



REKO INTERNATIONAL GROUP INC.

**Third Quarter Report
Nine Months Ended
April 30, 2018**

**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 Sales Inc.
- Reko International Holdings Inc.

Reko’s Profits Improve as Capital Projects Complete

(Windsor, Ontario – June 5, 2018) - Reko International Group Inc. (TSX-V: REKO) today announced results for its third quarter ended April 30, 2018.

Financial Highlights:

	Three Months (unaudited)		Nine Months (unaudited)	
	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017
Sales	\$11,776	\$11,699	\$32,066	\$33,272
Net income	647	560	1,322	1,985
EPS basic	0.10	0.09	0.21	0.31
Working capital			16,222	16,850
Shareholders’ equity			44,461	42,596
Shareholders’ Equity per Share			6.90	6.61

Consolidated sales for the quarter ended April 30, 2018, were \$11.8 million, compared to \$11.7 million in the prior year, an increase of \$0.1 million or 0.7%. The increase in sales was related to increases in timing of program kickoffs in certain divisions.

Gross profit for the quarter ended April 30, 2018, was \$1.9 million, or 16.3% of sales, compared to a gross profit of \$1.9 million, or 16.5% of sales in the prior year.

Selling and administrative expenses for the quarter ended April 30, 2018 were \$1.2 million, or 10.0% of sales, compared to \$1.1 million, or 9.7% of sales in the prior year. The increase in SG&A relates to additional staff for expansion as well as one-time expenses associated with the new building.

Net income for the quarter ended April 30, 2018 was \$0.6 million or \$0.10 per share, compared to net income of \$0.6 million, or \$0.09 per share in the prior year. The increase in net profit and earnings per share can be attributed to a net foreign exchange gain in the latest quarter, partly offset by higher income taxes.

“We have created a strong foundation for the future, not only with our newly launched Automation facility, but with major investments in both machinery and people that together make Reko much more efficient,” stated Diane Reko, chief executive officer. “We are well poised to expand our market reach with our innovative offerings, team, and facilities.”

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.

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About Reko International Group Inc.

Reko International Group Inc. (TSX-V:REKO) is a diversified, technology-driven manufacturing organization located in Southwestern Ontario. Areas of expertise include robotic factory automation solutions, the precision machining of large critical parts, and plastic injection and low compression acoustic tooling. Reko believes in strengthening communities by advancing manufacturing. For more information, visit, or contact Marilyn Crowley, Chief Financial Officer at (519) 727-3287.

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