



Source: Exco Technologies Ltd.

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Exco Technologies Limited Announces Results for First Quarter Ended December 31, 2025

- Consolidated Sales of \$149.5 million compared to \$143.6 million the prior year quarter
- Net Income of \$4.8 million and EPS of \$0.13
- EBITDA of \$17.4 million compared to \$16.7 million the prior year quarter
- Quarterly dividend of \$0.105 per common share to be paid March 31, 2025

TORONTO, Jan. 28, 2026 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced results for its first quarter ended December 31, 2025. In addition, Exco announced a quarterly dividend of \$0.105 per common share which will be paid on March 31, 2026 to shareholders of record on March 17, 2026. The dividend is an “eligible dividend” in accordance with the Income Tax Act of Canada.

	Three Months Ended December 31	
(in \$ thousands except per share amounts)		
	2025	2024
Sales	\$149,522	\$143,568
Net income for the period	\$4,832	\$4,245
Earnings per share: Basic and Diluted	\$0.13	\$0.11
EBITDA	\$17,350	\$16,711

"We are pleased with our start to fiscal 2026, delivering solid top-line growth, improved profitability and strong free cash flow despite a complex macroeconomic backdrop. Our Automotive Solutions segment performed exceptionally well, capitalizing on new program launches and a favorable vehicle mix, while our Casting and Extrusion segment continues to see encouraging quoting activity particularly for our large mould and additive tooling solutions. Consequently, we remain very optimistic on our prospects for continued earnings growth in the quarters ahead", said Darren Kirk, Exco's President and CEO.

Consolidated sales for the first quarter ended December 31, 2025 were \$149.5 million, compared to \$143.6 million in the same quarter last year, an increase of \$6.0 million (4%). Foreign exchange movements increased sales by approximately \$1.0 million, primarily due to the strengthening Euro versus the Canadian dollar.

First quarter sales in the Automotive Solutions segment were \$79.3 million, an increase of \$7.2 million (10%) over the prior year quarter. The sales increase reflected relatively stable automotive production volumes in North America and Europe, new product launches, a favorable vehicle mix, and de-stocking of certain accessory products in the inventory channel in the prior-year quarter. Exco's sales volumes are expected to benefit from recent and future program launches, which should drive continued growth in content per vehicle. Quoting activity remains encouraging, and management believes there is ample opportunity to achieve targeted growth objectives.

First quarter sales in the Casting and Extrusion segment were \$70.2 million, down \$1.3 million (2%) versus the prior year quarter. Favorable foreign exchange changes contributed approximately \$0.7 million to sales. Extrusion tooling sales performed well year-over-year, supported by a broad range of end markets including building and construction, transportation, sustainable energy, and electrical components. Die-cast tooling sales declined versus the prior year quarter as OEMs deferred new program launches amid softer EV demand, regulatory uncertainty, and tariff-related considerations, with many manufacturers shifting emphasis toward hybrid and smaller internal combustion engine platforms. Die-cast quoting activity and orders improved in the first quarter, and demand for Exco's additive (3D-printed) tooling remains strong as customers seek higher manufacturing efficiency and solutions for larger, more complex tooling requirements, including giga-press applications.

Consolidated net income for the first quarter was \$4.8 million, or \$0.13 per basic and diluted share, compared to net income of \$4.2 million, or \$0.11 per share, in the prior year quarter. The consolidated effective income tax rate for the quarter was 31.8% versus 35.8% last year. 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 Pretax profit was \$6.5 million, up \$1.8 million (37%) from the prior year quarter, driven by higher volumes and favorable mix supporting overhead absorption. Labour costs in Mexico remain an industry-wide pressure point given mandated wage increases; management continues to emphasize productivity improvements to mitigate cost inflation. Pricing discipline remains a key focus, particularly on new programs, to align pricing with anticipated future cost increases.

The Casting and Extrusion segment Pretax profit was \$3.5 million, down \$0.2 million (6%) from last year, reflecting lower volumes, product mix changes, higher direct labour and overhead costs including under-absorption, and increased depreciation. Management continues to advance strategic pricing and operational efficiency initiatives across the segment, including lean manufacturing and automation. Performance at newer operations (including Castool greenfield facilities and Extrusion Germany) weighed on profitability during the quarter, and remains a focus for improvement as the Company scales its operations. Management continues to emphasize standardizing its manufacturing processes, enhancing engineering capabilities, and centralizing key support functions across all operations. With the recent improvement in demand for die-cast tooling, continued emphasis on cost control, operational excellence, and targeted sales initiatives, management expects segment profitability to improve over time.

The Corporate segment expenses were \$1.9 million in the quarter compared to \$0.4 million in the prior year quarter due primarily to foreign exchange losses related to the strengthening CAD dollar on balance sheet accounts. Consolidated EBITDA totaled \$17.4 million, compared to \$16.7 million in the same quarter last year. EBITDA margin was 11.6%, unchanged from the prior year quarter.

Cash provided by operating activities was \$10.2 million (prior year: \$10.4 million). Free Cash Flow was \$4.8 million (prior year: \$3.8 million). Cash used in investing activities was \$4.5 million, compared to \$7.7 million in the prior-year quarter. Following several years of significant growth-related capital expenditures, Exco intends to reduce capital spending and focus on improving the performance of existing assets. In the quarter, growth capital expenditures were \$0.2 million and maintenance capital expenditures were \$4.3 million. Management's fiscal-year capital spending forecast is \$28.0 million compared to \$36.0 million in fiscal 2025. Exco's net debt position was \$67.1 million at December 31, 2025, unchanged from September 30, 2025. Exco's principal sources of liquidity include Free Cash Flow, cash of \$24.6 million and \$59.8 million of availability under its \$151 million committed credit facility maturing March 2027. Exco was in compliance with its financial covenants at quarter end.

Outlook

In light of the growing uncertainty surrounding global trade policy—particularly regarding tariffs—we 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 will be 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 – January 29, 2026 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/7cn3adry> 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/Blab0cb3578e0a4800bb89525612137bac> 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 January 29, 2026, an archived version will be available on the Exco website until February 13, 2026.

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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.