



REKO INTERNATIONAL GROUP INC.

First Quarter Report

Three Months Ended

October 31, 2017

**REKO INTERNATIONAL
GROUP INC.**

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2

SUBSIDIARIES/DIVISIONS:

Canada:

- Concorde Precision Machining Inc.
- Reko Manufacturing Group Inc.

United States:

- Reko International Sales Inc.
- Reko International Holdings Inc.

Reko announces its 25th consecutive profitable quarter

(Windsor, Ontario – December 7, 2017) - Reko International Group Inc. (TSX-V: REKO) today announced results for its first quarter ended October 31, 2017.

Financial Highlights:

	Three Months (unaudited)	
	Fiscal 2018	Fiscal 2017
Sales	\$8,761	\$10,360
Net income	255	636
EPS basic	0.04	0.10
Working capital	16,567	20,378
Shareholders' equity	43,370	42,532
Shareholders' Equity per Share	6.74	6.61

Consolidated sales for the quarter ended October 31, 2017, were \$8.8 million, compared to \$10.3 million in the prior year, a decrease of \$1.6 million or 15.4%. The decrease in sales was related to timing of kickoffs in certain divisions as well as lower volumes in certain sectors.

Gross profit for the quarter ended October 31, 2017, was \$1.3 million, or 15.4% of sales, compared to a gross profit of \$1.8 million, or 17.4% of sales in the prior year. The decrease in gross profit was reflective of a change in product mix, with projects worked on during the quarter experiencing lower margins than in prior quarters.

Selling and administrative expenses for the quarter ended October 31, 2017 were \$1.0 million, or 11.5% of sales, compared to \$1.1 million, or 10.6% of sales in the prior year. The decrease in SG&A relates primarily to decrease in costs associated with wages and non-recurring professional fees.

Net income for the quarter ended October 31, 2017 was \$0.3 million or \$0.04 per share, compared to net income of \$0.6 million, or \$0.10 per share in the prior year.

“Reko’s first quarter experienced lower volumes of work due to delays in program kickoffs,” stated Diane Reko, chief executive officer. “Results were also impacted by the investment in new talent required for the additional capacity and opportunities associated with our expansion to be completed in 2018.”

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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About Reko International Group Inc.

Reko International Group Inc. (TSX-V:REKO) is a diversified, technology-driven manufacturing organization located in Southwestern Ontario, just minutes from the U.S. border. Areas of expertise include robotic factory automation solutions, the precision machining of large critical parts, and plastic injection and low compression acoustic tooling. Reko's family-oriented culture embraces past experience, fosters innovation, and always ensures the highest standard of quality. Reko believes in strengthening communities by advancing manufacturing. For more information, visit, or contact Marilyn Crowley, Chief Financial Officer at (519) 727-3287.

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