



**REKO INTERNATIONAL GROUP INC.**

**Second Quarter Report  
Six Months Ended  
January 31, 2023**

**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

**Reko Reports Profitable Quarter**

(Windsor, Ontario – March 9, 2023) - Reko International Group Inc. (TSX-V: REKO) today announced results for its second quarter ended January 31, 2023.

Financial Highlights:

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

	Three Months (unaudited)		Six Months (unaudited)	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Sales	\$11,666	\$13,419	\$25,462	\$25,525
Net income	483	872	1,187	1,366
EPS basic	0.08	0.15	0.21	0.23
Working capital			19,730	22,390
Shareholders' equity			45,972	46,813
Shareholders' Equity per Share			8.00	7.81

Consolidated sales for the quarter ended January 31, 2023, were \$11.7 million, compared to \$13.4 million in the prior year, a decrease of \$1.7 million or 13%. The decrease in sales was largely related to a delay in project kick offs. Year to date sales for fiscal 2023 were \$25.4 million, compared to \$25.5 million in the previous fiscal year.

Gross profit for the quarter ended January 31, 2023 was \$2.2 million compared to a gross profit of \$2.3 million in the prior year. Gross profit as a percentage of sales averaged 19% for the three months compared to 16.9% for the same period last year, and 17.5% for the six months compared to 16% for the first half of last year. The favourable increase in gross profit is related to a decrease in material cost, which was partly offset by an increase in internal labour costs.

Selling, general and administrative expenses (SG&A) for the quarter ended January 31, 2023 were \$1.6 million compared to \$1.3 million in the prior year. Wage increases and recruitment expenses are mostly the reason for increases in SG&A.

Net income for the quarter ended January 31, 2023 was \$0.5 million or \$0.08 per share, compared to \$0.9 million, or \$0.15 per share in the prior year.

During the quarter, the company re-purchased 400 shares under the normal course issuer bid which expires January 8, 2024, and paid a dividend to shareholders of \$0.25 per share.

“We are starting to see the impact of market uncertainty in some project release delays”, stated Diane Reko, CEO. “While we faced increasing manufacturing costs year over year in wages and purchased inputs, our focus on innovative solutions for these increasing costs led to profitable growth. The company is well-positioned to face a potential recession with a strong balance sheet and capabilities to assist with solutions to many current manufacturing and production problems.”

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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.*