



## NEWS RELEASE

### OMNI-LITE INDUSTRIES REPORTS THIRD QUARTER FISCAL 2022 RESULTS AND ANNOUNCES

#### CONFERENCE CALL FOR INVESTORS TO BE HELD ON NOVEMBER 9, 2022, 1pm EST

- ❖ Third Quarter Fiscal 2022 Revenue of US\$3.2 million, compared to US\$1.6 million in the Third Quarter Fiscal Year 2021; 21% Organic Growth Rate
- ❖ Year-to-Date Fiscal 2022 Revenue of \$8.0 million, compared to \$4.1 million in the Year Ago Period; 24% Organic Growth Rate
- ❖ Company Successfully Executed and Returned to Positive Adjusted EBITDA Generation
- ❖ Third Quarter Fiscal 2022 Bookings of US\$3.2 million
- ❖ Backlog at US\$3.7 million, an Increase of 38% from December 31, 2021
- ❖ Cash Balance of US\$1.4 million and Debt-Free Balance Sheet
- ❖ Year-to-Date Fiscal 2022 use of US\$435K in capital expenditures for improvements in the manufacturing process
- ❖ Won 12 new programs, Underpins our strength in the market

**TSXV: OML**

**OTCQX: OLNCF**

**LOS ANGELES, CALIFORNIA, November 8, 2022-** Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fiscal third quarter ending September 30, 2022. Full financial results are available at [sedar.com](http://sedar.com).

#### **Third Quarter Fiscal 2022 Results**

Revenue for the third quarter of fiscal 2022 was approximately US\$3.2 million, an increase of 29% on a quarterly sequential basis and an increase of 95% as compared to the third quarter of fiscal 2021. The increase in revenue was due both to organic growth and the contribution from Designed Precision Castings Inc. ("DP Cast") acquisition in December 2021. Excluding the acquisition of DP Cast, revenue increased 21% as compared to the third quarter of fiscal 2021, principally due to increased demand for commercial aerospace fasteners and electronic components. Adjusted EBITDA<sup>(1)</sup> was US\$4,177 compared to US\$(65,877) in the third quarter 2021, and US\$(487,224) in the second quarter 2022, respectively. The year-over-year, and quarterly sequential increase in Adjusted EBITDA<sup>(1)</sup> was a result of operational execution, bookings conversion leading to higher revenue, partially offset by the acquisition of DP Cast and additional operational lease expense associated with the sale and leaseback of the Company's Cerritos facility. Free Cash Flow<sup>(1)</sup> was US\$(614,878) in the fiscal third quarter, as compared to US\$(236,177) in the third quarter of fiscal 2021 and US\$(554,752) in the second quarter of fiscal 2022. The decrease in free cash flow in the third quarter of fiscal 2022 as compared to year ago period was due to an increase in accounts receivable resulting from increasing production and revenue generation, which is expected to be collected in the fourth quarter of fiscal 2022. In the nine-month ending September 30, 2022, the Company's free cash flow was US\$(1,353,070), which attributed to use of US\$434,615 in capital expenditures for improvements in the



manufacturing process as well as a non-recurring capital gain tax payments related to the 2021 sale of the Company’s Cerritos facility of US\$560,000.

Fiscal third quarter 2022 bookings were US\$3.2 million, and on a year-to-date basis, bookings were US\$9.6 million, translating to a book-to-bill ratio of 1.2. Bookings in the quarter were up 28% over first quarter of fiscal 2022 bookings and remained consistent with the second quarter of fiscal 2022 performance. Omni-Lite ended the fiscal third quarter 2022 with a backlog of US\$3.7 million. The Company expects approximately 80% this backlog to ship within the remainder of the fourth quarter of fiscal year 2022.

The Company’s liquidity position remains strong with the Company ending the third quarter of fiscal 2022 with approximately US\$1.4 million in cash and no indebtedness outstanding.

### Management Comments

David Robbins, Omni-Lite’s CEO, stated “the third quarter sequential and year-over-year revenue increases are a result of growth from the newly-acquired DP Cast’s business as well as demand for commercial aerospace products and defense electronics. New product starts in forging, electronics and casting were significant contributions in bookings and revenue in the quarter and points to continued growth. We have made significant progress integrating business systems and implementing manufacturing automation initiatives at DP Cast, and expect to see improvements in profitability for all of Omni-Lite in the coming quarters.”

### Financial Summary

All figures in (US\$000) unless noted.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$3,185	\$1,631	\$8,025	\$4,101
Adjusted EBITDA <sup>(1)</sup>	4	(66)	(857)	(458)
Adjusted Free Cash Flow <sup>(1)</sup>	(\$615)	(\$236)	(\$764)	(\$457)
Non-Recurring Items	-	-	(589)	-
Free Cash Flow <sup>(1)</sup>	(\$615)	(\$236)	(\$1,353)	(\$457)
Net Income (Loss)	(\$354)	(\$204)	(\$1,538)	(\$1,006)
Diluted EPS	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.09)

Please see Third Quarter Fiscal 2022 Management Discussion and Analysis for additional notes and definitions. Totals in the tables expressed above are rounded values and may not foot.



## **Investor Conference Call**

Omni-Lite will host a conference call for investors on **Wednesday, November 9, 2022**, beginning at 1 P.M. Eastern Time to discuss the third quarter of fiscal 2022 results and review of its business and operations. To join the conference call, (888) 437-3179 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.

(1) 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. Free Cash Flow is a non-IFRS financial measure defined as cash flow from operations minus capital expenditures. Adjusted Free Cash Flow is a non-IFRS financial measure defined as Free Cash Flow excluding, if any, gains (losses) on sale of assets and non-recurring items. 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 Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow 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. Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow are also useful tools 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 Adjusted EBITDA, Free Cash Flow and Adjusted Free Cash Flow internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

## **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 defense 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. Forward-looking information in this press release includes, but is not limited to, the expect 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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