



Technologies Limited



Shaping a
Sustainable Future

Q4 F2021 Earnings Call

December 2, 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



Technologies Limited



Darren Kirk
Chief Executive Officer

Operations Review

Q4 F2021 Operations Overview



Key Highlights in the Quarter – Market Conditions/ Overview

- Overall industry vehicle production down 25% in N.A and 30% in Europe vs prior year quarter
 - Production constrained by chip shortage and general supply chain issues
 - Shortage may begin to ease in Q1 F22 however will likely drag on well through Calendar '22
 - Consumer sales negatively impacted by low dealer inventory levels and rising prices
- 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
- Accelerating adoption of electric vehicles a key area of focus for Exco
 - Products contribute to global sustainability goals
 - Increasing size and complexity of tooling favorable
- Published inaugural Sustainability Report
 - Focus on Marketplace, Environment, People, Society and Governance
- Aggressive capital agenda to capitalize on significant growth opportunities

Q4 F2021 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Segment revenue down 2% year over year (FX adjusted)
 - Significantly outperformed market conditions
 - Production volumes fell 25%-30% but our revenues only down modestly
 - Accessory sales remain strong
 - Helped by new product launches
 - Chip shortage still had an impact
- EBITDA down 31% year over year impacted by :
 - Reduced overhead absorption, rising input & higher freight costs, increased employee severances
 - Erratic order flow contributed to sizeable operating inefficiencies
 - Prior year results included C\$1.3M of wage subsidies
 - Foreign exchange rate movements

Q4 F2021 Operations Overview



Key Highlights in the Quarter – Casting and Extrusion

- Segment revenue up 31% year over year (FX adjusted)
 - High pressure die cast market remains strong, although tempered by lower vehicle production due to chip shortage
 - Electric vehicle adoption and vehicle light weighting are key drivers of growth
 - Strong demand for extrusion dies, associated tooling and capital equipment globally
 - Results bolstered by ongoing market share gains
- Segment EBITDA up 24% 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

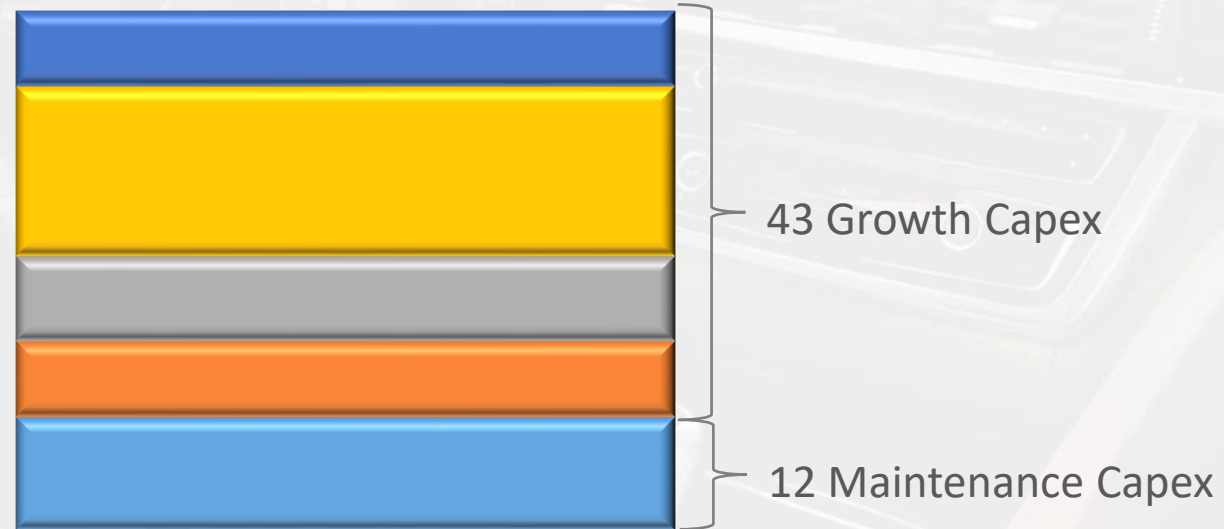
Capital Expenditures Outlook



Capex will Remain Elevated to Support Strong Organic Growth Initiatives

C\$ Millions

55



F2022 Budgeted Capex

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

Fiscal year ended September 30



Technologies Limited



Matthew Posno
Chief Financial Officer

Financial Review

Q4 F2021 Financial Overview



Consolidated Results Versus Prior Year Period

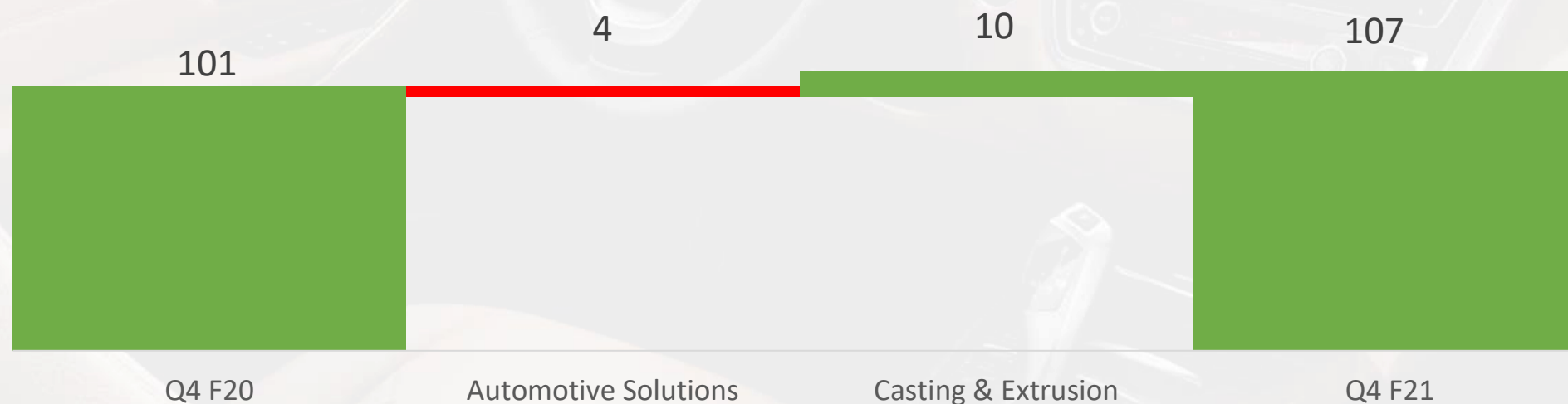
- Revenue of \$106.4M; up \$5.7M or 6% compared to \$100.7M last year
 - FX movements reduced revenue by \$5.0M, therefore FX adjusted revenue was up by 11% year over year
- EBITDA of \$15.2M, EBITDA margins remain strong at 14.4%
- Casting and Extrusion segment revenues up 26% (+31% FX Adjusted) and EBITDA up 24% (EBITDA margin remained consistent at 20%)
- Automotive Solutions segment revenues down 7% (-2% FX Adjusted) and EBITDA Margin down from 14% to 11%
 - Revenue decline outperformed North American and European production volume declines of 25% and 30% respectively.
- EPS of \$0.18 versus \$0.27 – Q4 F2020 includes EPS \$0.07 of tax credits
- Free cash flow of \$3.2M in the quarter (after \$4.0M of maintenance capex and \$8.0M of working capital investment)
- No activity under NCIB during the quarter
- Balance sheet in a \$19M net cash position as at September 30 2021; down from \$26M at Q3F21 due primarily to growth capital expenditures.

Q4 F2021 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

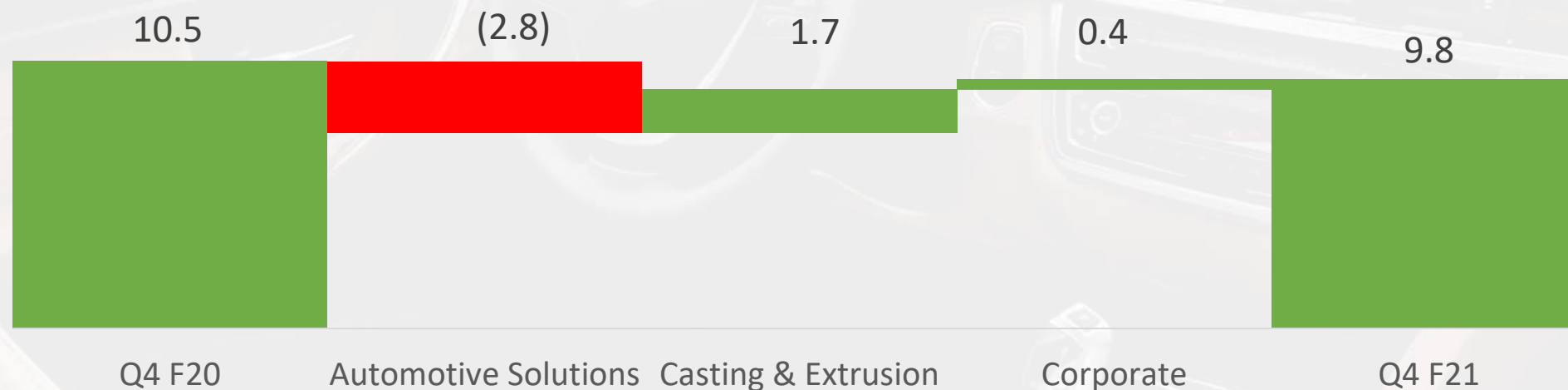


Q4 F2021 Financial Overview



Consolidated PTP Reconciliation (Before Interest and Other Expense)

C\$ Millions



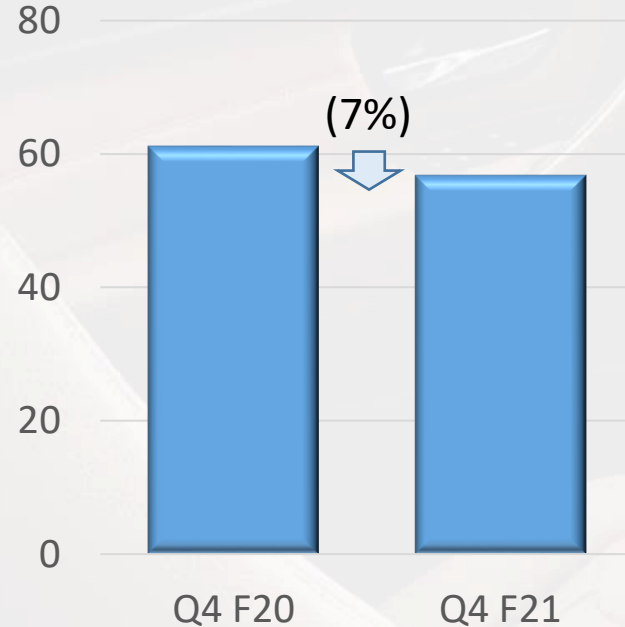
Automotive Solutions Segment



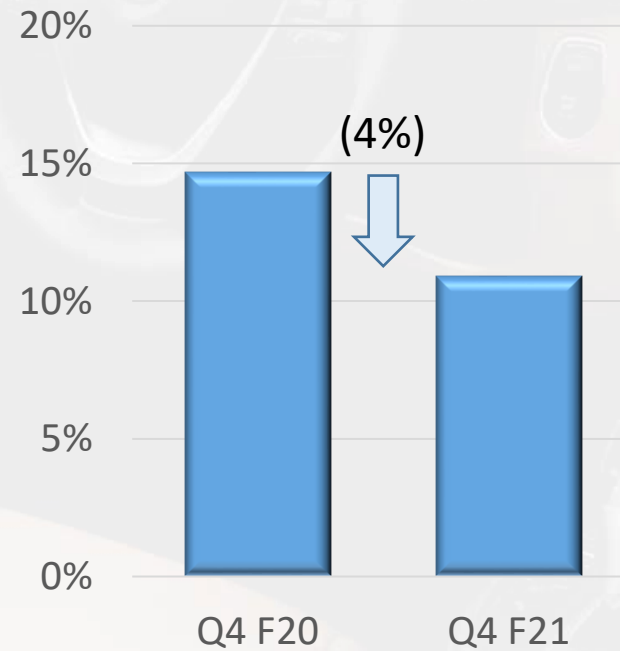
Segment Results declined due to lower production volumes

C\$ Millions

Revenue

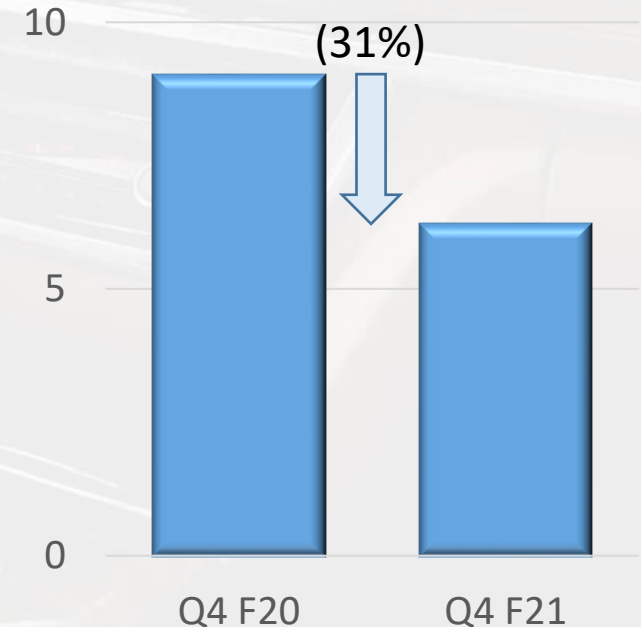


Segment EBITDA Margin



C\$ Millions

Segment EBITDA



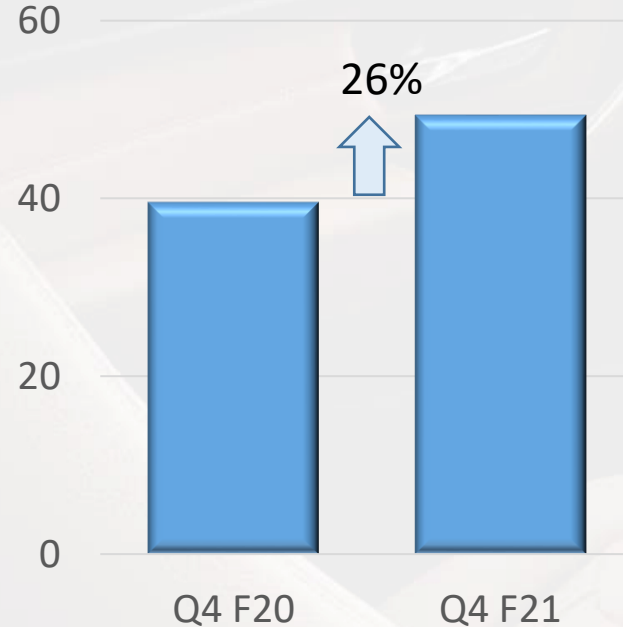
Casting & Extrusion Segment



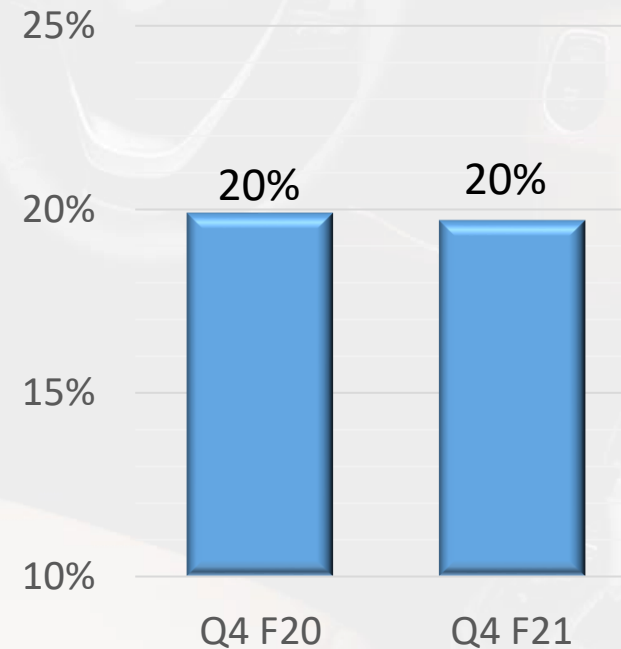
Segment EBITDA up on revenue growth

C\$ Millions

Revenue

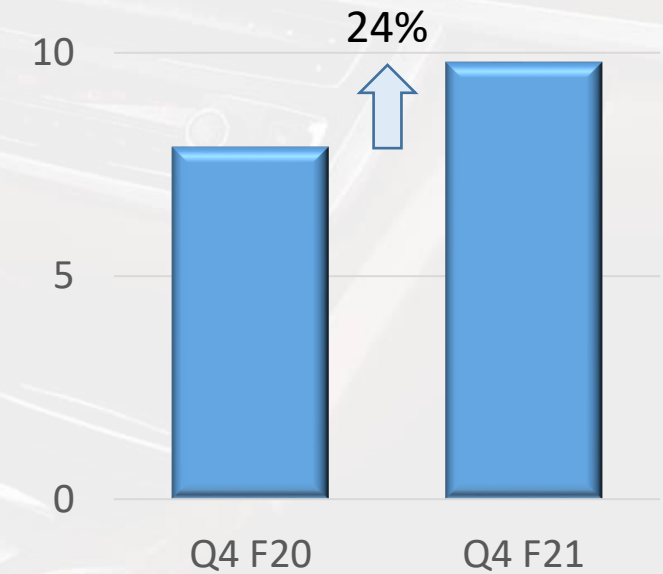


Segment EBITDA Margin



C\$ Millions

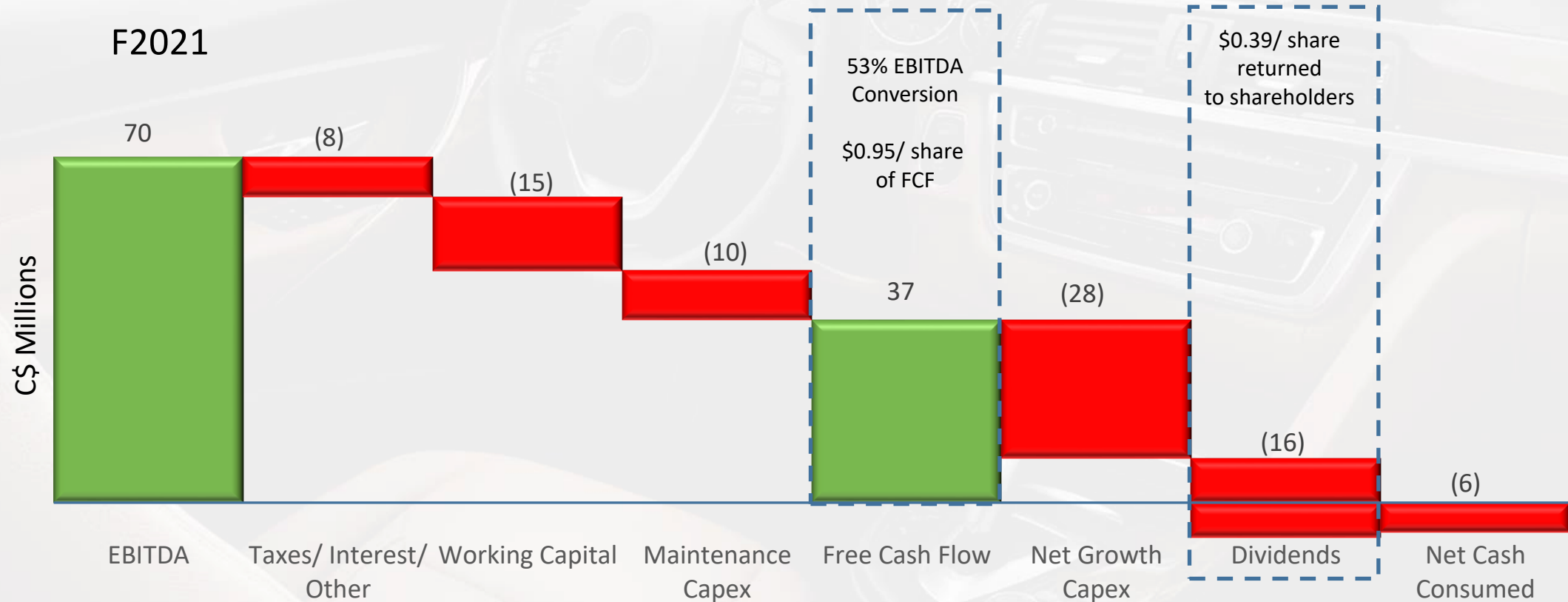
Segment EBITDA



Cash Flow Generation



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

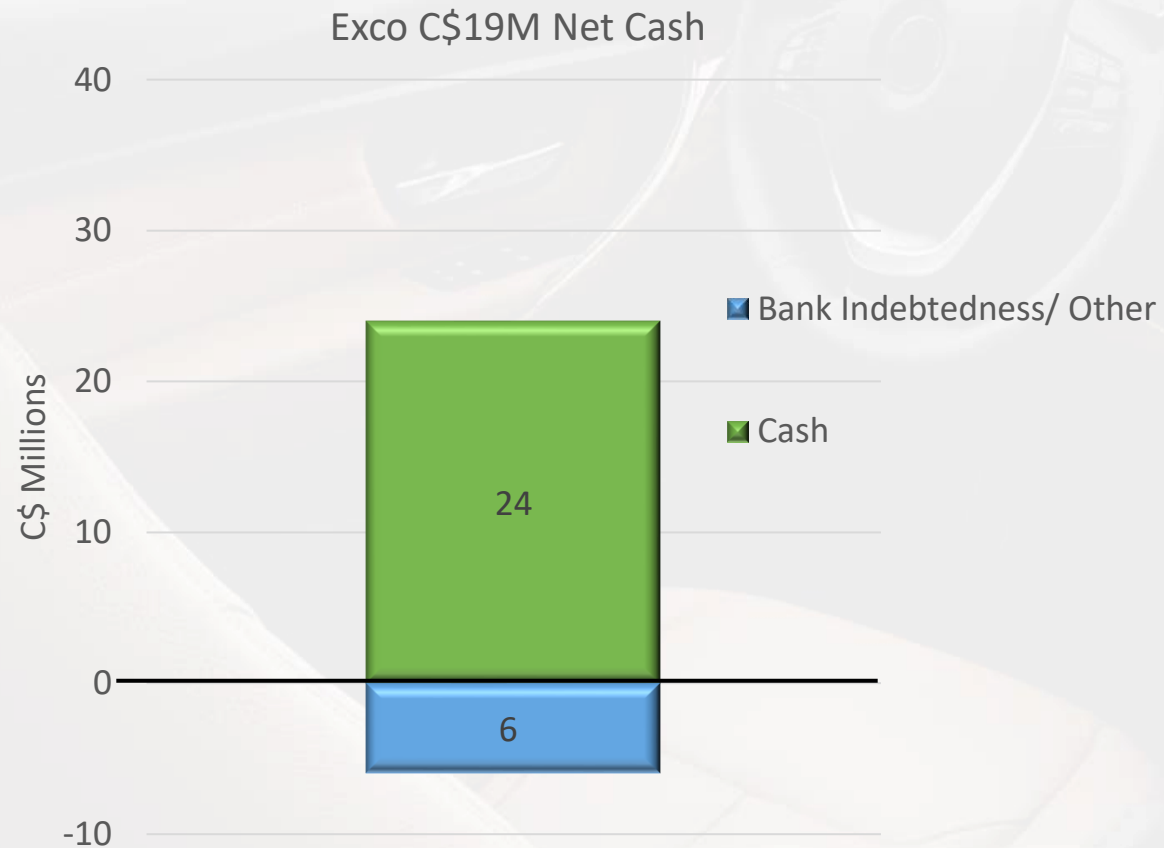


Fiscal year ended September 30

Financial Leverage & Liquidity



Balance Sheet in a \$19M Net Cash Position as at September 30, 2021



- Annual EBITDA of C\$70M
- C\$50M committed revolver matures February 2023
- Balance sheet cash of \$24M
- Significant cushion to bank facility covenants

Questions





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