



## REKO INTERNATIONAL GROUP INC.

*First Quarter Report  
Three Months Ended  
October 31, 2022*

### Reko Reports Double Digit EPS and Declares a Dividend

#### **REKO INTERNATIONAL GROUP INC.**

469 Silver Creek Industrial Drive  
Lakeshore, Ontario  
N8N 4W2  
[www.rekointl.com](http://www.rekointl.com)

#### **SUBSIDIARIES/DIVISIONS:**

##### Canada:

- Concorde Precision Machining Inc.
- Reko Manufacturing Group Inc.

##### United States:

- Reko International Services Inc.
- Reko International Holdings Inc.
- Concorde USA, LLC

(Windsor, Ontario – December 1, 2022) - Reko International Group Inc. (TSX-V: REKO) today announced results for its first quarter ended October 31, 2022.

#### Financial Highlights:

(in 000's, except for per share data)

	Three Months (unaudited)	
	Fiscal 2023	Fiscal 2022
Sales	\$13,796	\$12,106
Net income	704	493
EPS basic	0.12	0.08
Working capital	20,329	17,398
Shareholders' equity	46,905	47,597
Shareholders' Equity per Share	8.19	7.89

Consolidated sales for the quarter ended October 31, 2022, were \$13.8 million, compared to \$12.1 million in the prior year, an increase of \$1.7 million or 14.0%. The increase in sales was largely related to persistent efforts by the sales and estimating teams which resulted in a steady flow of work. Increased pricing to help relieve some supply chain costs helped, as did an increase in the average foreign exchange rate.

Gross profit for the quarter ended October 31, 2022 was \$2.2 million compared to a gross profit of \$1.8 million in the prior year. Gross profit as a percentage of sales increased to 16.1%, compared to 15.2% for the same period last fiscal year. The regular attention by all levels within the organization to project performance has contributed greatly to improvement in overall efficiency, by allowing team members to react quickly to any operational inefficiencies. Navigating a very tough cost environment continues to be a daily challenge.

Selling and administrative expenses for the quarter ended October 31, 2022 were \$1.6 million compared to \$1.2 million in the prior year. An increase in recruiting costs to fill some positions contributed to the increase in SG&A. Retaining skilled labour is also crucial, particularly during these times when finding skilled labour can be challenging. The company invested in its workforce by offering wage increases and the opportunity to earn a performance bonus.

Net income for the quarter ended October 31, 2022 was \$0.7 million or \$0.12 per share, compared to \$0.5 million, or \$0.08 per share in the prior year.

During the quarter, the company repurchased and cancelled 54,437 shares under the normal course issuer bid. Under the current normal course issuer bid which commenced December 31, 2021, the Company was permitted to purchase up to a total of 300,837 common shares. All shares available under this current bid have now been repurchased and cancelled at a net cost of \$1.48 million.

Reko is pleased to announce the upcoming payment of a special cash dividend of \$0.25 per share to all shareholders of record on December 15, 2022, with a payment date of January 13, 2023. Shareholders are asked to ensure that TSX Trust Company has their up-to-date contact information, including mailing address, in order to expediate the payment of the dividend.

“Our bottom-line improvement for the quarter, year over year, reflects the dedicated and

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innovative efforts of many people on the Reko team”, stated Diane Reko, CEO. “Even with the continued supply chain challenges in both pricing and delivery of components, and with continued scarcity of skilled labour, we managed to increase our year over year sales and net income. We continue to seek innovative solutions to these new realities and are demonstrating that our team is up to the challenge.”

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. About Reko International Group Inc.

#### **About Reko International Group Inc.**

*Reko International Group Inc. (TSX-V:REKO) is a diversified, technology-driven manufacturing organization located in Southwestern Ontario, just minutes from the U.S. border. Areas of expertise include robotic factory automation solutions and the precision machining of large critical parts. Reko's family-oriented culture embraces past experience, fosters innovation, and always ensures the highest standard of quality. Reko believes in strengthening communities by advancing manufacturing. For more information, visit, or contact Catia Longo, Chief Financial Officer at (519) 727-3287.*