



Technologies Limited



Shaping a
Sustainable Future

Q3 F2021 Earnings Call

July 29, 2021

Cautionary Statement



This presentation contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "anticipate", "may", "will", "should", "expect", "believe", "estimate", "5-year target" and similar expressions to identify forward-looking information and statements especially with respect to growth, outlook 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, operating efficiencies, improvements in, expansion of and/or guidance or outlook as to future revenue, sales, production sales, margin, earnings, earnings per share, including the outlook for 2026, are forward-looking statements. 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. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, the current improving global economic recovery from the COVID-19 pandemic and containment of any future 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, supply disruptions, economic conditions, inflation, currency fluctuations, trade restrictions, our ability to integrate acquisitions, our ability to continue increasing market share, or launch of new programs and the rate at which our current and future greenfield operations in Mexico and Morocco achieve sustained profitability. 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. 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



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Darren Kirk
Chief Executive Officer

Operations Review

Q3 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Overall industry vehicle production estimated to be up 132% in N.A and 86% in Europe vs prior year when production plants were shut down due to COVID restrictions
- Consumer demand for new vehicles is strong but production remains constrained by chip shortage and general supply chain issues
 - Chip shortage estimated to have reduced NA production by 21% in Q3; Europe by 12%
 - Shortage should ease in H2/C21 however effects will likely extend into C22
- SUV/CUV/Trucks ~80% of NA volumes
- Very low dealer inventory levels, increasing average transaction prices, elevated pricing in the used car market point to higher levels of vehicle production once supply chains normalize

Q3 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Segment sales improved significantly from prior year along with a rebound in vehicle production
 - FX adjusted sales growth of 139% meaningfully higher than improvements in vehicle production volumes
 - Accessory sales remain strong
 - New program launches began to contribute to results late in the quarter
- Profitability impacted by:
 - Much better overhead absorption
 - Partially countered by rising raw material and other input costs, higher freight costs, new program launch costs and still somewhat erratic order flow
 - Supply chain challenges
 - Prior year results included C\$950k of wage subsidies (nil current year)
- New product initiatives and bidding activity remain strong

Q3 F2021 Operations Overview



Key Highlights in the Quarter – Casting and Extrusion

- Segment revenue up 26% year over year
 - Revenues were higher by 37% yr/yr when adjusted for FX movements
 - High pressure die cast market remains strong, although tempered by lower vehicle production due to chip shortage
 - Electric vehicle and general vehicle light weighting are key drivers of growth
 - Strong demand for extrusion dies across North and South America in most sectors
 - Results bolstered by ongoing market share gains
- Segment profitability exceeded prior year by roughly 70% with continuing strong margins
 - Stronger overhead absorption
 - Efficiency gains
 - Rising input costs and higher freight charges
 - Prior year results included C\$2M in wage subsidies (nil in F21)
- Backlogs and bidding activity remain solid



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Matthew Posno
Chief Financial Officer

Financial Review

Q3 F2021 Financial Overview



Consolidated Results Versus Prior Year Period

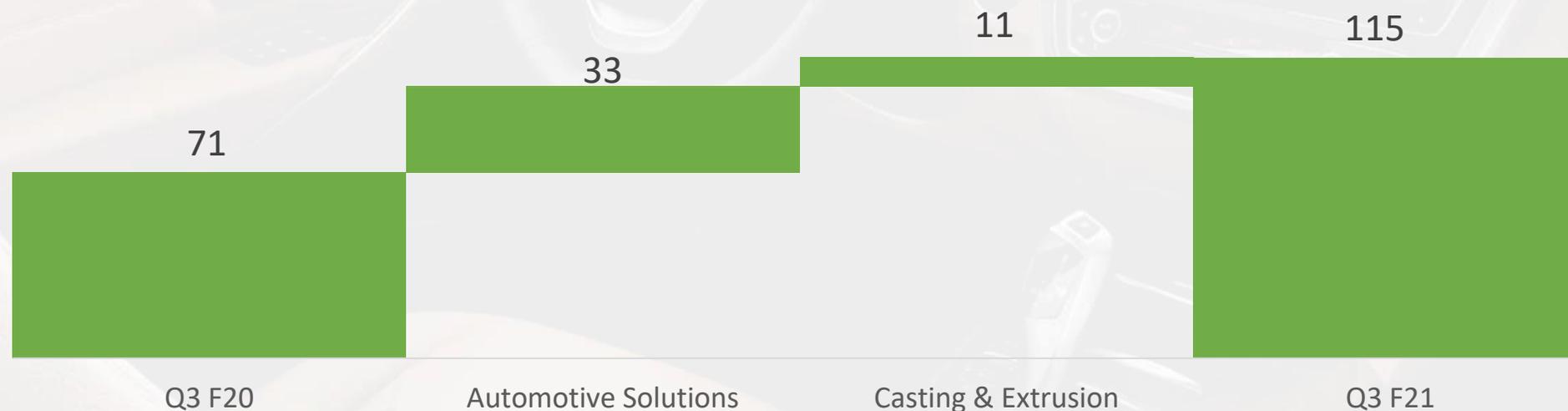
- Revenue of \$115.0M; up \$44.0M or 63% compared to \$71.0M last year
 - FX movements reduced revenue by \$11.2M, therefore FX adjusted revenue was up by 78% year over year
- EBITDA of \$15.2M; up \$10.5M or 223%,
 - Mainly reflects much better absorption from higher sales following significant COVID operational disruptions prior year
- Casting and Extrusion segment revenues up 26% (+37% FX Adjusted) and EBITDA up 31% (Margin improved to 21% from 20%)
- Automotive Solutions segment revenues up 117% (139% FX Adjusted) and EBITDA Margin improved to 11% (negative Q3F20)
- EPS of \$0.22 versus (\$0.02)
- Free cash flow of \$15.5M in the quarter (after \$3.5M of maintenance capex)
- No activity under NCIB during the quarter
- Balance sheet in a \$26M net cash position as at June 30 2021; down slightly from \$28M at Q2F21

Q3 F2021 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

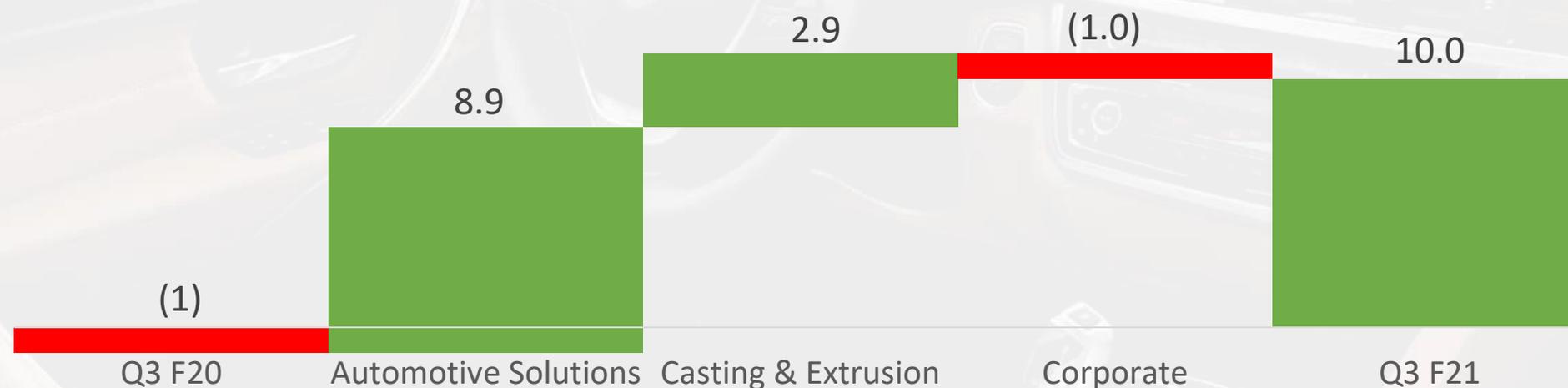


Q3 F2021 Financial Overview



Consolidated PTP Reconciliation (Before Interest and Other Expense)

C\$ Millions



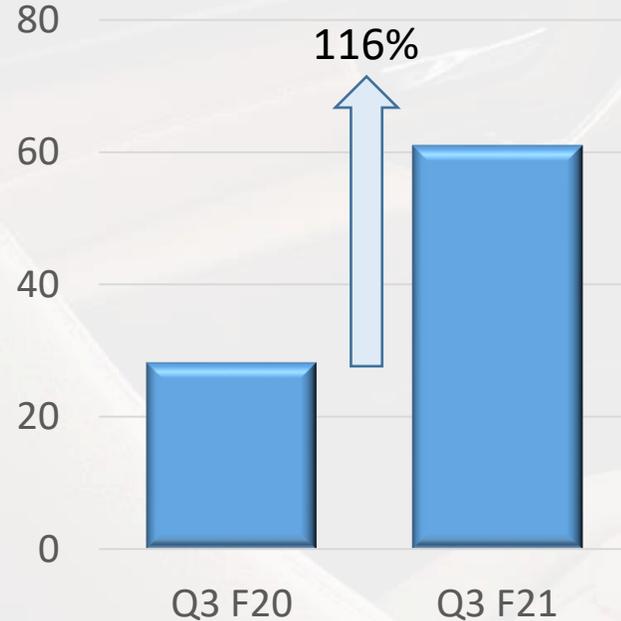
Automotive Solutions Segment



Segment Results Improved Materially From Prior Year

C\$ Millions

Revenue

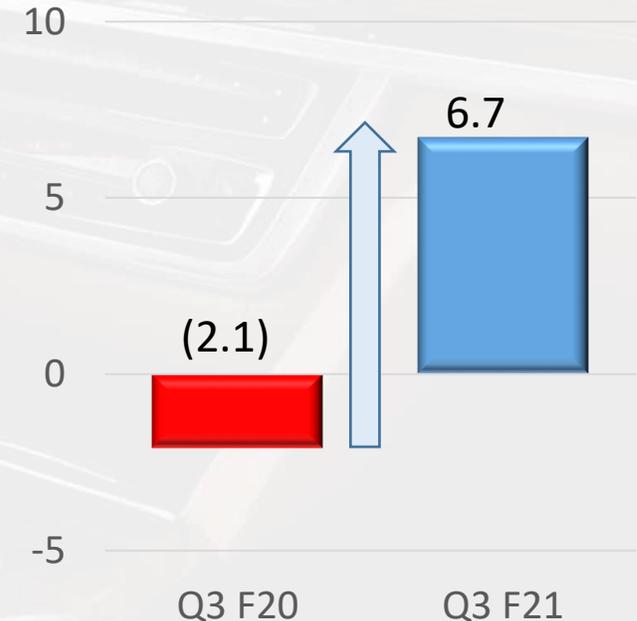


Segment EBITDA Margin



C\$ Millions

EBITDA



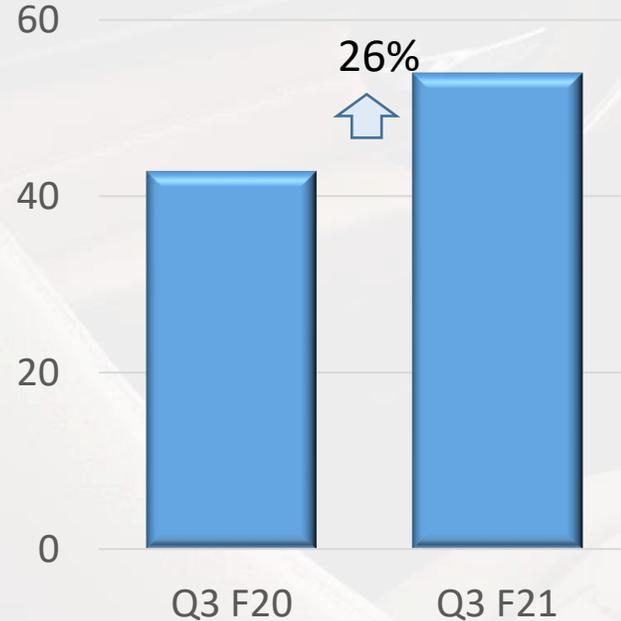
Casting & Extrusion Segment



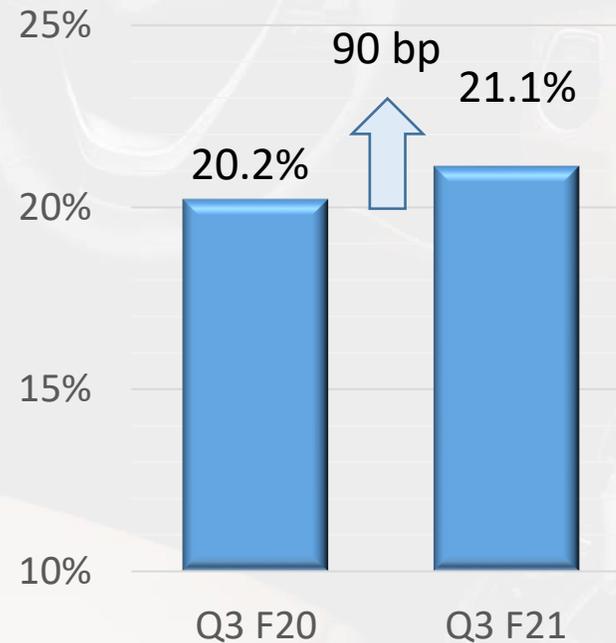
Segment EBITDA up on margin enhancement

C\$ Millions

Revenue

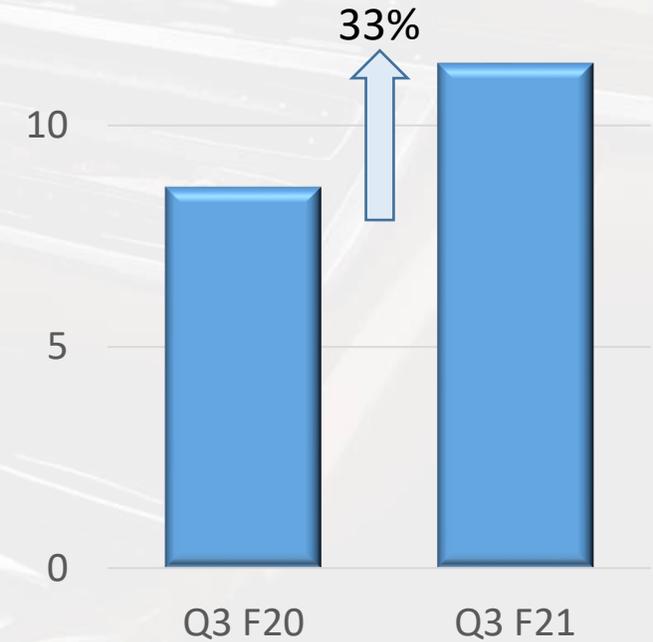


Segment EBITDA Margin



C\$ Millions

Segment EBITDA

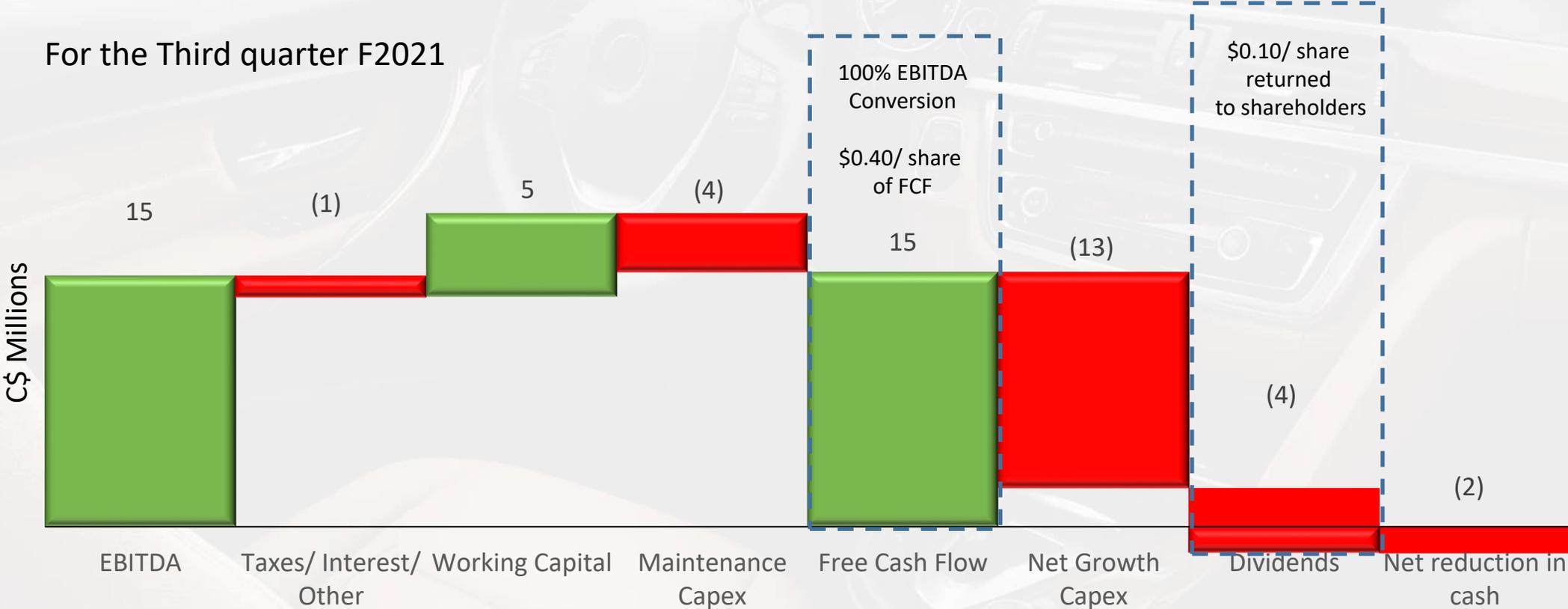


Cash Flow Generation



Exceptional EBITDA to free cash flow conversion with proceeds prioritized for growth capex and shareholder returns

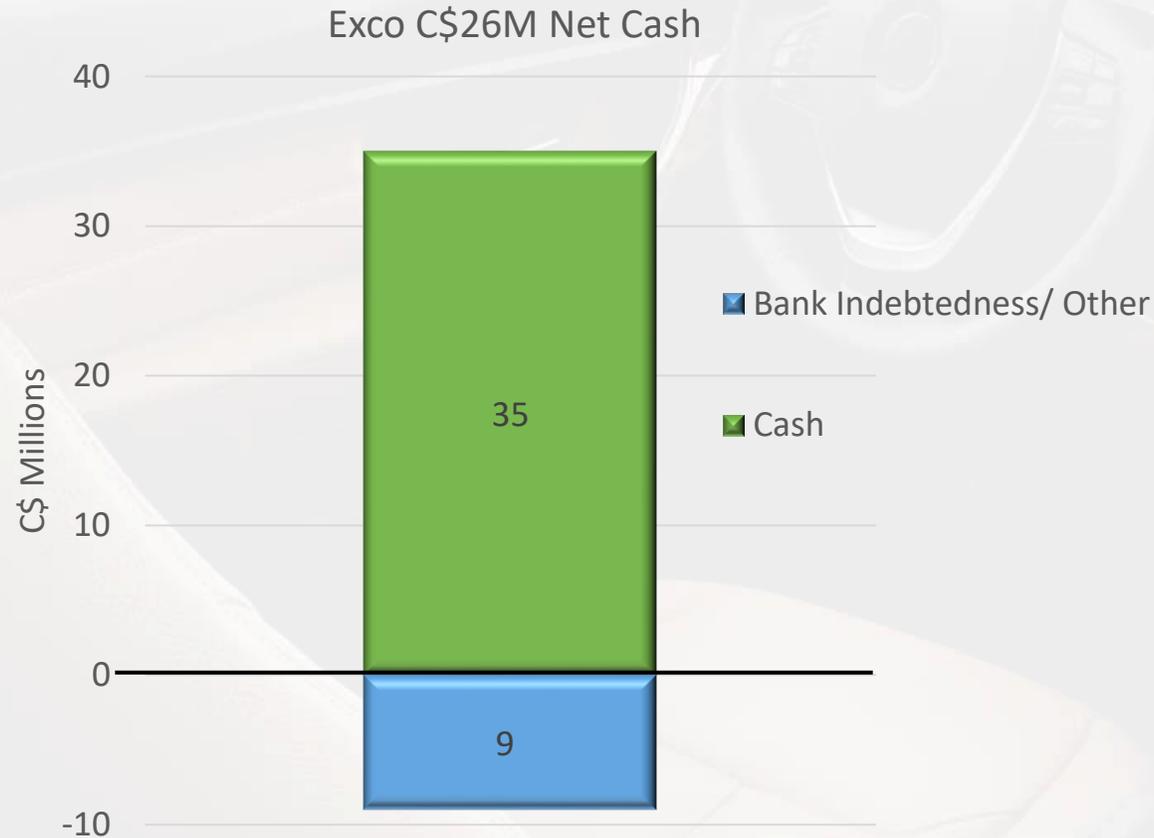
For the Third quarter F2021



Financial Leverage & Liquidity



Balance Sheet in a \$26M Net Cash Position as at June 30, 2021



- LTM EBITDA of C\$71M
- C\$50M committed revolver matures February 2023
- Balance sheet cash of \$35M
- Significant cushion to bank facility covenants



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Darren Kirk
Chief Executive Officer

Outlook

Favorable Growth

- North America and Europe industry vehicle production expected to be up in H2 C2021 from current levels:
 - Microchip supply constraints expected to ease, although impact will likely persist to some extent into C2022
 - Vaccination roll-out continues across North American and Europe
 - Lower dealer inventory levels, record high used vehicle pricing, reducing new car incentives, aging fleet etc indicate strong underlying fundamentals for new vehicle demand
- Quoting activity remains encouraging:
 - We are seeing and quoting on ample opportunities across all vehicles, including EV's, hybrid's and ICE's
- Accelerating adoption of electric vehicles a key area of focus for Exco
 - Products contribute to global sustainability goals
- Enhancing reporting on ESG strategic priorities
 - Marketplace, Environment, People, Society and Governance

Favorable Growth (continued)

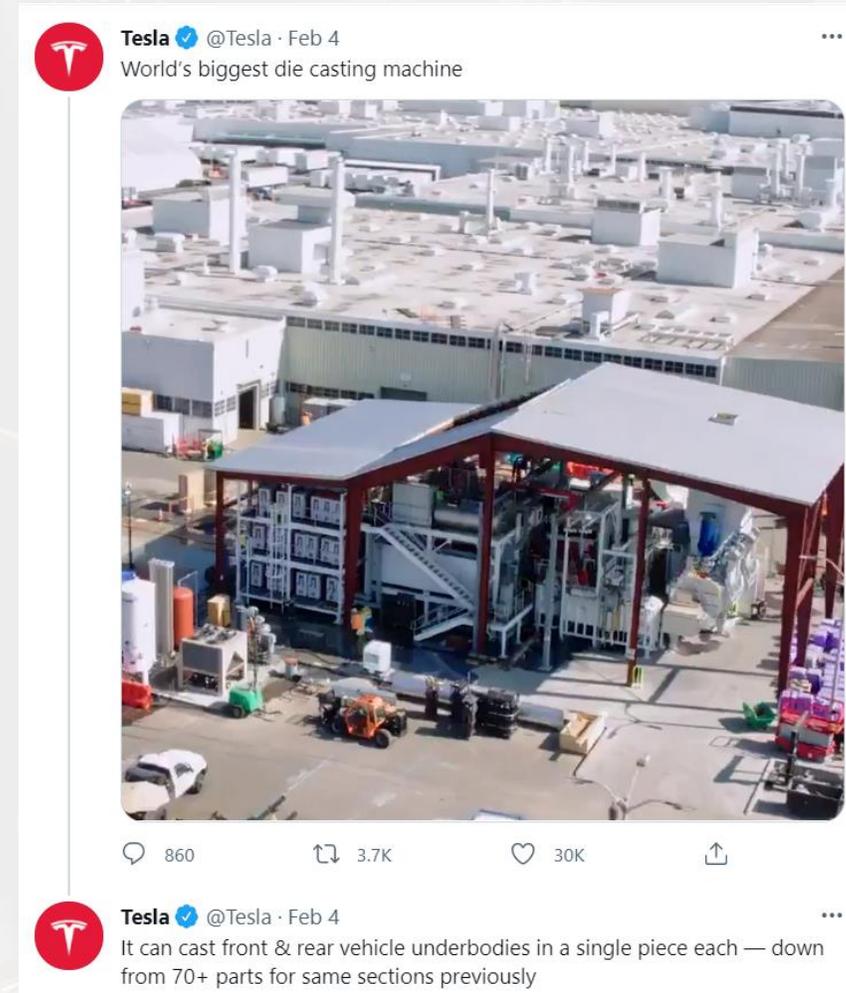
- Targeting Five Year Revenue CAGR of 10%, producing revenues of ~C\$750M by Fiscal 2026, driven by:
 - Castool greenfield investments to capture growth in new/ existing markets
 - Continuing above market growth across the Casting and Extrusion segment
 - High Pressure Die Cast including additive expected to see double digit growth opportunities
 - Increasing size and complexity of die cast components favorable for Exco
 - C\$65M of new key Automotive Solutions programs launching F21-F23
 - Continuing above market growth across the Automotive Solutions segment
 - Higher accessory sales as OEMs look to enhance their own profitability
- Targeting to sustain industry leading EBITDA margins through scale advantages and productivity improvements
- Potential acquisitions provide incremental upside
 - Funded by ongoing Free Cash Flow generation, cash balances and unleveraged balance sheet
- Capital spending for growth initiatives will remain elevated for the next few years

Outlook



Giga-sized Castings Provide Significant Growth Opportunities

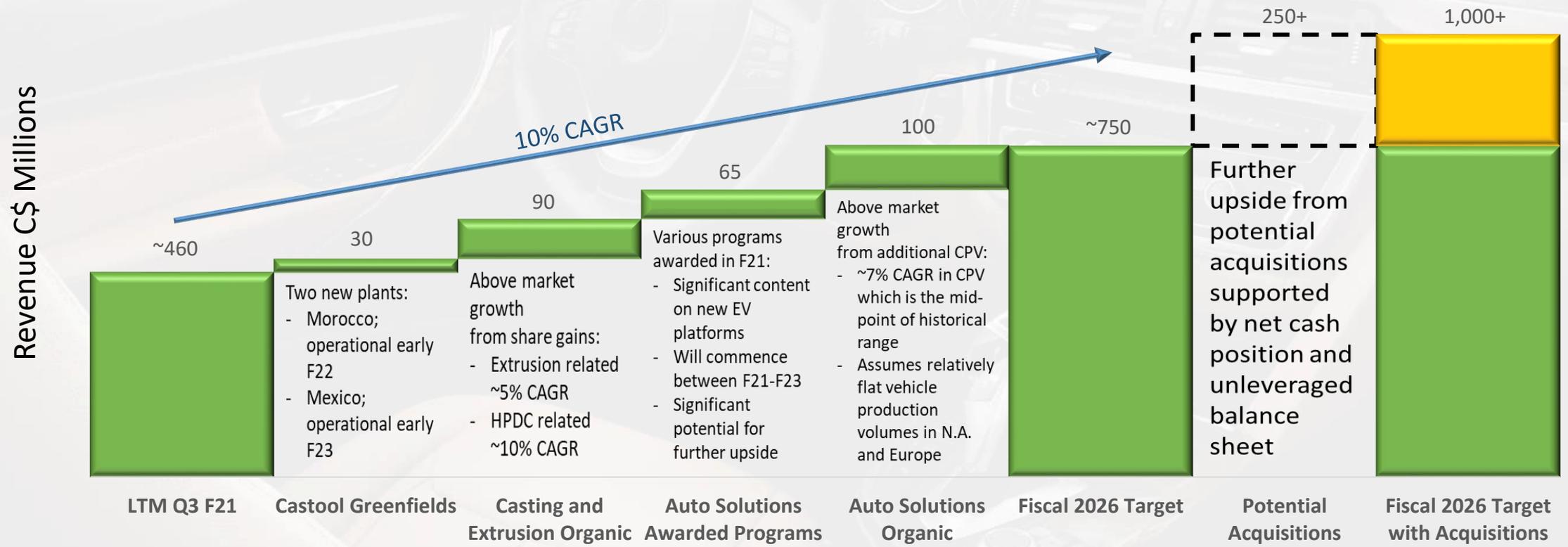
- Castool is the primary supplier of tooling (shot sleeves, inserts, rings, plunger tips, shot rods, etc) for Tesla's Giga presses globally
 - Provides significant near term growth opportunities as Tesla ramps up factories in Berlin and Texas
- Molds and associated tooling (shot sleeves, rings, tips, rods, etc) are becoming much larger and increasingly complex to produce these larger castings
- We expect traditional OEMs and their tier suppliers to follow Tesla's lead over time
- Exco is making significant additional investments in its people, equipment and processes to remain a leading supplier and capture anticipated growth



Strong Growth Profile - Outlook



Anticipated pathway to a five-year 10% Revenue CAGR with further sizeable potential upside



Fiscal year ended September 30
 HPDC: High Pressure Die Cast, CPV: Content Per Vehicle

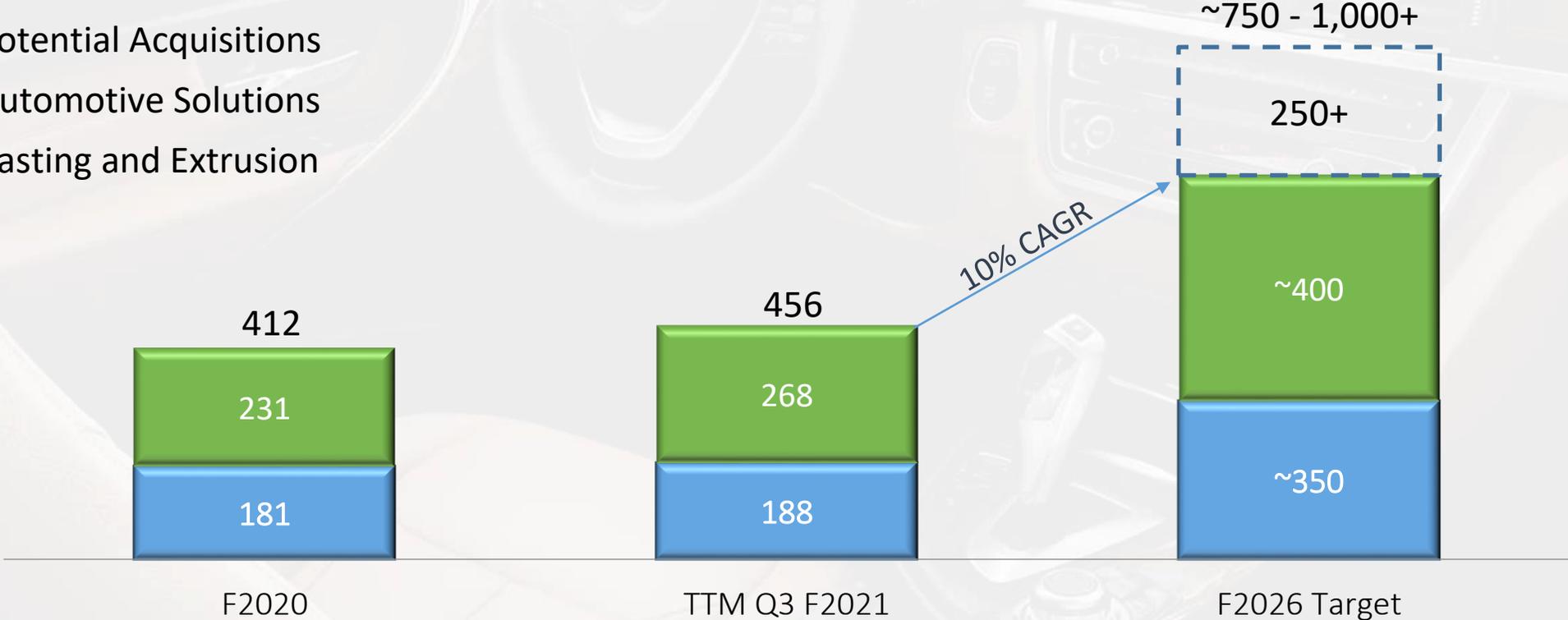
Revenue Outlook



Anticipated pathway to a five-year 10% Revenue CAGR with further sizeable potential upside

C\$ Millions

- Potential Acquisitions
- Automotive Solutions
- Casting and Extrusion



Fiscal year ended September 30

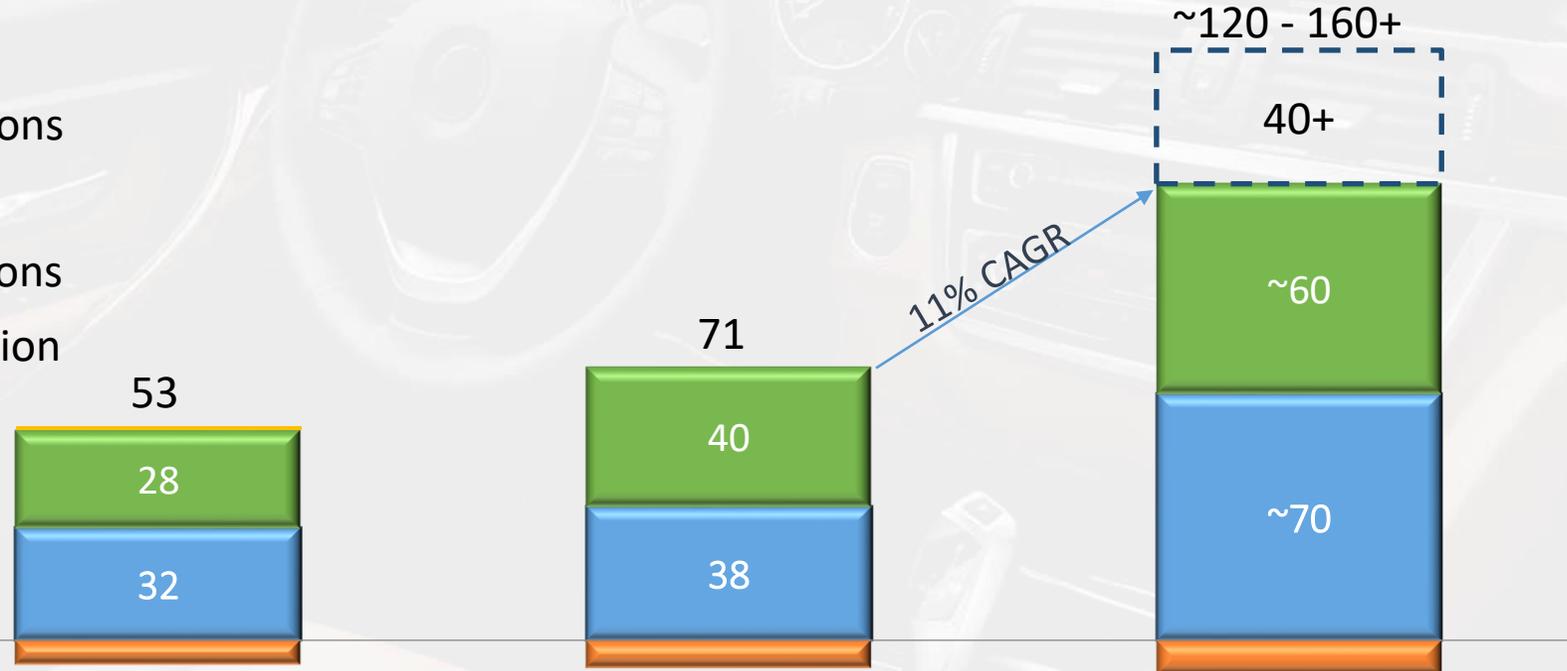
EBITDA Outlook



Expect to maintain industry leading margins in both reporting segments

C\$ Millions

- ▣ Potential Acquisitions
- ▣ Corporate
- ▣ Automotive Solutions
- ▣ Casting and Extrusion



EBITDA Margin	F2020	TTM Q3 F2021	F2026 Target
Auto Solutions	12%	15%	~15%
Casting & Extrusion	18%	20%	~20%
Consolidated	13%	16%	~16%

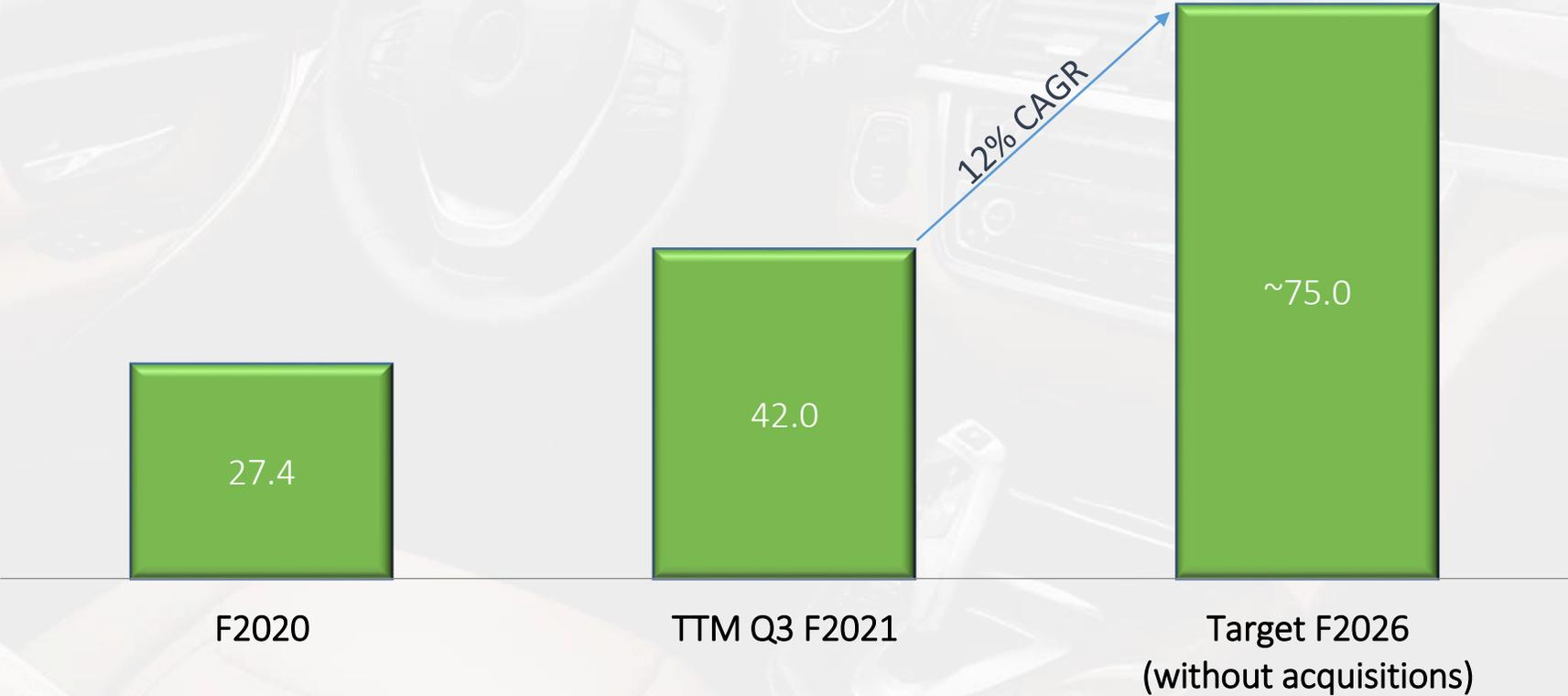
Fiscal year ended September 30

Net Income/EPS Outlook



Strong revenue growth profile and margin focus drives significant expected profit gains

C\$ Millions



Basic and Diluted EPS	F2020	TTM Q3 F2021	Target F2026 (without acquisitions)
	\$0.69	\$1.07	\$1.90

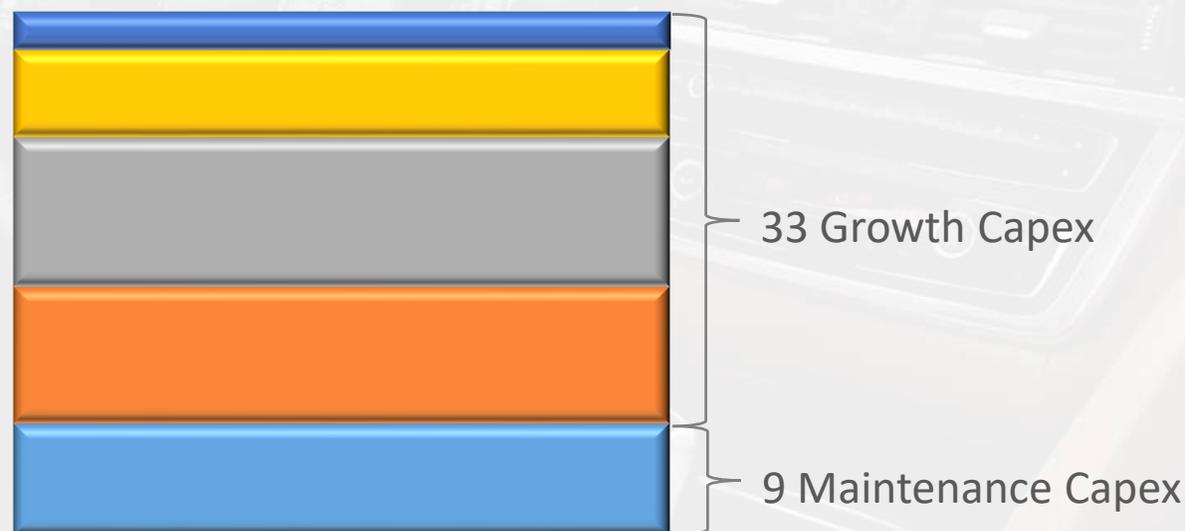
Capital Expenditures Outlook



Near Term Capex will Remain Elevated to Support Strong Organic Growth Initiatives

C\$ Millions

42



F2021 Budgeted Capex

- Maintenance
- Castool Greenfields
- Energy Efficient Heat Treatment Equipment
- Casting & Extrusion Capacity Increases
- Auto Solutions Capacity Increases

Fiscal year ended September 30

Questions





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