Source: *Exco Technologies Ltd.*

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Exco Results for Second Quarter Ended March 31, 2025

- **Record Consolidated Sales of $166.1 million;**
- **Net Income of $6.4 million and EBITDA of $19.7 million;**
- **Earnings per Share of $0.17 inclusive of $0.05 in restructuring charges;**
- **F2026 Financial Targets withdrawn due to tariff uncertainty**
- **Quarterly dividend of $0.105 per common share to be paid June 30, 2025.**

TORONTO, April 30, 2025 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its second quarter of fiscal 2025 ended March 31, 2025. In addition, Exco announced a quarterly dividend of $0.105 per common share which will be paid on June 30, 2025 to shareholders of record on June 16, 2025. The dividend is an "eligible dividend" in accordance with the Income Tax Act of Canada.

	Three Months Ended March 31		Six Months Ended March 31	
(in $ thousands except per share amounts)				
	2025	2024	**2025**	2024
Sales	**$166,117**	$163,825	**$309,685**	$320,535
Net income for the period	**$6,421**	$8,066	**$10,666**	$13,708
Earnings per share:				
Basic and Diluted – Reported	**$0.17**	$0.21	**$0.28**	$0.35
EBITDA	**$19,655**	$21,223	**$36,366**	$39,284

"We delivered solid results this quarter, highlighting the resilience of our businesses in challenging market conditions," said Darren Kirk, Exco's President and CEO. "While global trade uncertainty has prompted us to withdraw our Fiscal 2026 financial targets, we remain confident our strategic investments and strong competitive positioning leave us well-prepared to capitalize on growth opportunities over the longer term."

Consolidated sales for the second quarter ended March 31, 2025 were $166.1 million compared to $163.8 million in the same quarter last year – an increase of $2.3 million, or 1%. The impact of foreign exchange rate changes increased consolidated sales $8.8 million in the quarter.

The Automotive Solutions segment reported sales of $82.9 million in the second quarter – a decrease of $2.9 million, or 3% from the prior year quarter. Foreign exchange rate changes increased segment sales in the quarter $4.8 million. Quarterly sales were modestly below the prior year level but increased by 15% sequentially. Results in the quarter were favorably impacted by strong seasonally adjusted annual rate (SAAR) figures in North America, reaching 17.7 million units in March, as well as partial inventory restocking of accessory products driven by this strong SAAR performance. However, despite this favorable performance, the global automotive market continues to be negatively affected by global tariff uncertainty, recessionary risks, environmental regulatory changes that may affect production and reduced consumer confidence. Near term industry growth may be moderated by these conditions, particularly the uncertainty surrounding US tariffs. Nonetheless, supportive factors include the potential for lower interest rates, continued resilience in vehicle sales, an aging vehicle fleet, and higher OEM incentives. Exco's sales volumes are expected to benefit from recent and future program launches, contributing to continued growth in our content per vehicle, however the recently introduced US tariffs introduce significant uncertainty to our expectations. Despite the uncertainly, quoting activity remains encouraging.

The Casting and Extrusion segment reported sales of $83.2 million for the second quarter – an increase of $5.2 million or 7%, from the same period last year. Foreign exchange rate movements increased segment sales by $4.0 million in the quarter. Demand for our casting and extrusion products recovered in the second quarter as sales increased 17% from weaker conditions in the first quarter due primarily to December holiday shutdowns at our customers. Extrusion tooling sales were stable in the second quarter reflecting the diverse end markets this group ultimately supports, which includes building and construction activity, automotive, sustainable energy, transportation, recreational vehicles and electronic components. In the die-cast market, which primarily serves the automotive industry, demand and order flow for new moulds, and associated consumable tooling has declined as automotive manufacturers continue to put new product development and production on hold in part due to current political risks. That being said, sales for large moulds were very strong in the quarter as a high number of dies were shipped. While overall quoting activity remains decent, sales of die cast products in the short term will likely be negatively impacted as the automotive industry reacts to global tariffs and economic uncertainty. Demand for Exco's additive (3D printed) tooling continues its steady contribution as customers focus on greater efficiency with the size and complexity of die-cast tooling continuing to increase with the rising adoption of giga-presses. Management is developing the benefits of its Castool greenfield locations in Morocco and Mexico which provide the opportunity to gain market share in Europe and Latin America through better proximity to local customers.

Consolidated net income for the second quarter was $6.4 million or basic and diluted earnings of $0.17 per share compared to $8.1 million or $0.21 per share in the same quarter last year – a decrease of net income of $1.7 million or 21%. Net income this quarter included $2.0 million ($0.05 EPS) of after-tax restructuring charges ($0.01 EPS the prior year). The consolidated effective income tax rate was 33.7% in the current quarter compared to 22.8% in the prior year quarter. The change in income tax rate in the quarter was impacted by geographic distribution, foreign tax rate differentials and losses that cannot be tax affected for accounting purposes.

The Automotive Solutions segment reported Pretax Profit of $7.8 million in the second quarter, a decrease of $0.5 million from the prior year quarter. Second quarter segment Pretax Profit increased sequentially 65% over the first quarter. Variances in period profitability were due to lower sales volumes, product mix shifts, and rising labour costs in all jurisdictions. Labour costs in Mexico have been particularly challenging in recent years and are seeing added pressure in fiscal 2025 given the significant rise in wage levels. In reaction to these challenges, the Company incurred incremental restructuring costs of $0.5 million in the quarter. These restructuring actions were taken in conjunction with the Company's lean manufacturing principles and focus on automation, which will help the segment deal with the current production levels more efficiently and provide a strong base for future profitability when the market improves. Apart from these specific impacts, management is cautiously optimistic that its overall cost structure should improve margins as volumes recover and new programs ramp up. Pricing discipline remains a focus and action is being taken where possible - especially on new programs that are priced to reflect management's expectations for higher future costs.

The Casting and Extrusion segment reported $4.5 million of Pretax Profit in the second quarter – a decrease of $1.0 million from the same quarter last year and an increase of $0.8 million from the first quarter fiscal 2025. The Pretax Profit reduction is primarily due to incremental restructuring costs of $1.6 million incurred during the second quarter, mainly related to head count reduction activity. Excluding the impact of the restructuring charges, segment Pretax Profits improved marginally. The underlying Pretax Profit improvement was due to program pricing improvements, favorable product mix and efficiency initiatives across the segment (including the ongoing use of lean manufacturing and automation to improve productivity through standardization and waste elimination), as well as foreign exchange rate gains from balance sheet impacts. In addition, volumes at Castool's heat treatment operation continue to increase providing third-party revenues, savings and improved production quality while efficiency initiatives at Halex are progressing. Offsetting these cost improvements were ongoing losses at Castool's greenfield operations. Management remains focused on reducing its overall cost structure and improving manufacturing efficiencies and expects such activities together with its sales efforts should lead to improved segment profitability over time.

Corporate segment expenses were $1.4 million in the second quarter compared to $1.2 million in the prior year quarter. The quarterly difference relates to lower foreign exchange gains in the current quarter compared to the prior year quarter.

Consolidated EBITDA for the second quarter totaled $19.7 million compared to $21.2 million in the same quarter last year – a decrease of $1.5 million or 7%. Included in the second quarter results were the following incremental costs: $2.1 million restructuring costs, an estimated $1.0 million in disruption costs associated with the installation of the new heat treat equipment in Exco Michigan, and $1.2 million lower foreign exchange gains. Excluding the impact of these incremental costs, EBITDA increased 13% in the second quarter. For the quarter, EBITDA as a percentage of sales decreased to 11.8% in the current period compared to 13.0% the prior year driven by a decrease in Casting & Extrusion segment margins (13.5% compared to 15.5%) and the Automotive Solutions segment decreased slightly (11.8% compared to 12.0%).

Exco generated cash from operating activities of $8.7 million and Free Cash Flow of $3.1 million in the quarter compared to $17.3 million and $13.2 million respectfully in the prior year quarter. Maintenance Fixed Asset Additions were $4.4 million and interest was $1.2 million in the second quarter. During the quarter the Company invested $4.1 million in growth capital expenditures, $4.0 million in dividends, and $0.9 million in share buybacks. Exco ended the quarter with $18.1 million in cash, $82.0 million in bank and long-term debt and $51.4 million available in its credit facility, continuing Exco's practice of maintaining a strong balance sheet and liquidity position.

Outlook

In light of the growing uncertainty surrounding global trade policy—particularly the outlook for tariffs—we are withdrawing our previously issued Fiscal 2026 revenue, EBITDA, and EPS targets. Although Exco has made meaningful progress toward achieving these targets since their announcement in Fiscal 2021, the current level of unpredictability around tariff implementation and scope, especially with respect to key jurisdictions such as the United States, makes it impractical to re-affirm these financial objectives at this time. That said, we continue to believe that the underlying strategic initiatives supporting our original targets remain intact and achievable over the longer term. Our greenfield investments, new program launches, organic market growth, and historical record of gaining market share are all expected to contribute to meaningful growth and margin expansion as conditions stabilize.

Importantly, we expect that products meeting United States-Mexico-Canada Agreement (USMCA) rules of origin will remain exempt from tariffs in the long term. Nearly all of Exco's products sold within North America are USMCA compliant, which we believe places us in a favorable position to weather ongoing trade policy changes. With respect to our Casting and Extrusion segment, we maintain a substantial manufacturing presence within the U.S. market for our extrusion dies and large mould products, ensuring that we are well positioned should tariffs be applied beyond our current expectations. Furthermore, should higher tariffs on certain non-compliant jurisdictions—particularly China—persist, we believe Exco stands to benefit from a more competitive positioning relative to global peers.

We are also encouraged by broader macro trends in North America, particularly efforts to reshore industrial manufacturing. These initiatives are expected to increase demand for both extrusion and high-pressure die-cast (HPDC) tooling, which are key areas of strength for Exco. The combination of policy-driven reshoring, structural automotive trends, and our product positioning gives us confidence in our long-term outlook despite near-term headwinds.

For further information and prior year comparison please refer to the Company's Second Quarter Condensed Financial Statements in the Investor Relations section posted at www.excocorp.com. Alternatively, please refer to www.sedarplus.ca.

Non-IFRS Measures: In this News Release, reference may be made to EBITDA, EBITDA Margin, Pretax Profit, Net Debt, Free Cash Flow and Maintenance Fixed Asset Additions which are not defined measures of financial performance under International Financial Reporting Standards ("IFRS"). A reconciliation to these non-GAAP measures is provided within this MD&A. Exco calculates EBITDA as earnings before interest, taxes, depreciation and amortization and EBITDA Margin as EBITDA divided by sales. Exco calculates Pretax Profit as segmented earnings before other income/expense, interest and taxes. Net Debt represents the Company's consolidated net indebtedness position offsetting cash from bank indebtedness, current and long-term debt. It is calculated as Long-term debt plus Current portion of Long-term debt plus Bank indebtedness less Cash and cash equivalents. Free Cash Flow is calculated as cash provided by operating activities less interest paid and Maintenance Fixed Asset Additions. Maintenance Fixed Asset Additions represent management's estimate of the investment in fixed assets that is required for the Company to continue operating at current capacity levels. Given the Company's elevated planned capital spending on fixed assets for growth initiatives (including additional Greenfield locations, energy efficient heat treatment equipment and increased capacity) in recent years, the Company has modified its calculation of Free Cash Flow to include Maintenance Fixed Asset Additions and not total fixed asset purchases. This change is meant to enable investors to better gauge the amount of generated cash flow that is available for these investments as well as acquisitions and/or returns to shareholders in the form of dividends or share buyback programs. EBITDA, EBITDA Margin, Pretax Profit and Free Cash Flow are used by management, from time to time, to facilitate period-to-period operating comparisons and we believe some investors and analysts use these measures as well when evaluating Exco's financial performance. These measures, as calculated by Exco, do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers.

Quarterly Conference Call – May 1, 2025 at 9:30 a.m. (Toronto time):

To access the listen only live audio webcast, please log on to www.excocorp.com, or https://edge.media-server.com/mmc/p/cfak3cqo a few minutes before the event. Those interested in participating in the question-and-answer conference call may register at https://register-conf.media-server.com/register/BI5bfbfeed182c445baa03c5d68c0bf911 to receive the dial-in numbers and unique PIN to access the call. It is recommended that you join 10 minutes prior to the event start (although you may register and dial in at any time during the call).

For those unable to participate on May 1, 2025, an archived version will be available on the Exco website until May 16, 2025.

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About Exco Technologies Limited:

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 21 strategic locations in 9 countries, we employ approximately 5,000 people and service a diverse and broad customer base.

Notice To Reader: Forward Looking Statements

This press release 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 fiscal 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 *global economic recovery from any future 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 international conflicts 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, recoverability of capital assets, goodwill and intangibles (based on numerous assumptions inherently uncertain), and cyber security and its impact on Exco's operations. 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 *or* www.excocorp.com.