

# **NEWS RELEASE**

## **OMNI-LITE INDUSTRIES REPORTS**

### **FISCAL YEAR 2018 RESULTS**

#### **RECORD PRELIMINARY FIRST QUARTER FISCAL 2019 PERFORMANCE**

#### **AND**

#### **ANNOUNCES CONFERENCE CALL FOR INVESTORS**

#### **TO BE HELD ON MAY 2, 2019**

- **Fiscal Year 2018 Revenue of US\$7.1 million, up 8% compared to 2017**
  - **Fourth Quarter Fiscal 2018 Revenue of US\$2.1 million, up 106% over Fourth Quarter Fiscal 2017**
- **Fiscal Year 2018 Adjusted EBITDA<sup>(1)</sup> of US\$1.3 million, reflecting significant investment in new senior leadership, business development, and manufacturing productivity and infrastructure**
- **Net loss for Fiscal year 2018 of US\$4.5 million, or US\$(0.43) per diluted share, including a non-cash asset impairment charge of US\$5.0 million.**
- **Preliminary Revenue for First Quarter Fiscal 2019 estimated at approximately US\$2.4 million (unaudited), a record quarterly achievement and a significant increase over last year's Q1 2018 of \$1.3 million**
- **Preliminary Adjusted EBITDA<sup>(1)</sup> for First Quarter Fiscal 2019 estimated to be approximately US\$700,000 (unaudited), as compared to last year's first quarter of US\$227,000**

**LOS ANGELES, CALIFORNIA, APRIL 30, 2019** - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for its Fiscal Year 2018 ending December 31, 2018 and preliminary record results for the First Quarter of Fiscal 2019.

#### **Fiscal Year 2018 Results**

Revenue for the year ended December 31, 2018 was US\$7.1 million, an increase of 8% or US\$0.5 million compared to US\$6.5 million for Fiscal Year 2017. The increase in revenues was primarily attributable to the contribution from the Monzite subsidiary that was acquired in

September 2018. Fiscal Year 2018 Adjusted EBITDA<sup>(1)</sup> was US\$1.3 million, a US\$0.4 million decrease from the year ago period which was largely attributable to the Company's significant investments made in senior management, business development, manufacturing productivity and systems.

For Fiscal Year 2018, Omni-Lite reported a net loss of US\$4.5 million, or US(\$0.43) per diluted share, as compared to net income of US\$737,000 or US\$0.07 per diluted share for Fiscal Year 2017. The net loss for Fiscal Year 2018 was primarily attributable to a non-cash impairment charge of US\$5.0 million, and non-recurring items associated with the acquisition of Monzite Corporation and a discretionary write-off of obsolete inventory.

During Fiscal Year 2018, the Company sustained a decrease in its market capitalization, which imputed a significant discount relative to our book value, compelling the Company, in accordance with International Financial Reporting Standard ("IFRS") IAS36 (impairment of assets), to be tested using the value in use method as of December 31, 2018. Such testing resulted in the Company recognizing a non-cash asset impairment charge of US\$5.0 million.

This non-cash charge does not necessarily reflect management's view of the utility or market value of the Company's assets nor the Company's ability to generate returns and cash flow from its assets on a go-forward basis.

### **First Quarter Fiscal 2019 Preliminary Revenue and Adjusted EBITDA<sup>(1)</sup>**

Most notably, Omni-Lite is expected to deliver record revenue in the First Quarter of Fiscal 2019 of approximately US\$2.4 million (unaudited), representing a significant increase over the \$1.3 million First Quarter Fiscal 2018 revenue. The increase in revenue is attributable to the early stages of management's efforts to be highly focused and disciplined in the engagement with its customers to satisfy their growing aerospace and defense requirements as well as converting the bookings growth realized in 2018. On a preliminary basis, Adjusted EBITDA<sup>(1)</sup> is expected to be approximately US\$700,000 (unaudited), as compared to the First Quarter Fiscal 2018 Adjusted EBITDA of \$227,000.

### **Management Comments**

David Robbins, Omni-Lite's CEO, stated that "while the impairment charge and non-recurring items had a significant impact on our quarterly and year-end earnings, the lion's share of these charges were non-cash in nature, and had no effect on the Company's cash flow, liquidity, or our ability to capitalize on our profitable growth opportunities. We generated very meaningful Adjusted EBITDA in 2018 while concurrently making substantial investments in senior leadership, market expansion through the acquisition of Monzite, new sales personnel and factory floor infrastructure which, in the aggregate, should generate significant returns in the future for our shareholders."

Mr. Robbins continued, "In response to increased marketplace demands in aerospace and defense, we have taken steps to increase production capacity and diversifying into a broader range of aerospace fasteners and additional military applications. Our continued research & development investments are solely directed at tooling and design approach for high volume manufacturing of aerospace fasteners."

Mr. Robbins concluded by stating, "Omni-Lite has a significant pipeline of opportunities from its Tier 1 and Tier 2 aerospace and defense OEMs and we believe demand remains strong for highly engineered fasteners for military and commercial air transport applications. To that end, our First Quarter Fiscal 2019 performance points to our ability to convert our aerospace and defense customers' needs into profitable revenue growth and are positioned well to respond to growing aerospace demands. We are also pleased to see profit margins increase with the incremental revenues that resulted from operational efficiencies gained by utilizing production capacity with investments made within last six months."

### SUMMARY OF FINANCIAL HIGHLIGHTS

All figures in US dollars unless noted.

	For the year ended December 31, 2018	For the year ended December 31, 2017	% Increase (Decrease)
Revenue	\$7,074,908	\$6,539,934	8%
Adjusted EBITDA <sup>(1)</sup>	1,272,725	1,717,201	(26%)
Net (loss)Income	(4,524,039)	737,824	NA

### Investor Conference Call

Omni-Lite will host a conference call for investors on Thursday, May 2, 2019, beginning at 5 P.M. Eastern Time to discuss the Fiscal 2018 and certain first quarter fiscal 2019 preliminary results and review of its business and operations.

To join the conference call, dial 888-645-4404 in the USA and Canada, or 862-298-0702 for all other countries. Please call five to ten minutes prior to the scheduled start time.

A replay of the conference call will be available 48 hours after the call and archived on the Company's investors page of the Company's website at [www.omni-lite.com](http://www.omni-lite.com) for 12 months.

<sup>(1)</sup> Please see 2018 Management Discussion and Analysis for detailed notes and definitions

## **Reconciliation of Non-IFRS Measures**

EBITDA is a non-IFRS financial measure defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is a non-IFRS financial measure defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation provision, gains (losses) on sale of assets, and non-recurring items, if any. These are non-IFRS financial measures, as defined herein, and should be read in conjunction with IFRS financial measures and they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. The non-IFRS financial measures as used herein may not be comparable to similarly titled measures reported by other companies. We believe the use of EBITDA and Adjusted EBITDA along with IFRS financial measures enhances the understanding of our operating results and may be useful to investors in comparing our operating performance with that of other companies and estimating our enterprise value. EBITDA is also a useful tool in evaluating the operating results of the Company given the significant variation that can result from, for example, the timing of capital expenditures and the amount of working capital in support of our customer programs and contracts. We also use EBITDA and Adjusted EBITDA internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

Please refer to the 2018 Management Discussion and Analysis for detailed notes and definitions.

## **About Omni-Lite Industries Canada Inc.**

Omni-Lite Industries Canada Inc. is an innovative company that develops and manufactures mission critical, precision components utilized by Fortune 100 companies in the aerospace and defence industries.

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## **Forward Looking Statements**

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intent”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. In particular, forward-looking information in this press release includes, but is not limited to, the expected future performance of the Company. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results,

performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, governmental regulation, including environmental consents and approvals, if and when required; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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