



Exco Results for First Quarter Ended December 31, 2020

- Consolidated Sales of \$121.4 million
- EBITDA of \$19.3 million compared to \$15.4 million prior year
- EBITDA margin of 15.9% compared to 12.8% prior year
- EPS of \$0.28 compared to \$0.20 prior year
- Quarterly dividend raised 5% to \$0.10 per common share
- Financial position and liquidity remain strong with \$26.5 million net cash

TORONTO, Feb. 02, 2021 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its first quarter of fiscal 2021 ended December 31, 2020. In addition, Exco announced a 5% increase in its quarterly dividend to \$0.10 per common share which will be paid on March 31, 2021 to shareholders of record on March 17, 2021. The dividend is an "eligible dividend" in accordance with the Income Tax Act of Canada.

<i>(in \$ millions except per share amounts)</i>	Three Months ended December 31	
	2020	2019
Sales	\$121.4	\$120.4
Net income for the period	\$10.9	\$8.1
Earnings per share		
Basic and Diluted – Reported	\$0.28	\$0.20
EBITDA	\$19.3	\$15.4

"Exco achieved very strong results in our first quarter of fiscal 2021", said Darren Kirk. "We are optimistic this performance will continue, supporting our Board's decision to increase our dividend for the 12th consecutive year", added Kirk.

Consolidated sales for the first quarter ended December 31, 2020 were \$121.4 million compared to \$120.4 million in the same quarter last year – an increase of \$1.0 million or less than 1%. The impact of a strengthening Canadian dollar compared to the USD and Euro was essentially flat.

The Automotive Solutions segment reported sales of \$76.1 million in the first quarter – an increase of \$7.8 million, or 11% from the same quarter last year. Foreign exchange rate movements increased sales in this segment by \$0.6 million. The segment's sales increase compares favorably to overall industry vehicle production volumes in North America and Europe which were relatively flat in the quarter. Segment sales were supported by a number of program launches for both new and existing products, higher order volumes as OEMs continue to fill the pipeline and adjust safety stock levels due to the impact of COVID-19, favourable product mix and higher tooling sales. The segment has received multiple contract wins during the quarter and management continues to see strong quoting activities for new potential programs across the segment's various business supporting future growth.

The Casting and Extrusion segment reported sales of \$45.3 million in the quarter – a decrease of \$6.8 million, or 13%, from the same period last year. Excluding modest foreign exchange rate movements, segment sales were lower due to the deterioration of economic conditions due to COVID-19 compared to the first quarter 2020, changes in product mix and delivery timing as well as lower steel costs. Sales at Extrusion and Castool were marginally lower than the prior year quarter and the Large Mould group continues to build new tools and win contracts, however, shipments were lower compared to the prior year quarter. First quarter 2021 sales were down compared to the first quarter 2020, however, sequentially sales are up \$5.8 million or 15% compared to the fourth quarter 2020. This 15% quarter over quarter increase reflects increased demand across the Large Mould, Extrusion and the Castool groups. This segment continued to receive considerable quotation requests and order input remains strong particularly within the die-cast end markets where the Large Mould and Castool groups are winning new orders from existing and new customers.

Consolidated net income for the first quarter was \$10.9 million or basic and diluted earnings of \$0.28 per share compared to \$8.1 million or \$0.20 per share in the same quarter last year – an increase in net income of 35%. The consolidated effective income tax rate for the current quarter was 22% compared to 18% the prior year period. The income tax rate in the prior year quarter was favorably impacted by the recognition of deferred tax assets and an increase in earnings in jurisdictions with lower tax rates. Excluding the recognition of the deferred tax assets, the effective income tax rate for the prior year quarter was 20%.

The Automotive Solutions segment reported pre-tax profit of \$11.6 million in the quarter – an increase of \$3.6 million or 45% over the same quarter last year. The key factors in this segment's improved margins include improved cost absorption with higher sales, lower costs due to management's actions associated with the pandemic which improved operational efficiencies, and favourable product mix. In addition, the prior year quarter segment pre-tax profits were negatively impacted by adverse foreign exchange rate movements, the impact of the strike at General Motors and certain program launch costs inefficiencies. Management remains focused on improving the efficiency of its operations and reducing its overall cost structure. Pricing discipline also remains a focus and new program awards embed management's expectations for higher future costs.

The Casting and Extrusion segment reported \$4.6 million of pretax profit in the quarter – an increase of \$0.3 million or 7% from the same quarter last year. The Extrusion group's profits benefited from a balanced sales performance across all locations and lower steel costs. The Castool group benefited from lower selling costs and a shift to higher margin products. Although quoting activity and new business awards were strong in the quarter in the Large Mould Group, actual shipments of tools were dampened due to the impact of COVID-19 in the prior quarters. Additionally, Large Mould costs were impacted by new work on several new programs. Margins tend to be lower at the front end and improve as incremental moulds are completed. As the backlog continues to increase, these timing issues are expected to reverse in the following quarters.

The Corporate segment expenses were \$2.2 million in the quarter compared to \$2.4 million in the prior year quarter. Consolidated EBITDA for the first quarter totaled \$19.3 million compared to \$15.4 million in the same quarter last year – an increase of 25%. EBITDA as a percentage of sales increased to 15.9% in the current quarter compared to 12.8% the prior year. The EBITDA margin in the Casting and Extrusion segment increased to 18.0% from 14.8% last year while the EBITDA margin in the Automotive Solutions segment increased to 17.5% compared to 14.5% last year.

Operating cash flow before net change in non-cash working capital totaled \$16.4 million in the first quarter. After changes in working capital requirements, net cash provided by operating activities amounted to \$9.6 million. This cash flow, together with cash on hand was used to fund \$0.1 million of interest expense, \$5.1 million of capital expenditures and \$3.7 million of common dividend payments. As at December 31, 2020, Exco's consolidated balance sheet was in a \$26.5 million net cash position.

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

1 Non-IFRS Measures: In this News Release, reference may be made to EBITDA, EBITDA Margin, Pretax Profit and Free Cash Flow which are not measures of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates EBITDA as earnings before interest, taxes, depreciation, amortization and other expenses and EBITDA Margin as EBITDA divided by sales. Exco calculates 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. EBITDA, EBITDA Margin, 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.

Quarterly Conference Call – February 3, 2021 at 10:00am. (Toronto time):

To access the live audio webcast, please log on to www.excocorp.com, or <https://edge.media-server.com/mmc/p/edwdo9co> a few minutes before the event. The conference call can be accessed by dialing toll free at (866) 572-8261 or internationally at (703) 736-7448. The conference ID is 4574609.

For those unable to participate on February 3, 2021, 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 15 strategic locations in 7 countries, we employ about 4,800 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, liquidity 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, 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 effect 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, 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 in response to rising climate risks, 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, 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.