

Exco Technologies Limited - Results for Third Quarter Ended June 30, 2015 and Quarterly Dividend Declared

- Sales up 10% in the quarter
- Earnings up 19% in the quarter
- \$25.5 million cash on hand
- \$10.8 million cash, net of bank indebtedness
- EBITDA up 22% to \$18.2 million in the quarter

TORONTO, July 22, 2015 /CNW/ - **Exco Technologies Limited (TSX-XTC)** today announced results for its third quarter ended June 30, 2015. In addition, the Company announced the quarterly dividend of \$0.06 per common share which will be paid on September 27, 2015 to shareholders of record on September 16, 2015. 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	
<i>(in \$ thousands except per share amounts)</i>				
	2015	2014	2015	2014
Sales	\$121,930	\$110,938	\$367,311	\$257,320
Net income	\$9,956	\$8,340	\$30,466	\$22,533
Basic earnings per share	\$0.24	\$0.20	\$0.72	\$0.54
Diluted earnings per share	\$0.23	\$0.20	\$0.72	\$0.54
Common shares outstanding	42,364	41,986	42,364	41,986

Overall, Exco's sales for the third quarter at \$121.9 million continued its growth trend with an increase of \$11.0 million or 10%. Year-to-date sales were \$367.3 million - an increase over last year of \$110.0 million or 43%. The ALC acquisition closed March 1, 2014. Accordingly, ALC sales are fully included in the current quarter, the prior year quarter and the current year-to-date. Whereas, last year-to-date has only four month's inclusion. This has been a major contributor to the dramatic year-to-date sales growth over last year. However, in the third quarter where ALC was fully included in the prior year quarter, it was our other businesses which accounted for most of the growth.

The Automotive Solutions segment reported significantly higher sales of \$75.5 million in the third quarter - an increase of \$9.2 million or 14% over last year. In the quarter ALC sales levelled off as the Mini launches are nearing completion and launch of the new Audi business does not begin until 2016. ALC sales were also impacted in the quarter as the X1 program came to an end and BMW's take-rate in May was only three weeks rather than four. The other businesses in this segment - particularly in North America by Polytech and Neocon - are primarily responsible for the significant growth in the third quarter due to strong vehicle unit sales and many new product launches. Year-to-date, the segment also reported higher sales of \$224.6 million - an increase of \$90.8 million or 68% over last year. As previously indicated, ALC was fully included in the current year-to-date results compared to inclusion of only four months of sales last year. This accounts for the majority of the year-to-date growth in this segment although our other businesses grew by 47% as well.

The Casting and Extrusion segment reported sales of \$46.4 million for the third quarter - an increase of \$1.8 million or 4% over last year. Year-to-date, the segment also reported higher sales of \$142.6 million - an increase of \$19.2 million or 16% over last year. All businesses in the segment contributed to this sales increase. The large mould business group is experiencing strong rebuild demand on existing programs combined with surging demand for development and production of moulds on new programs. Sales at the Extrusion group were supported by strong market conditions in North America but also by climbing sales at our recently acquired Texas operation (2013) and our greenfield operation in Brazil which started commercial production in June 2014. While sales at Castool were higher overall, strong sales momentum by our greenfield operation in Thailand which also started commercial production in June 2014 more than compensated for the modestly lower sales experienced at Castool Canada.

Net income for the third quarter was \$10.0 million or basic earnings of \$0.24 cents per share and diluted earnings of \$0.23 per share compared to net income of \$8.3 million or basic and diluted earnings of \$0.20 per share in the same quarter last year - an increase of 19%. Year-to-date net income was \$30.5 million or diluted earnings of \$0.72 per share compared to net income of \$22.5 million or diluted earnings of \$0.54 per share last year - an increase of 35%. Net income was impacted by 1 cent per share in the quarter and 2 cents per share year-to-date by withholding tax for repatriation of foreign earnings. Net income was also impacted by stock-based compensation costs of 1.5 cents per share year-to-date. The third quarter impact was negligible.

The Automotive Solutions segment reported higher pretax profit of \$10.0 million in the third quarter - an increase of \$2.9 million or 42% over last year. Year-to-date, the segment also reported higher pretax profit of \$26.5 million - an increase of \$8.9 million or 51% over last year. The Casting and Extrusion segment reported pretax profit of \$6.4 million in the third quarter. This is consistent with last year's pretax profit of \$6.5 million as sales were not materially higher than last year. Year-to-date, the segment reported higher pretax profit of \$22.9 million - an increase of \$4.6 million or 25% over last year.

EBITDA for the third quarter was \$18.2 million compared to \$14.9 million in the same quarter last year - an increase of 22%. Year-to-date EBITDA was \$55.1 million compared to \$38.4 million - an increase of 43% over last year. EBITDA is a non-IFRS measure. Exco calculates EBITDA as earnings before interest, taxes, depreciation and amortization. Management believes EBITDA is a useful measure that facilitates period-to-period operating comparisons and we believe some investors and analysts use it as well. This measure, as calculated by Exco, does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measure presented by other issuers. EBITDA should not be considered in isolation or as a substitute for net income prepared in accordance with IFRS as issued by International Accounting Standards Board.

Overall cash provided by operating activities increased to \$13.6 million in the current quarter and \$18.6 million year-to-date compared to \$3.8 million and \$25.4 million in the same periods last year. The Company remains net bank debt-free despite \$13.2 million in capital expenditures and \$22.8 million invested in non-cash working capital in the nine months of the current fiscal year which was required to support our growing businesses. The net cash position at the close of the third quarter was \$10.8 million compared to \$6.8 million at the end of the second quarter and \$10.0 million at the end of last fiscal year (September 30, 2014).

The outlook for Exco over the balance of the year continues to be consistent with the last several quarters. Economic conditions in North America - especially in the automotive sector - continue to be favorable. The European automotive market seems to be improving at a gradual pace. Unit sales of light vehicles should continue to benefit from low borrowing costs and significantly improved fuel mileage of new vehicles should also drive stronger demand. Modest short term interest rate increases, if implemented at all in the United States, are not expected to fundamentally change this demand picture. OEM plans to refresh and redesign vehicle models and the numerous announcements by Japanese, South Korean and German OEMs to build assembly plants and otherwise expand production in North America over the next several years should support near to midterm demand.

This is expected to directly benefit our automotive component businesses in North America which should continue to experience strong sales and earnings complemented by efficient overhead absorption. Furthermore, this should also indirectly benefit our large mould businesses and Castool which sell moulds and consumable components/tooling to OEMs and their tiers.

Our North American extrusion tooling businesses and our tool shops in Colombia and Texas are experiencing growing sales in their respective markets. Extrusion Brazil and Castool Thailand sales are growing as these two businesses approach their first year of commercial production. Castool Thailand has achieved positive cash flow in two of the last three quarters and Brazil's performance continues to improve despite poor local economic conditions.

We expect to continue generating cash from our operations and growing our net cash position despite investing heavily in new equipment and a new plant in Texas this year. We also continue to be vigilant regarding potential 'tuck-under' acquisitions which bolster or complement our core capabilities.

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

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 18 strategic locations in 10 countries, we employ 5,146 people and service a diverse and broad customer base.

To access the live audio webcast, please log on to www.excocorp.com or directly to the web cast at <http://event.on24.com/r.htm?e=1021676&s=1&k=732853CB3F45F8C29208ACC602F460D1> a few minutes before 10:00 AM on July 23, 2015. Microsoft Media Player is required for access. For those unable to listen on July 23, 2015, an archived version will be available on the Exco website.

Information in this document relating to projected growth 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, timing of plant shutdowns and operating efficiencies are forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements found mainly in this news release. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, assumptions about the number of automobiles produced in North America and Europe, 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, weakening raw material prices, continuing economic recovery, currency fluctuations which may in fact not occur and the rate at which our new operations in Brazil, Thailand and South Africa/Lesotho achieve profitability. 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. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in the 2014 Annual Report, our 2014 Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at www.sedar.com.

While Exco believes that the expectations expressed by such forward-looking statements are reasonable, we cannot assure that they will be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors which could cause actual results or events to differ materially from those indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, 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.

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