



Technologies Limited



Q1 F2021 Earnings Call

February 3, 2021

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 and 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.



Technologies Limited



Darren Kirk
Chief Executive Officer

Q1 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Overall industry vehicle production essentially flat in North America and Europe compared to prior year quarter
 - Volumes were slightly stronger than our expectations going into the quarter
 - US light vehicle SAAR currently running at 16M+ units, which is in-line with pre-pandemic levels
- Segment sales in the quarter were 11% higher than prior year quarter due to:
 - Launch of new programs
 - Favorable mix of vehicles sold, including high content on several refreshed models
 - Restocking of inventory channels
 - Buffer-stock of product ordered to mitigate against possible supply chain risks
 - Particularly for accessory programs

Q1 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Segment PTP improved to \$11.6M in Q1 F21 compared to \$8.0M the prior year quarter due to:
 - Higher sales coupled with favorable product mix shift
 - Increased overhead absorption
 - Cost actions and general efficiency improvements
 - Comparison to significant program launch inefficiencies and GM-related strike costs in the prior year quarter
- Quarterly segment EBITDA Margin of 17.5% among the highest achieved in a single quarter
- Supply chain risk remains across the industry, but we continue to take steps to actively mitigate
 - Inventory build up to act as a buffer, where possible
 - All plants continue to refine measures to operate safely
- Annual Mexico union labour negotiations completed in January 2021

Q1 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Combined North America and Europe industry vehicle production expected to be up sharply from prior year levels in Exco's F21
 - Lapping weak volumes the prior year when automotive OEM shut downs occurred due to COVID response measures
 - Particularly in Exco's Q3F21
 - Lower dealer inventory levels, record high used vehicle pricing, reducing new car incentives, etc indicate strong underlying fundamentals for new vehicle demand
- Quoting activity remains very encouraging
 - We are seeing and quoting on ample opportunities across all vehicles, including EV's, hybrid's and ICE's

Q1 F2021 Operations Overview



Key Highlights in the Quarter – Casting & Extrusion

- Casting & Extrusion segment sales down 13% from prior year quarter due to:
 - Softer general economic conditions arising from the impact of COVID-19
 - Delayed impact from OEM production stoppages on Large Mould group, which continued to work on new programs in Q3F20, but experienced reduced activity for die rebuilds in the current quarter
 - Also, lumpiness of Large Mould revenue recognition
 - Lower steel surcharges and tariff pass-throughs
- These factors were partially offset by
 - Increased demand for consumable die-cast tooling within the Castool group
 - Increased volume activity across the entire Extrusion group
- Sales were up 15% from Q4 F20

Q1 F2021 Operations Overview



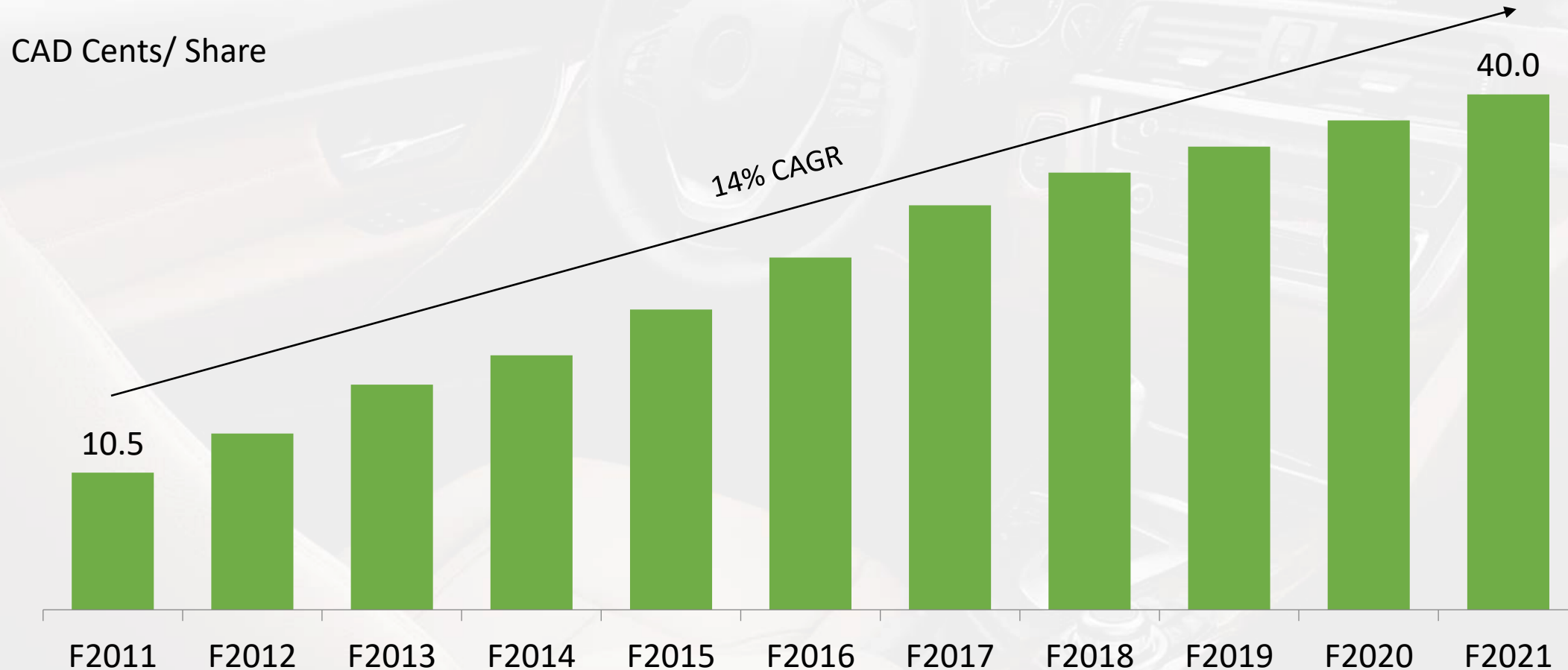
Key Highlights in the Quarter – Casting & Extrusion

- Segment PTP improved to \$4.6M in Q1F21 despite the revenue decline due to:
 - Favorable mix, including increased demand for higher value-add products
 - Various efficiency improvements across the segment
 - More balanced production demand across the group's various plants
 - Lower steel prices
- Overall backlog continued to build strongly through the quarter; bidding activity remains solid
 - Growth from new customers, particularly within the Large Mould and Castool groups
 - Especially for non-powertrain automotive tooling components
 - Our multi-plant footprint, harmonized manufacturing methods as well as increasing the size and complexity of tooling generally are contributing to market share gains and greater efficiency across the segment
- COVID-19 safety measures continue to be followed/ enhanced across the group

Dividend



Dividend increased by 5% to an annualized rate of 40 cents per share February 2, 2021





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Matthew Posno
Chief Financial Officer

Q1 F2021 Financial Overview



Consolidated Results Versus Prior Year Period

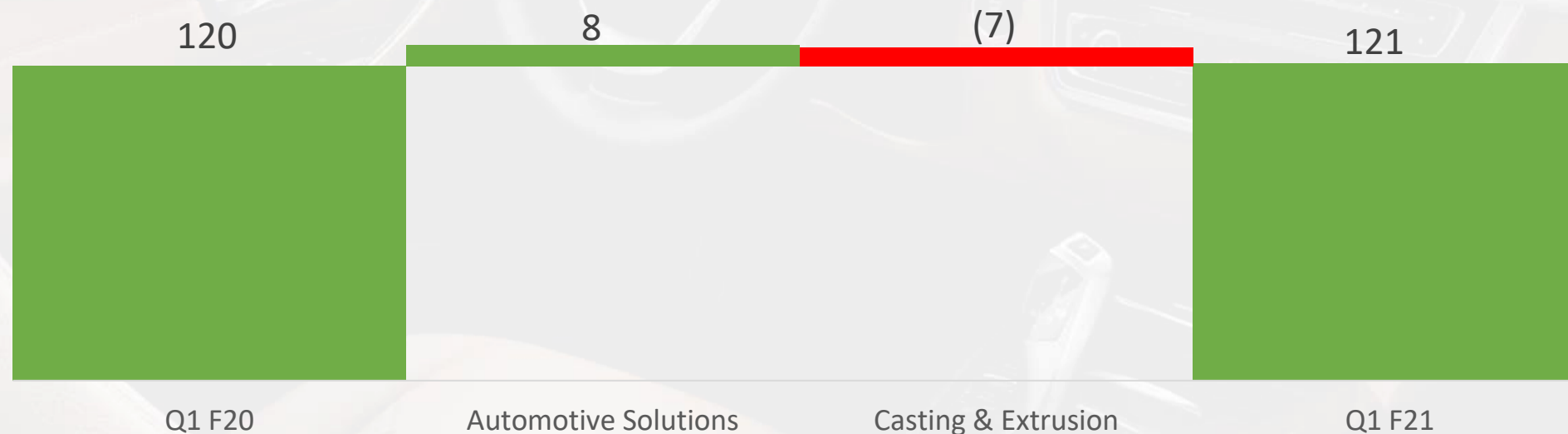
- Revenue of \$121.4M; up \$1.0M or basically flat to last year
- EBITDA of \$19.3; up \$3.9M or 25%,
 - Higher gross margin percentage year over year (24% vs 22%), due to improvement in Auto Solutions
 - Reduced selling and general admin expenses (6% vs 7%) due mainly to lower travel costs
 - Increased other expenses (+\$1M yr/ yr), mainly due to adverse fx movements
- Casting and Extrusion segment revenues down by 13% but EBITDA up 4%
- Automotive Solutions segment revenues up 11% and EBITDA up 34%
- EPS of \$0.28 versus \$0.20
- Free cash flow of \$4.6M in the quarter
- No activity under NCIB during the quarter
- Balance sheet in a \$26M net cash position as at Dec 31 2020; essentially unchanged from last quarter

Q1 F2021 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

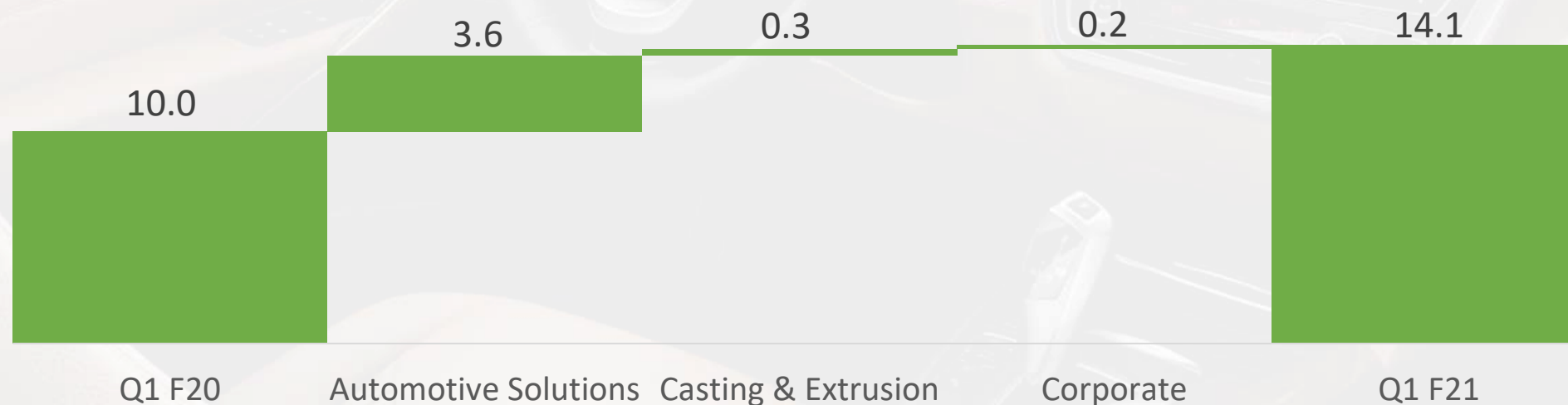


Q1 F2021 Financial Overview



Consolidated PTP Reconciliation (Before Interest and Other Expense)

C\$ Millions

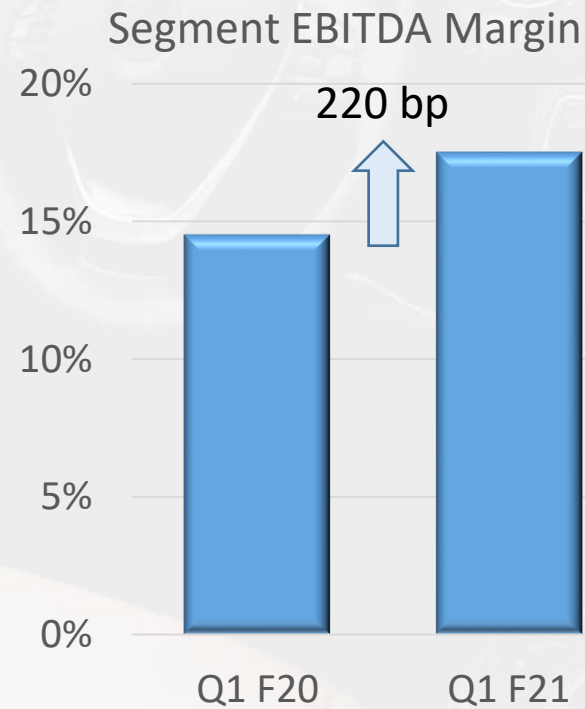
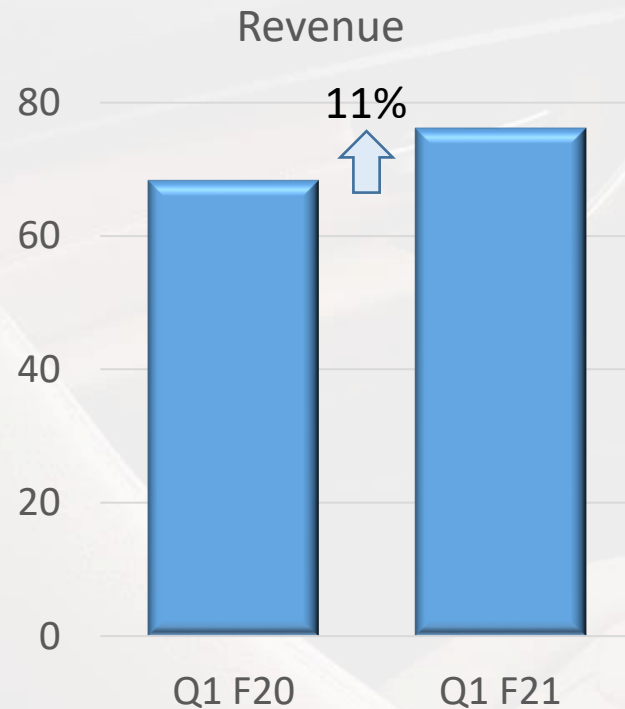


Automotive Solutions Segment

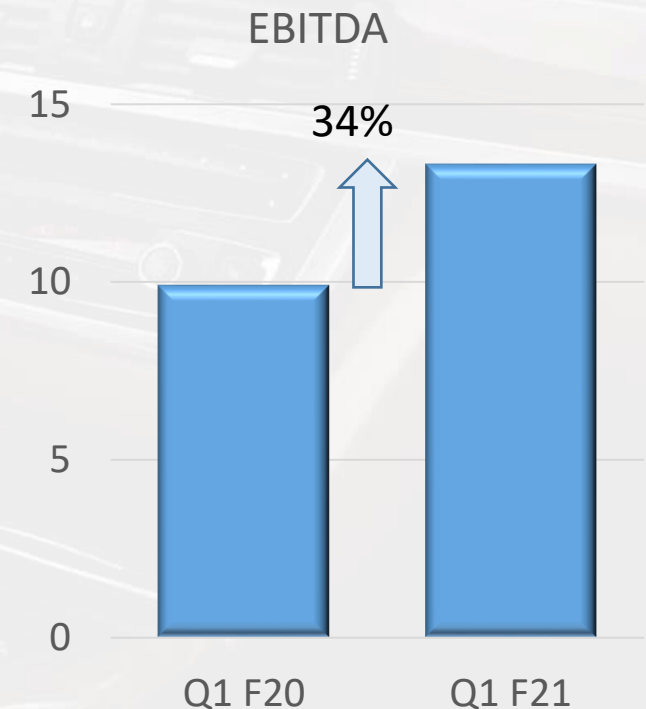


Segment EBITDA up 34% on strong revenue growth and margin expansion

C\$ Millions



C\$ Millions



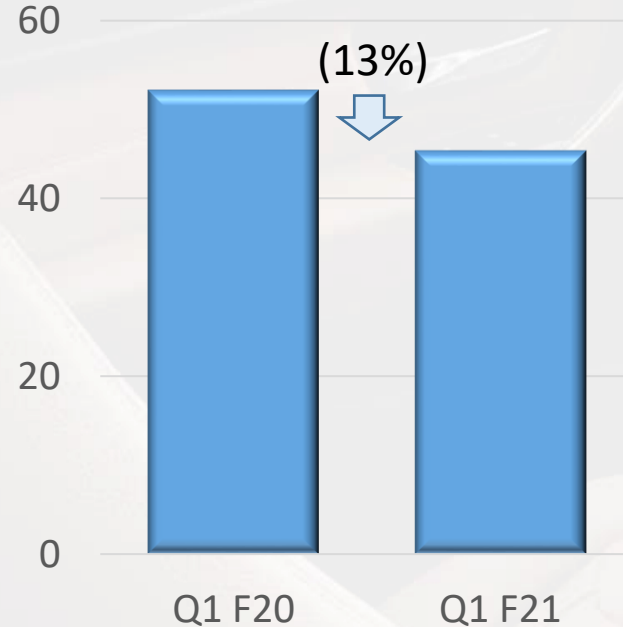
Casting & Extrusion Segment



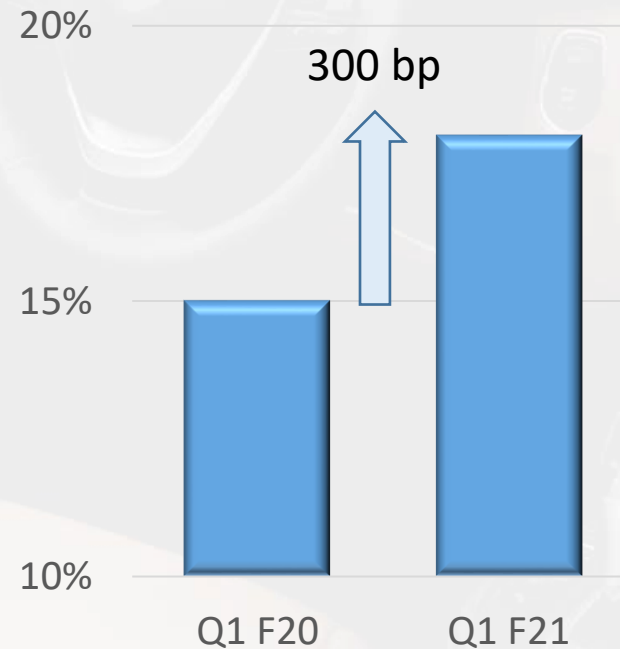
Segment EBITDA up on margin enhancement

C\$ Millions

Revenue

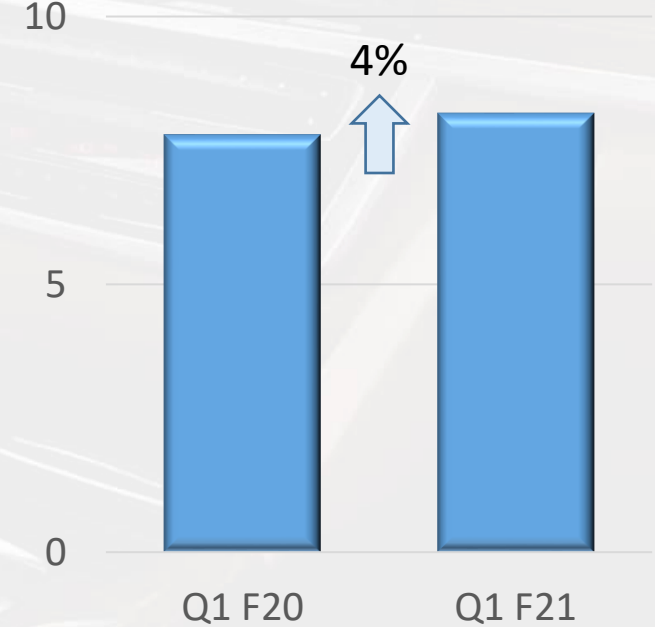


Segment EBITDA Margin



C\$ Millions

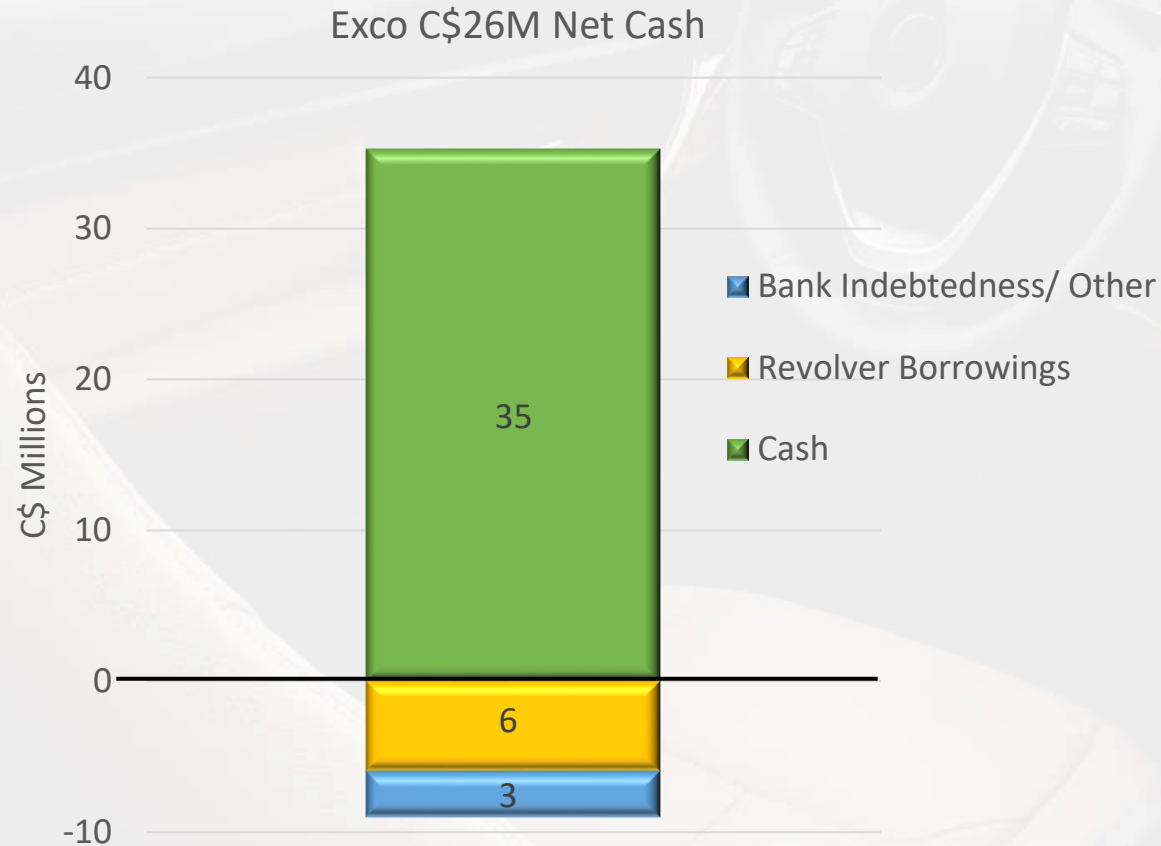
Segment EBITDA



Financial Leverage & Liquidity



Balance Sheet in a \$26M Net Cash Position



- LTM EBITDA of C\$57M
- C\$50M committed revolver matures February 2023; \$47M available
- Balance sheet cash of \$35M
- Significant cushion to bank facility covenants

Questions





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Shaping a
Sustainable Future