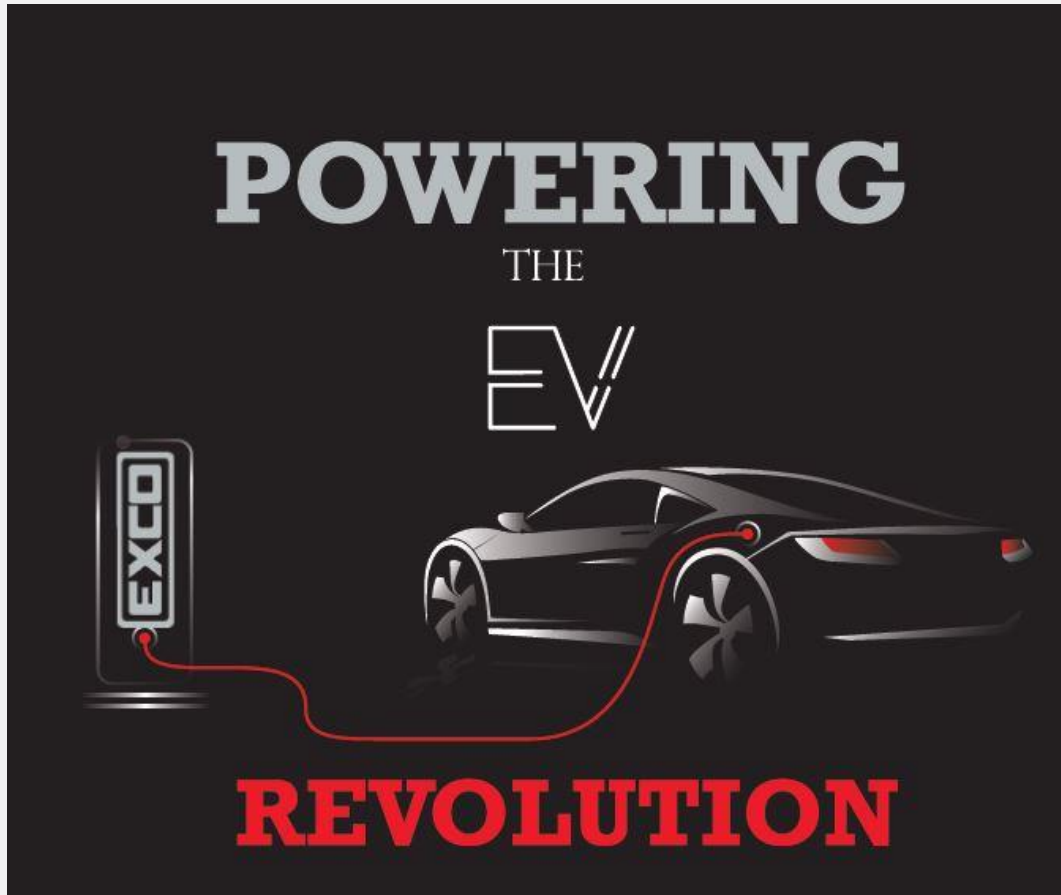




Technologies Limited



Q3 F2022 Earnings Call

July 29, 2022

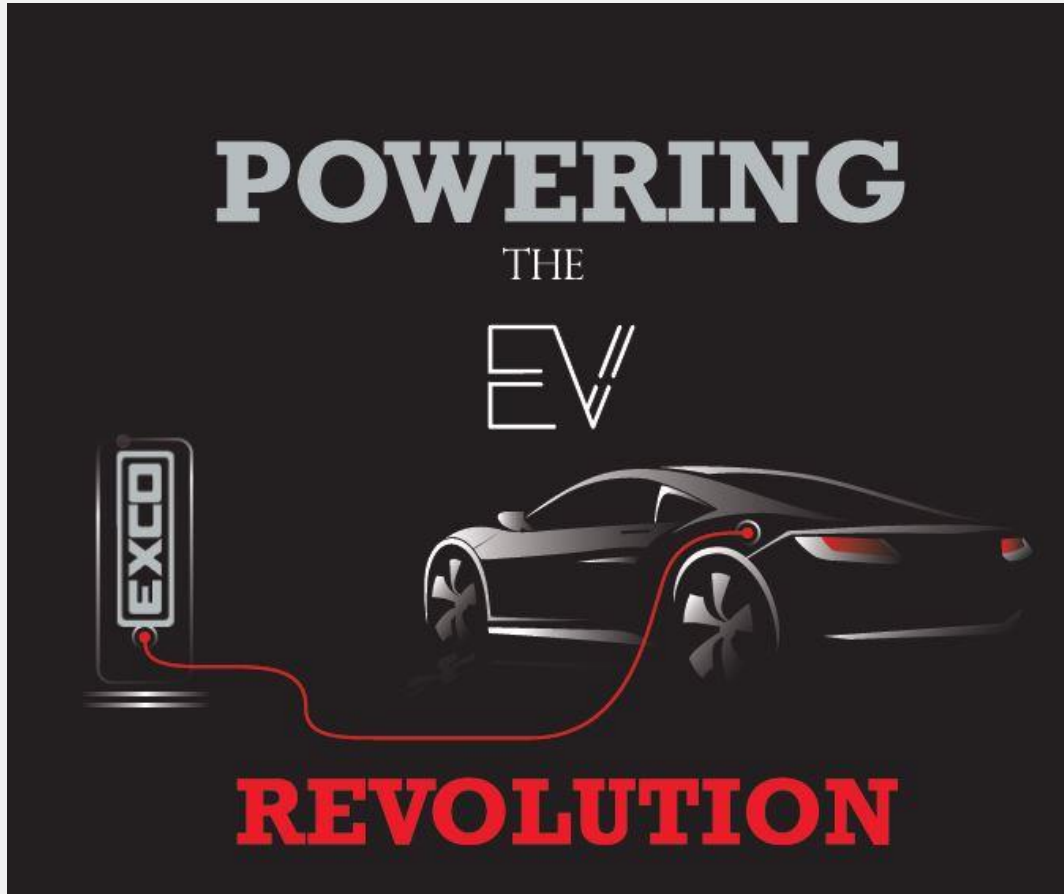
Cautionary Statement



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

Q3 F2022 Operations Overview



Key Highlights in the Quarter – Market Conditions/ Overview

- Overall industry vehicle production up 12% in N.A and down 5% in Europe vs prior year quarter
 - Production constrained by chip shortage and general supply chain issues
 - Shortage has been easing and is expected to steadily improve through Calendar 2022, particularly in N.A.
 - Europe will lag due to supply chain challenges associated with Russia invasion of Ukraine
 - Consumer vehicle sales negatively impacted by production supply constraints, low dealer inventory levels and rising prices
- Accelerating adoption of electric vehicles a key area of focus for Exco
 - Our products contribute to global sustainability goals
 - Increasing size and complexity of tooling favorable to Exco
 - Number of new awards and program launches on electric vehicles in both segments
- Aggressive capital agenda to capitalize on significant growth opportunities
 - Record capital budget of \$55M in Fiscal 2022
- Halex acquisition closed May 2, 2022

Q3 F2022 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Overall industry vehicle production up 12% in N.A and down 5% in Europe vs prior year quarter
 - Production remains constrained by chip shortage and general supply chain issues
 - Overall production in NA tracked slightly firmer than prior expectations through the quarter with less volatility than prior quarters
 - Shortages expected to ease in H2 C22 however effects likely to drag on well into C23
 - IHS expects combined NA and Europe industry vehicle production to grow 20% and 10% respectively in H2 C22 and C23
 - NA yr/ yr production expected to be +25% in Exco Q4F22; Europe +30% in Q4F22
 - European C22 expected growth has softened significantly since Russia invasion of Ukraine
 - Consumer sales negatively impacted by low dealer inventory levels and rising prices (demand destruction due to higher input costs)
- Segment revenue up \$3.5M/ 4% year over year (FX adjusted)
 - Modestly underperformed market conditions due to negative vehicle mix, particularly in Europe
- PTP down 6% year over year
 - Lower than expected volumes, rising input & higher freight costs, increased labour costs, unfavorable mix

Q3 F2022 Operations Overview

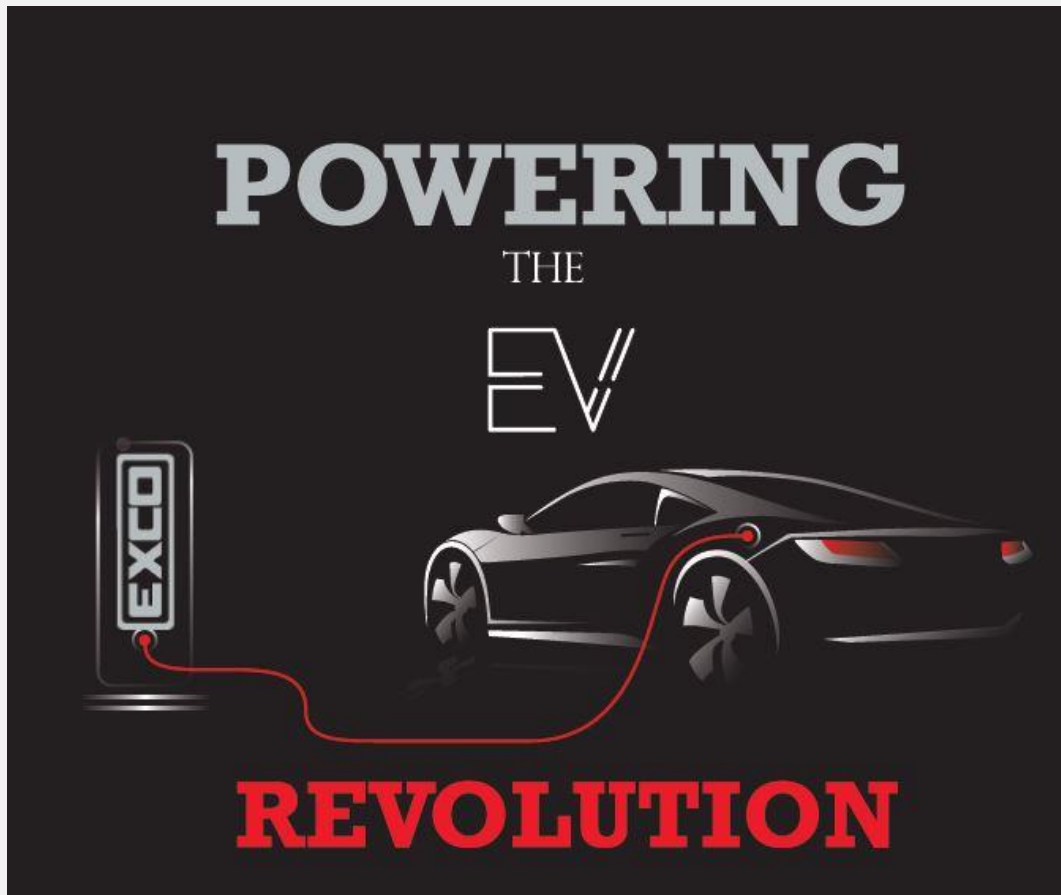


Key Highlights in the Quarter – Casting and Extrusion

- Segment revenues were up C\$10.8M/ 20% year over year including Halex (added C\$9.0M of revenue)
 - Higher legacy Extrusion revenue offset by slight reduction at Large Mould and stable results at Castool
 - Decreases at Large Mould mostly driven by reduced vehicle production due to chip shortage
 - Significant awards for large structural moulds during the quarter and record backlog bodes well for outlook
- Segment PTP was C\$4.7M compared to C\$7.8M last year
- PTP negatively impacted by :
 - Unfavorable product mix in the segment affecting overhead absorption
 - Rising input costs, COVID labour disruptions and higher freight charges
 - Start up losses at Castool and Castool Heat Treat
 - Increased selling expenses (promotion and travel)
- PTP positively impacted by:
 - Price increases implemented earlier this fiscal year and efficiency gains



Technologies Limited



Matthew Posno

Chief Financial Officer

Financial Review

Q3 F2022 Financial Overview



Consolidated Results Versus Prior Year Period

- Revenue of \$129.3M; up \$14.3M or 12% compared to \$115.0M last year
 - FX movements increased revenue by \$2.5M, therefore FX adjusted revenue was up by 10% year over year
 - Halex acquisition added \$9.0M of revenue
 - Revenue was up 2% excluding Halex and FX movements
- EBITDA of \$14.6M; down 4% from \$15.2M last year
 - Reduced mould rebuild work in Large Mould and slowdown in die cast consumables due to lower vehicle production volumes (chip shortages and supply chain constraints)
 - Start-up losses at Castool 90 (Morocco) and Castool Heat Treat
 - Widespread inflationary pressures
 - Ongoing operational and logistics challenges due to Omicron
 - Unfavorable mix

Q3 F2022 Financial Overview



Consolidated Results Versus Prior Year Period

- Casting and Extrusion segment revenues up 20% and EBITDA down 15% (Margin fell to 15% from 21%)
- Automotive Solutions segment revenues up 6% and EBITDA down 4% (Margin fell to 10% from 11%)
- EPS of \$0.14 versus \$0.22, reconciled to prior year:

	F22(\$000's)	EPS	F21(\$000's)	EPS
EBITDA	14,595	\$0.37	15,220	\$0.39
Depreciation/ Amort	(6,513)	(\$0.17)	(5,174)	(\$0.13)
Interest	(756)	(\$0.02)	(138)	(\$0.00)
Taxes	(1,763/ 24% of PTP)	(\$0.05)	(1,225/ 12% of PTP)	(\$0.03)
Net Income	5,563	\$0.14	8,682	\$0.22

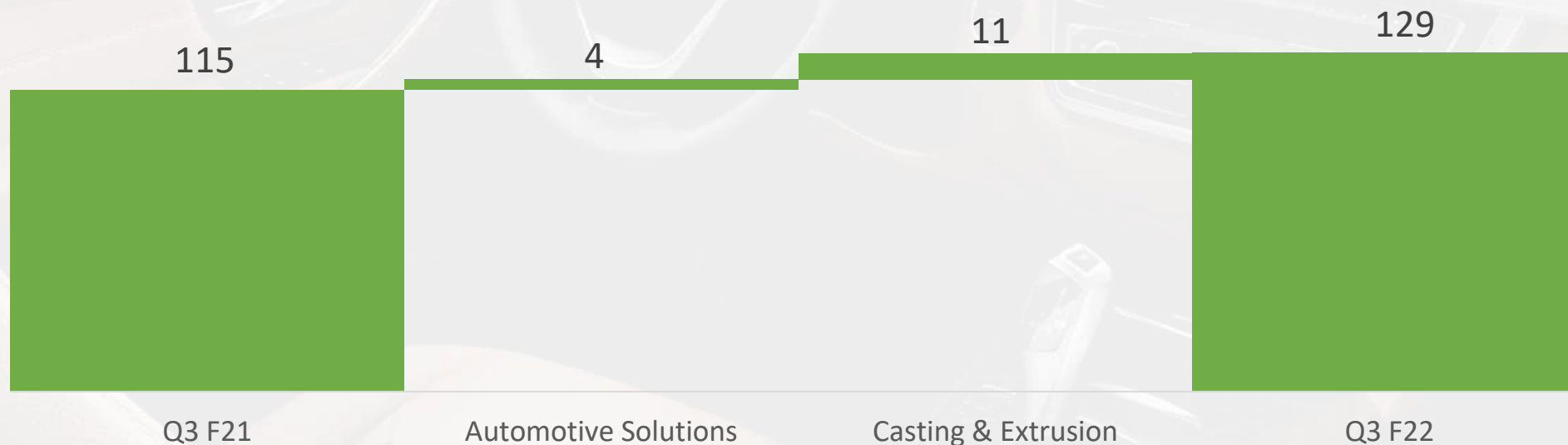
- Free cash flow of \$9.9M in the quarter (after \$1.3M of working capital reduction and \$3.5M of maintenance capex)
- Other cash consumed: Dividend (\$4.1M), growth capex (\$12.0M), share buyback (\$1.6M), acquisition (\$57.6M)
- Balance sheet in a \$65.1M net debt position of as at June 30, 2022

Q3 F2022 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

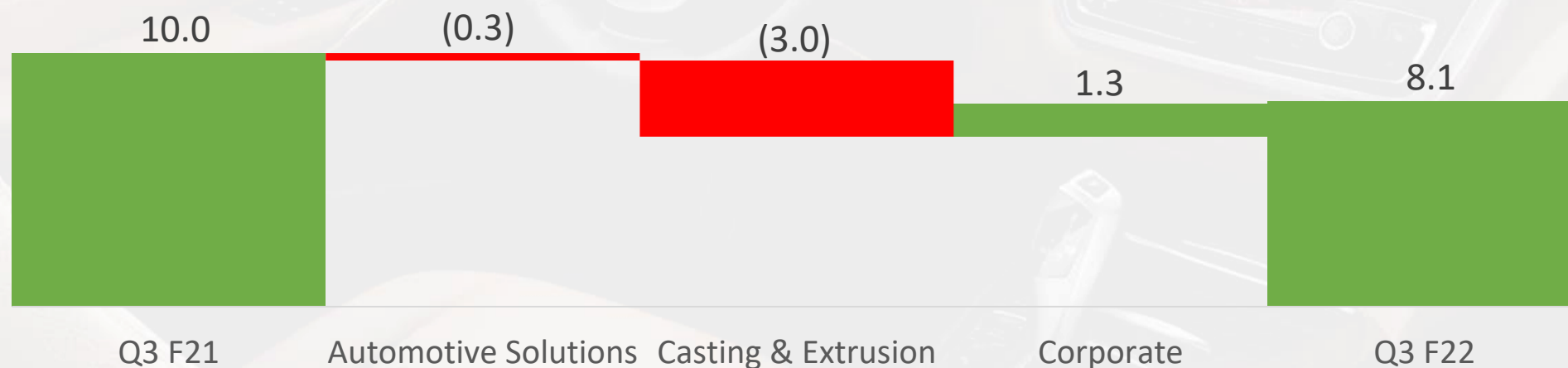


Q3 F2022 Financial Overview



Consolidated Pre-tax Profit reconciliation (Before Interest and Other Expense)

C\$ Millions



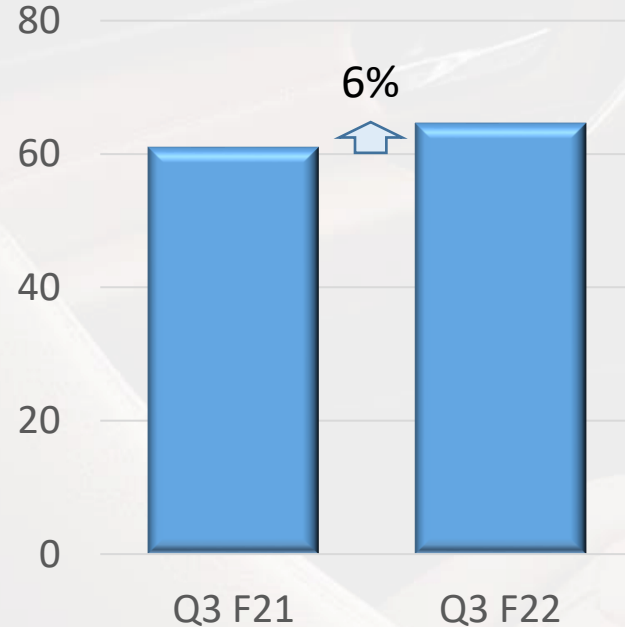
Automotive Solutions Segment



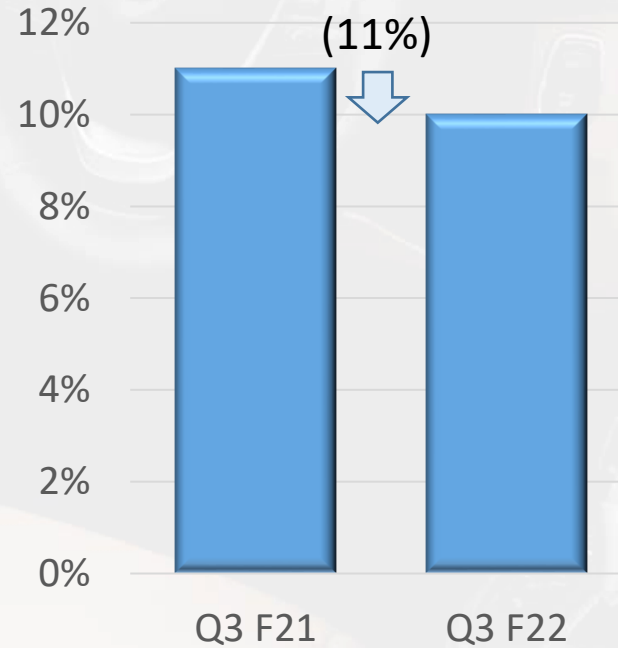
Segment profitability down on inflationary pressures and sales mix

C\$ Millions

Revenue

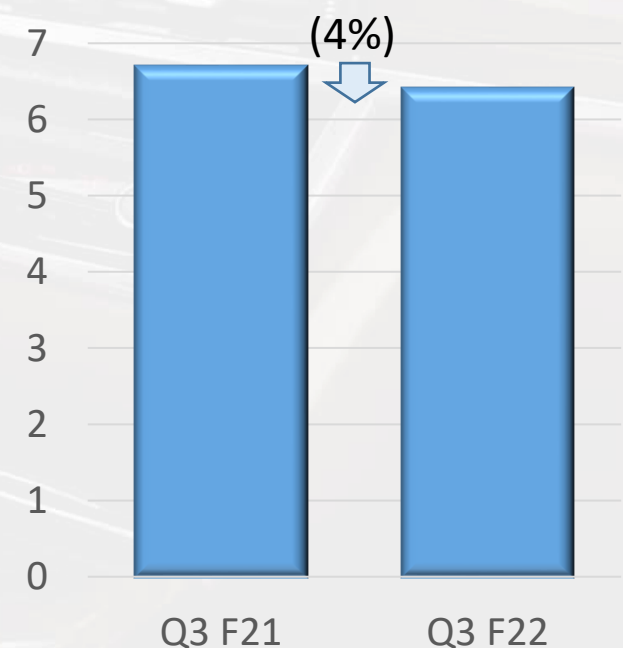


Segment EBITDA Margin



C\$ Millions

Segment EBITDA



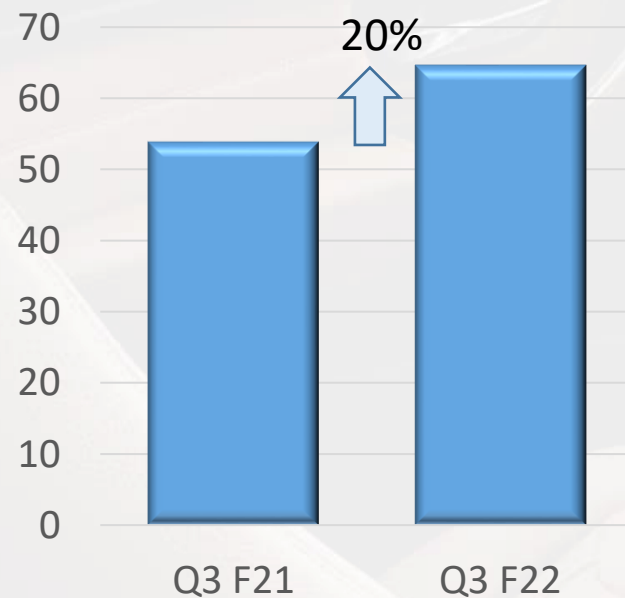
Casting & Extrusion Segment



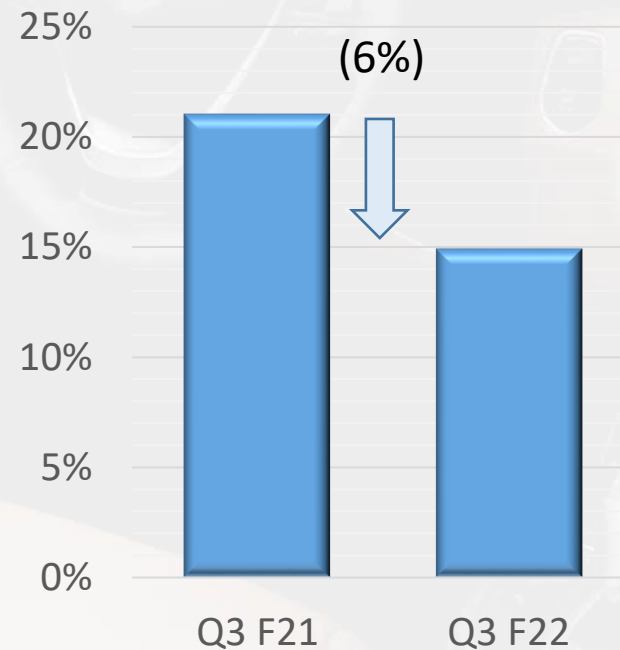
Segment EBITDA declined due to mix and constrained automotive production volumes

C\$ Millions

Revenue

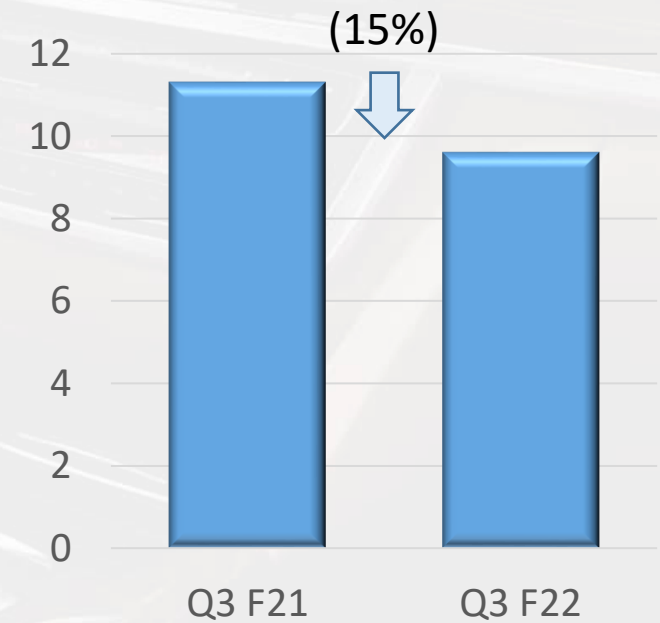


Segment EBITDA Margin



C\$ Millions

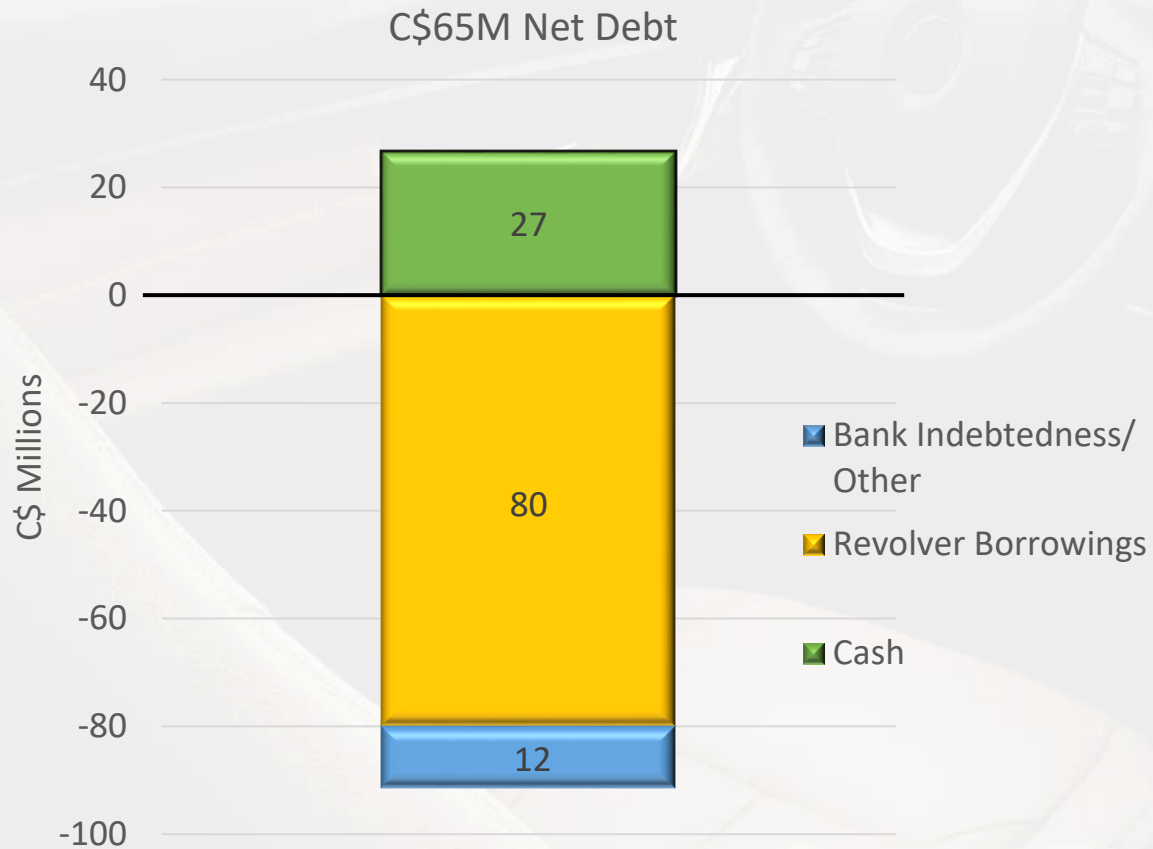
Segment EBITDA



Financial Leverage & Liquidity



Net Debt to LTM Q3F22 EBITDA of 1.25x



- LTM Q3 F22 EBITDA of C\$52M
- Balance sheet cash of \$27M
- C\$125M committed revolver matures February 2025

Questions





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