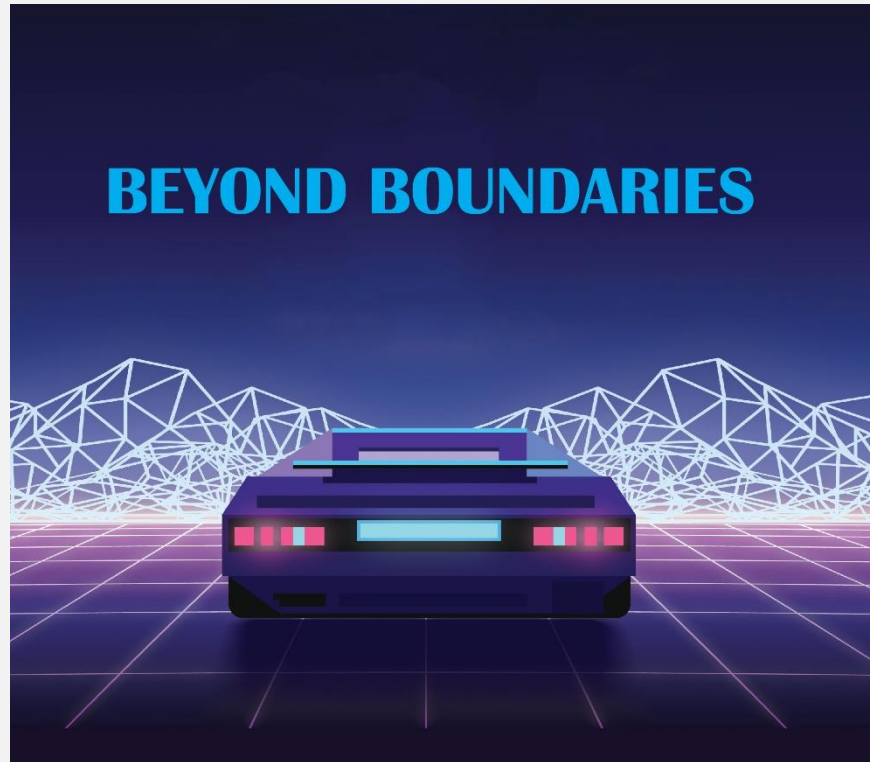




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# Q4 F2023 Earnings Call

November 30, 2023

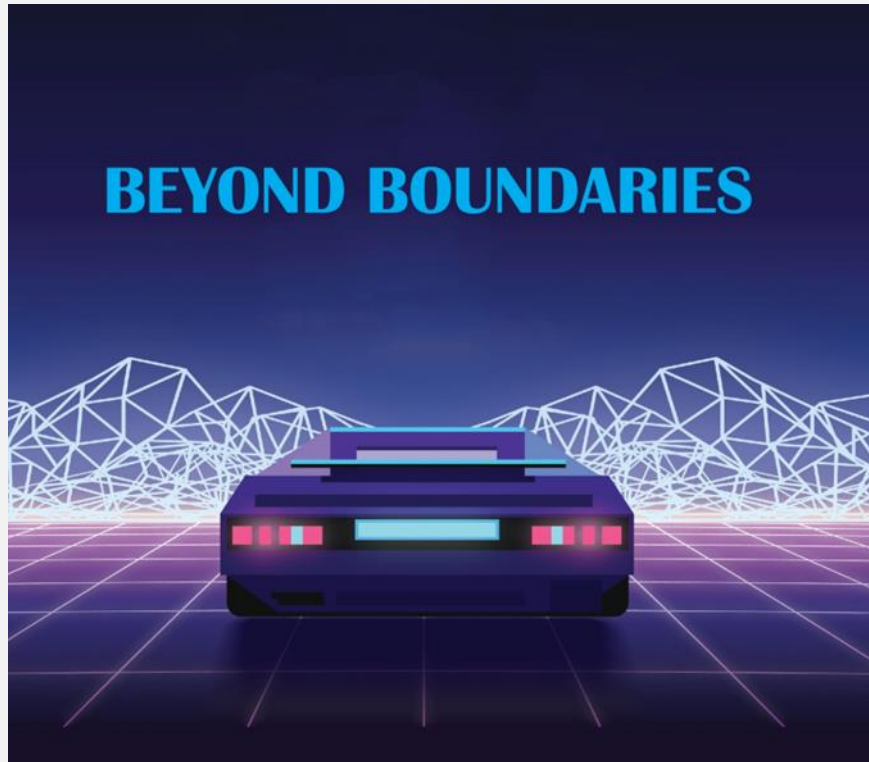
# Cautionary Statement



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 revised 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.sedarplus.ca](http://www.sedarplus.ca) or [www.excocorp.com](http://www.excocorp.com)



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**Darren Kirk**  
Chief Executive Officer

Operations Review

# Q4 F2023 Operations Overview



## Key Highlights in the Quarter – Strategic Growth Initiatives

### Castool

- Morocco greenfield facility – Ramping up and showing good traction
- Heat treatment operations – All equipment installed and operational
- Mexico greenfield facility – Commenced commercial production October 1, 2023

### Large Mould

- Equipment Additions – All equipment operational to capture growth in the very large die-cast market segment

### Extrusion

- Heat Treatment – All equipment operational: Mexico (new), Texas (expanded) and Markham (replacement)
- Halex – Integration into the Extrusion group and realizing synergies from the sharing of best practices ongoing

### Automotive Solutions

- Building Additions – Final major pieces of new equipment became operational in the second quarter of fiscal 2023

# Q4 F2023 Operations Overview



## Key Highlights in the Quarter – Automotive Solutions

- Overall industry vehicle production estimated up 9% in N.A and up 6% in Europe vs prior year quarter
  - IHS expects combined N.A. and Europe industry vehicle production to be relatively flat in Q1F24 versus prior year (down in NA; up in Europe)
    - NA production expected to be up 7% in C2024 and Europe expected to be down 2%
  - US SAAR (sales) continues to track above 15M units as fleet sales and inventory restocking as well as continuing pent-up consumer demand offsetting macro headwinds; Europe continues firm
  - UAW strike had minimal overall impact on segment results during the quarter (strike mostly resolved by end of October '23)
    - Q1F24 will have a muted impact on Exco results
- Segment revenue up \$22M/ 33% year over year (+\$19M/ 30% FX Adjusted)
  - Greatly outperformed overall market conditions due to favorable vehicle mix and new programs
- EBITDA up 47% and segment EBITDA margin improved to 13.6% from 12.2% last year



# Q4 F2023 Operations Overview

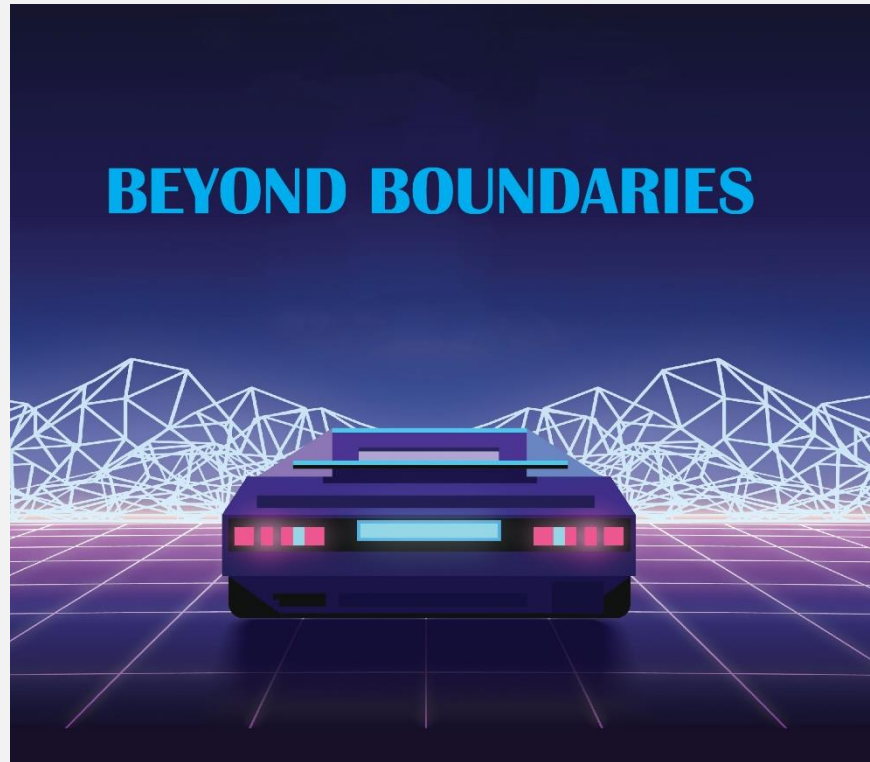


## Key Highlights in the Quarter – Casting and Extrusion

- Segment revenue was down 2% year over year, mainly due to weaker Extrusion demand in NA and timing of key Large Mould deliveries
- Segment EBITDA was C\$11.8M compared to C\$8.6M last year for an increase of C\$3.2M
- EBITDA positively impacted by:
  - Significant improvement in year over year Large Mould group results
  - Improved cost controls at North American Extrusion group, offsetting revenue decrease
  - Better results from Castool, Thailand, and from Castool Heat Treatment operations
  - Positive contributions from Halex
  - Select price increases and ongoing efficiency measures
- EBITDA negatively impacted by:
  - Raw material price increases
  - Start-up losses at Castool 90, and Castool 25
  - Increased selling expenses (promotion and travel)



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**Matthew Posno**  
Chief Financial Officer

Financial Review

# Q4 F2023 Financial Overview



## Consolidated Results Versus Prior Year Period

- Revenue of \$160.2M; up 14% compared to \$129.2M last year
  - FX movements increased revenues by \$4.8M
- EBITDA of \$22.9M; up 39% from \$16.5M last year
  - Strong improvement from Auto Solutions group as vehicle volumes grew, OEM production was more stable and newer programs within the segment continued to ramp
  - Very strong Improvement in Large Mould group despite slight sales decrease as pricing has improved, mix of work was favorable and efficiency initiatives take hold
  - Better results from Extrusion in the Americas despite weaker demand as costs were well managed (reduced OT, lower headcount, etc)
  - Much improved results at Halex
  - Stronger results at Castool and Thailand on a combined basis
  - All partially offset by:
    - Inflationary pressures and ongoing operational and logistics challenges albeit much less pronounced than recent quarters
    - Start-up (cash) losses at Castool Mexico and Castool Morocco



# Q4 F2023 Financial Overview



## Consolidated Results Versus Prior Year Period

- Casting and Extrusion segment revenues down 2% and EBITDA up 37% (Margin improved to 16% from 12%)
- Automotive Solutions segment revenues up 33% and EBITDA up 48% (Margin increased to 14% from 12%)
- EPS of \$0.24 versus \$0.14, reconciled to prior year:

Q4	F23 (\$000's)	EPS	F22 (\$000's)	EPS
EBITDA	22,901	0.59	16,538	0.43
Depreciation/ Amort	(8,393)	(0.22)	(7,612)	(0.20)
Interest	(2,275)	(0.06)	(1,392)	(0.04)
Taxes	(3,023)	(0.08)	(1,965)	(0.05)
Net Income	9,210	0.24	5,569	0.14

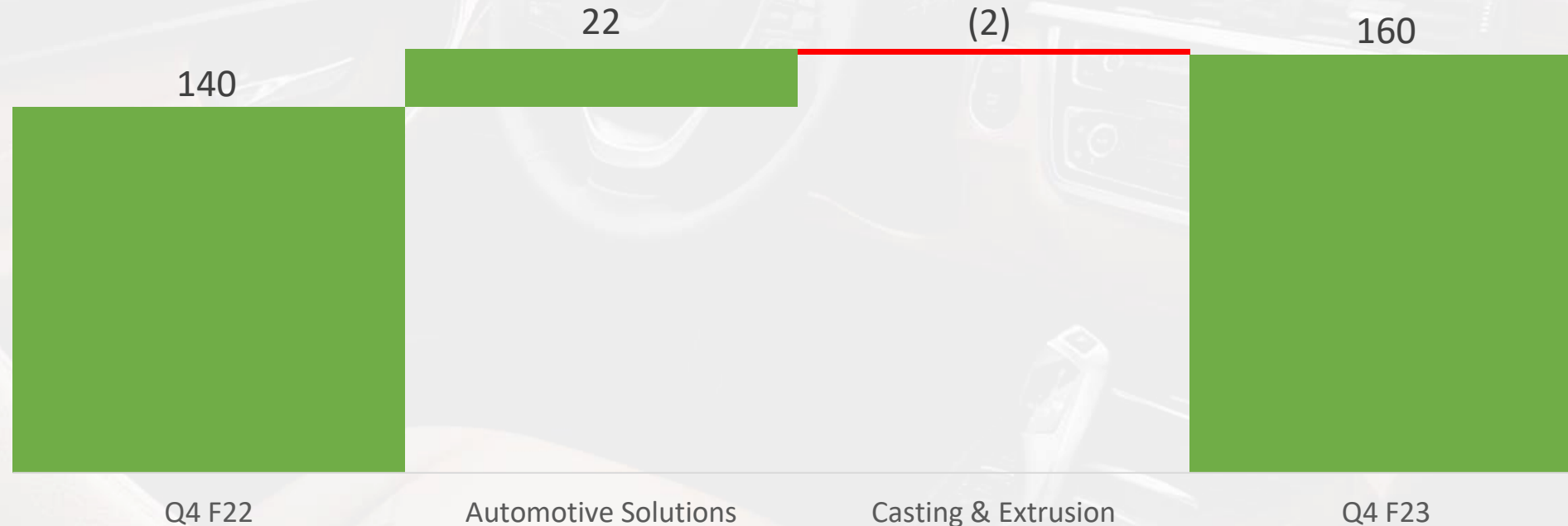
- Free cash flow of \$11.8M in the quarter (after \$2.9M of working capital use and \$3.5M of maintenance capex)
- Balance sheet net debt reduced to \$94.2M and net leverage was 1.3x

# Q4 F2023 Financial Overview



## Consolidated Revenue Reconciliation

C\$ Millions

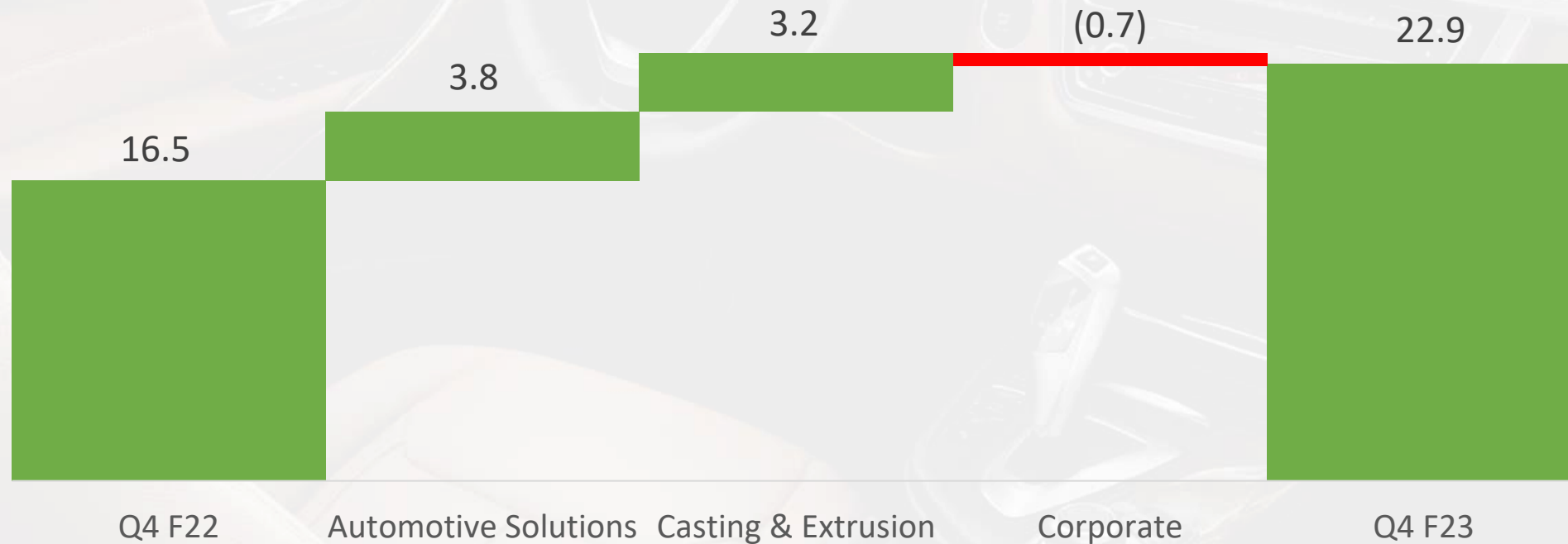


# Q4 F2023 Financial Overview



## Consolidated EBITDA Reconciliation

C\$ Millions

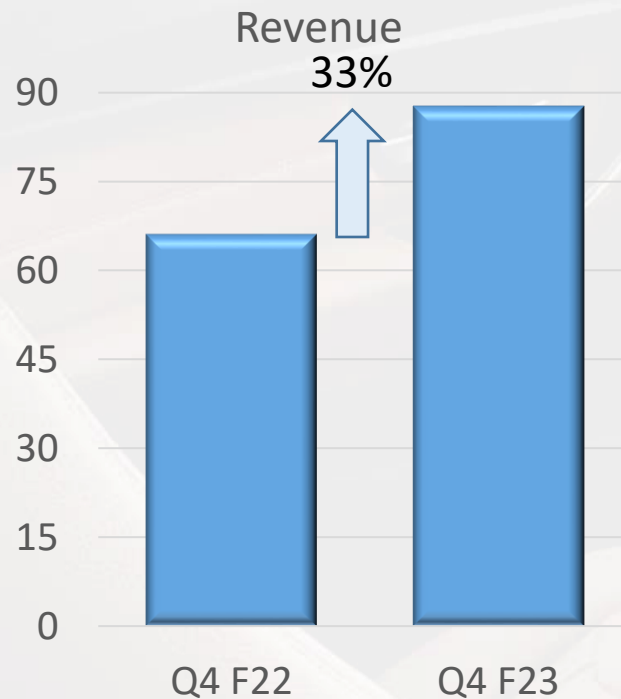


# Automotive Solutions Segment

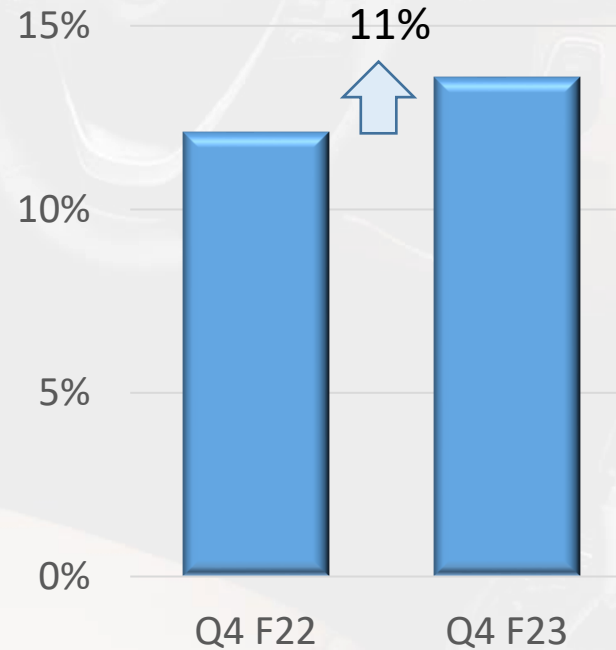


Segment Results increased with higher and more consistent production volumes

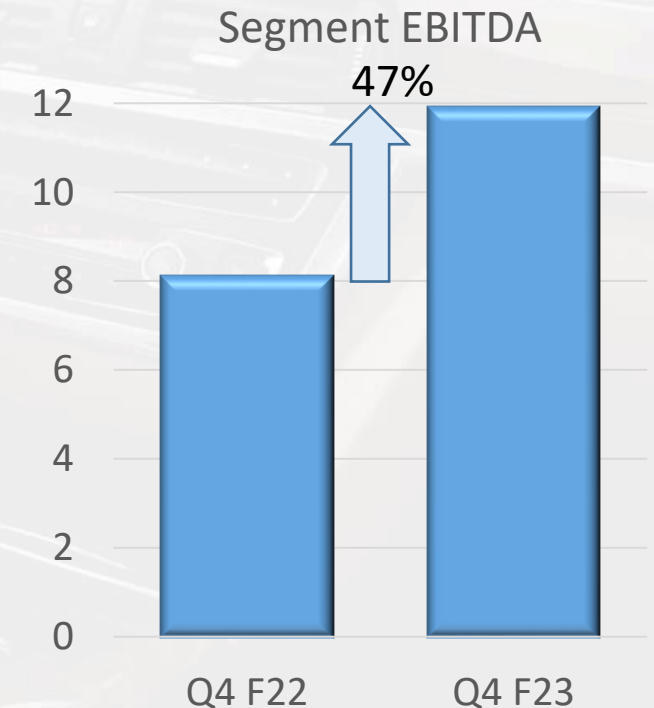
C\$ Millions



Segment EBITDA Margin



C\$ Millions

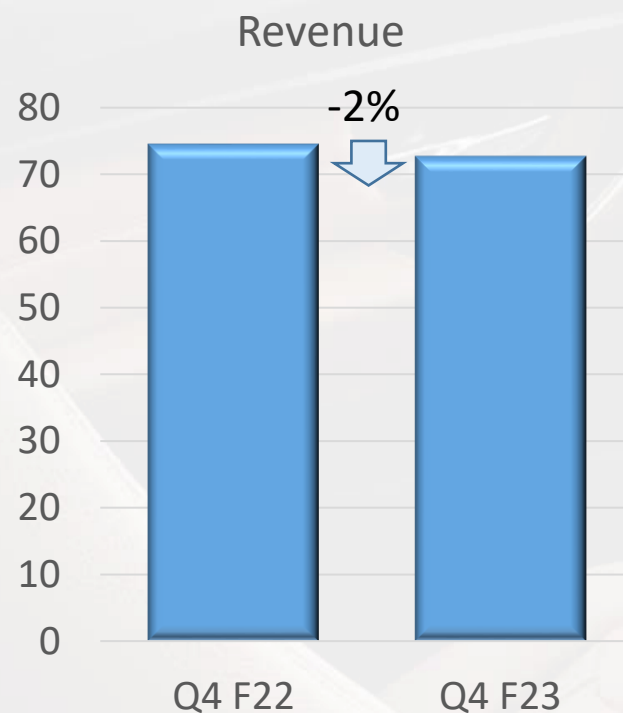


# Casting & Extrusion Segment

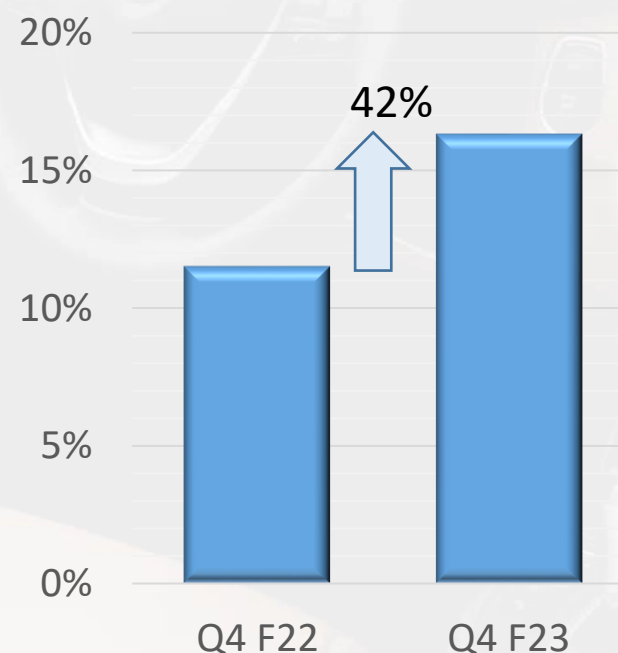


Margins improved with revenue mix changes and newer operations seasoned

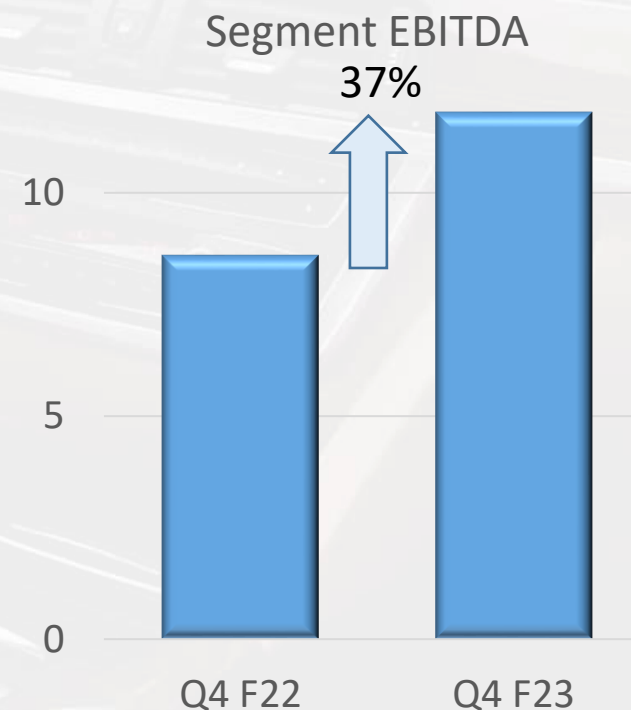
C\$ Millions



Segment EBITDA Margin



C\$ Millions

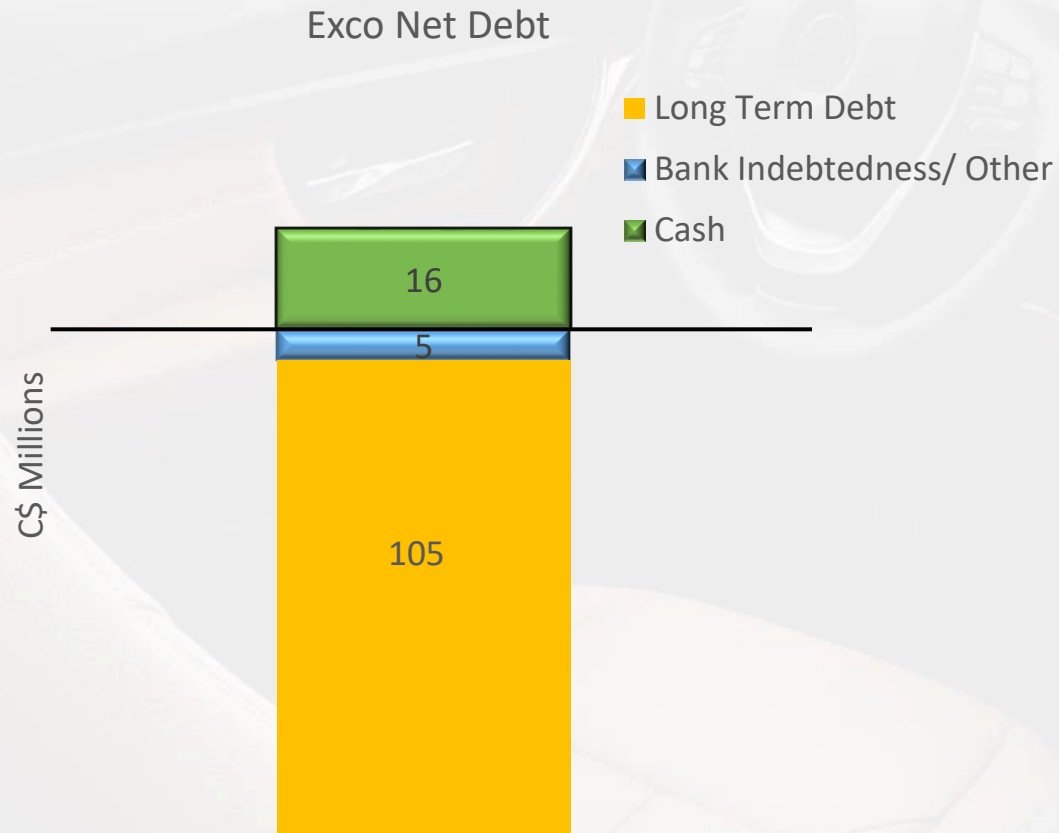




# Financial Leverage & Liquidity



Balance Sheet net leverage of 1.3x as at September 30, 2023



- LTM EBITDA of C\$74M
- C\$150M committed revolver matures February 2025
- Balance sheet net debt of \$94M
- C\$43M of Liquidity
- Significant cushion to bank facility covenants

# Questions





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