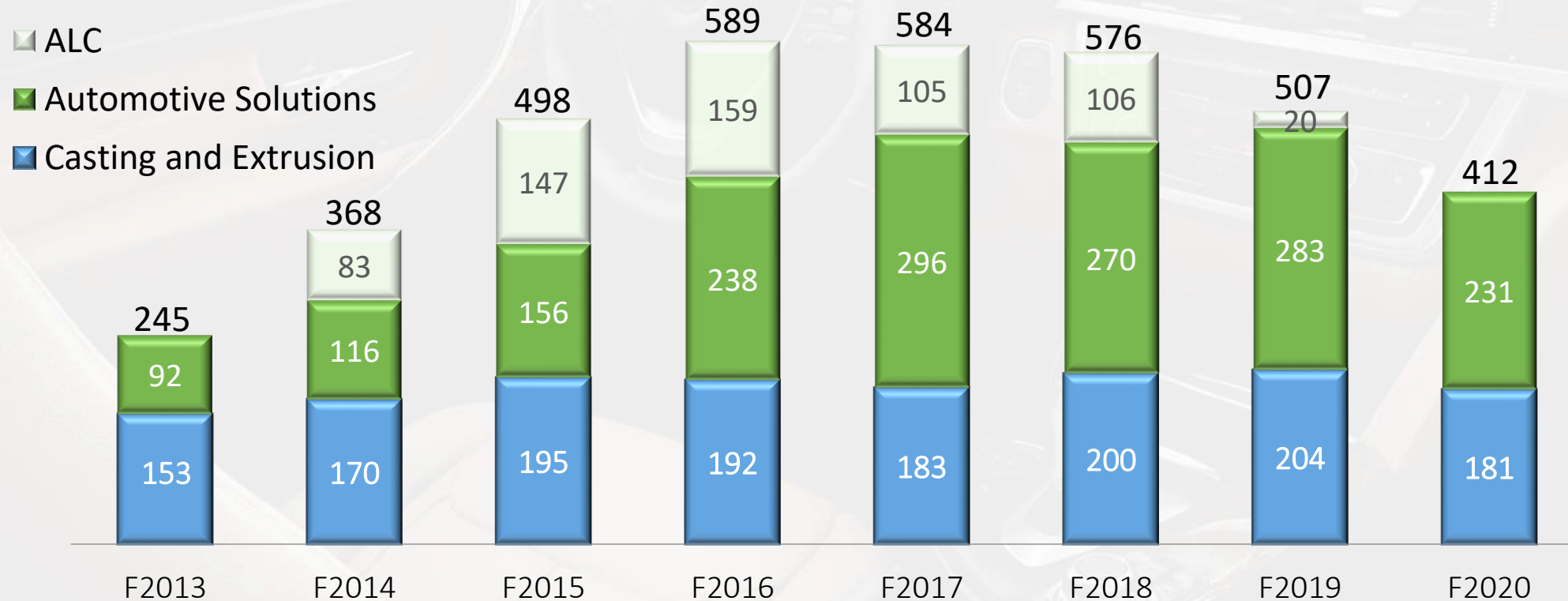


# Annual Revenue by Segment



Strong underlying top-line growth from core operations over time despite COVID-related disruptions in F2020

C\$ Millions



Fiscal year ended September 30

ALC acquired March 2014; AFX acquired April 2016; ALC filed liquidation petition in January 2019

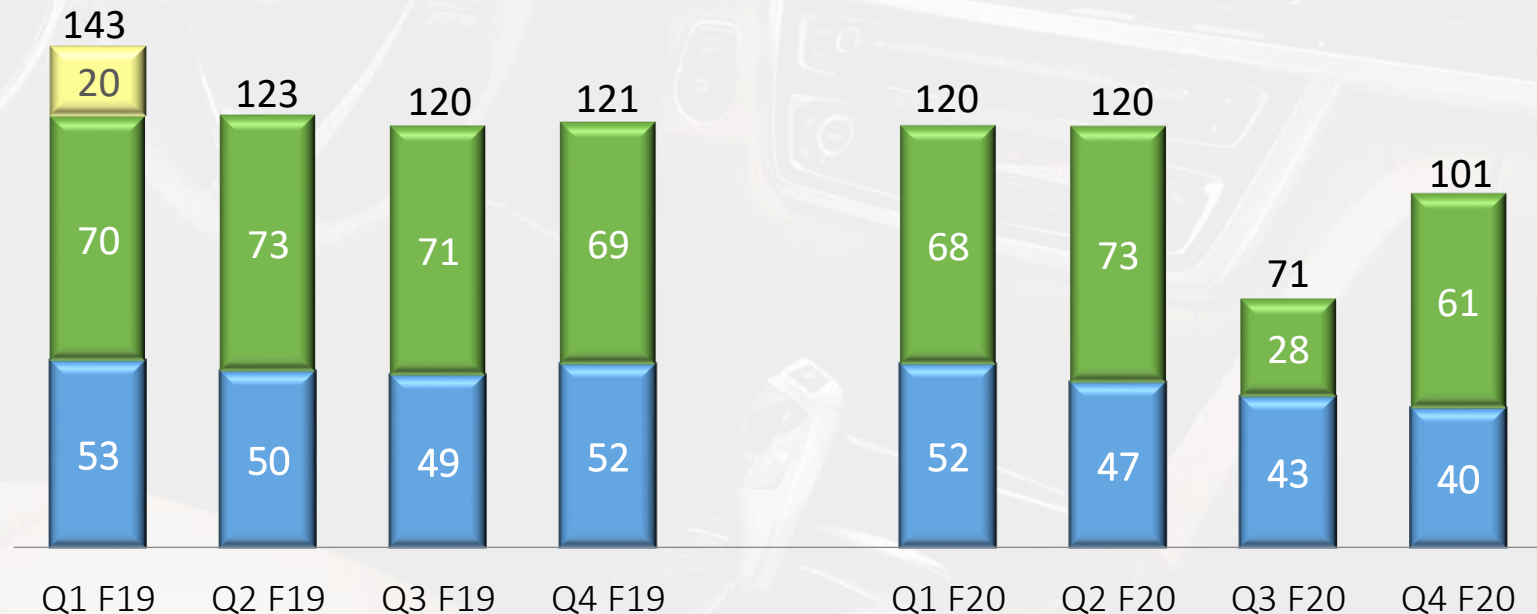
# Quarterly Revenue by Segment



Revenues Significantly Impacted by COVID-19 in the Second Half of Fiscal 2020

C\$ Millions

- ALC Bulgaria
- Automotive Solutions
- Casting and Extrusion



Fiscal year ended September 30



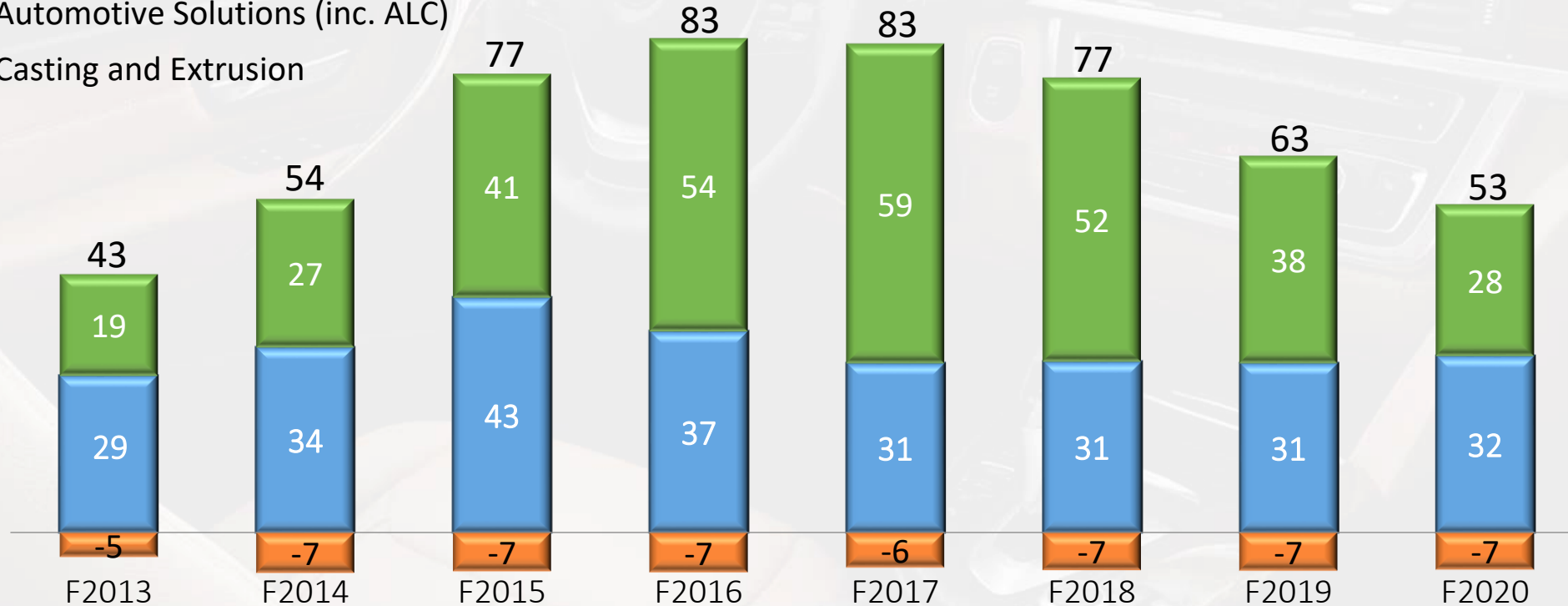
# Annual EBITDA by Segment



Cost increases in Automotive Solutions Segment have stabilized

C\$ Millions

- Corporate Expense
- Automotive Solutions (inc. ALC)
- Casting and Extrusion



Fiscal year ended September 30

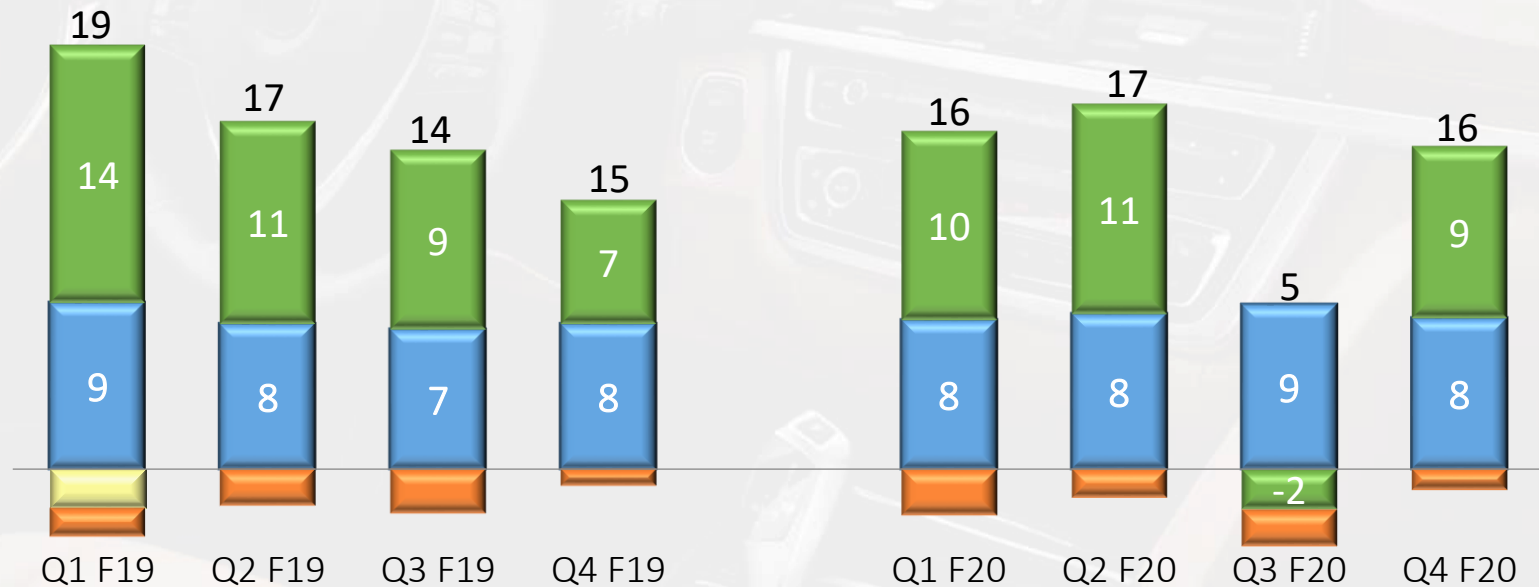
# Quarterly EBITDA by Segment



EBITDA rebounded in Q4F20 after severe COVID-related disruptions in Q3F20

C\$ Millions

- Corporate
- ALC Bulgaria
- Automotive Solutions
- Casting and Extrusion



Fiscal year ended September 30

# Net Income and Adjusted Net Income

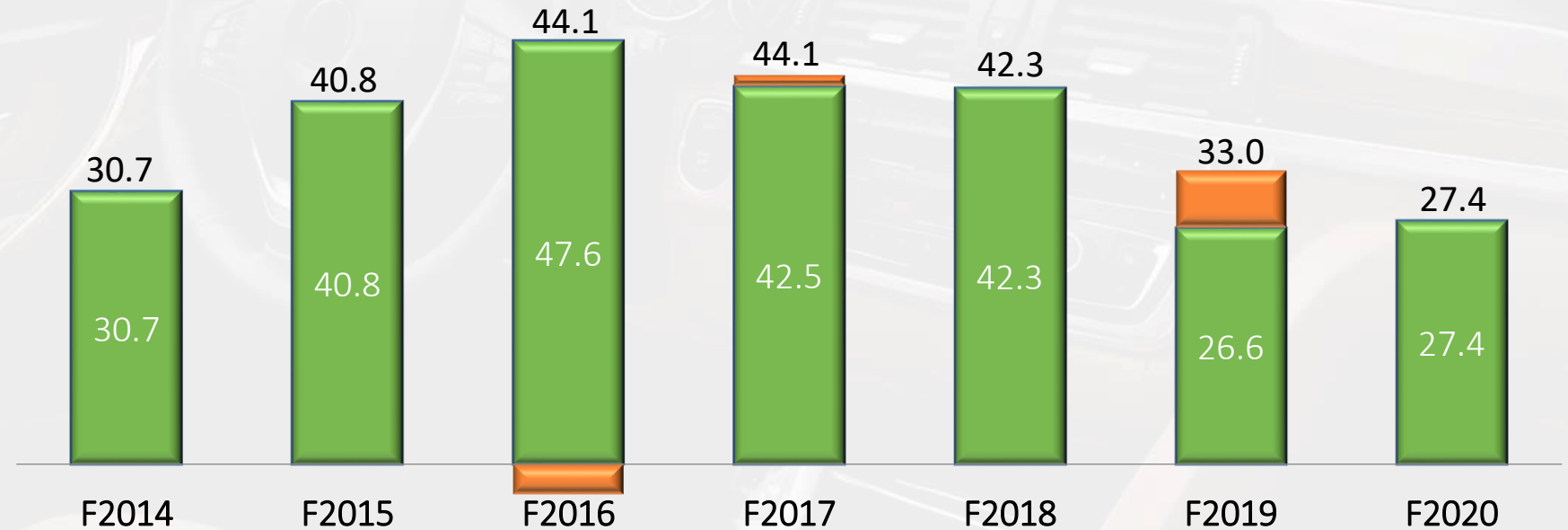


Reported EPS in F2019 negatively impacted by write-off of remaining equity in ALC

C\$ Millions

Other Income/ Expense

Reported Net Income



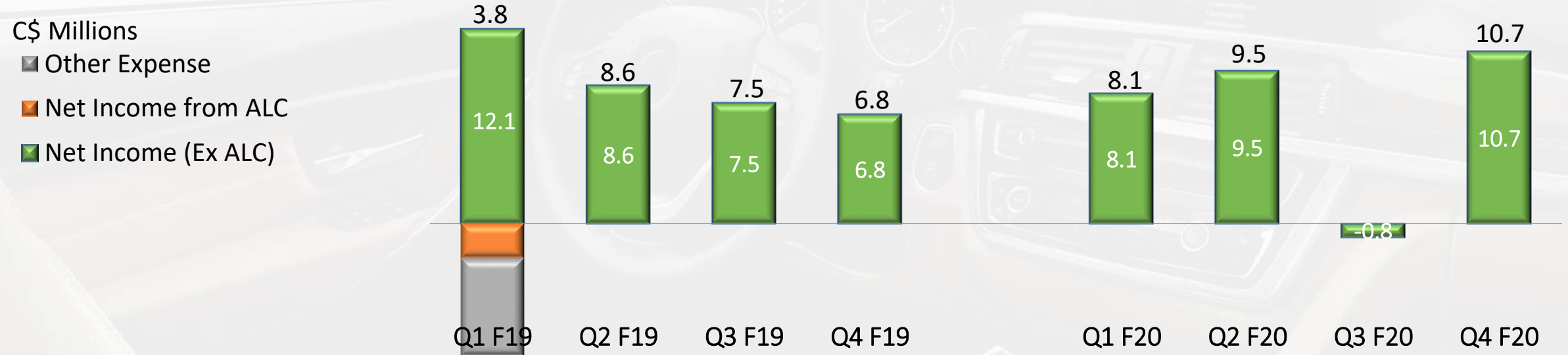
Diluted Reported EPS	\$0.73	\$0.96	\$1.11	\$1.00	\$1.00	\$0.65	\$0.69
Diluted Adjusted EPS	\$0.73	\$0.96	\$1.03	\$1.03	\$1.00	\$0.80	\$0.69



# Net Income and Adjusted Net Income



Strong rebound in profitability in Q4F20 from COVID-related disruptions in Q3F20

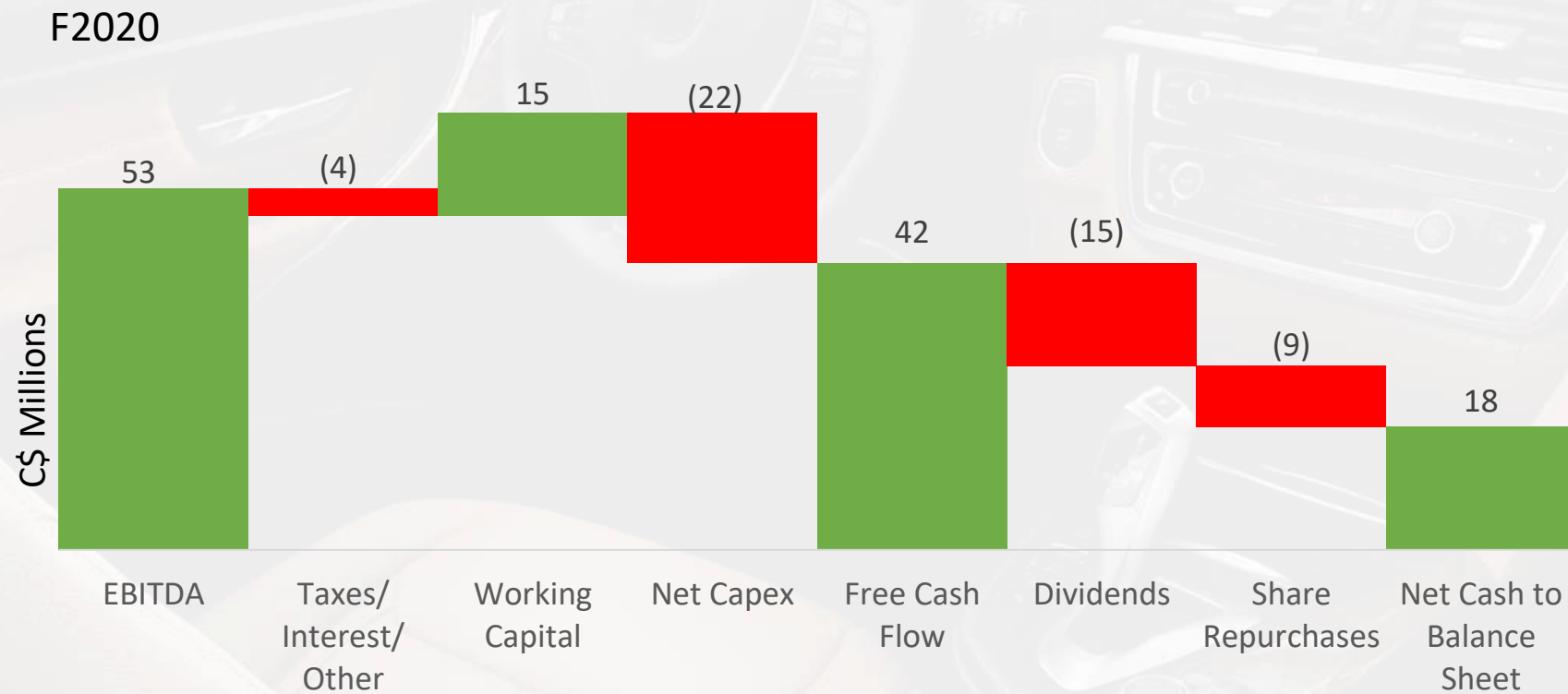


Diluted Reported EPS	\$0.09	\$0.21	\$0.18	\$0.17	0.20	\$0.24	-\$0.02	0.27
Diluted Adjusted EPS ex ALC	\$0.24	\$0.22	\$0.18	\$0.17	0.20	\$0.24	-\$0.02	0.27

# Cash Flow Generation



Consistently strong EBITDA to free cash flow conversion with proceeds directed to meaningful shareholder returns and further strengthening of the balance sheet

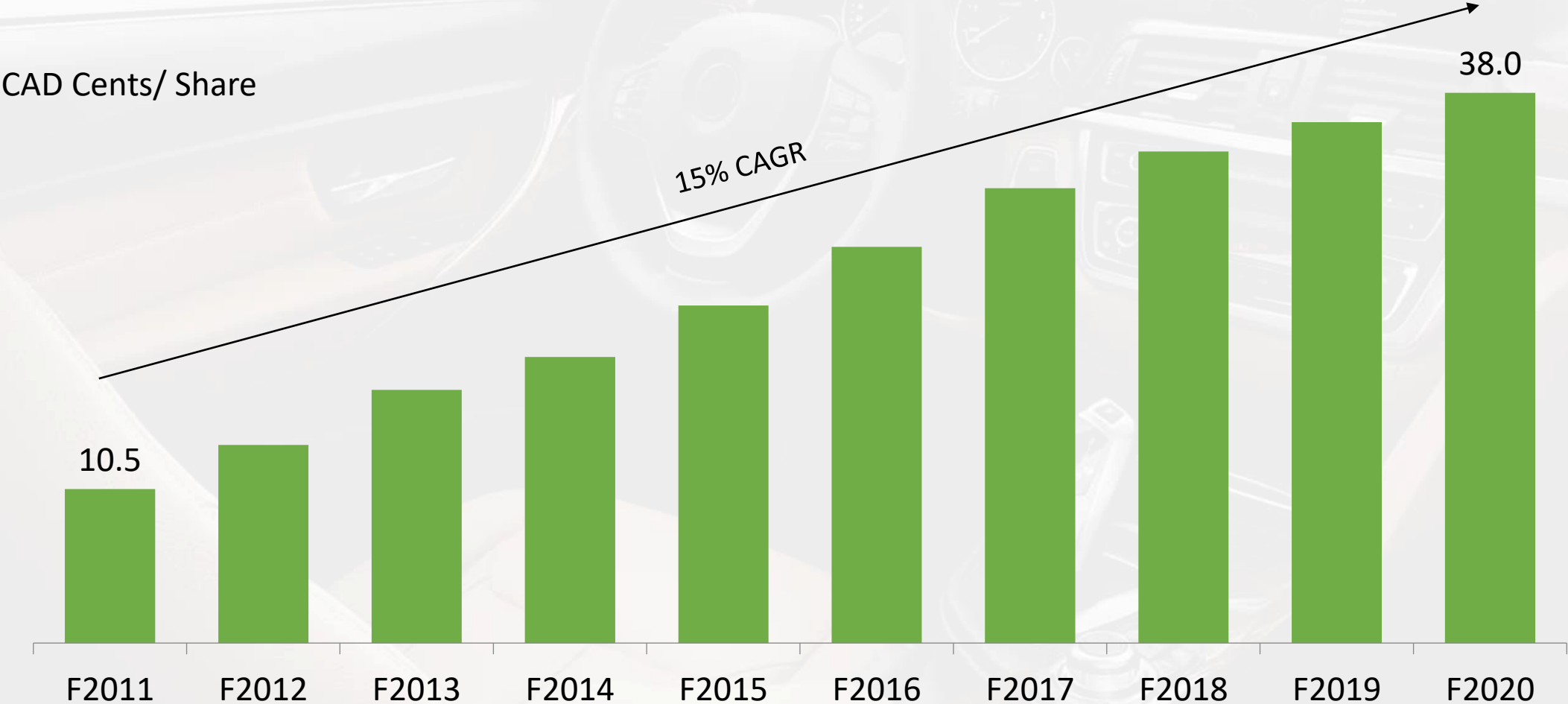


Fiscal year ended September 30

# Dividend



Dividend increased by 6% to an annualized rate of 38 cents per share January 2020



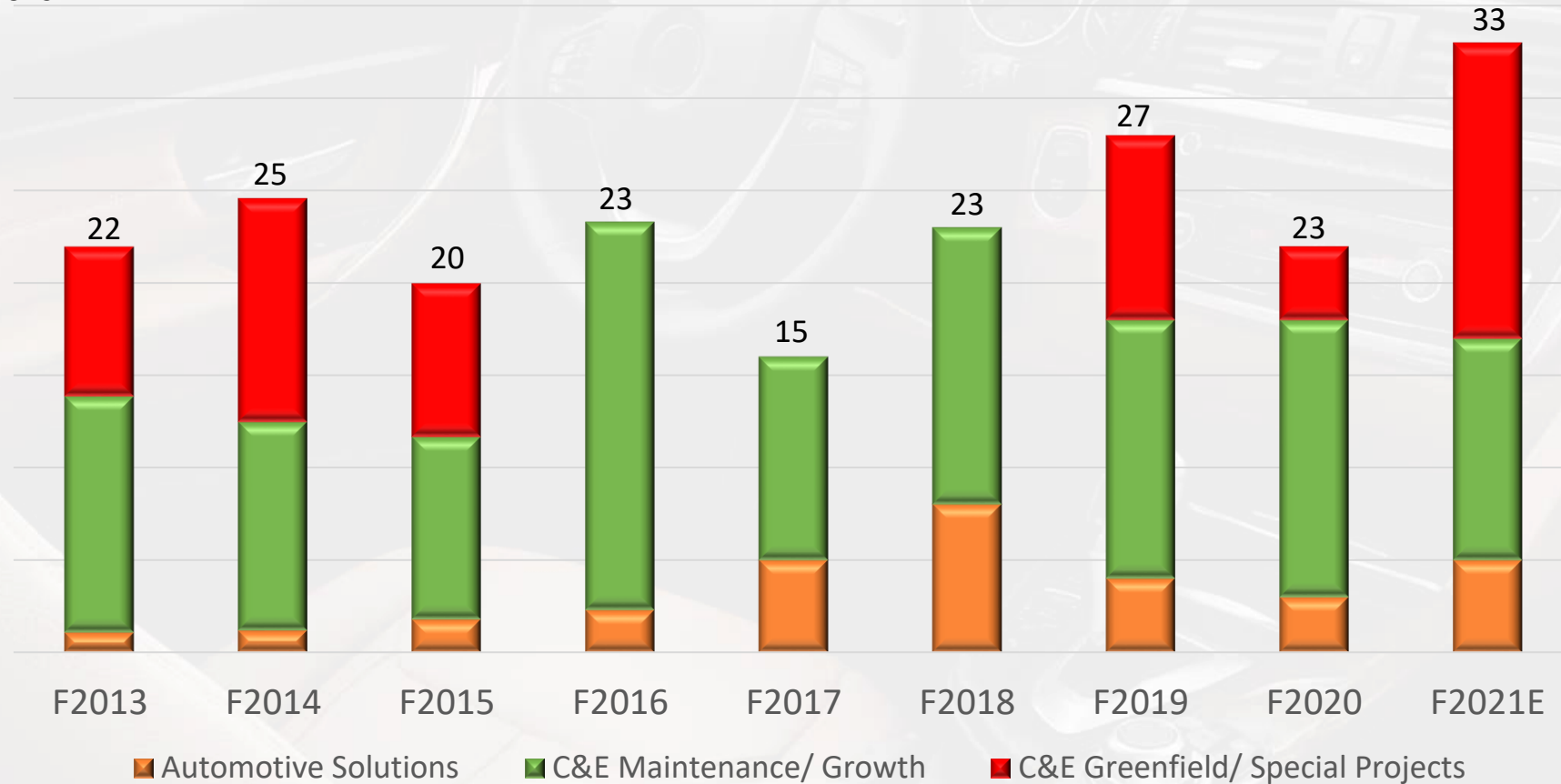


# Capital Expenditures



Recent/ planned elevated capex reflects strong organic growth opportunities

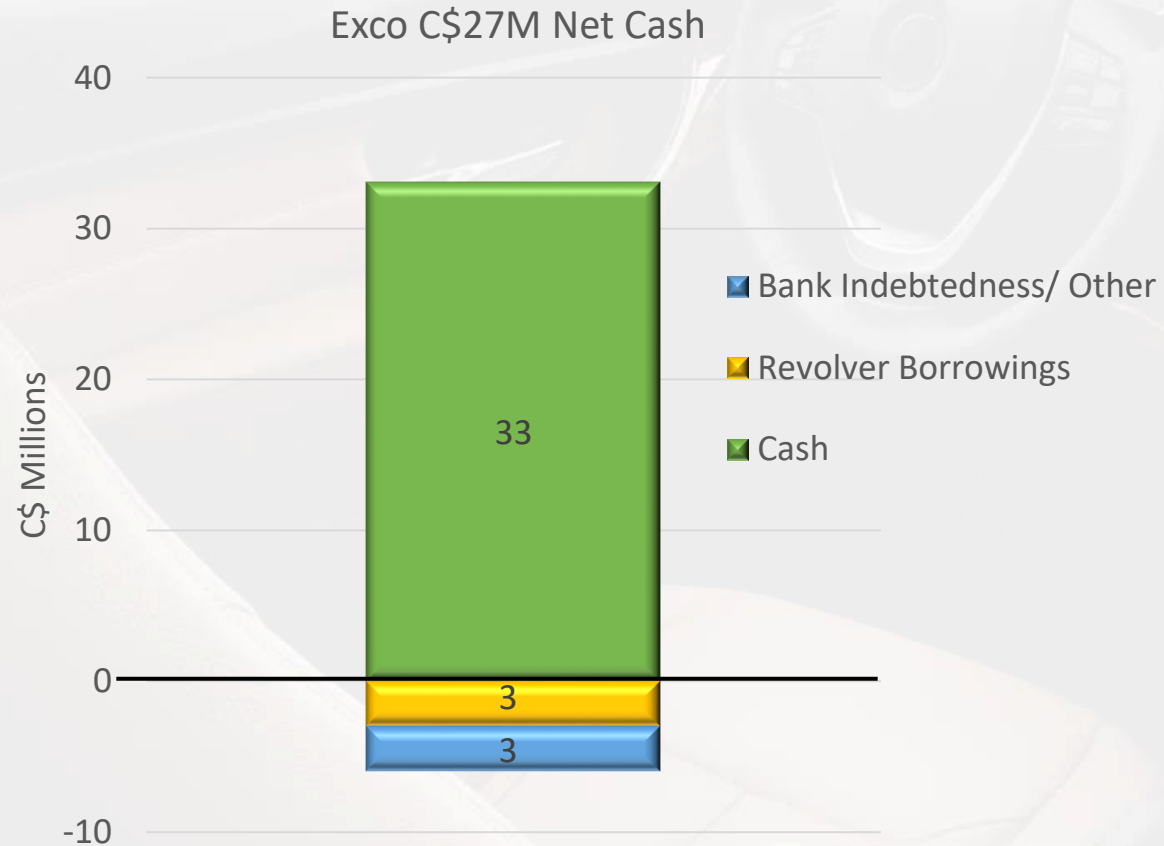
C\$ Millions



# Financial Leverage & Liquidity



Balance Sheet in a \$27M Net Cash Position as at September 30, 2020



- F2020 EBITDA of C\$53M
- C\$50M committed revolver matures February 2023; \$44M available
- Balance sheet cash of \$33M
- Significant cushion to bank facility covenants

# Questions







# Technologies Limited

