MATTR CORP.

(TSX: MATR)

PRESS RELEASE

MATTR ANNOUNCES THIRD QUARTER 2024 RESULTS

TORONTO, November 13, 2024 – Mattr Corp. ("Mattr" or the "Company") (TSX: MATR) reported today its operational and financial results for the three and nine months ended September 30, 2024. This press release should be read in conjunction with the Company's management's discussion and analysis ("MD&A") and interim consolidated financial statements for the three and nine months ended September 30, 2024, which are available on the Company's website at www.mattr.com and at www.sedarplus.ca.

Highlights from the third quarter include:

- On a consolidated basis (including Continuing Operations and Discontinued Operations), Mattr reported revenue of $250 million, Net Income of $13 million, Adjusted EBITDA[1] of $37 million, diluted Earnings Per Share ("EPS") of $0.19 and diluted Adjusted EPS[1] of $0.23 during the quarter. Results are inclusive of Modernization, Expansion and Optimization ("MEO") costs[1] of $3.1 million and severance costs of $1.9 million;
- A definitive agreement was entered into to sell the Company's subsidiary, Thermotite do Brasil ("Thermotite"), for $17.5 million USD, or approximately $24.4 million CAD at October 31, 2024 exchange rates, to Vallourec Tubular Solutions, a subsidiary of Vallourec S.A. ("Vallourec"). This transaction is subject to Brazilian anti-trust approval and normal working capital adjustments and is currently expected to close by mid-2025. Thermotite, which is the Company's last remaining pipe coating business, and was previously accounted for under the Financial and Corporate section (formerly known as Financial, Corporate and Other), is now reported as Held for Sale and its operational results are presented as Discontinued Operations. Accordingly, prior period information has been retrospectively restated to reflect the new split between Continuing Operations and Discontinued Operations;
- Revenue from Continuing Operations increased by 2% to $226 million from the $222 million delivered in the prior year's quarter. Operating income from Continuing Operations was $18 million and Adjusted EBITDA from Continuing Operations was $29 million;
- Revenue from the Composite Technologies segment decreased by 3% to $136 million from the $140 million delivered in the prior year's quarter;
- Revenue from the Connection Technologies segment increased by 10% to $90 million from the $82 million delivered in the prior year's quarter - a new third quarter record;
- Revenue, Operating Income and Adjusted EBITDA from Discontinued Operations were $24 million, $7 million and $8 million respectively;
- The Company remained active under its Normal Course Issuer Bid ("NCIB"), repurchasing 1,440,599 of its common shares during the third quarter of 2024 for an aggregate repurchase price of approximately $22.2 million. Subsequent to the quarter and as of October 31, 2024, the Company has repurchased 658,500 shares for an aggregate repurchase price of approximately $8.4 million; and
- Subsequent to the quarter, the Company (through its subsidiary) entered into a definitive agreement (the "Definitive Agreement") with Nexans USA Inc. ("Nexans") to acquire AmerCable Incorporated ("AmerCable"), a U.S. manufacturer of highly engineered wire and cable solutions. Under the terms of the Definitive Agreement, which is subject to customary closing conditions including U.S. anti-trust review and approval, Mattr will acquire all of the shares of AmerCable for $280 million USD, or approximately $390 million CAD at October 31, 2024 exchange rates. This transaction is currently expected to close around the 2024 year end and, upon closing, AmerCable will be reported within the Company's Connection Technologies segment. Further details can be found in the Company's press release issued on November 8th, 2024.

1. EBITDA, Adjusted EBITDA and Adjusted EPS, are non-GAAP measures. MEO Costs is a supplementary financial measure. Non-GAAP and other financial measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See *"Section 5.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

“The third quarter of 2024 saw Mattr continue to capture new customers in key markets while making substantial progress on strategic activities designed to position the organization for meaningful long-term revenue, margin and cash flow expansion,” said Mike Reeves, Mattr's President & CEO.

“During the quarter we announced the sale of Thermotite, our remaining pipe coating business in Brazil, the commencement of production from two of our four new manufacturing sites and, subsequent to the quarter, the acquisition of AmerCable, which will significantly enhance our presence in the large and growing U.S. highly engineered wire and cable market and raise our exposure to the global electrification movement.”

“These actions, combined with the continued on-time, on-budget progress of our remaining new production sites, have fundamentally transformed Mattr. Including the pending AmerCable transaction, since the beginning of 2021, we have committed nearly $1 billion of capital to reduce debt, drive organic growth, repurchase shares and capture attractively valued, strategically aligned acquisitions. I firmly believe our organization is now even better positioned to deliver on our ambitious mid- and long-term growth, profitability and cash flow targets.”

Mr. Reeves continued: “Operational performance during the third quarter 2024 remained robust, despite the effects of less favourable conditions in several end markets. Demand remained strong for fuel storage and water management products, with our water products business delivering a new record revenue quarter. North American industrial demand rose sequentially as the early impacts of lowering interest rates began to show and order capture for early 2025 critical infrastructure projects, including from nuclear, communications and electrical utility customers, remained strong. Our Flexpipe and DSG-Canusa teams levered newly introduced products to deliver year-over-year revenue growth despite slowing of their respective North American onshore oilfield and global automotive markets.”

“We believe the fourth quarter will see typical seasonal slowing across most business lines, with sequential declines in North American onshore oilfield and global automotive production activity likely to be more pronounced as macro conditions in these sectors remain less favourable. In response to these trends, Mattr has taken steps to lower annualized fixed costs by approximately $20 million. Our Adjusted EBITDA from Continuing Operations for the fourth quarter of 2024 is expected to be the lowest of 2024, as seasonal revenue declines are compounded by severance and AmerCable transaction related costs.”

Mr. Reeves concluded: “Looking into 2025, we anticipate rising demand across much of our portfolio and expect to out-perform the North American onshore oilfield and global automotive markets where activity will potentially remain somewhat depressed. With confidence in our cash generation profile and the expected use of our credit facilities to fund a portion of the AmerCable purchase, we expect to adjust our go-forward capital allocation priorities to emphasize debt repayment, to complete existing growth investments and to continue share repurchases under our NCIB.”

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		**2024**		2023	
	$	**%**	$	%	**$**	**%**	$	%
Revenue	**226,240**		221,892		**677,546**		689,058	
Gross Profit	**60,118**	**27%**	71,628	32%	**196,565**	**29%**	220,645	32%
Operating Income from Continuing Operations [(a)]	**18,345**	**8%**	25,377	11%	**49,537**	**7%**	72,376	11%
Net Income from Continuing Operations	**5,606**		16,592		**14,272**		45,861	
Net Income (Loss) from Discontinued Operations	**7,186**		55,382		**(5,043)**		64,364	
Net Income for the period	**12,792**		71,974		**9,229**		110,225	
Earnings per share:								
Basic	**0.19**		1.04		**0.14**		1.58	
Diluted	**0.19**		1.03		**0.14**		1.57	
Adjusted EBITDA from Continuing Operations [(b)]	**29,283**	**13%**	40,103	18%	**95,506**	**14%**	124,892	18%
Adjusted EBITDA from Discontinued Operations [(b)]	**7,460**	**32%**	88,337	30%	**14,130**	**28%**	125,351	21%
Total Consolidated Adjusted EBITDA from Operations [(b)]	**36,743**	**15%**	128,440	25%	**109,636**	**15%**	250,243	20%
Total Consolidated Adjusted EPS from Operations [(b)]								
Basic	**0.23**		1.11		**0.71**		1.96	
Diluted	**0.23**		1.10		**0.71**		1.95	

(a) Operating income in the three months ended September 30, 2024 includes no impairment charges; while operating income in the three months ended September 30, 2023 includes impairment charges of $8.7 million. Operating income in the nine months ended September 30, 2024 includes $3.5 million restructuring costs and other, net and no impairment charges; while operating income in the nine months ended September 30, 2023, includes no restructuring costs and other, net and impairment charges of $8.7 million.

(b) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. Non-GAAP measures do not have standardized meanings prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See *"Section 5.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

1.0 THIRD QUARTER HIGHLIGHTS

During the third quarter of 2024, a definitive agreement was entered into to sell the Company's subsidiary, Thermotite, being its final remaining pipe coating business, to Vallourec for a purchase price of $17.5 million USD, or approximately $24.4 million CAD at October 31, 2024 exchange rates, on a cash-free, debt-free basis. This transaction is subject to normal working capital adjustments and customary closing conditions, including Brazilian anti-trust approval. The Company currently anticipates the transaction will close by mid-2025. Thermotite was previously accounted for under the Financial and Corporate section of the segment information note in the Company's financial statements but is now reported as Held for Sale, and its operational results are presented as Discontinued Operations. Accordingly, prior period information has been retrospectively restated to reflect the new split between Continuing Operations and Discontinued Operations.

During the third quarter of 2024, the Company delivered $226.2 million in revenue from Continuing Operations which represented a $4.3 million or a 2.0% increase from the same quarter of 2023. The Company's operating income from Continuing Operations in the third quarter of 2024 was $18.3 million, which represented a decrease of $7.0 million compared to the third quarter of 2023. Adjusted EBITDA from Continuing Operations was $29.3 million during the third quarter of 2024, which represented a decrease of $10.8 million compared to the third quarter of 2023.

The Company’s Composite Technologies segment revenue decreased by $3.8 million or 2.7% in the third quarter of 2024 compared to the prior year's quarter, primarily as a result of lower international sales of Flexpipe products driven by variability in the timing of customer orders and related shipments. This was partially offset by higher North American Flexpipe sales. The segment's Xerxes business revenue remained relatively unchanged compared to the same period of 2023.

The Company’s Connection Technologies segment delivered third quarter revenue of $89.9 million, representing an $8.1 million, or 9.9%, increase compared to the same quarter of 2023. This represented a new third quarter record, driven primarily by stronger sales of Shawflex wire and cable products into the Canadian industrial market, higher copper prices and stronger sales of DSG-Canusa heat shrink products into automotive end markets.

The Company’s operating income from Continuing Operations was $18.3 million and Adjusted EBITDA from Continuing Operations was $29.3 million in the third quarter of 2024, compared to $25.4 million and $40.1 million, respectively, in the third quarter of 2023. The Company’s financial results in the third quarter of 2024 include the impact of $3.1 million in expenses related to the Company’s ongoing North American production footprint MEO strategy, compared to $0.8 million of MEO related expenses recorded in the third quarter of 2023. The third quarter 2024 results also include $1.9 million of severance costs associated with organizational changes and rightsizing of the Company's workforce, while the third quarter of 2023 included minimal severance costs. Severance and MEO costs are reflected in the Company's total SG&A costs and have not been adjusted out of the Adjusted EBITDA calculation. Additionally, the Company recorded a recovery of $1.4 million in share-based incentive compensation against operating income from Continuing Operations during the third quarter of 2024. Comparatively, operating income from Continuing Operations in the prior year’s third quarter included a recovery of $2.4 million in share-based incentive compensation. The third quarter of 2023 also included $8.7 million in impairment charges related to certain real estate assets in Western Canada recorded against operating income from Continuing Operations and reported under Financial and Corporate section.

As at September 30, 2024, the Company had cash and cash equivalents totaling $186.0 million, a decrease from $334.1 million as at December 31, 2023. The decrease in cash compared to year-end 2023 was largely attributable to investments of $94.3 million in capital expenditures, primarily related to the Company’s ongoing MEO strategy, together with a $47.5 million payment to Tenaris S.A. (“Tenaris”) for the net working capital adjustment in respect of the Q4 2023 sale of the Pipeline Performance Group (“PPG”) business and $21.9 million of share buy backs under the Company's NCIB program. These decreases were partially offset by net proceeds of $12.7 million received from the Company's offering of the senior unsecured notes in the second quarter of 2024 (after funding the redemption of prior outstanding senior unsecured notes and paying related fees and transaction expenses), as well as the cash generated from operating activities of $6.0 million.

Selected Segment Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		**2024**		2023	
	$	**%**	$	%	**$**	**%**	$	%
Revenue								
Composite Technologies	**136,367**		140,130		**408,158**		423,060	
Connection Technologies	**89,873**		81,762		**269,388**		265,998	
Financial and Corporate	**—**		—		**—**		—	
Revenue from Continuing Operations	**226,240**		221,892		**677,546**		689,058	
Revenue from Discontinued Operations	**23,606**		292,091		**50,618**		589,962	
Operating Income (Loss) [(a)]								
Composite Technologies	**12,841**	**9%**	25,483	18%	**37,314**	**9%**	71,785	17%
Connection Technologies	**9,675**	**11%**	13,255	16%	**38,750**	**14%**	46,594	18%
Financial and Corporate	**(4,171)**		(13,361)		**(26,527)**		(46,003)	
Operating Income from Continuing Operations	**18,345**		25,377		**49,537**		72,376	
Operating Income from Discontinued Operations	**6,877**		80,685		**12,022**		97,762	
Adjusted EBITDA [(b)]								
Composite Technologies	**20,287**	**15%**	32,446	23%	**62,806**	**15%**	93,985	22%
Connection Technologies	**11,997**	**13%**	14,564	18%	**46,846**	**17%**	52,834	20%
Financial and Corporate	**(3,001)**		(6,907)		**(14,146)**		(21,927)	
Adjusted EBITDA from Continuing Operations [(b)]	**29,283**	**13%**	40,103	18%	**95,506**	**14%**	124,892	18%
Adjusted EBITDA from Discontinued Operations [(b)]	**7,460**	**32%**	88,337	30%	**14,130**	**28%**	125,351	21%

(a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in the operating income of Connection Technologies for the third quarter of 2024 and 2023, as well as, $2.2 million and $2.0 million were reflected in the operating income for the nine months ended September 30, 2024 and 2023, respectively. See *"Section 5.0 – Reconciliation of Non-GAAP Measures"* for further information regarding the restated Adjusted EBITDA for all quarters of 2023.

(b) Adjusted EBITDA is a non-GAAP measure. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 5.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

The Composite Technologies segment contains the Company's Flexpipe and Xerxes business lines and delivered revenue in the third quarter of 2024 of $136.4 million, a decrease of $3.8 million, or 2.7%, compared to the third quarter of 2023. Operating income for the segment in the third quarter of 2024 was $12.8 million, a $12.6 million decrease from the $25.5 million reported in the third quarter of 2023.

Flexpipe revenue was slightly lower than the comparative period in the prior year. International revenue declined year-over-year based on the specific timing of orders and deliveries, with the comparative period elevated by the presence of a substantial delivery into the Middle East. In contrast, North American revenue rose modestly year-over-year, despite a decline in North American onshore drilling rig count of approximately 6% during the same period. This North American market out-performance was primarily driven by ongoing new customer capture and market share gains in recently introduced larger diameter products.

Within Xerxes, revenue was relatively flat versus the comparative period in the prior year. Revenue related to sales of Fiberglass Reinforced Plastic ("FRP") tanks into fuel applications was modestly lower than the prior year, driven by a less favourable customer and product mix and some project delays in the Southeastern US following landfall of Hurricanes Francine and Helene late in the quarter. Sales of FRP tanks and other products into water management applications rose versus the prior year period, reaching a new quarterly record high and entirely offsetting the year-over-year decline in fuel related revenue. Water product revenue during the quarter benefited from continued strong demand for large cooling water storage tanks in the US data center market.

Segment Adjusted EBITDA in the third quarter of 2024 was $20.3 million, a decline of $12.2 million from the $32.4 million reported in the third quarter of 2023. This reduction was mostly attributed to a reduction in gross profit, driven by a drop in gross margin, primarily reflecting a less favourable relative customer mix in the Xerxes fuel business and a less efficient absorption of production facility costs. This includes the transient impacts associated with newly established Xerxes and Flexpipe sites and a legacy Xerxes site which underwent significant upgrades during the quarter. During the third quarter, the segment incurred non-capitalizable MEO costs of approximately $1.5 million associated with the establishment of its new North American production sites and the final exit of its previously shuttered Anaheim, California Xerxes facility, which compares to $0.6 million of MEO costs incurred during the third quarter of 2023. The segment also incurred $0.8 million of non-ordinary warranty costs associated with the resolution of legacy product performance issues and severance costs of $0.3 million as it made initial adjustments to staffing levels in response to macro market conditions, including those with the potential to unfavourably impact future North American onshore oilfield activity.

The Connection Technologies segment contains the Company's Shawflex and DSG-Canusa business lines and delivered revenue of $89.9 million in the third quarter of 2024, a new third quarter record and an increase of $8.1 million when compared to the third quarter of 2023. Its operating income in the third quarter of 2024 was $9.7 million compared to $13.3 million in the third quarter of 2023. The segment delivered Adjusted EBITDA of $12.0 million during the third quarter of 2024, a $2.6 million decrease versus the prior year quarter.

Shawflex revenue increased compared to the prior year period, driven primarily by higher demand for 'stock' industrial products from its Canadian distributor customer base and pass through of elevated copper prices (which carry limited incremental margin dollars), partially offset by lower sales into US and Canadian infrastructure applications driven by specific project timing.

DSG-Canusa revenue increased compared to the prior year period, driven primarily by higher sales into automotive end markets in its North America and Europe, Middle East and Africa ("EMEA") regions as the Company gained market share amidst a backdrop of lower global automotive production during the quarter.

The segment's year-over-year decreases in operating income and Adjusted EBITDA were primarily the result of a less favourable product mix in the Shawflex business and $1.6 million of non-capitalizable MEO costs incurred during the quarter associated with the bifurcation and relocation of its North American footprint, compared to $0.2 million of MEO cost recognized in the prior year period.

Discontinued Operations generated revenue of $23.6 million and $7.5 million of Adjusted EBITDA during the third quarter of 2024 compared to $292.1 million in revenue and $88.3 million of Adjusted EBITDA during the third quarter of 2023. The revenue in 2024 was generated solely by Thermotite, with the Company having sold the balance of its PPG business, formerly reported under the Pipeline and Pipe Services segment (excluding the entities not within the perimeter of the transaction), to Tenaris during the fourth quarter of 2023.

2.0 OUTLOOK

The Company currently anticipates typical seasonal slowing of activity levels during the fourth quarter of 2024. This seasonal slowing pattern is normal and typically impacts the Company's Xerxes business (as ground conditions in parts of North America become less favourable for underground tank installation), its Shawflex business (as Canadian wire and cable distributors manage year-end inventory balances) and both DSG-Canusa and Flexpipe as customers slow operations over the holiday period. Despite opportunities to continue recent market share capture trends in the North American onshore oilfield and global automotive markets, the Company currently expects generally unfavourable macro trends to exacerbate normal year-end slowing patterns in both markets this year and that such macro trends will likely continue into 2025.

The Company expects Continuing Operations manufacturing efficiency in the fourth quarter of 2024 to be modestly favourable to the third quarter of 2024, as its new sites gradually build workforce proficiency and elevate output, while the significant upgrade activity at a legacy Xerxes site is scheduled to conclude around the end of 2024. Despite this improvement, Continuing Operations Adjusted EBITDA in the fourth quarter of 2024 is expected to decline sequentially, driven primarily by the effects of seasonally lower revenue levels, a less favourable revenue mix, higher MEO costs of $5-6 million in the Connection Technologies segment and recognition of $8-9 million of transaction expenses associated with the AmerCable acquisition within the Corporate and Finance reporting section.

Additionally, severance costs of $6-8 million related to workforce adjustments across the organization are expected to be incurred in the fourth quarter. Once complete, these workforce adjustments are expected to yield approximately $20 million of annualized cost savings, appropriately sizing the Company's fixed cost base in response to anticipated activity levels within its North American onshore oilfield and global automotive markets in the coming quarters.

In management's view, the overall underlying near-, mid- and long-term macro trends impacting Mattr's core industrial and infrastructure businesses remain favourable. Despite interest rates which remain above recent historical levels and ongoing geopolitical uncertainty, demand for products in support of critical infrastructure renewal and expansion, including broad electrification, industrial growth, fueling station construction and water management, is expected to remain robust.

Management currently anticipates global oil prices will likely remain towards the lower end of recent trading ranges for multiple quarters, driven by a transient imbalance in global supply versus demand. Management also anticipates automotive production activity, particularly in North America and Europe, is likely to be modestly lower in 2025 than during 2024, as several large customers work to address profitability challenges, including those surrounding electric vehicles.

The Company continues to closely monitor the timing of large, project driven orders for its products, particularly for international orders. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

The Company maintains an "all of the above" approach to capital allocation. From the beginning of 2021 and through the period ending September 2024, the Company has lowered its gross debt by over $267.2 million, has deployed over $202.6 million in organic growth capital and has deployed over $92.4 million to repurchase and retire its own shares. Subsequent to quarter end, the Company announced its proposed acquisition of AmerCable for a gross purchase price of $280 million USD or approximately $390 million CAD at October 31, 2024 exchange rates, with this transaction expected to close around year end 2024. Upon closing of this acquisition, the Company expects to adjust its near-term relative prioritization of capital allocation, returning focus to lowering net debt while completing its existing MEO organic growth initiatives and continuing to remain active under its NCIB.

Composite Technologies Segment

Within the Composite Technologies segment, the Company expects sequential declines in shipments of Xerxes FRP fuel and water tanks during the fourth quarter of 2024 as ground conditions at customer installation sites start to become less favourable. These reduced shipment volumes lead the Company to believe that revenue and Adjusted EBITDA contributions from the Xerxes business will be lower in the fourth quarter of 2024 than the third quarter of 2024. In spite of these seasonal declines, the Company expects to see improvement in the efficiency levels at its newly established production facilities and anticipates that the inefficiencies observed at its recently upgraded legacy tank facility will be fully resolved by the end of 2024.

Shipments of Flexpipe composite pipe are expected to be sequentially lower during the fourth quarter of 2024, driven by the expectation of modestly lower sales in North America and limited scheduled international projects. Within North America, the Company currently expects the gradual decline in active onshore drilling rig and hydraulic fracturing fleet count observed year-to-date to persist during the fourth quarter, driven primarily by customer consolidation and budget exhaustion. While Flexpipe's development and introduction of new products, including larger diameter products, coupled with strong technical and operational support capabilities has enabled the business to onboard new US and Canadian customers over the past year, the Company currently believes seasonal market activity declines are likely to out-pace continued Flexpipe market share gains during the fourth quarter. The Company has taken swift action to adjust its workforce to align with the current market dynamics and remains well positioned to navigate the uncertainty in oil and gas market outlook that is expected to persist into 2025.

In recent quarters the Company has been successful in securing multiple Flexpipe orders, including larger diameter product orders, for delivery into international projects. The Company benefited from delivery of several significant orders during the first half of 2024. Additional international opportunities for potential delivery during the fourth quarter of 2024 and beyond are being pursued, however, due to the variable nature of international project scheduling and subsequent order and delivery timing, some quarter-to-quarter variability is expected.

The expected movements within the Xerxes and Flexpipe businesses cause the Company to currently anticipate Composite Technologies segment revenue and Adjusted EBITDA in the fourth quarter of 2024 will be lower than the third quarter of 2024. The segment expects to incur severance costs of $3-4 million in the fourth quarter of 2024 as it adjusts its workforce to adapt to less favourable macro conditions in the North American onshore oilfield market.

The segment initiated commercial production at its two new US manufacturing sites during the third quarter, establishing both its Rockwall, Texas Flexpipe and Blythewood, South Carolina Xerxes facilities on-time and on-budget. Production from these facilities continues to gradually rise; however, the sites are not expected to reach full efficiency until the middle of 2025. Both new facilities have sufficient physical space to enable further organic growth through production line additions in future years. The segment also continues to progress remaining elements of the exit from its aging Anaheim, California Xerxes facility. Tank production at this site ceased early in the first quarter of 2024 and the facility is expected to be fully vacated by the end of 2024, further lowering the Company's fixed cost and operating risk base.

In combination, the actions taken to modernize, expand and optimize the segment's North American production footprint are expected to lower average production costs, increase total production capacity and position the segment to deliver meaningful growth and margin expansion in subsequent years. The Company expects limited MEO costs within the segment during the fourth quarter of the year as the Anaheim exit nears completion. The segment continues to monitor the timing of large project driven orders for its products. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

Connection Technologies Segment

Within the Connection Technologies segment, the Company expects usual fourth quarter seasonal slowing to occur as demand decreases through the holiday period. Recently observed global automotive production softness could exaggerate these declines, though the Company continues to pursue opportunities to gain automotive market share and to expand revenue within infrastructure and industrial applications.

Within Shawflex, during the fourth quarter of 2024 the Company expects to experience modest seasonal declines in sequential "stock" product demand from Canadian distributors, partially offset by a slight sequential uptick in nuclear activity, driven by project timing. MEO costs within the business are expected to rise versus the prior quarter, as equipment relocation activity picks up.

Within DSG Canusa, continued anticipated market share gain in the industrial and infrastructure sectors of North America and EMEA is expected to be offset by lower automotive production activity, particularly in EMEA, and by increased MEO cost recognition. Additionally, the segment expects to incur severance costs of $3-4 million in the fourth quarter of 2024 as it adapts to less favourable macro conditions in the global automotive market.

The Company continues to believe it will benefit from long-cycle infrastructure spending patterns, as new and upgraded utility and communication networks are constructed, nuclear refurbishments continue in Canada, and federal stimulus package impacts persist.

Automotive end markets represented approximately 29% of the Connection Technologies segment's revenue in the third quarter of 2024. The second half of 2024 has seen some softening in global automotive production, particularly in Europe, with demand for the Company's automotive products expected to continue outpacing overall automotive production as a result of electronic content growth in premium, hybrid and full electric vehicle markets.

Reported inflation in the US and Canada has moved gradually lower over the past 12 months as The Bank of Canada decreased its overnight policy interest rate by 50 basis points on October 23, 2024, its fourth rate cut since June. The US Federal Reserve also initiated rate cuts, reducing interest rates by 50 basis points in September of 2024. These recent movements and subsequent sentiments and commentary from Canadian and US central banks appear to imply that further modest downward interest rate movements are likely to occur in the coming quarters. The

Company continues to monitor for any such decreases and believes such actions would generally be favourable to demand for its industrial and infrastructure products. During the second half of 2024, the Connection Technologies segment has seen an increase in quote requests across its industrial customer base when compared to the first half of 2024, including from its Canadian distributor customers who had historically low inventories of “stock” products at mid-year. This increase in quoting translated into higher revenue generation during the third quarter of 2024, which is broadly expected to continue in coming quarters. After multiple quarters of lower demand in the ‘stock’ sub-sector, manufacturer pricing leverage has been heavily eroded and near-term volume increases are likely to weigh on segment average margins. The Company remains strategic in its pursuit of such opportunities but generally considers the rise in quoting activity to be a favourable indicator of mid and longer-term demand for its industrial products.

The Connection Technologies segment continues to execute on the establishment of two new production sites, with its Vaughan, Ontario and Fairfield, Ohio facilities progressing on-time and on-budget. First production from both sites is expected around the end of 2024. The Company expects that there will be sufficient revenues from these new facilities to absorb the majority of incremental fixed costs during the ramp up periods, and both new facilities have sufficient physical space to enable further organic growth through production line additions in future years. The segment continues to closely monitor the timing of substantial, project driven, orders for its products. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

Discontinued Operations (Thermotite)

During the third quarter, the Company announced the execution of a definitive agreement to divest its Brazilian pipe coating business, Thermotite, formerly part of the PPG operating unit. The Company currently anticipates that regulatory approval will be granted and the transaction will close by mid-2025. The Thermotite business remains fully booked for the remainder of 2024 and into 2025, and the Company continues to expect it will deliver increased full year 2024 financial performance when compared to 2023.

Modernization, Expansion and Optimization (MEO) Actions

During the second quarter of 2023, the Company detailed several planned capital investments into high-return growth and efficiency improvement opportunities in both segments. These investments, and other MEO activities, which are currently progressing on time and on budget, include:

- The addition of two new manufacturing facilities and the elimination of one aging manufacturing facility within the Composite Technologies network, namely:
    - the shut-down and exit of a Xerxes FRP tank production site in Anaheim, California that is expected to be completed in the fourth quarter of 2024;
    - a new Xerxes FRP tank production site in Blythewood, South Carolina which commenced operation in the third quarter of 2024 and will accelerate output over the coming four quarters; and
    - a new Flexpipe composite pipe production site in Rockwall, Texas which commenced operation in the third quarter of 2024 and will accelerate output over the coming four quarters. Co-located within this facility is a fully automated HydroChain™ stormwater infiltration chamber production line, which is expected to commence production around year-end.
- The replacement of the Company’s Rexdale facility in Toronto, Ontario and the expansion of its Connection Technologies segment’s North American manufacturing footprint through:
    - a new heat-shrink tubing production site in Fairfield, Ohio that is expected to commence production late in 2024 and will accelerate output over the following two quarters; and
    - a new wire and cable production site in Vaughan, Ontario that is expected to commence production around year end and be completed in mid-2025.

On average, these four new production sites are expected to initially be populated with manufacturing equipment occupying approximately 50% of available floor space. The Company retains the option of adding further production equipment to each site in a phased manner in future years.

The Company expects to continue the execution of its previously communicated organic investments throughout the balance of 2024 to modernize, expand and optimize capacity in targeted geographies and improve efficiency within its North American production network. In aggregate, once completed and with initial equipment installation, these planned investments are expected to result in the Company creating at least $150 million per year of incremental revenue generating capacity with margins comparable to those realized in its Composite Technologies and Connection Technologies segments. These levels of output are expected to be realized as the facilities reach efficient utilization levels in accordance with their currently expected timelines, but the Company notes these timelines may be impacted by changes in underlying market demand for specific products.

With both new Composite Technologies facilities now online and largely complete, the Company anticipates MEO costs within this segment during the fourth quarter of 2024 to be limited. In contrast, as activity to establish the two new production facilities within Connection Technologies accelerates, the Company anticipates MEO cost recognition within this segment to rise in the fourth quarter of 2024.

3.0 CONFERENCE CALL AND ADDITIONAL INFORMATION

Mattr will be hosting a Shareholder and Analyst Conference Call and Webcast on Thursday November 14th, 2024 at 9:00 AM ET, which will discuss the Company's Third Quarter 2024 Financial Results. To participate via telephone, please register at https://register.vevent.com/register/BI2e591636c11040deb2b5be89e41f2596 and a telephone number and pin will be provided.
Alternatively, please go to the following website address to participate via webcast: https://edge.media-server.com/mmc/p/rdnpresh. The webcast recording will be available within 24 hours of the live presentation and will be accessible for 90 days.

About Mattr

Mattr is a growth-oriented, global materials technology company broadly serving critical infrastructure markets, including transportation, communication, water management, energy and electrification. Its two business segments: Composite Technologies and Connection Technologies, enable responsible renewal and enhancement of critical infrastructure while lowering risk.

For further information, please contact:

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Mattr.ER

4.0 FORWARD-LOOKING INFORMATION

This news release includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this news release includes forward-looking information in the Outlook section and elsewhere in respect of, among other things: the ability of the Company to deliver higher returns to its shareholders; the Company's delivery of substantial value creation for shareholders; the Company's ability to meet its stated growth, profitability and cash flow objectives over the coming years; the market dynamics during the remainder of 2024; the favourability of underlying business trends for the Company's core businesses; the Company's ability to execute on its business plan and strategies, including the pursuit, execution and integration of potential organic and inorganic growth opportunities, as applicable; the level of financial performance and financial results of the Company, its businesses and reporting segments; the Company's presence in the U.S. engineered wire and cable market; seasonal slowing in the fourth quarter of 2024; production activity in North American onshore oilfield and global automotive production activity; Adjusted EBITDA in the fourth quarter of 2024; rising demand in 2025 across the Company's portfolio; performance in the North American onshore oilfield and global automotive markets; the Company's cash generation profile; expected capital allocation, debt repayment, completion of growth investment, and share repurchases under the Company's NCIB through the remainder of 2024 and in 2025; the timing for closing of the sale of Thermotite to Vallourec; seasonal impacts on activity levels in the fourth quarter of 2024; the impact of generally unfavourable macro trends on the Company's performance during the remainder of 2024; manufacturing efficiency in the fourth quarter of 2024 in the Continuing Operations reporting segment; the timing of the upgrade activity in the Xerxes business; the impact of transaction expenses associated with the AmerCable acquisition on the Company's financial results in the fourth quarter of 2024; the expected use of the Company's credit facilities to fund a portion of the AmerCable acquisition; the expected adjustment of the Company's go-forward capital allocation priorities and anticipated prioritization of debt repayment; the realization of severance costs relating to workforce adjustments in the fourth quarter of 2024 and the corresponding expected cost savings in the following quarter resulting from such workforce adjustments; demand for products in support of critical infrastructure renewal and expansion, including broad electrification, industrial growth, fueling station construction and water management; consistency of global oil prices in the coming quarters; lowered automotive production activity in 2025; the timing for closing of the intended acquisition of AmerCable and the subsequent impact of the transaction on the Company's financial results; declines in shipments of Xerxes FRP fuel and water tanks and its impact on the Company's financial results during the fourth quarter of 2024; improvement in the efficiency levels at the Company's newly established production facilities and the resolving of previously observed inefficiencies at certain production facilities by the end of 2024; the volume of shipments of composite pipe; decline in active drilling rig and hydraulic fracturing fleet count; seasonal market activity declines and its impact on Flexpipe market share gains during the fourth quarter of 2024; international opportunities for potential delivery in the Composite Technologies segment; movements within the Xerxes and Flexpipe businesses and the resulting impact on revenue in the Composite Technologies segment; the timing for the realization of efficiencies in the Company's Rockwall, Texas Flexpipe and Blythewood, South Carolina Xerxes production facilities; expected timing for the Anaheim, California Xerxes facility to be fully vacated; MEO costs and the impact of MEO activities on the Composite Technologies segment's financial results; lower automative production activity in the DSG Canusa business; long-cycle infrastructure spending patterns and their impact on the Company's financial results; demand for the Company's automotive products; interest rate trends; the continued increase in quote requests in the Connection Technologies segment in the coming quarters; impact of near-term volume increases on segment average margins; the timing for first production from production sites in Vaughan, Ontario and Fairfield, Ohio in the Connection Technologies segment, the expected revenues and costs of such facilities; the timing of regulatory approval for the sale of Thermotite; the financial performance of the Thermotite business during the remainder of 2024; the anticipated population of new production sites with manufacturing equipment; the execution of the Company's organic investment during the remainder of 2024 to modernize, expand and optimize capacity in targeted geographies; the costs of MEO activities and MEO cost recognition during the fourth quarter of 2024.

Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. Significant risks facing the Company include, but are not limited to: the risks and uncertainties described in the Company's MD&A under "Risks and Uncertainties" and in the Company's Annual Information Form under "Risk Factors".

These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include those in respect of: expectations for demand for the Company's products; sales trends for the Company's products; North American onshore oilfield customer spending; the Company's ability to build proficiency within its manufacturing force at its Xerxes fuel business and the overall effectiveness of such efforts; the Company's cash flow generation and growth outlook; activity levels across the Company's segments; the Company's ability to manage supply chain disruptions and other business impacts caused by, among other things, current or future geopolitical events, conflicts, or disruptions, such as the conflict in Ukraine and related sanctions on Russia; the impact of the Russia and Ukraine conflict on the Company's demand for products and the strength of its and its customers supply chains; the current Israel-Palestine conflict; the impact of the results of the U.S. Presidential election; regular, seasonal impacts on the Company's businesses, including in the FRP tanks business and composite pipe business; expectations regarding the Company's ability to attract new customers and develop and maintain relationships with existing customers; the continued availability of funding required to meet the Company's anticipated operating and capital expenditure requirements over time; consistent competitive intensity in the segments in which the Company operates; no significant legal or regulatory developments, other shifts in economic conditions, or macro changes in the competitive environment affecting the Company's business activities; key interest rates remaining relatively stable throughout the fourth quarter of 2024 and in 2025; the impact of federal stimulus packages in the Connection Technologies segment; heightened demand for electric and hybrid vehicles and for electronic content within those vehicles particularly in the Asia Pacific, Europe and Africa regions; heightened infrastructure spending in Canada, including in respect of commercial and municipal water projects, nuclear plant refurbishment and upgraded communication and transportation networks, communication networks and nuclear refurbishments; sustained health of oil and gas producers; the continued global need to renew and expand critical infrastructure, including energy generation and distribution, electrification, transportation network enhancement and storm management; the Company's ability to execute projects under contract; the Company's continuing ability to provide new and enhanced product offerings to its customers; that the Company will identify and successfully execute on opportunities for acquisitions or investments; the higher level of investment in working capital by the Company; the easing of supply chain shortages and the continued supply of and stable pricing or the ability to pass on higher prices to the Company's customers for commodities used by the Company; the availability of personnel resources sufficient for the Company to operate its businesses; the maintenance of operations by the Company in major oil and gas producing regions; the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation and tax matters and other claims generally; the impact of adoption of artificial intelligence and other machine learning on competition in the industries which the Company operates; the Company's ability to meet its financial objectives; the ability of the Company to satisfy all covenants under its credit facility and other debt obligations and having sufficient liquidity to fund its obligations and planned initiatives; the availability, commercial viability and scalability of the Company's greenhouse gas emission reduction strategies and related technology and products; and the anticipated costs and impacts on the Company's operations and financial results of adopting these technologies or strategies. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize, or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward-looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward-looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

To the extent any forward-looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks noted above.

5.0 RECONCILIATION OF NON-GAAP MEASURES

The Company reports on certain non-GAAP and other financial measures that are used to evaluate its performance and segments, as well as to determine compliance with debt covenants and to manage its capital structure. These non-GAAP and other financial measures do not have standardized meanings under IFRS and are not necessarily comparable to similar measures provided by other companies. The Company discloses these measures because it believes that they provide further information and assist readers in understanding the results of the Company's operations and financial position. These measures should not be considered in isolation or used in substitution for other measures of performance prepared in accordance with GAAP. The following is a reconciliation of the non-GAAP measures reported by the Company.

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation, and amortization ("EBITDA") is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is also a non-GAAP measure defined as EBITDA adjusted for items which do not impact day to day operations. Adjusted EBITDA is calculated by adding back to EBITDA the sum of impairments, costs associated with refinancing of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain) loss and other, net and hyperinflationary adjustments. The Company believes that EBITDA and Adjusted EBITDA are useful supplemental measures that provide a meaningful indication of the Company's results from principal business activities prior to the consideration of how these activities are financed or the tax impacts in various jurisdictions and for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures. The Company presents Adjusted EBITDA as a measure of EBITDA that excludes the impact of transactions that are outside the Company's normal course of business or day to day operations. Adjusted EBITDA is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations. It is also considered important by lenders to the Company and is included in the financial covenants of the Credit Facility.

Continuing Operations

(in thousands of Canadian dollars)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net Income from Continuing Operations	**$ 5,606**	$ 16,592	**$ 14,272**	$ 45,861
Add:				
Income tax expense	**7,866**	3,196	**17,001**	10,778
Finance costs, net	**4,873**	5,589	**11,514**	15,737
Amortization of property, plant, equipment, intangible and ROU assets	**10,542**	9,577	**28,513**	27,373
EBITDA from Continuing Operations	**28,887**	34,954	**71,300**	99,749
Share-based incentive compensation (recovery) cost	**(1,426)**	(2,414)	**7,849**	16,211
Foreign exchange loss	**1,822**	800	**6,734**	2,169
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**—**	—	**3,526**	—
Adjusted EBITDA from Continuing Operations	**$ 29,283**	$ 40,103	**$ 95,506**	$ 124,892

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024
Net (Loss) Income from Continuing Operations	$ (2,145)	$ 10,811
Add:		
Income tax expense	3,948	5,187
Finance costs, net	2,226	4,415
Amortization of property, plant, equipment, intangible and ROU assets	8,568	9,403
EBITDA from Continuing Operations	12,597	29,816
Share-based incentive compensation cost	7,632	1,643
Foreign exchange loss	2,397	2,515
Cost associated with repayment and modification of long-term debt	—	6,750
Income from shares tender trust refund	—	(653)
Restructuring costs and other, net	3,201	325
Adjusted EBITDA from Continuing Operations	$ 25,827	$ 40,396

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Continuing Operations	$ 18,222	$ 11,047	$ 16,592	$ (3,496)
Add:				
Income tax expense (recovery)	3,826	3,756	3,196	(5,860)
Finance costs, net	5,011	5,137	5,589	5,094
Amortization of property, plant, equipment, intangible and ROU assets	8,827	8,969	9,577	8,444
EBITDA from Continuing Operations	35,886	28,909	34,954	4,182
Share-based incentive compensation (recovery) cost	(42)	18,667	(2,414)	2,096
Foreign exchange loss	1,304	65	800	254
Gain on sale of land and other	—	—	—	(1,655)
Curtailment of defined benefit plan	—	—	(1,889)	—
Impairment	—	—	8,652	18,544
Restructuring costs and other, net	—	—	—	2,474
Adjusted EBITDA from Continuing Operations	$ 37,148	$ 47,641	$ 40,103	$ 25,895

Composite Technologies Segment

(in thousands of Canadian dollars)	**Three Months Ended** **September 30, 2024**	September 30, 2023	**Nine Months Ended** **September 30, 2024**	September 30, 2023
Operating Income	**$ 12,841**	$ 25,483	**$ 37,314**	$ 71,785
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**7,566**	7,398	**20,471**	20,787
EBITDA	**20,407**	32,881	**57,785**	92,572
Share-based incentive compensation (recovery) cost	**(122)**	(435)	**1,527**	1,413
Restructuring costs and other, net	**2**	—	**3,494**	—
Adjusted EBITDA	**$ 20,287**	$ 32,446	**$ 62,806**	$ 93,985

Connection Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating Income [(a)]	**$ 9,675**	$ 13,255	**$ 38,750**	$ 46,594
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**2,414**	1,357	**6,569**	4,038
EBITDA	**12,089**	14,612	**45,319**	50,632
Share-based incentive compensation (recovery) cost	**(92)**	(48)	**1,493**	2,202
Restructuring costs and other, net	**—**	—	**34**	—
Adjusted EBITDA	**$ 11,997**	$ 14,564	**$ 46,846**	$ 52,834

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in third quarter of 2024 and 2023, as well as, $2.2 million and $2.0 million were reflected in the nine months ended September 30, 2024 and 2023, respectively.

Financial and Corporate

(in thousands of Canadian dollars)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating Loss [(a)]	**$ (4,171)**	$ (13,361)	**$ (26,527)**	$ (46,003)
Add:				
Cost associated with repayment and modification of long-term debt	**—**	—	**(6,750)**	—
Amortization of property, plant, equipment, intangible and ROU assets	**562**	822	**1,473**	2,548
EBITDA	**(3,609)**	(12,539)	**(31,804)**	(43,455)
Share-based incentive compensation (recovery) cost	**(1,212)**	(1,931)	**4,829**	12,596
Foreign exchange loss	**1,822**	800	**6,734**	2,169
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Income from shares tender trust refund	**—**	—	**(653)**	—
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Restructuring costs and other, net (recovery)	**(2)**	—	**(2)**	—
Adjusted EBITDA	**$ (3,001)**	$ (6,907)	**$ (14,146)**	$ (21,927)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in third quarter of 2024 and 2023, as well as, $2.2 million and $2.0 million were reflected in the nine months ended September 30, 2024 and 2023, respectively

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024
Operating Loss [(a)]	$ (14,531)	$ (7,825)
Add:		
Cost associated with repayment and modification of long-term debt	—	(6,750)
Amortization of property, plant, equipment, intangible and ROU assets	475	436
EBITDA	(14,056)	(14,139)
Share-based incentive compensation cost	4,861	1,180
Foreign exchange loss	2,397	2,515
Income from shares tender trust refund	—	(653)
Cost associated with repayment and modification of long-term debt	—	6,750
Adjusted EBITDA	$ (6,798)	$ (4,347)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	Three Months Ended June 30, 2023	Three Months Ended September 30, 2023	Three Months Ended December 31, 2023
Operating Loss [(a)]	$ (10,657)	$ (21,985)	$ (13,361)	$ (11,027)
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	872	854	822	472
EBITDA	(9,785)	(21,131)	(12,539)	(10,555)
Share-based incentive compensation cost (recovery)	534	13,993	(1,931)	1,249
Foreign exchange loss	1,304	65	800	253
Gain on sale of land and other	—	—	—	340
Curtailment of defined benefit plan	—	—	(1,889)	—
Impairment	—	—	8,652	—
Restructuring costs and other, net	—	—	—	1,727
Adjusted EBITDA	$ (7,947)	$ (7,073)	$ (6,907)	$ (6,986)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, figures for all four quarters of 2023 have been retrospectively restated to reflect this allocation.

Discontinued Operations

(in thousands of Canadian dollars)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net Income (Loss) from Discontinued Operations	**$ 7,186**	$ 55,382	**$ (5,043)**	$ 64,364
Add:				
Income tax (recovery) expense	**(240)**	23,059	**1,800**	26,892
Finance costs, net (recovery)	**(69)**	155	**(227)**	679
Amortization of property, plant, equipment, intangible and ROU assets	**390**	6,688	**1,237**	28,152
EBITDA from Discontinued Operations	**7,267**	85,284	**(2,233)**	120,087
Share-based incentive compensation (recovery) cost	**—**	(498)	**—**	2,238
Foreign exchange loss (gain)	**193**	1,462	**871**	(2,801)
Loss on sale of operating unit and subsidiary	**—**	2,089	**15,492**	5,827
Adjusted EBITDA from Discontinued Operations	**$ 7,460**	$ 88,337	**$ 14,130**	$ 125,351

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024
Net Loss from Discontinued Operations	$ (3,494)	$ (8,735)
Add:		
Income tax expense	1,869	171
Finance costs, net (recovery)	(84)	(74)
Amortization of property, plant, equipment, intangible and ROU assets	428	419
EBITDA from Discontinued Operations	(1,281)	(8,219)
Foreign exchange loss	118	560
Loss on sale of operating unit and subsidiary	5,405	10,087
Adjusted EBITDA from Discontinued Operations	$ 4,242	$ 2,428

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Discontinued Operations	$ 7,006	$ 1,976	$ 55,382	$ (19,510)
Add:				
Income tax expense	1,431	2,402	23,059	26,251
Finance costs, net	133	391	155	19
Amortization of property, plant, equipment, intangible and ROU assets	10,403	11,061	6,688	416
EBITDA from Discontinued Operations	18,973	15,830	85,284	7,176
Share-based incentive compensation (recovery) cost	(561)	3,296	(498)	(2,002)
Foreign exchange (gain) loss	(1,033)	(3,230)	1,462	9
Loss on sale of operating unit and subsidiary	—	3,738	2,089	105,177
Restructuring costs and other, net	—	—	—	1,465
Adjusted EBITDA from Discontinued Operations	$ 17,379	$ 19,634	$ 88,337	$ 111,825

Total Consolidated Mattr (Continuing and Discontinued Operations)

(in thousands of Canadian dollars)	Three Months Ended **September 30, 2024**	September 30, 2023	Nine Months Ended **September 30, 2024**	September 30, 2023
Net Income	**$ 12,792**	$ 71,974	**$ 9,229**	$ 110,225
Add:				
Income tax expense	**7,626**	26,255	**18,801**	37,670
Finance costs, net	**4,804**	5,744	**11,287**	16,416
Amortization of property, plant, equipment, intangible and ROU assets	**10,932**	16,265	**29,750**	55,525
EBITDA	**36,154**	120,238	**69,067**	219,836
Share-based incentive compensation (recovery) cost	**(1,426)**	(2,912)	**7,849**	18,449
Foreign exchange loss (gain)	**2,015**	2,262	**7,605**	(632)
Loss on sale of operating unit and subsidiary	**—**	2,089	**15,492**	5,827
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**—**	—	**3,526**	—
Adjusted EBITDA	**$ 36,743**	$ 128,440	**$ 109,636**	$ 250,243

Adjusted EBITDA Margin

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue and is a non-GAAP measure. The Company believes that Adjusted EBITDA margin is a useful supplemental measure that provides meaningful assessment of the business results of the Company and its Operating Segments from principal business activities excluding the impact of transactions that are outside of the Company’s normal course of business.

See reconciliation above for the changes in composition of Adjusted EBITDA, as a result of which the table below reflects restated figures for the prior year quarter to align with the updated composition.

Operating Margin

Operating margin is defined as operating (loss) income divided by revenue and is a non-GAAP measure. The Company believes that operating margin is a useful supplemental measure that provides meaningful assessment of the business performance of the Company and its Operating Segments. The Company uses this measure as a key indicator of financial performance, operating efficiency and cost control based on volume of business generated.

Adjusted Net Income (attributable to shareholders)

Adjusted Net Income (attributable to shareholders) is a non-GAAP measure defined as Net Income (attributable to shareholders) adjusted for items which do not impact day to day operations. Adjusted Net Income (attributable to shareholders) is calculated by adding back to Net Income (attributable to shareholders) the after tax impact of the sum of impairments, costs associated with refinancing of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain) loss and other, net and hyperinflationary adjustments. The Company believes that Adjusted Net Income (attributable to shareholders) is a useful supplemental measure that provides a meaningful indication of the Company's results from principal business activities for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures.

Adjusted Earnings Per Share ("Adjusted EPS")

Adjusted EPS (basic) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding. Adjusted EPS (diluted) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding, further adjusted for potential dilutive impacts of outstanding securities which are convertible to common shares. The Company presents Adjusted EPS as a measure of Earning Per Share that excludes the impact of transactions that are outside the Company's normal course of business or day to day operations. Adjusted EPS indicates the amount of Adjusted Net Income the Company makes for each share of its stock and is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations.

Total Consolidated Mattr Adjusted EPS (Continuing and Discontinued Operations)

(in thousands of Canadian dollars except for per share amounts)	**Nine Months Ended**							
	September 30, 2024				**September 30, 2023**			
			Earnings Per Share				**Earnings Per Share**	
			Basic	**Diluted**			**Basic**	**Diluted**
Total Consolidated Mattr Net [(a)]	**$**	**9,044**	**0.14**	**0.14**	$	110,209	1.58	1.57
Adjustments (before tax):								
Share-based incentive compensation cost		**7,849**				18,449		
Foreign exchange loss (gain)		**7,605**				(632)		
Loss on sale of operating unit and subsidiary		**15,492**				5,827		
Curtailment of defined benefit plan		**—**				(1,889)		
Impairment		**—**				8,652		
Cost associated with repayment and modification of long-term debt		**6,750**				—		
Income from shares tender trust refund		**(653)**				—		
Restructuring costs and other, net		**3,526**				—		
Tax effect of above adjustments		**(2,343)**				(3,837)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [(a)]	**$**	**47,270**	**0.71**	**0.71**	$	136,779	1.96	1.95

(a) attributable to Shareholders of the Company.

(in thousands of Canadian dollars except for per share amounts)	Three Months Ended							
	September 30, 2024				**September 30, 2023**			
			Earnings Per Share				**Earnings Per Share**	
			Basic	**Diluted**			**Basic**	**Diluted**
Total Consolidated Mattr Net [(a)]	**$**	**12,792**	**0.19**	**0.19**	$	71,917	1.04	1.03
Adjustments (before tax):								
Share-based incentive compensation recovery		**(1,426)**				(2,912)		
Foreign exchange loss		**2,015**				2,262		
Loss on sale of operating unit and subsidiary		**—**				2,089		
Curtailment of defined benefit plan		**—**				(1,889)		
Impairment		**—**				8,652		
Tax effect of above adjustments		**2,011**				(3,074)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [(a)]	**$**	**15,392**	**0.23**	**0.23**	$	77,045	1.11	1.10

(a) attributable to Shareholders of the Company.

Total Net debt-to-Adjusted EBITDA

Total Net debt-to-Adjusted EBITDA is a non-GAAP measure defined as the sum of long-term debt, current lease liabilities and long-term lease liabilities, less cash and cash equivalents, divided by the Consolidated (Continuing and Discontinued Operations) Adjusted EBITDA, as defined above, for the trailing twelve-month period. The Company believes Total Net debt-to-Adjusted EBITDA is a useful supplementary measure to assess the borrowing capacity of the Company. Total Net debt-to-Adjusted EBITDA is used by many analysts as one of several important analytical tools to evaluate how long a company would need to operate at its current level to pay of all its debt. It is also considered important by credit rating agencies to determine the probability of a company defaulting on its debt.

See discussion above for the changes into the composition of Adjusted EBITDA. The table below reflects restated figures for the prior year quarters to align with current presentation.

(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)		**September 30, 2024**		December 31, 2023
Long-term debt	**$**	**166,178**	$	144,201
Lease Liabilities		**165,767**		88,263
Cash and cash equivalents		**(186,015)**		(334,061)
Total Net Debt		**145,930**		(101,597)
Q1 2023 Adjusted EBITDA		**—**		54,528
Q2 2023 Adjusted EBITDA		**—**		67,274
Q3 2023 Adjusted EBITDA		**—**		128,440
Q4 2023 Adjusted EBITDA		**137,721**		137,721
Q1 2024 Adjusted EBITDA		**30,069**		—
Q2 2024 Adjusted EBITDA		**42,824**		—
Q3 2024 Adjusted EBITDA		**36,743**		—
Trailing twelve-month Adjusted EBITDA	**$**	**247,357**	$	387,962
Total Net debt-to-Adjusted EBITDA		**0.59**		(0.26)

Total Interest Coverage Ratio

Total Interest Coverage Ratio is a non-GAAP measure defined as Consolidated Adjusted EBITDA (Continuing and Discontinued Operations), as defined above, for the trailing twelve-month period, divided by finance costs, net, for the trailing twelve-month period. The Company believes Total Interest Coverage Ratio is a useful supplementary measure to assess the Company's ability to honor its debt payments. Total Interest Coverage Ratio is used by many analysts as one of several important analytical tools to judge a company's ability to pay interest on its outstanding debt. It is also considered important by credit rating agencies to determine a company's riskiness relative to its current debt or for future borrowing.

(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)		**September 30, 2024**		December 31, 2023
Q1 2023 Adjusted EBITDA	**$**	**—**	$	54,528
Q2 2023 Adjusted EBITDA		**—**		67,274
Q3 2023 Adjusted EBITDA		**—**		128,440
Q4 2023 Adjusted EBITDA		**137,721**		137,721
Q1 2024 Adjusted EBITDA		**30,069**		—
Q2 2024 Adjusted EBITDA		**42,824**		—
Q3 2024 Adjusted EBITDA		**36,743**		—
Trailing twelve-month Adjusted EBITDA	**$**	**247,357**	$	387,962
Q1 2023 Finance cost, net	**$**	**—**	$	5,144
Q2 2023 Finance cost, net		**—**		5,528
Q3 2023 Finance cost, net		**—**		5,744
Q4 2023 Finance cost, net		**5,113**		5,113
Q1 2024 Finance cost, net		**2,142**		—
Q2 2024 Finance cost, net		**4,341**		—
Q3 2024 Finance cost, net		**4,804**		—
Trailing twelve-month finance cost, net	**$**	**16,400**	$	21,529
Total Interest Coverage Ratio		**15.08**		18.02

Modernization, Expansion and Optimization ("MEO") Costs

MEO costs is a supplementary financial measure. MEO costs not eligible for capitalization are reported as selling, general and administrative expenses or as cost of goods sold and incurred in support of the Company's certain specific, planned capital investments into high-return growth and efficiency improvement opportunities. These include the following:

- The addition of two new manufacturing facilities and the elimination of aging manufacturing facilities within the Composite Technologies network, namely:
    - the shut-down and exit of aging production capabilities in the Xerxes FRP tank production site footprint;
    - a new Xerxes FRP tank production site in Blythewood, South Carolina;
    - a new Flexpipe composite pipe production site in Rockwall, Texas along with the co-located HydroChain™ stormwater infiltration chamber production line;

- The replacement of the Company's Rexdale facility in Toronto, Ontario and the expansion of its Connection Technologies segment's North American manufacturing footprint through:
    - a new heat-shrink tubing production site in Fairfield, Ohio; and
    - a new wire and cable production site in Vaughan, Ontario.

The Company considers these costs incremental to its normal operating base and would not have been incurred if these projects were not ongoing.