



REKO INTERNATIONAL GROUP INC.

*Second Quarter Report
Period Ended
January 31, 2020*

REKO INTERNATIONAL GROUP INC.

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2

SUBSIDIARIES/DIVISIONS:

Canada:

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

United States:

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

REKO ANNOUNCES SECOND QUARTER RESULTS FOR FISCAL 2020

(Windsor, Ontario – March 5, 2020) - Reko International Group Inc. (TSX-V: REKO) today announced results for its quarter ended January 31, 2020.

Financial Highlights:
(in 000 's except for per share amounts)

	Three Months (unaudited)		Six Months (unaudited)	
	Fiscal	Fiscal	Fiscal	Fiscal
	2020	2019	2020	2019
Sales	\$9,538	\$11,615	\$18,888	\$23,053
Net income	57	272	197	442
EPS basic	0.01	0.04	0.03	0.07
Working capital			17,286	14,773
Shareholders' equity			46,501	45,617
Shareholders' Equity per Share			7.37	7.09

Consolidated sales for the second quarter of 2020 were \$9.5 million compared to \$11.6 million in the same period last year, a decrease of \$2.1 million or 18%. The decrease was primarily the result of weak demand in the automotive sector.

Gross profit for the quarter ended January 31, 2020 was \$1.0 million compared to \$1.6 million for the same period in the prior year. The decrease in overall sales had an impact on gross profit. In the second quarter, gross profit as a percentage of sales declined to 10.5% compared to 13.6% in the previous year. For the six months, the decline was far more muted with gross profit as a percentage of sales of 13.3% compared to 14.6% in the prior year.

Selling and administrative expenses for the second quarter of fiscal 2020 totaled \$1.2 million compared to \$1.4 million for the same period in fiscal 2019. The Company continues to monitor spending and has implemented several cost reduction initiatives.

Net income for the three months ended January 31, 2020 was \$0.057 million or \$0.01 per share compared to \$0.272 million or \$0.04 per share for the same period in the prior year. For the six months ended January 31, 2020, net income was \$0.197 million or \$0.03 per share, compared to \$0.442 million or \$0.07 per share in the same period last year.

“While profitable in the quarter, we felt the impact of global uncertainty in the delay of awards in many of our markets.” noted CEO Diane Reko. “These delays have impacted both our sales for the quarter and our backlog of orders. We continue to focus on opportunities to increase sales, while implementing programs to reduce costs.”

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.

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, the precision machining of large critical parts, and plastic injection and low compression acoustic tooling. 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.