



## Exco Results For Second Quarter Ended March 31, 2021

- Sales increased 4% excluding foreign exchange impact
- EBITDA growth of 15% to \$20.2 million
- EBITDA margin of 17.1% compared to 14.7% prior year
- EPS of \$0.30 compared to \$0.24 prior year; a 25% improvement
- Quarterly dividend of \$0.10 per common share

TORONTO, April 28, 2021 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its second quarter of fiscal 2021 ended March 31, 2021. In addition, Exco announced a quarterly dividend of \$0.10 per common share which will be paid on June 30, 2021 to shareholders of record on June 16, 2021. The dividend is an "eligible dividend" in accordance with the Income Tax Act of Canada.

	Three Months Ended March 31		Six Months Ended March 31	
<i>(in \$ thousands except per share amounts)</i>	2021	2020	2021	2020
Sales	<b>\$118,360</b>	\$120,244	<b>\$239,762</b>	\$240,667
Net income for the period	<b>\$11,734</b>	\$9,495	<b>\$22,650</b>	\$17,553
Earnings per share:				
Basic and Diluted – Reported	<b>\$0.30</b>	\$0.24	<b>\$0.58</b>	\$0.44
EBITDA	<b>\$20,264</b>	\$17,642	<b>\$39,556</b>	\$33,024

"Exco's second quarter results were very strong by almost any measure. Encouragingly we see many opportunities for further gains ahead", said Darren Kirk, Exco's President and CEO. "Of course a big thank you goes out to all of our employees for their commitment to working safely through these challenging times."

Consolidated sales for the second quarter ended March 31, 2021 were \$118.4 million compared to \$120.2 million in the same quarter last year – a decrease of \$1.8 million, or 1%. Excluding foreign exchange rate fluctuations sales increased 4% during the quarter.

The Automotive Solutions segment reported sales of \$69.3 million in the second quarter – a decrease of \$4.1 million, or 6% from the prior year quarter. Excluding foreign exchange rate movements on Exco's results, segment revenues were lower by \$0.6 million, or 1% during the quarter. After adjusting for the impact of foreign exchange rate movements, the segment continues to perform above IHS vehicle production estimates of negative 5% in North America and negative 1% in Europe in the quarter representing content per vehicle growth. This segment's sales were favourable when considering the negative impact from the global microchip shortage, continued COVID-19 lockdowns, the Texas snowstorm, and shipping delays from congested ports which reduced vehicle production in the quarter. Segment sales were supported by a number of program launches for both new and existing products and favourable vehicle mix. The segment has received multiple contract wins during the quarter and management continues to see decent quoting activities for new programs across the segment's various businesses supporting future growth.

The Casting and Extrusion segment reported sales of \$49.1 million for the second quarter – an increase of \$2.3 million, or 5%, from the same period last year. Excluding the negative impact of foreign exchange movements, the segment's sales were up 11% and continue to rebound and exceed pre-COVID-19 levels. Segment sales continued the quarterly progression from the low in Q4 F2020 especially in the Extrusion and Castool groups. Extrusion group sales were higher during the quarter as sales at all 6 locations were strong, reflecting high demand for extrusion tools across North and South America across all industry segments. At Castool, the group's revenues were also higher for the quarter and year-to-date. Demand for Die-Cast consumable tooling has been the primary driver of Castool's strong sales, but orders for larger capital goods in extrusion end markets increased through the second quarter. The Large Mould group sales were down in the quarter as customers delayed shipping dates on existing programs, however inventories increased in the quarter and new business from current and new customers continues to outpace shipments for this group.

Consolidated net income for the second quarter was \$11.7 million or basic and diluted earnings of \$0.30 per share compared to \$9.5 million or \$0.24 per share in the same quarter last year – an increase in net income of 23%. Year-to-date, consolidated net income was \$22.7 million or \$0.58 per basic share compared to \$17.6 million or \$0.44 per basic share last year – an increase in net income of 29%. The consolidated effective income tax rate of 22% in the current quarter was the same as the prior year period and the first quarter F2021.

The Automotive Solutions segment reported pre-tax profit of \$9.4 million in the second quarter – consistent with the same quarter last year. For the quarter, the segment maintained traditional profitability despite the slight sales decline through continued cost discipline. In addition, new product launches and a favourable sales mix were offset by ramp-up costs for future programs, supply chain challenges, raw material cost inflation, and fluctuations with customer releases caused by uncertainty due to the microchip shortage. 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 include management's expectations for higher future costs.

The Casting and Extrusion segment reported \$7.4 million of pre-tax profit in the second quarter – and increase of \$2.9 million or 65% from the prior year quarter. The segment's profitability improvement was driven by strong efficiency gains in both material and labour usage coupled with greater overhead absorption. This, in turn, reflects our past and ongoing investments in new equipment and processes as part of our various continuous improvement initiatives. Of note, the profitability improvement occurred despite rising input cost inflation, supply chain bottlenecks and current restrictions on travel, which greatly impede management's ability to operate its various global manufacturing facilities at optimal levels of efficiency.

Consolidated EBITDA for the second quarter totaled \$20.2 million compared to \$17.6 million in the same quarter last year – an increase of \$2.6 million, or 15%. Year-to-date, consolidated EBITDA totaled \$39.6 million compared to \$33.0 million last year – an increase of \$6.6 million, or 20%. For the quarter, EBITDA as a percentage of sales increased to 17.1% compared to 14.7% the prior year driven by an improvement in segment margins in both the Casting & Extrusion segment (22% compared to 17%) and the Automotive Solutions segment (16% compared to 15%).

Operating cash flow before net change in non-cash working capital totaled \$17.3 million in the second quarter. After changes in working capital requirements, net cash provided by operating activities amounted to \$11.9 million. This cash flow, together with cash on hand was more than sufficient to fund \$0.1 million of interest expense, \$5.1 million of capital expenditures, and \$3.9 million of common dividend payments.

As at March 31, 2021, Exco's consolidated balance sheet had net cash of \$28.4 million. Principal sources of liquidity include generated Free Cash Flow, \$37.9 million of balance sheet cash and \$40.5 million of unused availability under its \$50 million committed credit facility, which matures February 2023. Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants, which the Company was in compliance with as at March 31, 2021.

For further information and prior year comparison please refer to the Company's Second Quarter Financial Statements in the Investor Relations section posted at [www.excocorp.com](http://www.excocorp.com). Alternatively, please refer to [www.sedar.com](http://www.sedar.com).

**Non-IFRS Measures:** In this News Release, reference may be made to EBITDA, EBITDA Margin, Pre-tax 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 Pre-tax 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, Pre-tax 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 – April 29, 2021 at 10:00 a.m. (Toronto time):**

To access the live audio webcast, please log on to [www.excocorp.com](http://www.excocorp.com), or <https://edge.media-server.com/mmc/p/hkbh522a> a few minutes before the event. The conference call can also be accessed by dialling toll free at (866) 572-8261 or internationally at (703) 736-7448. The conference ID is 7124339.

For those unable to participate on April 29 2021, an archived version will be available on the Exco website.

**Source:** Exco Technologies Limited (TSX-XTC)  
**Contact:** Darren Kirk, President and CEO  
**Telephone:** (905) 477-3065 Ext. 7233  
**Website:** <http://www.excocorp.com>

#### **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 approximately 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](http://www.sedar.com) or [www.excocorp.com](http://www.excocorp.com).