



*Technologies Limited*



Tradition of Excellence

# Investor Presentation

August 2023

# Cautionary Statement



This presentation contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We may 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, the impact of the Russian invasion of Ukraine on the global financial, energy and automotive markets, including increased supply chain risks, assumptions about the demand for and 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, energy rationing in Europe, 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](http://www.sedar.com) or [www.excocorp.com](http://www.excocorp.com)

# Company Overview



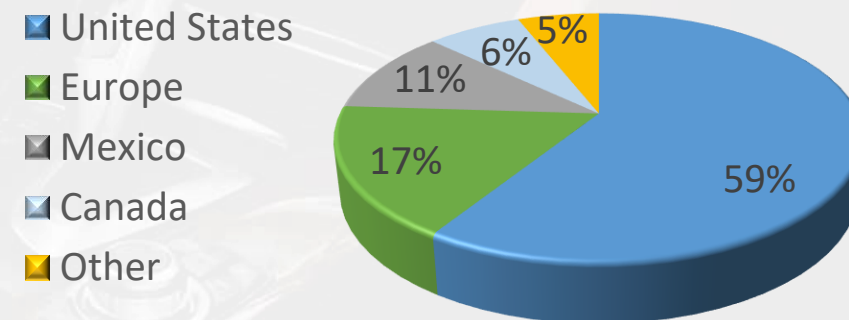
## Business Highlights

- Manufacturer of tooling for the light metal industries + interior trim components & solutions for the automotive market
- Very strong growth profile driven by the increasingly rapid adoption of electric vehicles and broader environmental sustainability trends
- Leading market positions in niche industries; 70 year operating history
- Acquisition of Halex Extrusion Dies closed May 2, 2022
- Global footprint with 20 plants in 9 countries and 5,000 employees; concentrated in low cost jurisdictions
- Meaningful diversity of customers and end markets
- Decentralized divisions run as profit centers
- TSX-XTC, OTCQX-EXCOF; single share class; 50% insiders

## Financial Highlights

- LTM Q3 F23 revenue of C\$600 million and EBITDA of C\$68 million (11% margin)
- Consistently strong free cash flow
- Dividend has been increased 14 times in 13 consecutive years
- 1.4x net leverage & very strong liquidity

## F2022 Sales by Customer Location

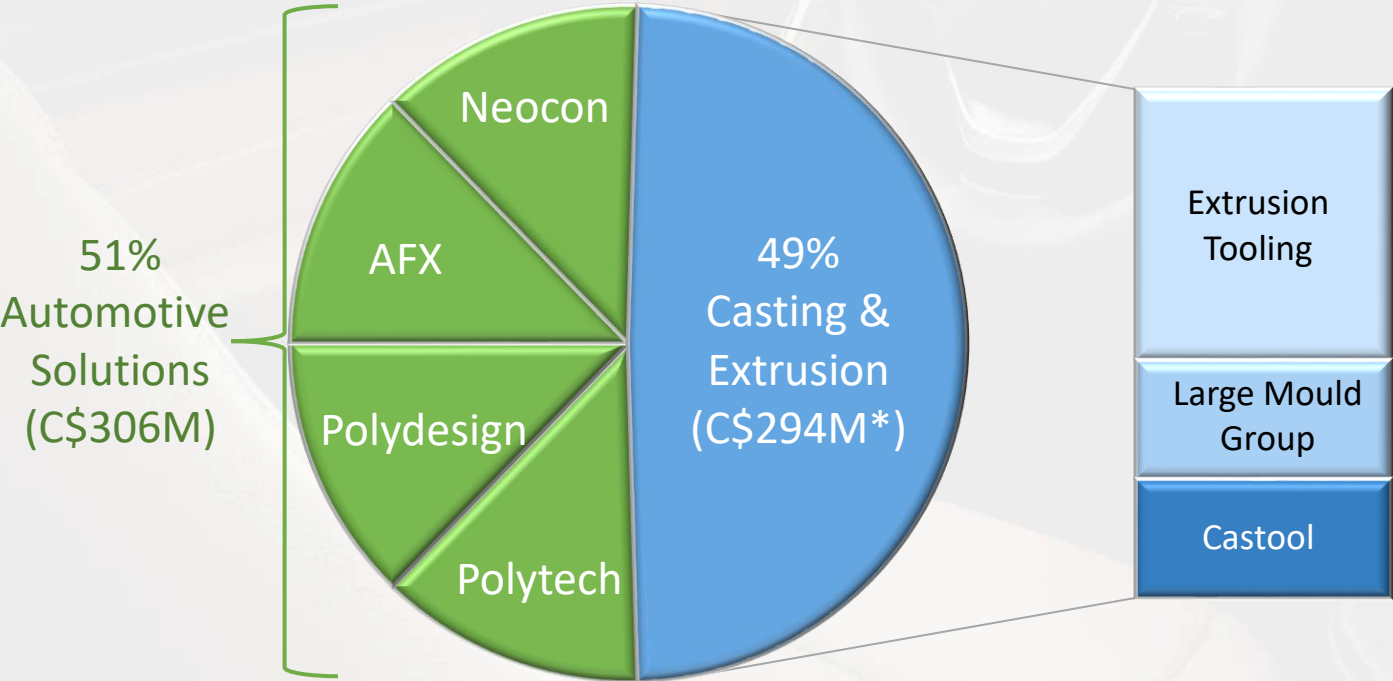


# Principal Business Segments

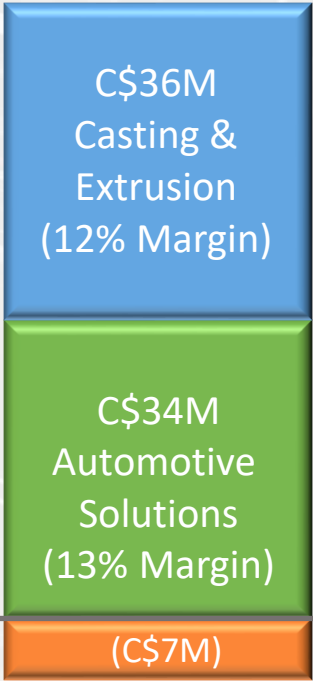


## LTM Q3 F2023 Revenue and EBITDA

C\$600 million Revenue\*



C\$68 million in EBITDA (11% Margin)



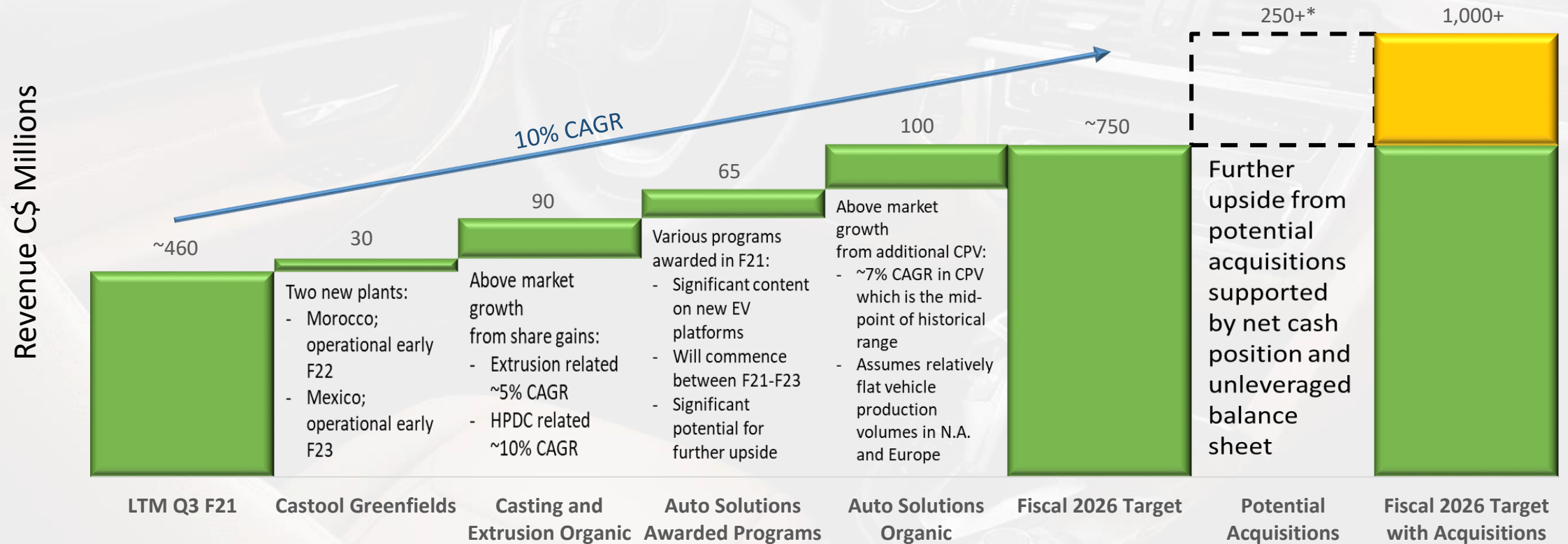
Corporate Expense

Fiscal year ended September 30

# Strong Growth Profile



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



\*Acquisition of Halex Extrusion Dies will add approximately C\$55 million to annual revenues (closed May 2, 2022)

Fiscal year ended September 30

HPDC: High Pressure Die Cast, CPV: Content Per Vehicle



# ESG Strategic Priorities



## Marketplace

- Leader in innovation for vehicle light-weighting and sustainable production processes



## Environment

- Responsible use of resources: energy efficiency, waste management, use of recycled materials and a focus on clean energy



## People

- Diversity & inclusion, health & safety, training & development, fair labour practices



## Society

- Giving back to local communities



## Governance

- Board diversity and balanced oversight



# Exco Values



**Safety:** We strive for all our employees to go home unharmed



**Entrepreneurial spirit:** Our culture fosters idea generation and risk taking



**Excellence:** We set the standard for high quality craftsmanship



**Integrity:** We expect honesty and transparency in all our dealings



**Accountability:** We empower our people to make decisions and reward them accordingly

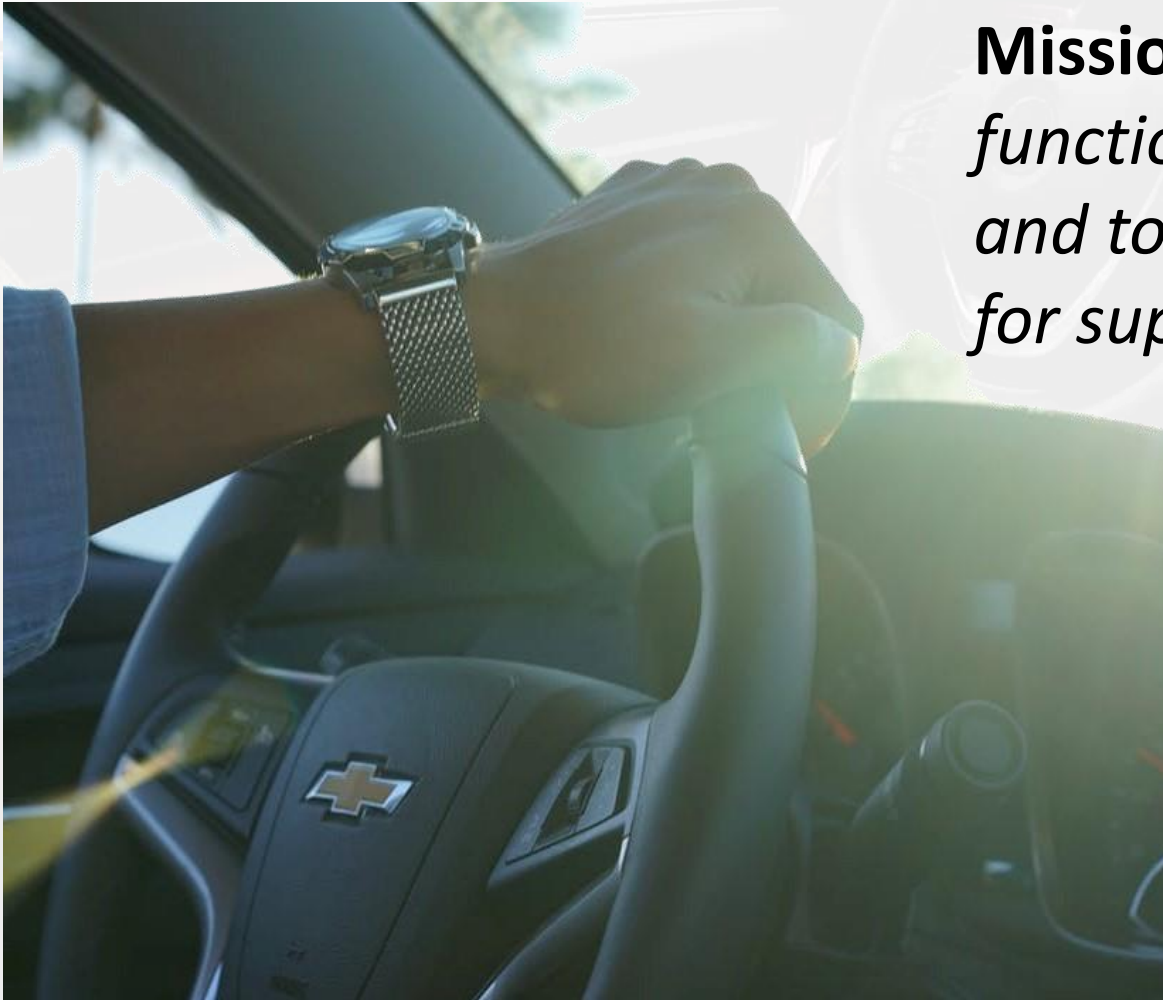


**Inclusion:** We believe that a diverse workforce delivers the best results



**Social responsibility:** Focused on a sustainable future through implementation of our ESG strategic priorities

# Vision and Mission



**Mission:** *We enhance the look and functionality of passenger vehicles and tool up light metal industries for superior performance*

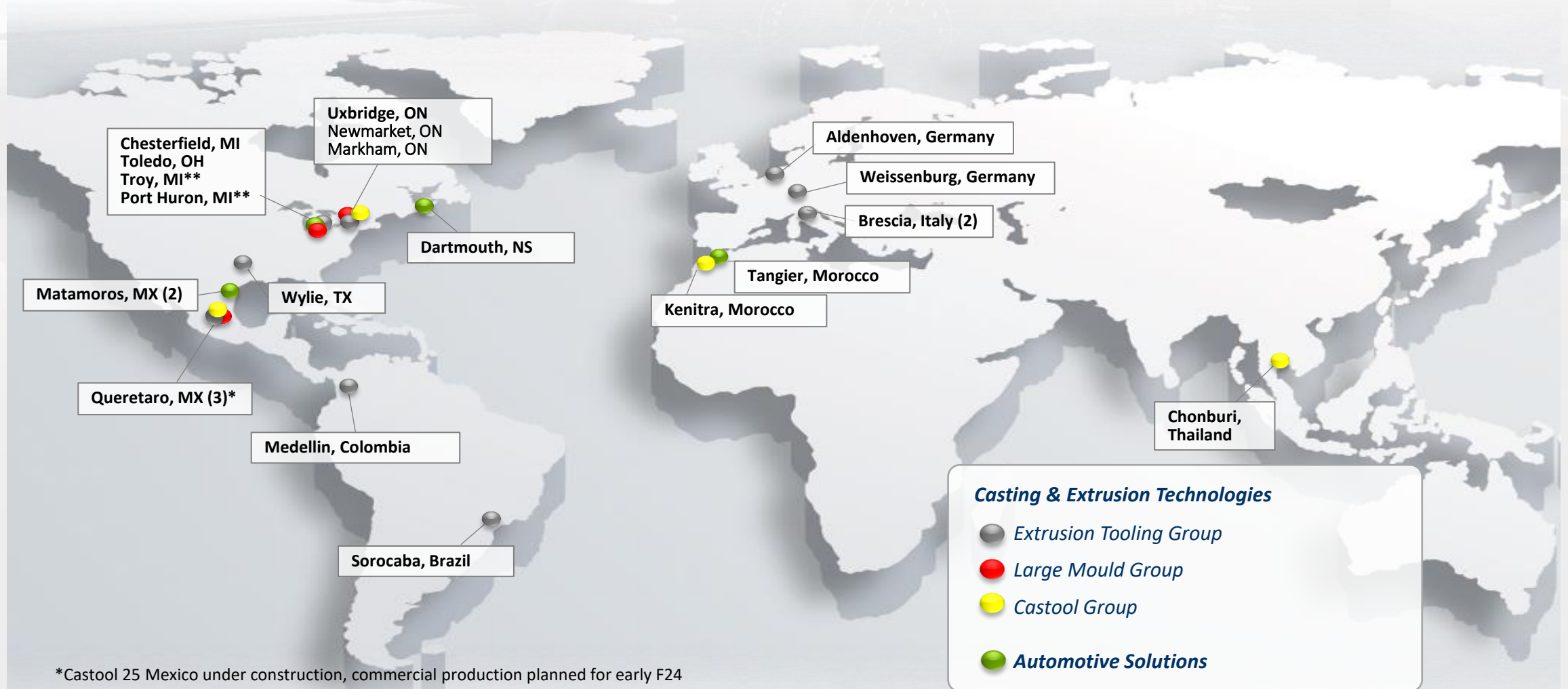
**Vision:** *To be the benchmark for innovation, efficiency and quality in the industries we serve*



# Global Presence



20 Manufacturing Locations in 9 Countries and 5,000 Employees



\*Castool 25 Mexico under construction, commercial production planned for early F24

\*\* Sales office

# Automotive Solutions Segment



# Automotive Solutions Segment



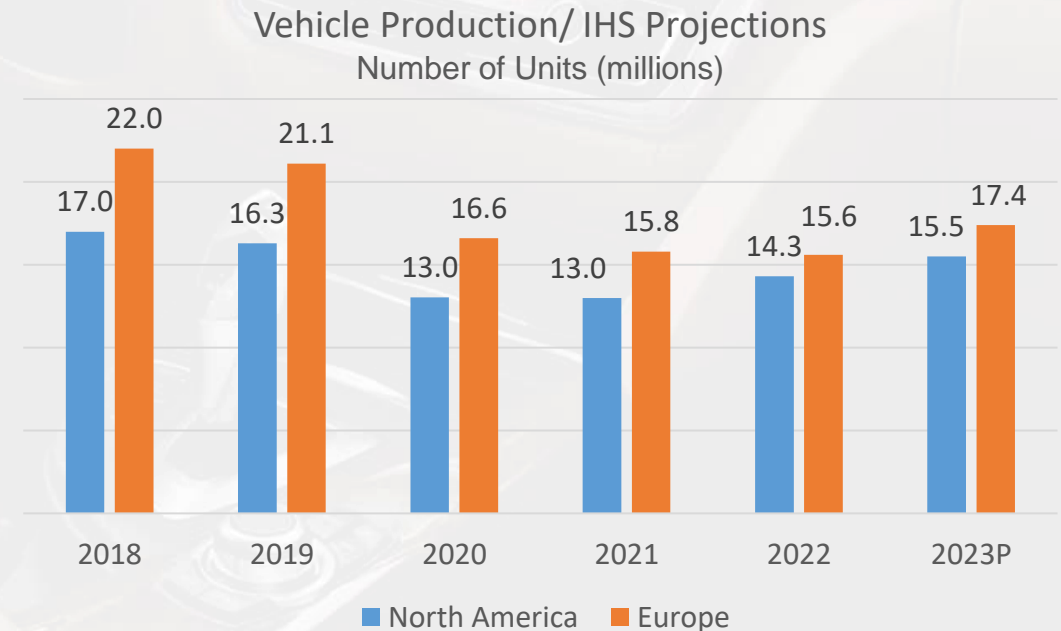
An innovative provider of interior trim and convenience solutions to the global auto market

## Competitive Strengths

- Leading supplier of flexible restraint (netting), vehicle protection (cargo trays/ mats) and storage systems
- Specialists in manufacturing/ cutting/ wrapping and assembly of various interior trim components
- Approximately 50% of sales are OEM direct (tier 1) and remainder primarily tier 2; no aftermarket
- Above-market growth potential given trend towards SUV/CUV's and EV's (greater cabin/ cargo space)
- Launching C\$65 million of key new programs F21 – F23 including sizeable content on new EV commercial vans
- Mix of highly innovative accessory and core parts gives exposure to both sales and production cycles
- Serve North American and European markets from four strategically located plants in low-cost Free Trade Zones

## Market Conditions

- Vehicle production significantly disrupted by COVID-19 in 2020 and micro chip shortage in 2021 and 2022
- IHS Markit projects production will rebound towards historical norms through 2023 and beyond









# Automotive Solutions Segment



Four businesses provide an expanding array of product offerings

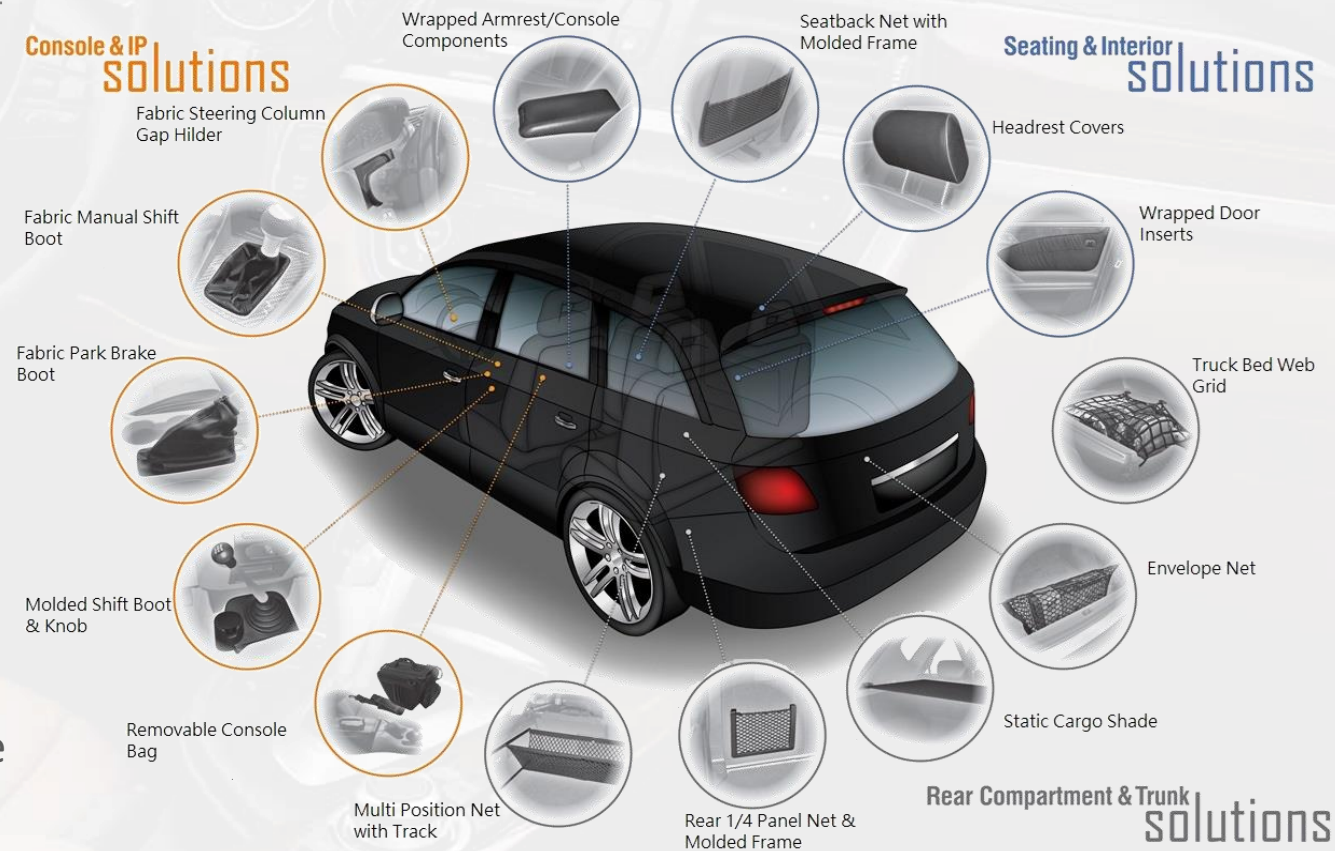
Business	Manufacturing Location(s)	Facility Size	Key Products/ Programs
	Mexico	136,000 sq ft	<ul style="list-style-type: none"> <li>• Tier 1 and 2 supplier to a highly diverse customer list for the N.A. market</li> <li>• Netting-based storage systems for trunks, seat backs and door panels, etc.</li> <li>• Netting-based restraint systems for passenger/ cargo separation</li> <li>• Plastic injected moulded consoles, gearshift boots and componentry</li> </ul>
	Morocco	215,000 sq ft	<ul style="list-style-type: none"> <li>• Similar products as Polytech</li> <li>• Cutting and sewing of leather for instrument panels, door panels, consoles, steering wheels, sun visor assembly and wrapping</li> <li>• Go-to company for wrapping of automotive parts in Europe</li> </ul>
	Canada	107,000 sq ft	<ul style="list-style-type: none"> <li>• Tier 1 supplier to 20+ OEM's for the N.A. market</li> <li>• Thermoformed products</li> <li>• Cargo organizer systems</li> <li>• Flooring and protective systems including bumper covers</li> </ul>
	Mexico	96,000 sq ft	<ul style="list-style-type: none"> <li>• Tier 2 supplier of interior trim components to diversified N.A customers</li> <li>• Die cut leather sets for seating and most other interior trim applications</li> <li>• Leather wrapped, machine and hand sewn automotive interior parts include steering wheels &amp; center caps, shift knobs &amp; boots, brake handles, armrests</li> </ul>



## Leading manufacturer of automotive netting and storage solutions for North America

### Business Overview

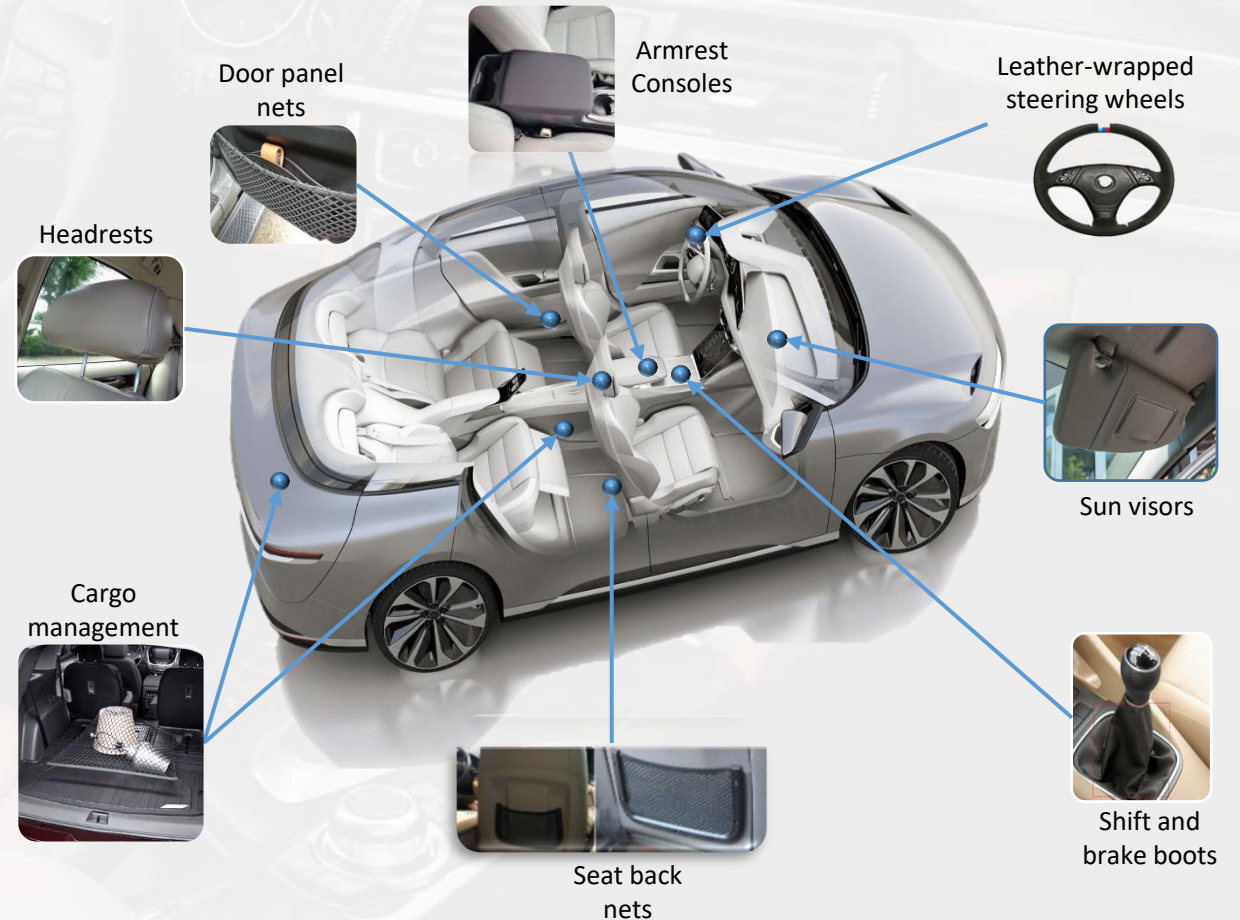
- Clear market leader in design, engineering and manufacturing of flexible restraint and storage systems for OEM customers in North America
- Product portfolio continues to broaden into other automotive interior components such as gap-hiders
- Vertically integrated operations facilitates low cost and high quality production
- Mix of accessory and core products sold to a diversified customer list, including approximately 15 OEM's and dozens of Tier 1 customers globally
- Significant truck/ SUV/ CUV and growing EV exposure
- 136,000 sq ft facility located in Mexico



## Leading manufacturer of automotive netting and wrapped products for Europe

### Business Overview

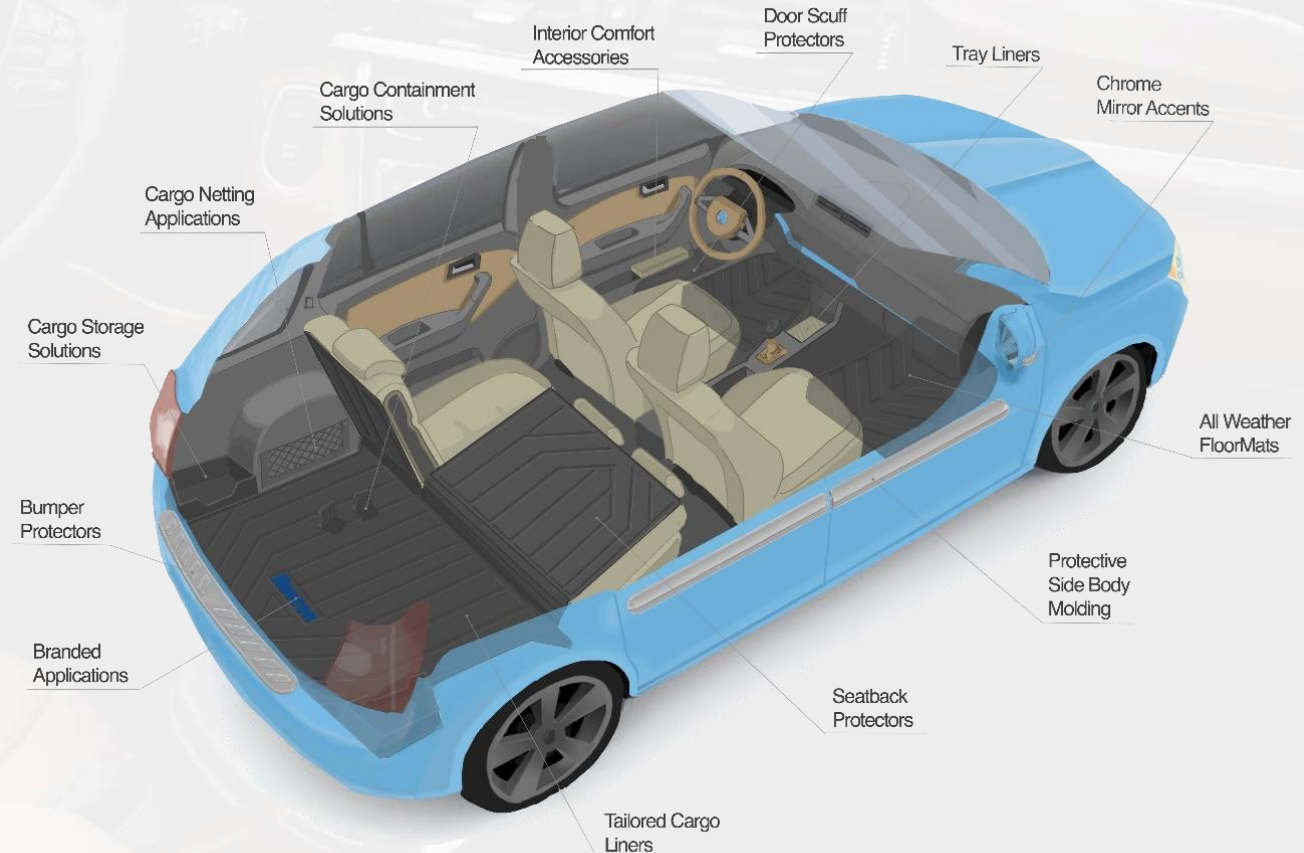
- Diversified product portfolio with an emphasis on integrated assemblies that take advantage of our vertical integration (injection moulding, foaming, cut, sew, knitting, weaving, braiding)
- Key products include wrapped parts, netting solutions, injection moulded components and sun visors
- Primarily a Tier 2 supplier delivering products to approximately 25 unique customers in 29 countries
- Strategically located to supply Europe more economically than many competitors
- 215,000 sq ft facility located in Tangier, Morocco



## Award winning designer and manufacturer of innovative accessory products for OEM's

### Business Overview

- Diversified and growing portfolio of vehicle protection and storage solutions
- Market leader in thermoformed cargo trays and chrome plated bumper protectors
- Significant SUV/ CUV and growing EV exposure driven by outsized cargo areas in these vehicles
- Sizeable content on new commercial EV van program
- Highly creative team with full in-house capabilities including design, manufacturing, process research and material development
- Tier 1 supplier to 20+ automotive OEM's in North America; market share gains from aftermarket providers





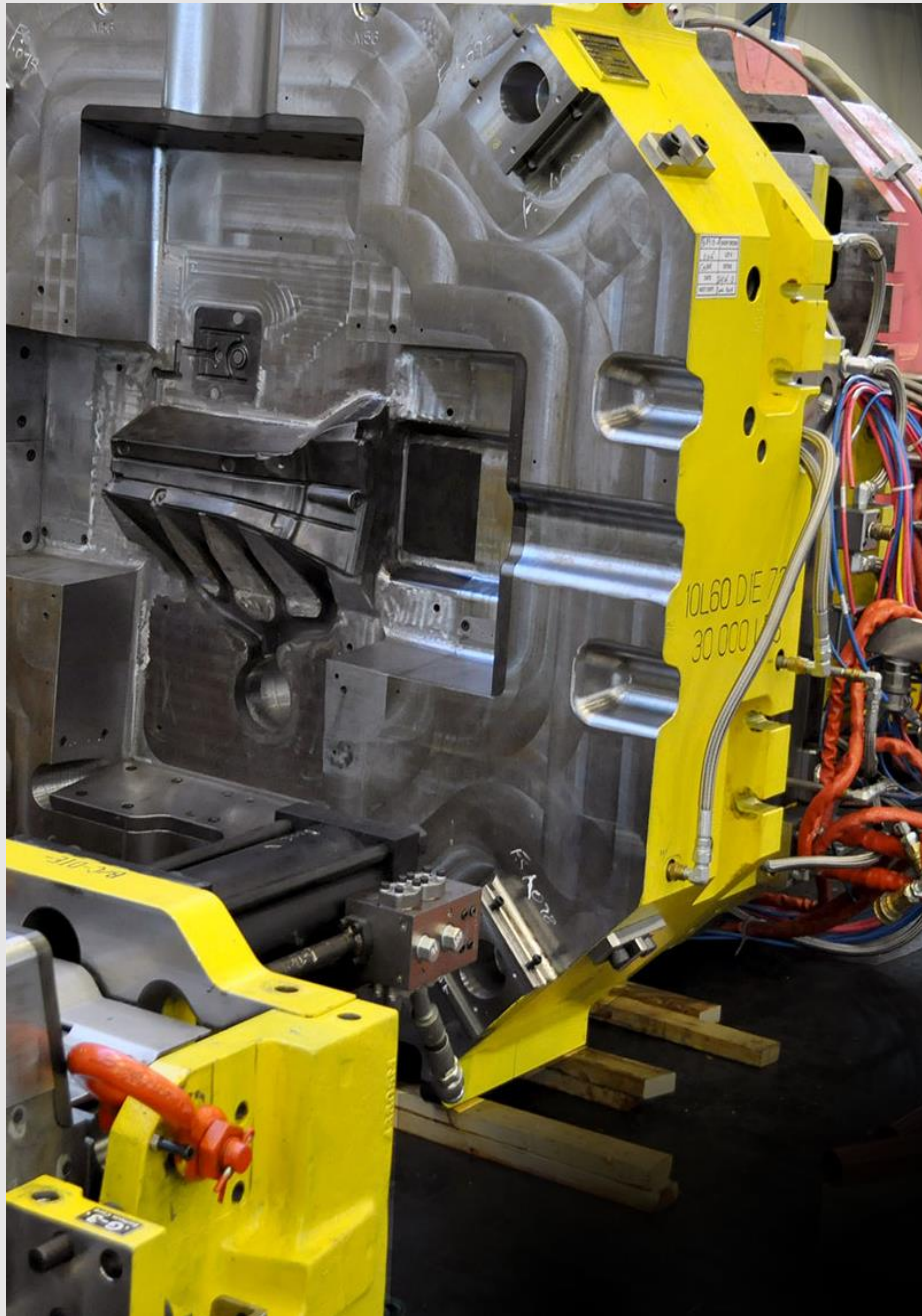
## Leading supplier of hand wrapped interior trim components in North America

### Business Overview

- Leading independent supplier of hand wrapped interior trim components
- Specialists in cutting leather and other trim materials for seating and various applications
- Tier 2 supplier to a diversified customer base, serving domestic and non-domestic OEM's
- Growth is expected in overall market for leather and leather-like interior components as OEMs continue to look to add content in their vehicles
- Long relationship with premium European tannery
- 96,000 sq foot facility located in Mexico to serve the North American market







# Casting & Extrusion Segment

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# Casting & Extrusion Segment



World's largest independent provider of tooling for the Extrusion and Die Cast markets

## Competitive Strengths

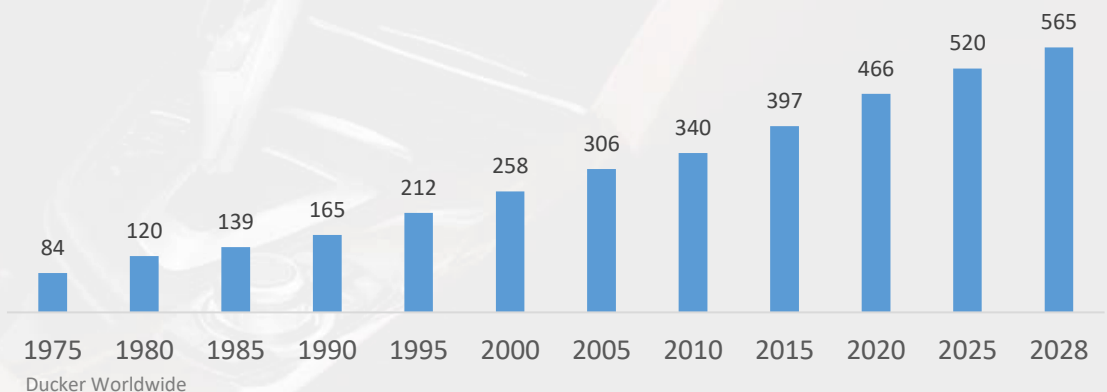
- Large scale, diversified operations with a total of 16 tooling plants in nine countries
- Acquisition of Halex, Europe's second largest extrusion die manufacturer closed May 2, 2022
- Leading market positions in both die-cast and extrusion tooling; global leader in 3D printed tooling solutions for die-casting
- Upgraded equipment and commonality of manufacturing processes
- Fragmented market; competitors lack the financial strength, market reach and capabilities of Exco
- Approximately 50% of tooling revenues derived from a diverse number of non-automotive end markets

## Market Conditions

- Aluminum use is growing across many applications with significant increased demand within the automotive industry driven by environmental sustainability trends, including the adoption of EV's
- Increased aluminum demand favorable for both extrusion and die-cast

### North American Light Vehicle Aluminum Content

Net pounds per vehicle

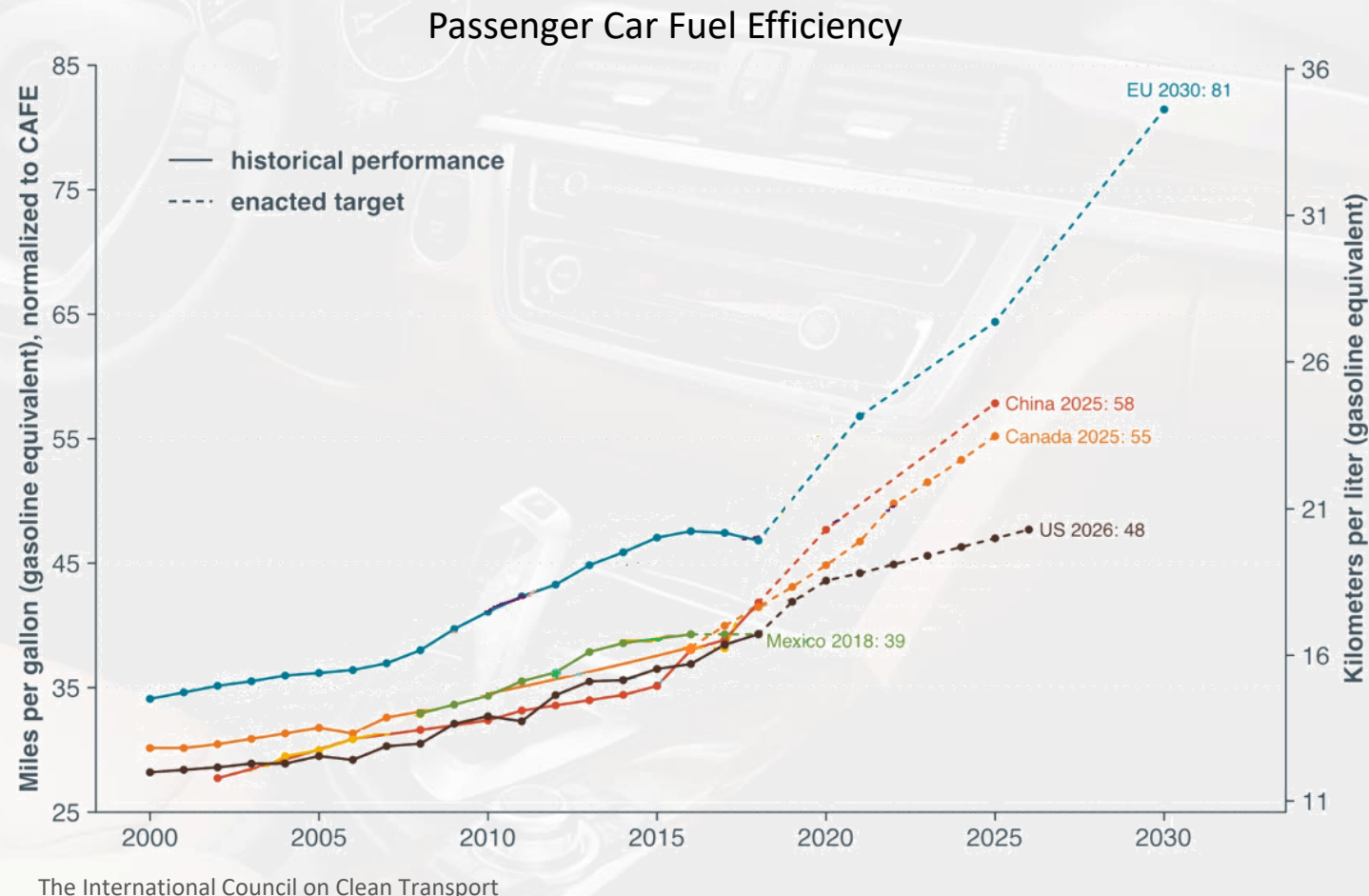


# Casting & Extrusion Segment



Vehicle light-weighting provides significant growth opportunity across the entire segment

- Ever more stringent fuel efficiency and emission reduction standards are driving the development of increasingly advanced engines and transmissions by OEM and tier 1 suppliers
- Better fuel economy and lower emissions are also driving transition from steel to aluminum alloys in the production of non-powertrain structural components
- Electric vehicles make extensive use of aluminum components to reduce weight and maximize battery performance
- Aluminum components and associated tooling are becoming larger and more complex, playing to Exco's strength

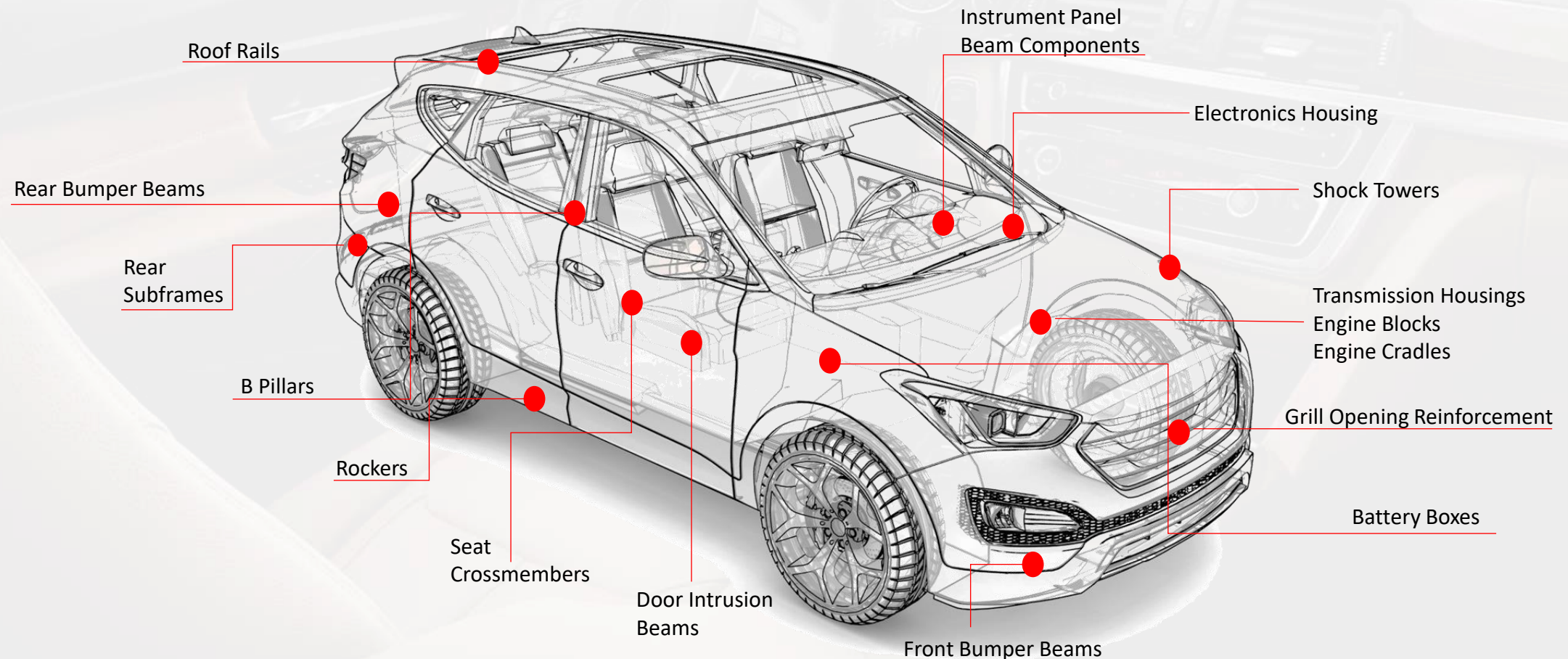




# Casting & Extrusion Segment



Both Internal Combustion Engine and Electric Vehicles are using an increasing number of extruded and die-cast aluminum components to reduce weight





# Casting & Extrusion Segment



Three related business groups covering die-cast and extrusion tooling

Group	Business	Manufacturing Locations	Total Group Facility Sizes	Key Products/ Programs
Large Mould		<ul style="list-style-type: none"> <li>Ontario, Canada</li> <li>Toledo, Ohio</li> <li>Queretaro, Mexico</li> </ul>	200,000 sq ft	<ul style="list-style-type: none"> <li>Design and manufacture of large high pressure die-cast moulds</li> <li>Rebuild of existing moulds</li> <li>Integrated additive manufacturing</li> </ul>
Extrusion Tooling		<ul style="list-style-type: none"> <li>Ontario, Canada</li> <li>Michigan, USA</li> <li>Texas, USA</li> <li>Queretaro, Mexico</li> <li>Medellin, Colombia</li> <li>Sorocaba, Brazil</li> </ul>	210,000 sq ft	<ul style="list-style-type: none"> <li>Design and manufacture of dies for aluminum extrusion</li> </ul>
		<ul style="list-style-type: none"> <li>Aldenhoven, Germany</li> <li>Weissenburg, Germany</li> <li>Brescia, Italy (2)</li> </ul>	70,000 sq ft	
Castool		<ul style="list-style-type: none"> <li>Ontario, Canada</li> <li>Chonburi, Thailand</li> <li>Kenitra, Morocco</li> <li>Queretaro, Mexico (F23)</li> </ul>	180,000 sq ft	<ul style="list-style-type: none"> <li>Proprietary supporting tooling and systems for the die-cast and extrusion markets</li> </ul>

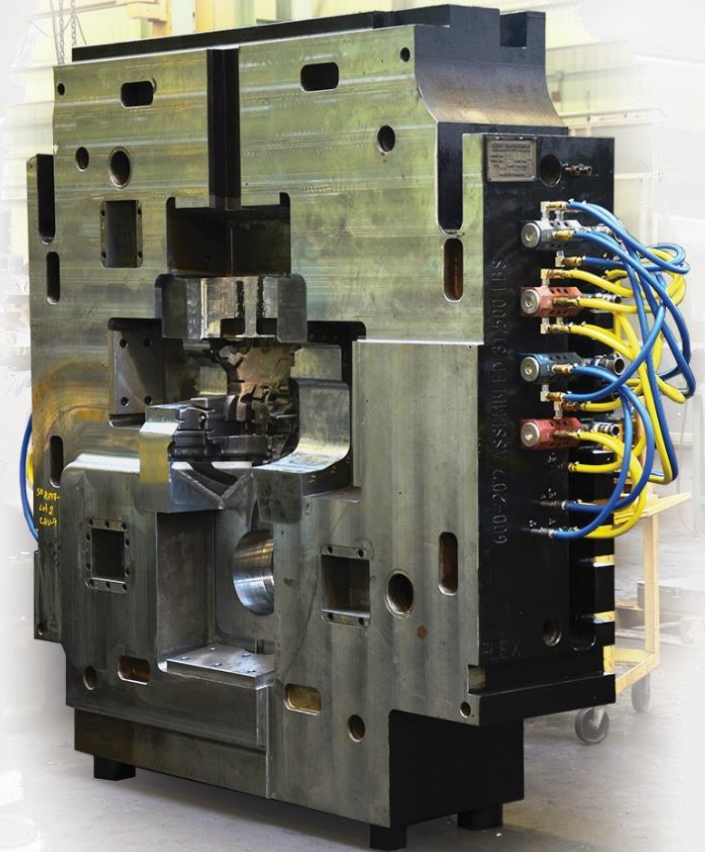
# Large Mould Group



Aluminum-focused tooling for automotive powertrain and structural components

## Business Overview

- Largest independent manufacturer of high pressure die-cast (HPDC) moulds in N.A.; exclusively focused on large moulds
- Moulds for both powertrain and non-powertrain components
- Mix of revenues from new programs and ongoing rebuild work
- Industry-leading design, engineering, manufacturing equipment and processes
- Capable of handling “giga-sized” moulds
- Tier 1 partner to North American, European and Asian OEM’s
- 3,500 ton die-casting machine and foundry to test products and replicate customer processes. Furnaces deliver standard aluminum alloy, structural aluminum alloy & magnesium



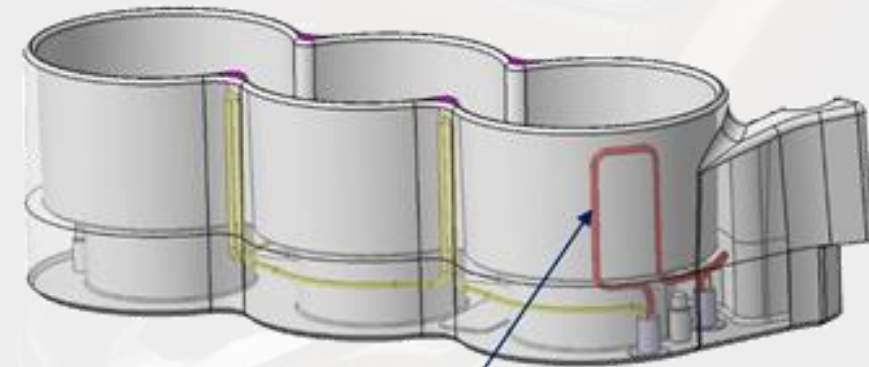
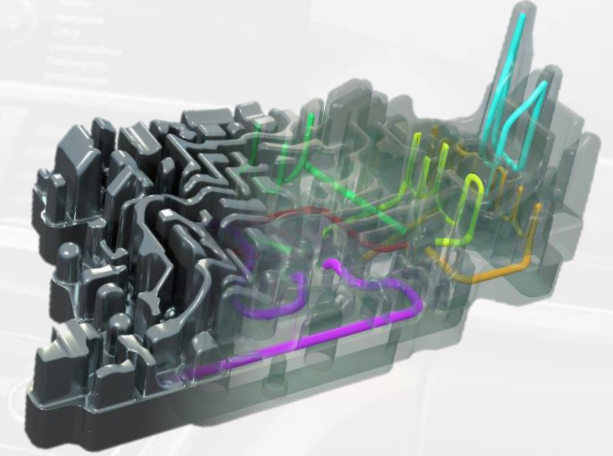
# Exco Additive Manufacturing



Global leader in the additive manufacturing of tool steel for die casting applications

## Business Overview

- Five, quad-laser, large scale additive machines dedicated for tooling applications
- Fully integrated into large mould design to provide enhanced overall die performance and life over conventionally built tools
- Thermal and stress simulation drives design and optimizes cooling channel placement
- Dedicated 5-axis machining centers and in-house heat treatment ensures speed of execution and quality control
- F2019 Winner of Automotive Industry PACE Award



Conformal cooling channel on a 3D-printed water jacket.

# Extrusion Tooling Group

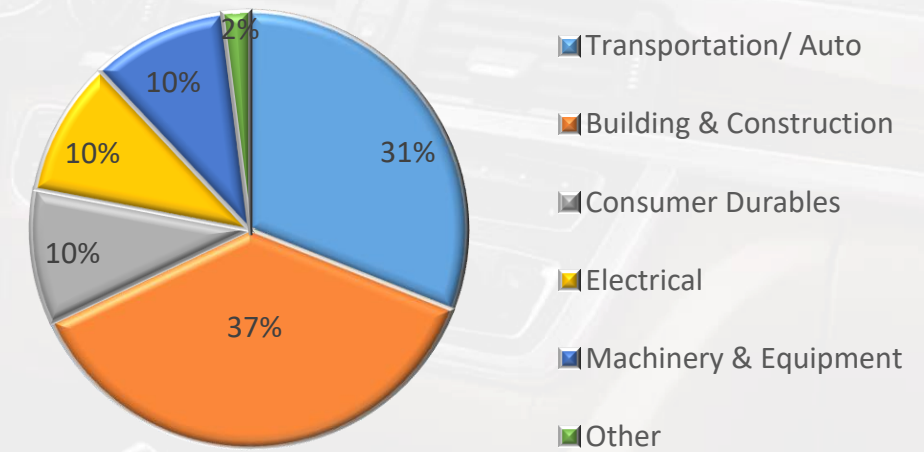


Largest designer and manufacturer of dies for aluminum extrusions in the Americas

## Business Overview

- Ten manufacturing locations – six in the Americas and four in Europe
- €40M Acquisition of Halex Extrusion Dies, Europe's second largest player closed May 2, 2022
- Commonality of design and manufacturing process across plants provides unmatched flexibility
- Leading edge technology and upgraded machinery
- Very diverse end-market demand; majority non-auto and a number of "essential" industries
- Automotive applications growing double digits through light-weighting & electric vehicle demands

## Extruded Products by End Market<sup>1</sup>



<sup>1</sup> The Aluminum Association, Exco

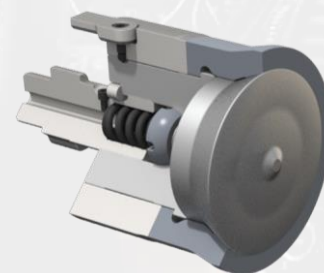




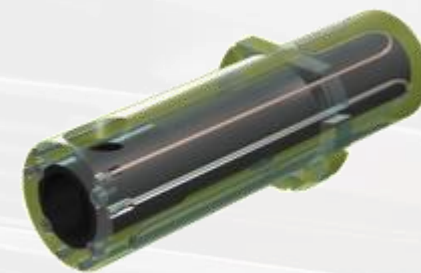
## Equipment, accessories and tooling for aluminum die-cast machines and extrusion presses

### Business Overview

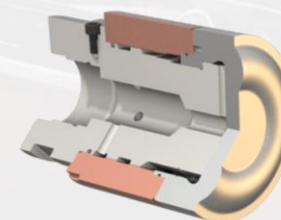
- Proprietary consumable tooling components and modular systems designed to dramatically increase overall efficiency through improved uptime & reduced scrap
- Systems-based design results in significant recurring revenues from related tooling components
- Increasing size and complexity of components are driving the need for highly engineered tooling solutions
- Accelerating demand for “giga-sized” tooling
- Products promote energy conservation and environmental friendliness
- Clear market leader; highly diverse customer base and global reach through 3 manufacturing plants
- Patented products, materials and processes



Dummy Blocks



Die-Cast Shot Sleeves



Plunger Tips



Extrusion Containers



Die Ovens

# Financial Results



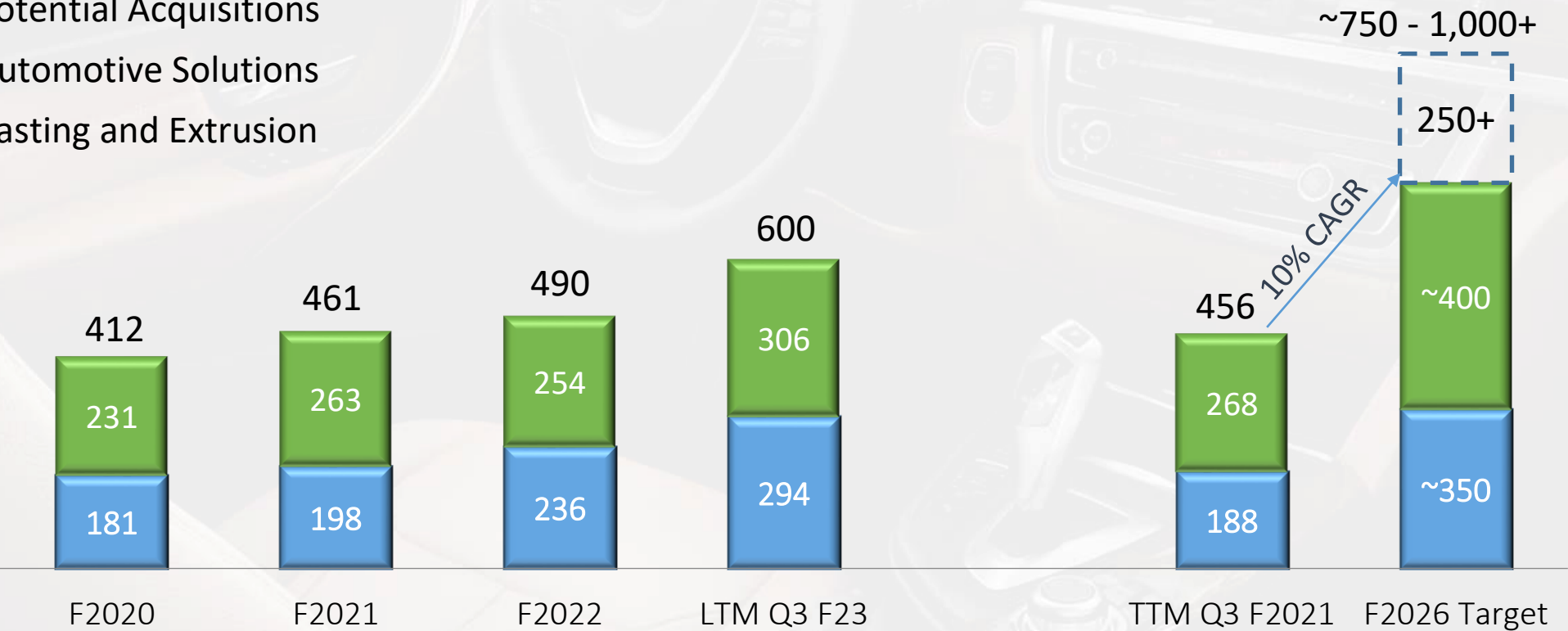
# Revenue by Segment



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

C\$ Millions

- Potential Acquisitions
- Automotive Solutions
- Casting and Extrusion





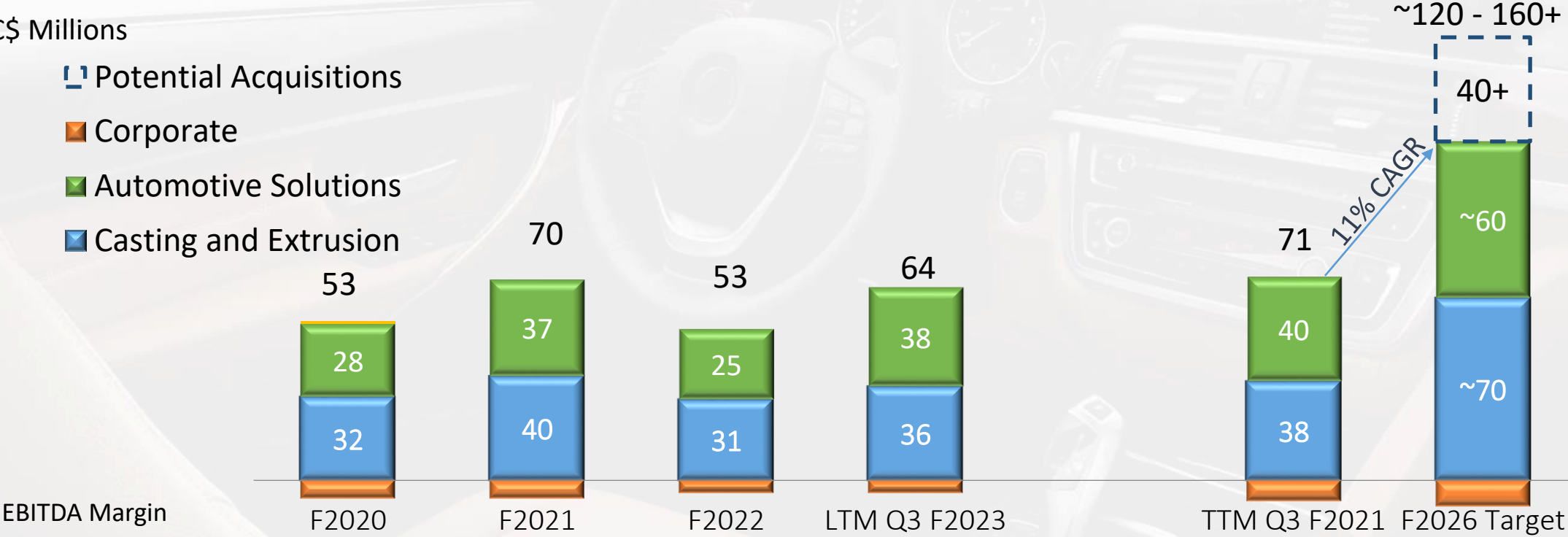
# EBITDA by Segment



Targeting to restore industry leading margins in both reporting segments

C\$ Millions

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



EBITDA Margin

Auto Solutions	12%	14%	11%	13%	15%	~15%
Casting & Extrusion	18%	20%	13%	12%	20%	~20%
Consolidated	13%	15%	11%	11%	16%	~16%

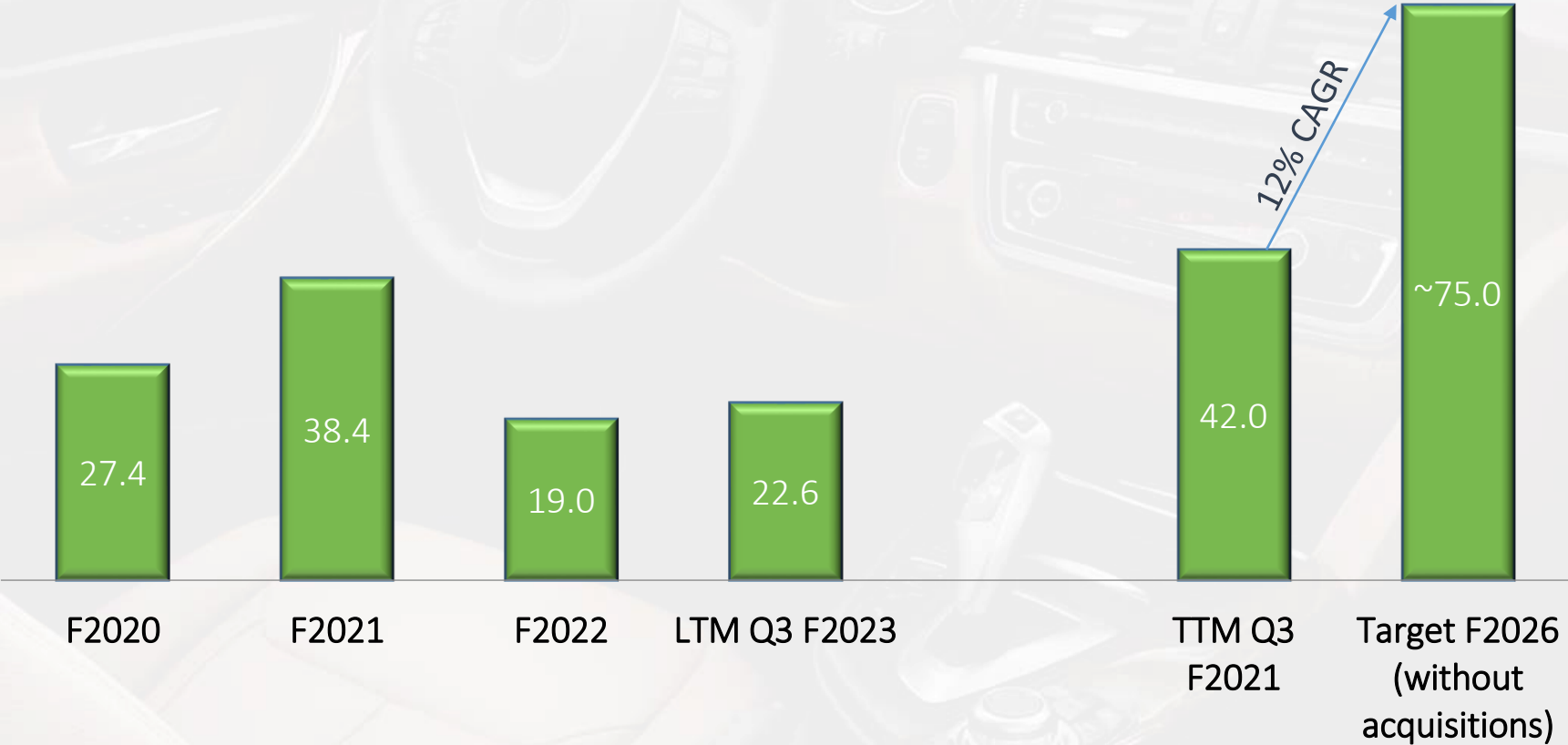
Fiscal year ended September 30

# Net Income



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

C\$ Millions



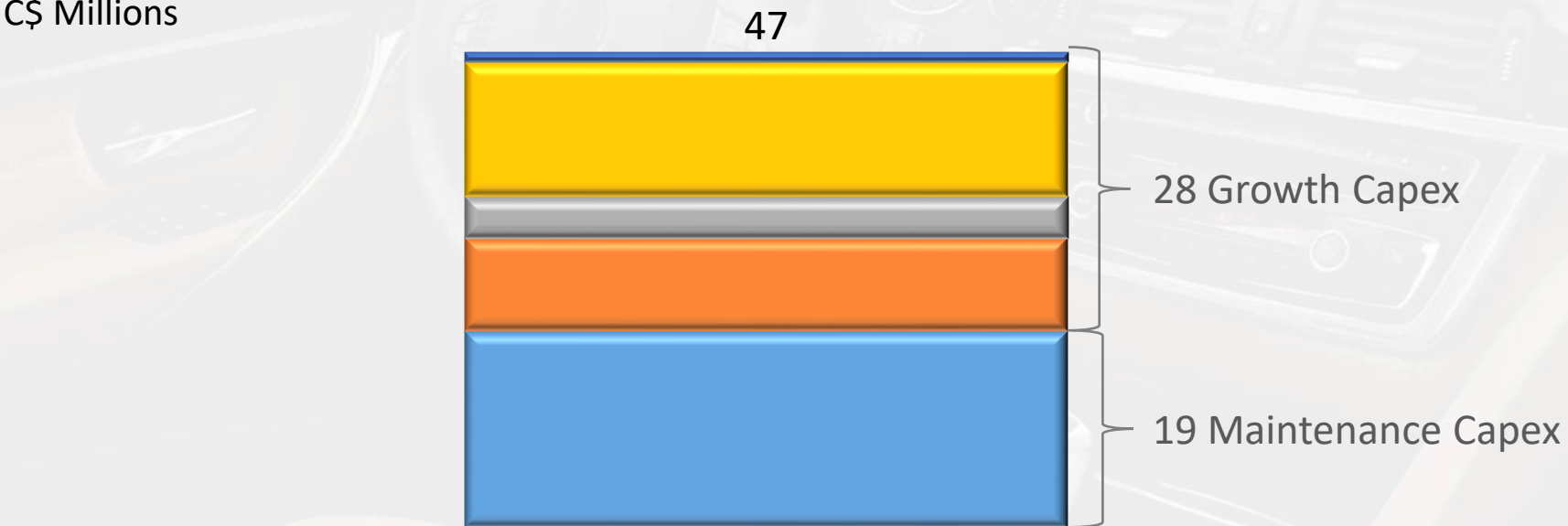
Basic and Diluted EPS	\$0.69	\$0.98	\$0.49	\$0.58		\$1.07	\$1.90
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# Capital Expenditures



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

C\$ Millions



F2023 Budgeted Capex

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

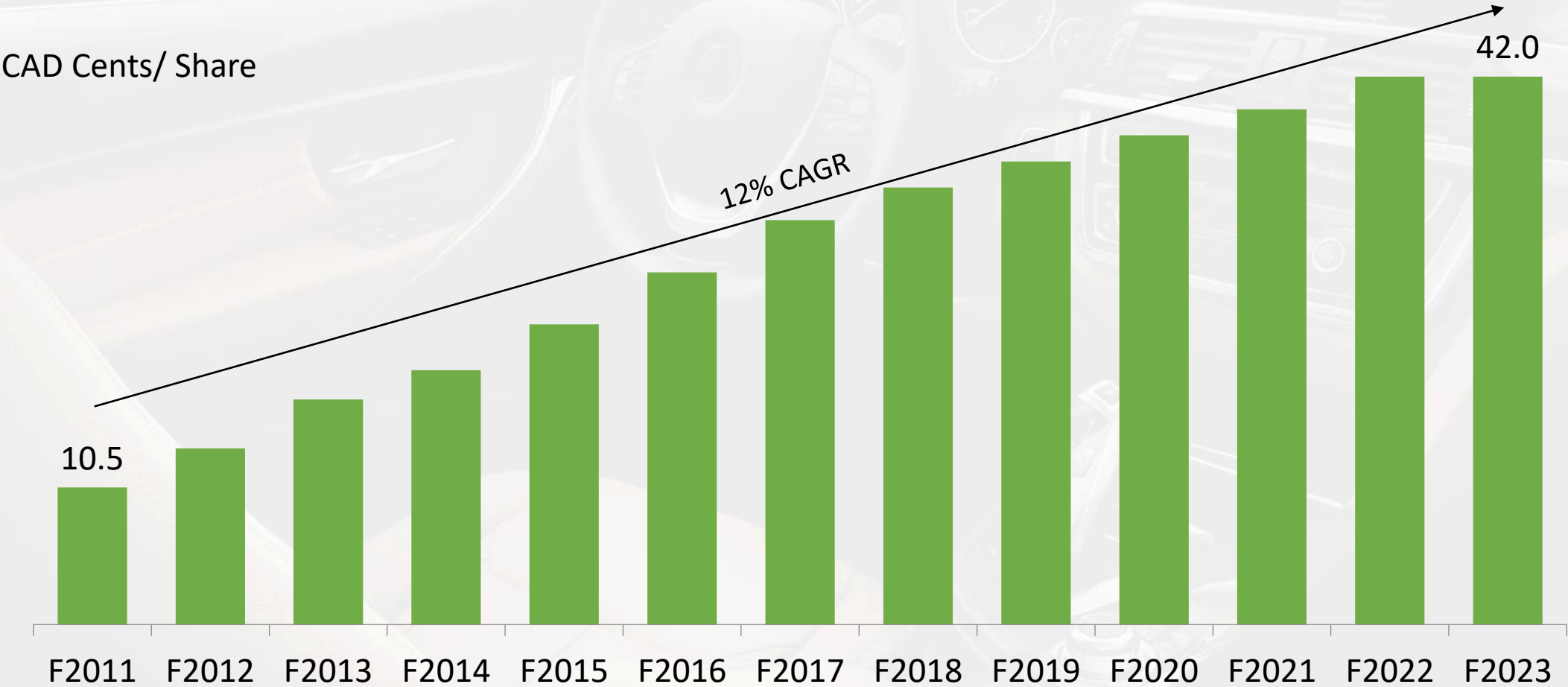
Fiscal year ended September 30



# Dividend



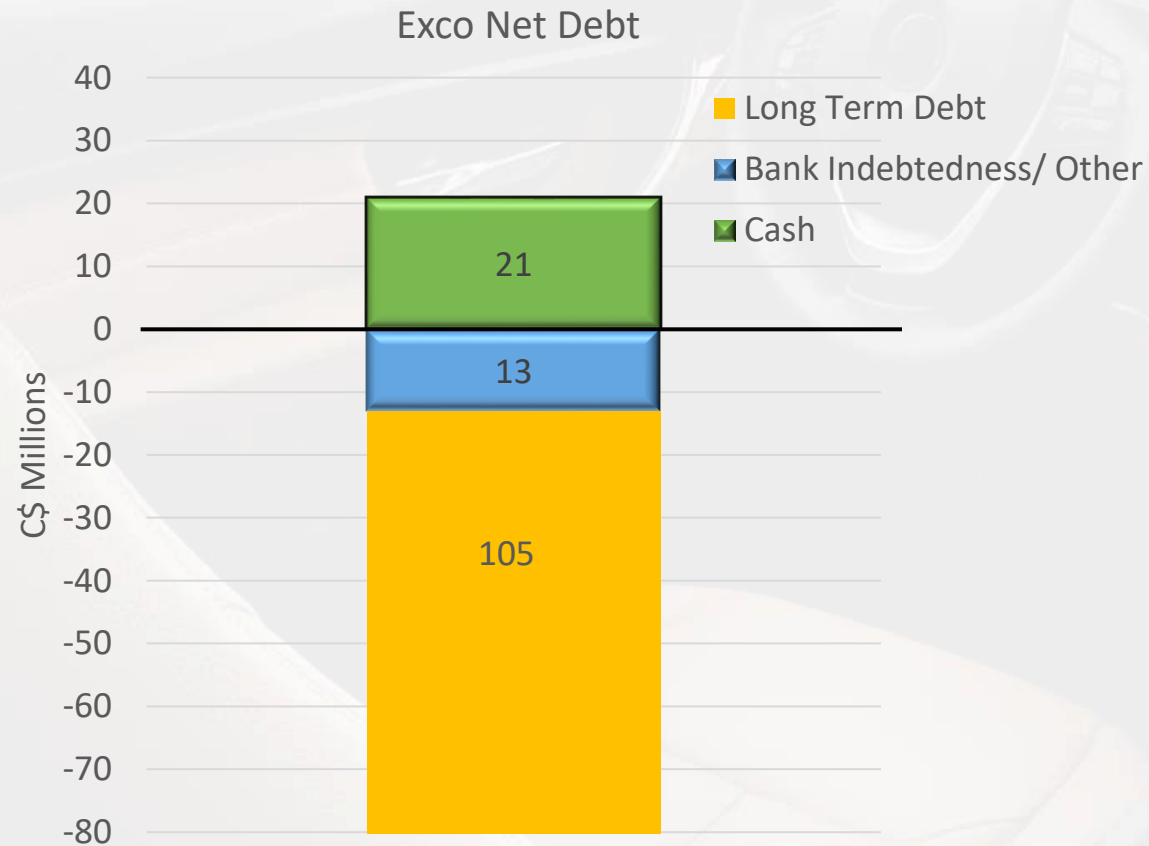
In February 2023 Dividend was maintained at an annualized rate of 42 cents per share



# Financial Leverage & Liquidity



Balance Sheet net leverage of 1.4x as at June 30, 2023



- LTM EBITDA of C\$68M
- C\$150M committed revolver matures February 2025
- Balance sheet net debt of \$97M
- C\$53M of Liquidity
- Significant cushion to bank facility covenants

# Questions

