



REKO INTERNATIONAL GROUP INC.

**Third Quarter Report
Nine Months Ended
April 30, 2023**

**REKO INTERNATIONAL
GROUP INC.**

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2
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 results for the third quarter

(Windsor, Ontario – June 8, 2023) - Reko International Group Inc. (TSX-V: REKO) today announced results for its third quarter ended April 30, 2023.

Financial Highlights:

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

	Three Months (unaudited)		Nine Months (unaudited)	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Sales	\$10,306	\$13,357	\$35,768	\$38,882
Net income	55	92	1,242	1,458
EPS basic	0.01	0.02	0.22	0.25
Working capital			22,868	20,939
Shareholders' equity			45,870	46,155
Shareholders' Equity per Share			8.05	7.90

Consolidated sales for the quarter ended April 30,2023, were \$10.3 million, compared to \$13.4 million in the prior year, a decrease of \$3.1 million or 23.1%. The decrease in sales was largely related to lower volumes in certain sectors due to delays in program kickoffs. Consolidated sales for the nine months ended April 30,2023 were \$35.8 million, compared to \$38.9 million in the prior year, a decrease of \$3.1 million or 8.0%

Gross profit for the quarter ended April 30,2023 was \$1.3 million compared to a gross profit of \$2.0 million in the prior year. The decrease in overall sales negatively impacted profit. Gross profit for the nine months ended April 30,2023 was \$5.7 million, or 16.0% of sales, compared to gross profit of \$6.0 million in the prior year, or 15.7% of sales that year.

Selling and administrative expenses for the quarter ended April 30,2023 were \$1.4 million compared to \$2.0 million in the prior year. The decrease in SG&A is largely due to restructuring costs from the prior year. The year over year decline in SG&A was largely due to a restructuring charge taken in fiscal 2022 which inflated SG&A expenses in that quarter. Selling and administrative expenses for the nine months ended April 30,2023 were \$4.6 million, or 12.8% of sales, compared to \$4.6 million in the prior year, or 11.9% of sales.

Net income for the quarter ended April 30,2023 was \$0.06 million or \$0.01 per share, compared to \$0.09 million, or \$0.02 per share in the prior year. Net income for the nine months ended April 30,2023 was \$1.2 million or \$0.22 per share, compared to net income of \$1.5 million or \$0.25 per share in the prior year.

“The quarter was challenging due to delays in automotive customer kickoffs, leaving underutilized capacity in some areas of the business”, stated Diane Reko, CEO. “Based upon activity which began late in the quarter and has continued subsequently, we anticipate a significant growth in order backlog. This should translate to improving results in upcoming quarters. Our cash position remains strong and ready for any volatility in the market or for acquisition opportunities.”

During the quarter, the company re-purchased 47,700 shares under the normal course issuer bid at a cost of \$236,000.

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Catia Longo, former CFO moved on to pursue personal interests during the quarter. She will be replaced by Kim Marks, CPA, CA who has held many senior financial positions. Ms. Marks most recent position was as CFO of Highline Produce Limited.

The mortgage that expired in April of 2023 was renewed at a rate of 5.63% for a term of 36 months. Total amount renewed was \$3,138,000.

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, contact Diane Reko, Chief Executive Officer at (519) 727-3287.