



Technologies Limited



Tradition of Excellence

Q1 F2023 Earnings Call

February 1, 2023

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



Tradition of Excellence

Darren Kirk
Chief Executive Officer

Operations Review

Q1 F2023 Operations Overview



Key Highlights in the Quarter – Automotive Solutions

- Overall industry vehicle production estimated up 8% in N.A and up 4% in Europe vs prior year quarter
 - Production remains constrained by chip shortage and general supply chain issues
 - Shortages expected to continue easing however effects likely to drag on well into C23
 - IHS expects NA and Europe industry vehicle production to grow +5% in C23 versus C22
 - NA yr/ yr production expected to be +6% in Exco Q2F23; Europe +6% in Q2F23
 - US SAAR (sales) holding around 13M/14M units; Europe continues to firm up
- Segment revenue up \$15M/ 27% year over year
 - Significantly outperformed market conditions (overall production volumes +6% but our segment revenues up 30%) due to favorable vehicle mix; continuation of new program launches and favorable FX movements
- EBITDA margin improved to 13% from 9% prior year due to: better overhead absorption, favorable mix, efficiency improvements, offset by continued pressure on wages, materials and transportation costs

Q1 F2023 Operations Overview



Key Highlights in the Quarter – Casting and Extrusion

- Solid demand for large and complex tooling and related solutions
 - Accelerating adoption of EVs and broader environmental sustainability movements key drivers
- Great progress advancing our various growth initiatives
 - Castool Mexico and Morocco, Heat Treatment equipment across the segment, new equipment at Large Mould and crane capacity to handle moulds of extreme size
- Large Mould seeing strong demand with very high order intake and backlog levels
- Demand for Castool's consumable die-cast tooling improving with higher vehicle production volumes coupled with market share gains
- Extrusion tooling demand has begun to soften due to weakening global macro economic conditions
 - Orders/ backlog for capital equipment related to the extrusion end market remain firm
- Difficult conditions in Europe due to elevated energy costs and tight labour markets, though improving



Technologies Limited



Tradition of Excellence

Matthew Posno

Chief Financial Officer

Financial Review

Q1 F2023 Financial Overview



Consolidated Results Versus Prior Year Period

- Revenue of \$139.1M; up \$38.1M or 38% compared to \$101.0M last year
 - FX movements increased revenues \$6.1M
 - Halex acquisition added \$11.6M of revenue
 - Revenue was up 20% excluding Halex and FX movements
- EBITDA of \$15.2M; up 63% from \$9.3M last year
 - Widespread inflationary pressures and ongoing operational and logistics challenges remain but were less pronounced than recent quarters
 - Strong improvement from Auto Solutions group as vehicle volumes recovered
 - Start-up losses at Castool 90 and operational disruptions from C&E segment equipment upgrade activity
 - Weak results from Halex given much higher energy/ material costs and difficult labour markets (Germany in particular)

Q1 F2023 Financial Overview



Consolidated Results Versus Prior Year Period

- Casting and Extrusion segment revenues up 50% and EBITDA up 30% (Margin declined to 11% from 13%)
 - Excluding Halex, segment revenues were up by 25%
- Automotive Solutions segment revenues up 27% and EBITDA up 80% (EBITDA Margin increased to 13% from 9%)
- EPS of \$0.12 versus \$0.07, reconciled to prior year:

Q1	F23 (\$000's)	EPS	F22 (\$000's)	EPS
EBITDA	15,181	0.39	9,347	0.24
Depreciation/ Amort	7,525	(0.19)	5,537	(0.14)
Interest	1,808	(0.05)	106	(0.00)
Taxes	1,325	(0.03)	968	(0.02)
Net Income	4,523	0.12	2,736	0.07

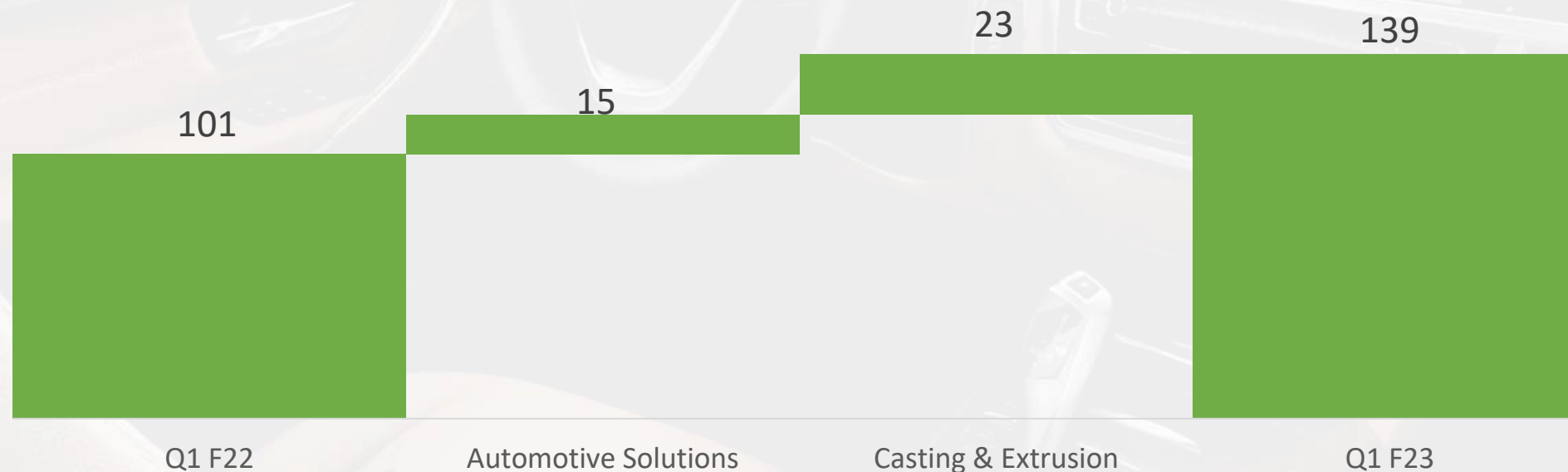
- Free cash flow of \$5.6M in the quarter (after \$3.4M of working capital use and \$3.4M of maintenance capex)
- Other cash consumed: Dividend (\$4.1M) and growth capex (\$4.0M)

Q1 F2023 Financial Overview



Consolidated Revenue Reconciliation

C\$ Millions

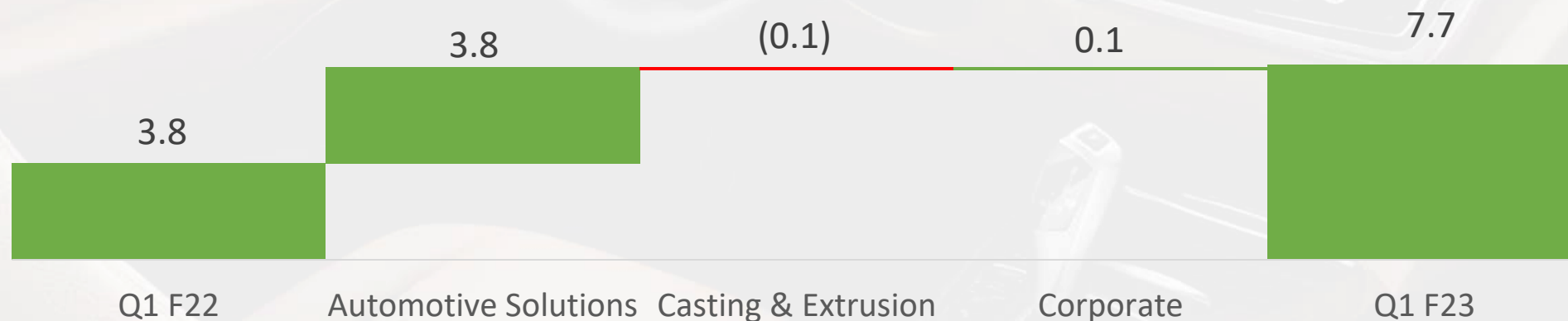


Q1 F2023 Financial Overview



Consolidated Pre-tax Profit Reconciliation (Before Interest Expense)

C\$ Millions

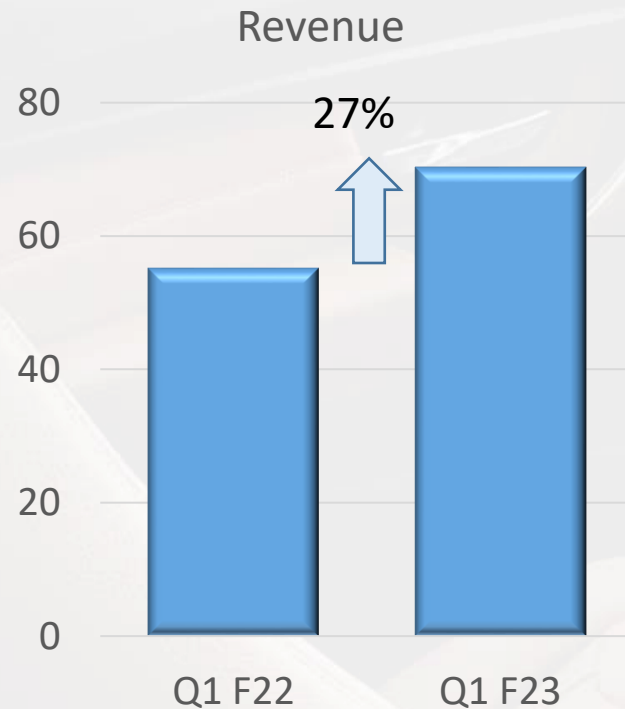


Automotive Solutions Segment

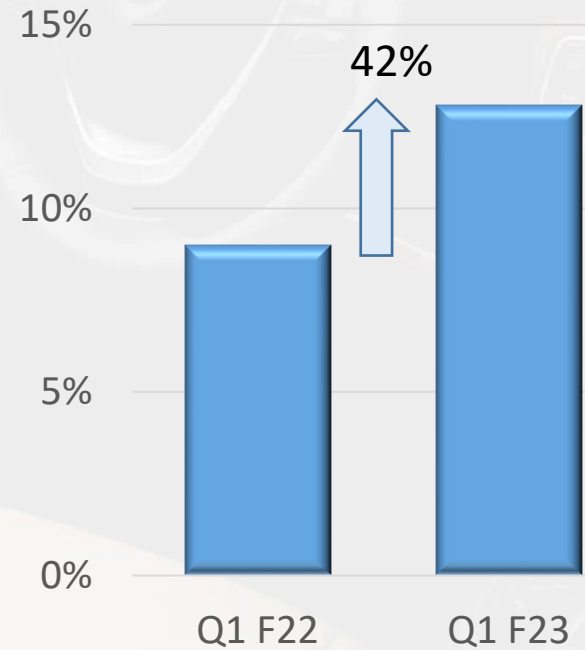


Segment Results increased due to higher and more consistent production volumes

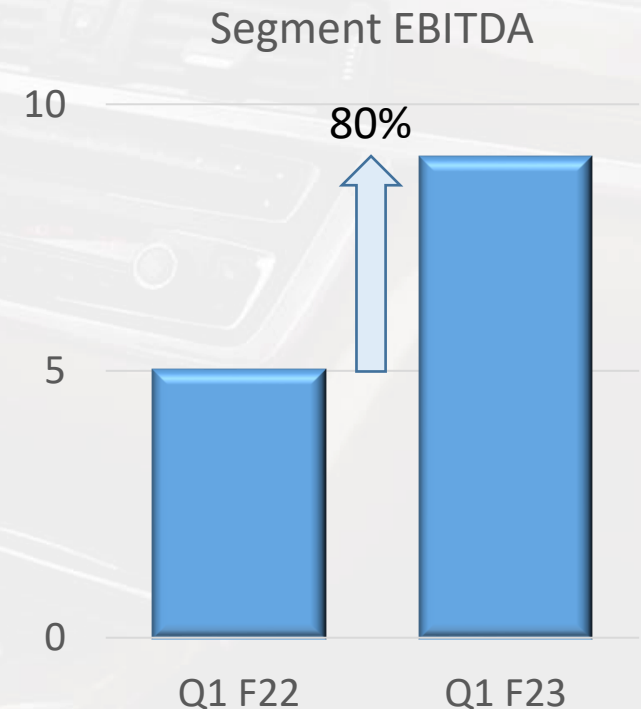
C\$ Millions



Segment EBITDA Margin



C\$ Millions

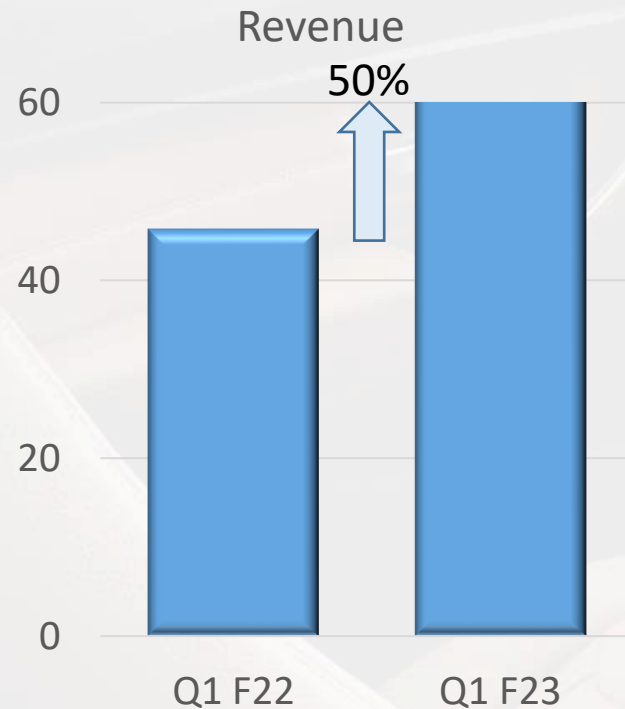


Casting & Extrusion Segment

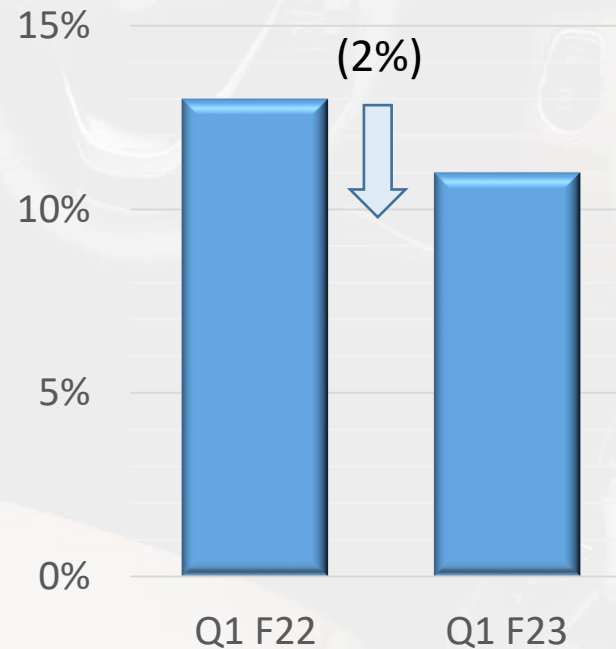


Segment EBITDA increased due to mix and production volumes

C\$ Millions

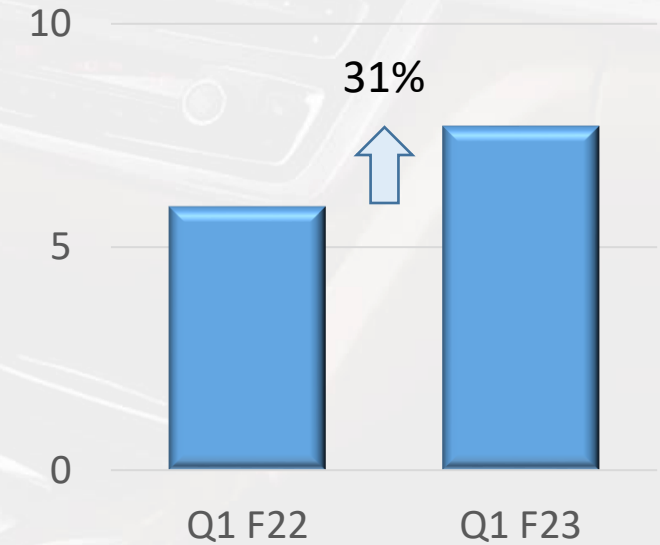


Segment EBITDA Margin



C\$ Millions

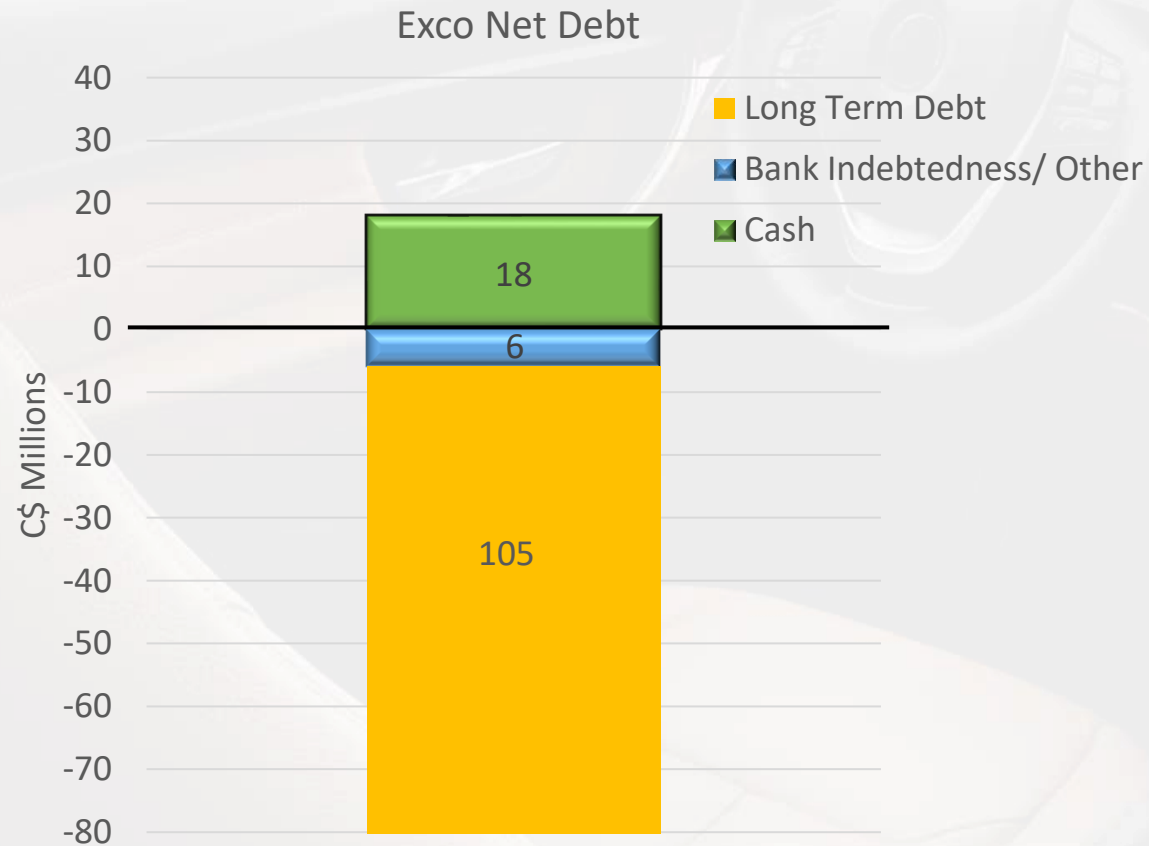
Segment EBITDA



Financial Leverage & Liquidity



Balance Sheet net leverage of 1.6x as at December 31, 2022



- LTM EBITDA of C\$59M
- C\$150M committed revolver matures February 2025
- Balance sheet net debt of \$93M
- C\$60M of Liquidity
- Significant cushion to bank facility covenants

Questions





Technologies Limited



Tradition of Excellence