



NEWS RELEASE

Additional information:

Sigma Industries Inc.

Denis Bertrand
President and Chief Executive Officer
418-484-5282
denis.bertrand@sigmaindustries.ca

SIGMA INDUSTRIES REPORTS SOLID RESULTS FOR THE SECOND QUARTER OF FISCAL 2018

Saint-Éphrem-de-Beauce, Québec, December 13, 2017 – Sigma Industries Inc. (TSX-V: SSG), a manufacturing company specializing in the production of composite components, announces results for the second quarter of its 2018 fiscal year ended October 28, 2017.

“Sigma Industries recorded another solid financial and operating performance in the second quarter of its 2018 fiscal year. Revenue growth was significant in the bus and industrial markets where customer demand for our high-quality products remains strong, while business activity in the heavy-duty truck industry continues to gradually improve. Operating profitability also remained solid, as our constant efforts to enhance productivity more than offset higher labour costs and unfavourable currency movements,” said Denis Bertrand, President and Chief Executive Officer of Sigma Industries.

“This quarter, we invested approximately \$1.0 million, mainly to increase the automation of our activities. We believe these investments, combined with our proven reputation for innovation and high-quality solutions, will allow Sigma Industries to sustain its momentum and to remain at the forefront of business opportunities that may arise. We are satisfied with the progress accomplished and we will proactively seek additional initiatives to improve efficiency. In parallel, we continue to carefully study the U.S. market as part of our participation in the Québec government’s Accelerated Growth Center program. We are in the process of finding an optimal location to set up a manufacturing facility in the United States in order to benefit from a closer proximity with our U.S.-based clients and better labour availability. We are confident that this initiative will further increase our reach south of the border and provide Sigma Industries with new growth opportunities,” added Mr. Bertrand.

SECOND QUARTER RESULTS

Revenues for the second quarter of fiscal 2018 amounted to \$14.2 million, up \$1.6 million, or 12.7%, from \$12.6 million in the previous year. This increase essentially reflects higher sales to the bus and industrial markets due to higher customer orders, as well as higher revenues from the heavy-duty truck industry resulting from improving market conditions.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) totalled \$975,000, representing 6.9% of revenues, versus \$870,000, or 6.9% of revenues, a year earlier. The increase in dollars is attributable to greater business activity and better efficiency, partially offset by higher labour costs and year-over-year currency fluctuations.

Sigma Industries concluded the second quarter of fiscal 2018 with net income of \$377,000, or \$0.03 per basic share (\$0.01 per diluted share), versus net income of \$150,000, or \$0.01 per basic share (\$0.01 per diluted share) in the second quarter of fiscal 2017.

SIX-MONTH RESULTS

For the first six months of fiscal 2018, revenues totalled \$29.6 million, up 13.7% from \$26.0 million in the first six months of fiscal 2017. EBITDA amounted to \$3.2 million, or 10.8% of revenues, versus \$1.9 million, or 7.1% of revenues, last year. Net income reached \$1.8 million, or \$0.16 per basic share (\$0.06 per diluted share), up sharply from \$436,000, or \$0.04 per basic share (\$0.02 per diluted share), in the prior year.

OUTLOOK

“Looking ahead, market conditions should remain healthy in the majority of our markets. Given this mostly favourable backdrop, Sigma Industries is well positioned to make further progress as it remains focused on generating additional sales by diversifying its product offering and stepping up penetration of existing customers. Our drive to optimize overall efficiency will leverage our proven reputation as a provider of innovative, value-added composite products and systems. By building on its core strength, Sigma Industries is committed to create lasting value for its shareholders,” concluded Mr. Bertrand.

SELECTED FINANCIAL INFORMATION

Consolidated results of operations (unaudited, in thousands of Canadian dollars except per-share amounts)	Three months ended		Six months ended	
	October 28, 2017	October 29, 2016	October 28, 2017	October 29, 2016
	\$	\$	\$	\$
Revenues	14,228	12,621	29,610	26,032
EBITDA	976	870	3,182	1,860
Net income	377	150	1,821	436
per share (basic)	0.03	0.01	0.16	0.04
per share (diluted)	0.01	0.01	0.06	0.02

Reconciliation of EBITDA, adjusted EBITDA and net income (unaudited, in thousands of Canadian dollars)	Three months ended		Six months ended	
	October 28, 2017	October 29, 2016	October 28, 2017	October 29, 2016
	\$	\$	\$	\$
Net income	377	150	1,821	436
PLUS (less):				
Income tax expense	150	-	300	-
Depreciation and amortization	218	299	597	713
Write-off of financial expenses and fees	-	192	-	192
Financial expenses	231	229	464	519
EBITDA	976	870	3,182	1,860
PLUS (less):				
Net loss (gain) in fair value of foreign exchange derivatives	338	332	(1,028)	545
Adjusted EBITDA	1,314	1,202	2,154	2,405

Consolidated balance sheet data (in thousands of Canadian dollars)	As at	
	October 28, 2017	April 29, 2017
	\$	\$
Total assets	26,252	24,839
Total liabilities	19,138	19,553
Shareholders' equity	7,114	5,286

NON-IFRS FINANCIAL MEASURES

The information in this press release includes certain measures that are not financial measures prescribed under IFRS. Sigma Industries uses earnings before interest, taxes, depreciation and amortization (“EBITDA”) and adjusted earnings before

interest, taxes, depreciation and amortization ("Adjusted EBITDA") in assessing its financial performance. As there is no generally accepted method of calculating these financial measures, they may not be comparable to similar measures reported by other companies. EBITDA is obtained by adding net income (loss) plus income taxes, financial expenses, as well as depreciation and amortization. Adjusted EBITDA consists of EBITDA plus (minus) items not related to current operations. These measures do not represent cash flow available for repayment of debt, payment of dividends, reinvestment or other discretionary uses, and should not be considered in isolation or as a substitute for other measures of performance calculated according to IFRS.

ABOUT SIGMA INDUSTRIES

Sigma Industries Inc. (TSX-V: SSG), a manufacturing company specializing in the production of composite components, has two operating subsidiaries and employs 275 people. The Company is active in the heavy-duty truck, coach, transit, machinery and wind energy markets. Sigma sells its products to original equipment manufacturers and distributors in the United States, Canada and Europe.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements about the Company. Such forward-looking statements are dependent on a number of factors and are subject to risks and uncertainties. Actual results may differ from those expected. The information contained in this press release is dated December 13, 2017, the date on which management approved the press release. Management does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information or future events, except as required by law.

Note to readers: Complete unaudited condensed interim financial statements and Management's Discussion & Analysis of Financial Position and Operating Results have been posted on SEDAR and are available at www.sedar.com.

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