



NEWS RELEASE
OMNI-LITE INDUSTRIES REPORTS
FOURTH QUARTER AND FISCAL 2022 RESULTS
PRELIMINARY FIRST QUARTER FISCAL 2023 REVENUE PERFORMANCE
AND
CONFERENCE CALL FOR INVESTORS: APRIL 21, 2023, AT 11:00 AM EDT

Fourth Quarter Fiscal 2022 Highlights

- ❖ Revenue of US\$3.1 million, Up 83% Year-over-Year
- ❖ Bookings of US\$2.9 million, a 4% Increase over Q3'2022
- ❖ Backlog of US\$3.7 million
- ❖ Free Cash Flow of US\$125,000 a Significant Increase Year-Over-Year
- ❖ Ended Quarter with Balance Sheet Cash of US\$1.3 million, and Debt-Free

Fiscal Year 2022 Highlights

- ❖ Fiscal 2022 Revenue of US\$11.1 million, Up 93% Compared to Year Ago Period
- ❖ Bookings of US\$12.5 million, Representing a Book-to-Bill Ratio of 1.12
- ❖ Working Capital Efficiencies Driven by Inventory Reduction of US\$0.3 million

Preliminary First Quarter Fiscal Year 2023 Revenue Performance

- ❖ Unaudited Revenue of US\$2.7 million, a 13% Increase Over the Year Ago Fiscal Quarter
- ❖ Strong Bookings of US\$3.2 million, Representing a Book-to-Bill Ratio of 1.16
- ❖ Increased Backlog by approximately US\$500,000
- ❖ Ended First Quarter 2023 with Balance Sheet Cash of US\$1.3 million, and Remain Debt-Free

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, April 20, 2023 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fourth quarter Fiscal 2022 and fiscal year ending December 31, 2022. Full financial results are available at sedar.com.

Fourth Quarter Fiscal 2022 Results

Revenue for the fourth quarter of fiscal 2022 was approximately US\$3.1 million, an increase of 83% as compared to the fourth 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 20% as compared to the fourth quarter of fiscal 2021, principally due to increased demand for commercial aerospace fasteners and electronic components. Adjusted EBITDA⁽¹⁾ was approximately US\$(270,000) as compared to approximately US\$(450,000) in the fourth quarter of fiscal 2021. Adjusted EBITDA excluded approximately \$330,000 of year-end inventory adjustments in DP Cast but was after taking into account new product startup costs of approximately \$100,000. Adjusted Free Cash Flow⁽¹⁾ was approximately US\$125,000 in the fiscal quarter, as compared to breakeven performance in the fourth quarter of fiscal 2021.



Bookings in the fourth quarter of 2022 were approximately US\$2.9 million, up 121% as compared to the fourth quarter of fiscal 2021, and backlog at December 31, 2022, was approximately US\$3.7 million.

Fiscal Year 2022 Results

Revenue for the fiscal year ending December 31, 2022, was approximately US\$11.1 million, as compared to US\$5.8 million in the prior year, an increase of 93%. Excluding the acquisition of DP Cast, revenue increased 24% as compared to fiscal year 2021. Increases in demand for both commercial aerospace fasteners and electronic components contributed to the increase in revenue. Adjusted EBITDA⁽¹⁾ was approximately US\$(1,128,000) as compared to approximately US\$(908,000) in the prior year. Despite the increase in revenue, Fiscal 2022 Adjusted EBITDA declined due to the acquisition of DP Cast. Excluding the acquisition of DP Cast, Adjusted EBITDA⁽¹⁾ was approximately US\$(758,000) compared to US\$(892,000) in Fiscal Year 2021. Adjusted Free Cash Flow⁽¹⁾ was US\$(639,000) which was after factoring in capital expenditures of approximately US\$466,000, as compared to US\$(461,000) in Fiscal 2021. Excluded items from Fiscal 2022 Adjusted Free Cash Flow⁽¹⁾ included approximately US\$29,000 in transaction costs associated with the acquisition of DP Cast and a non-recurring capital gain tax payment of approximately US\$560,000 related to the 2021 sale/leaseback of the Company's Cerritos facility.

Omni-Lite reported a Fiscal Year 2022 net loss of US\$2.6 million, or US\$(0.17) per diluted share, as compared to a net loss of US\$0.5 million, or US\$(0.04) per diluted share in Fiscal Year 2021. The net loss for 2022 was primarily due to the acquisition of DP Cast. In 2022, the net loss was partially offset with employee retention credits totaling approximately US\$200,000. In 2021, the net loss was offset by a gain on sale of the Company's Cerritos facility of approximately US\$1.8 million and Paycheck Protection Program 2 loan forgiveness of approximately US\$0.4 million. Excluding those items as well as adjusting for the US\$330,000 inventory write off, adjusted net loss of US\$2.4 million in Fiscal Year 2022, compared to an adjusted net loss of US\$2.7M, the net loss decreased by approximately 9% from the prior year.

First Quarter Fiscal 2023 Preliminary Revenue

The Company expects to deliver revenue in the First Quarter of Fiscal 2023 of approximately US\$2.7 million (unaudited), representing a 13% increase over the US\$2.4 million First Quarter Fiscal 2022 revenue. The increase is attributable to a combination of price increases across the Company's fastener, forging, and defense electronics businesses, as well as new product sales. Bookings for the First Quarter of 2023 accelerated, amounting to \$3.2 million, or a book-to-bill ratio of 1.16; and backlog increased to \$4.1 million. The Company expects its balance sheet cash to remain at approximately \$1.3 million at the end of Q1'2023 and no outstanding indebtedness.

Management Comments

David Robbins, Omni-Lite's CEO, stated "Omni-Lite Industries finished strong in Fiscal 2022, with an organic revenue increase of 20% year-over-year for the fourth quarter. Our Adjusted EBITDA was impacted by a one-time write down in Inventory of Casting products of approximately \$330,000 and we incurred over \$100,000 of startup costs related to new industrial casting products and forged titanium aerospace products in the quarter. We expect to see improvements in our Adjusted EBITDA in castings products in line with our electronics and forged components as we convert our backlog of new and mature components to sales and capitalize on anticipated further increases in aerospace and defense bookings into 2023. Robbins further added, "Our quoting activity in 2023 has increased nearly 50% year-over-year from both mature products and new product starts which points toward continuing growth in revenue."



Financial Summary

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

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenue	\$3,112	\$1,631	\$11,137	\$5,763
Adjusted EBITDA ⁽¹⁾	(270)	(450)	(1,128)	(908)
Free Cash Flow ⁽¹⁾	\$125	(\$701)	\$1,228	(\$1,158)
Non-Recurring Items	-	697	589	697
Adjusted Free Cash Flow ⁽¹⁾	\$125	(\$4)	(\$639)	(\$461)
Net Income (Loss)	(\$1,016)	523	(\$2,553)	(\$483)
Non-Recurring Items	-	-	130	(2,167)
Adjusted Net Income (Loss)	(\$1,016)	523	(\$2,423)	(\$2,650)
Diluted EPS	(\$0.07)	\$0.05	(\$0.17)	(\$0.04)

Investor Conference Call

Omni-Lite will host a conference call for investors on April 21, 2022, beginning at 11:00 A.M. (EDT) to discuss the 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 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 special items, among others, gains (losses) on sale of assets and non-recurring items, net of tax effects, 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 used herein may not be comparable to similarly titled measures reported by other companies. We believe the use of Adjusted EBITDA, Adjusted Free Cash Flow and 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, Adjusted Free Cash Flow and 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, Adjusted Free Cash Flow and Free Cash Flow internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

Please see 2022 Management Discussion and Analysis for additional 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 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 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. 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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