Source: *Exco Technologies Ltd.*

July 30, 2025 17:02 ET

Exco Results for Third Quarter Ended June 30, 2025

- **Consolidated Sales of $154.9 million compared to $161.8 million the prior year quarter;**
- **Net Income of $5.4 million and EPS of $0.14 in the third quarter;**
- **Free Cash Flow of $20.1 million compared to $15.9 million the prior year quarter.**
- **Quarterly dividend of $0.105 per common share to be paid September 29, 2025**

TORONTO, July 30, 2025 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its third quarter of fiscal 2025 ended June 30, 2025. In addition, Exco announced a quarterly dividend of $0.105 per common share which will be paid on September 29, 2025 to shareholders of record on September 15, 2025. The dividend is an "eligible dividend" in accordance with the Income Tax Act of Canada.

	Three Months Ended June 30		Nine Months Ended June 30	
(in $ thousands except per share amounts)				
	2025	2024	**2025**	2024
Sales	**$154,882**	$161,809	**$464,567**	$482,344
Net income for the period	**$5,399**	$8,176	**$16,065**	$21,884
Earnings per share:				
Basic and Diluted – Reported	**$0.14**	$0.21	**$0.42**	$0.56
EBITDA	**$14,690**	$22,257	**$51,056**	$61,541

"I am pleased with Exco's resilience this quarter as we navigated challenging market conditions, customer delays, softer demand, and ongoing trade uncertainties," said Darren Kirk, Exco's President and CEO. "Our strategic initiatives—including expanded facilities in key markets and increased adoption of additive tooling—combined with our advantageous positioning under USMCA rules, will allow us to capitalize on reshoring trends and potential tariff opportunities over the longer term. We remain committed to efficiency, innovation, and disciplined cost management to support margin growth and sustained profitability. I sincerely thank the entire Exco team for their continued dedication, hard work, and unwavering focus on safety as we strengthen our competitive edge."

Consolidated sales for the third quarter ended June 30, 2025 were $154.9 million compared to $161.8 million in the same quarter last year – a decrease of $6.9 million, or 4%. The impact of foreign exchange rate changes increased sales $3.1 million in the quarter and $16.0 million year-to-date.

The Automotive Solutions segment reported third-quarter sales of $80.8 million, reflecting a decrease of $2.1 million compared to the same period last year. Foreign exchange rate fluctuations positively impacted segment sales by $1.5 million in the quarter. The decline in sales during the quarter was primarily attributable to customer-driven delays in specific program launches, unfavorable vehicle mix, and slightly lower blended vehicle production volumes in North America and Europe compared to last year. Furthermore, ongoing global challenges—including uncertainty surrounding import tariffs, recessionary risks, vehicle affordability concerns, evolving environmental regulations affecting production, and weakened consumer confidence—continue to negatively influence the automotive market. Exco anticipates benefiting from recent and upcoming program launches, driving continued growth in our content per vehicle. Nevertheless, the recently introduced U.S. tariffs have created significant uncertainty regarding our future expectations. Despite this uncertainty, quoting activity remains encouraging.

The Casting and Extrusion segment reported third-quarter sales of $74.0 million, representing a decrease of $4.9 million, or 6%, compared to the same period last year. Foreign exchange rate movements positively impacted segment sales by $1.6 million in the quarter. Extrusion tooling sales grew during the quarter, benefiting from diversified end markets such as building and construction, automotive, sustainable energy, transportation, recreational vehicles, and electronic components. Demand within the die-cast tooling market, which primarily serves automotive manufacturers, has weakened as OEMs postpone new product development and launches due to soft consumer demand for electric vehicles (EVs), ongoing political uncertainties, and global tariff risks. OEMs are responding by delaying EV launches and shifting production toward hybrid and smaller internal combustion engine vehicles. However, given lingering uncertainties—including the timing of an EV market recovery and tariff developments—OEMs are proceeding cautiously, extending the lifespan of current vehicle platforms, and adversely impacting near-term demand for die-cast tooling. Nevertheless, Exco is well-positioned to benefit as foreign (non-USMCA) suppliers of die-cast tooling face growing disadvantages from anticipated tariff increases, providing potential market opportunities. Overall quoting activity remains decent, and demand for Exco's additive (3D printed) tooling continues to strengthen as customers prioritize efficiency amid increasing tooling size and complexity, particularly with the expanded adoption of giga-press technology. Management also continues to capitalize on Castool's newly established facilities in Morocco and Mexico, enhancing the Company's market presence and proximity to customers in Europe and Latin America.

Consolidated net income for the third quarter was $5.4 million or basic and diluted earnings of $0.14 per share compared to $8.2 million or $0.21 per share in the same quarter last year – a decrease of net income of $2.8 million or 34%. Net income included $0.6 million ($0.02 EPS) of after-tax restructuring charges in the quarter. The consolidated effective income tax rate was negative 13% (i.e. a credit) in the current quarter compared to 27.5% in the prior year quarter. Year-to-date, the consolidated effective income tax rate was 23.7% compared to 24.8% last year. The income tax rate in the current quarter was favourably impacted by prior year Research and Development tax credits realized in the current quarter totaling $1.6 million.

The Automotive Solutions segment reported Pretax Profit of $7.4 million in the third quarter, a decrease of $0.8 million from the prior year quarter. Variances in period profitability were due to lower sales volumes, unfavourable 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 $0.4 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, however, the segment's fourth quarter results are expected to follow typical seasonality trends due to OEM summer shutdowns. 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 Pretax Profit of $2.6 million for the third quarter, a decrease of $4.5 million, or 63%, compared to the same quarter last year. These results include incremental outsourcing costs of $1.0 million for heat treatment due to the installation of new equipment in Michigan during the quarter, restructuring expenses related to headcount reductions of $0.5 million in the quarter, and incremental foreign exchange losses of $1.6 million in the quarter. Excluding these restructuring and foreign exchange impacts, the decline in pretax profit primarily reflects lower demand for die-cast tooling and related components. Additionally, Castool's heat treatment operations continue to expand, driving higher third-party revenue, cost savings, and enhanced production quality, while efficiency improvements at Halex showed meaningful progress during the quarter. Partially offsetting these gains were ongoing start-up losses at Castool's greenfield locations, though performance continues to improve, particularly at the Mexican facility. Management remains committed to standardizing manufacturing processes, deepening engineering capabilities, and centralizing key support functions across all facilities. These ongoing initiatives have already delivered reduced lead times, higher product quality, expanded product offerings, and increased production capacity. With continued emphasis on cost reduction, efficiency enhancements, and strategic sales initiatives, management expects sustained improvements in segment profitability over time.

Corporate segment expenses were $4.0 million in the third quarter compared to $1.9 million in the prior year quarter. The increased expenses primarily relate to higher foreign exchange headwinds and other miscellaneous expenses for the quarter. Corporate segment expenses are expected to normalize lower in future quarters.

Consolidated EBITDA for the third quarter totaled $14.7 million compared to $22.3 million in the same quarter last year – a decrease of $7.6 million or 34%. For the quarter, EBITDA as a percentage of sales decreased to 9.5% in the current period compared to 13.8% the prior year quarter driven by lower Casting & Extrusion segment margins (12.7% compared to 17.8%) and the Automotive Solutions segment decreased slightly (11.4% compared to 12.1%).

Exco generated cash from operating activities of $25.2 million and Free Cash Flow of $20.1 million in the quarter compared to $22.7 million and $15.9 million respectfully in the prior year quarter. Maintenance Fixed Asset Additions were $3.9 million and interest was $1.2 million in the third quarter. During the quarter the Company invested $4.5 million in growth capital expenditures, paid $4.0 million in dividends, and used $1.1 million for share buybacks. Exco ended the quarter with $23.5 million in cash, $95.0 million in long-term debt and $56.6 million available in its credit facility, continuing its practice of maintaining a strong balance sheet and liquidity position.

Outlook

In light of the growing uncertainty surrounding global trade policy—particularly regarding tariffs—we previously withdrew our Fiscal 2026 revenue, EBITDA, and EPS targets in Q2 Fiscal 2025. Although Exco had made meaningful progress toward these targets since their initial announcement in Fiscal 2021, the heightened unpredictability around tariff implementation and scope, particularly involving key jurisdictions such as the United States, made it impractical to reaffirm those financial objectives. Nonetheless, we continue to believe that the underlying strategic initiatives that supported our original targets remain intact and achievable over the longer term. Our greenfield investments, new program launches, organic market growth, and consistent track record of gaining market share are all expected to contribute significantly to future growth and margin expansion as conditions stabilize.

Importantly, we expect products compliant with the United States-Mexico-Canada Agreement (USMCA) rules of origin to remain exempt from tariffs in the long term. As nearly all of Exco's products sold within North America comply with USMCA requirements, we are well-positioned to navigate ongoing trade policy developments. Within our Casting and Extrusion segment, we maintain a substantial manufacturing footprint in the U.S. market for extrusion dies and large mould products, further ensuring preparedness should tariffs extend beyond current expectations. Moreover, should elevated tariffs on imports from non-compliant jurisdictions—particularly China—persist, Exco stands to benefit from a more advantageous competitive positioning relative to global peers.

We are also encouraged by broader macroeconomic trends in North America, notably increasing initiatives to reshore industrial manufacturing. These reshoring efforts are expected to boost demand for extrusion and high-pressure die-cast (HPDC) tooling, areas where Exco maintains considerable strength. The combination of policy-driven reshoring, structural automotive trends, and our strong product positioning reinforces confidence in Exco's long-term outlook despite near-term headwinds.

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 – July 31, 2025 at 10:00 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/x22wy8rc 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/BIcc64608417334ee3bac4410c15a3103a 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 July 31, 2025, an archived version will be available on the Exco website until August 15, 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 4,500 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.