

XPEL Announces Third Quarter Results

- Third Quarter Constant Currency Adjusted Revenues and Net Income Increase 35% and 44% Respectively -

San Antonio, TX – November 30, 2015 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint and headlamp protection films, announced results for the third quarter and nine months ended September 30, 2015.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, "We continued to drive solid growth in the quarter. Revenue increased 35% and net income grew 44% on a constant currency basis, reflecting the progress we are making in the U.S. and abroad. Brand awareness and the reputation of the XPEL product continue to increase as we reach more customers around the world, and our focus on enhancing the product line and distribution channels positions us well for continued growth."

For the Quarter Ended September 30, 2015:

Revenue: Revenue in the third quarter of fiscal 2015 was \$10.9 million, a 29% increase as compared to revenue of \$8.4 million in the same prior year quarter. On a constant currency basis, revenues increased 35% to \$11.3 million.

Gross Margin: Gross profit as a percentage of sales decreased slightly to 30% from 31% in the same quarter last year.

Expenses: Selling, general and administrative expenses as a percentage of revenue was 24%, up slightly as compared to 23% in the third quarter of 2014.

Net Earnings: Net income for the fiscal 2015 third quarter was \$398,082 or \$0.02 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of \$473,296, or \$0.02 per basic and diluted share based on 25,784,950 shares outstanding, for the corresponding prior year period. On a constant currency basis net income increased 44% to \$682,542.

EBITDA: For the three months ended September 30, 2015, the Company reported EBITDA of \$914,484 as compared to EBITDA of \$862,729 in the same prior year period. On a constant currency basis, EBITDA increased 52% to \$1,310,448 in the third quarter of 2015.

For the Nine Months Ended September 30, 2015:

Revenue: Revenue in the first nine months of fiscal 2015 was \$30.3 million, a 38% increase as compared to revenue of \$22.0 million in the same prior year period. On a constant currency basis, revenues increased 42% to \$31.3 million.

Gross Margin: Gross profit for the nine months as a percentage of revenue remained unchanged at 31%.

Expenses: Selling, general and administrative expenses for the nine months as a percentage of revenue was 23%, up from 21% in the same prior year period.

Net Earnings: Net income for the first nine months of fiscal 2015 was \$1,670,673, or \$0.07 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of

\$1,527,657, or \$0.06 per basic and diluted share based on 25,784,950 shares outstanding, for the corresponding prior year period. On a constant currency basis, nine month net income increased 48% to \$2,253,836.

EBITDA: For the nine months ended September 30, 2015, the Company reported EBITDA of \$3.1 million as compared to EBITDA of \$2.7 million in the same prior year period. On a constant currency basis, EBITDA increased 48% to \$4.0 million in the first nine months of 2015.

Mr. Pape continued, "In China, sales increased sequentially as a result of a realigned distribution strategy which is already providing a better platform for us as we grow into that market. In Canada, the Parasol acquisition which we consummated in the first quarter has proven to be a great strategic move for the company, although the weakness in the Canadian dollar continues to impact our consolidated results. Nonetheless, the acquisition has been quite accretive on a constant currency basis.

"During the quarter, we soft launched a window film line and the initial feedback has been very positive. This is as a complimentary product line and one which is used by many of our customers. Furthermore, we continue to focus on making our product the easiest to order and deliver, and are in the process of rolling out a new ordering and account management portal in the fourth quarter to provide best in class ordering experience."

CONFERENCE CALL INFORMATION

The Company will host a conference call to discuss the third quarter and nine month results today, November 30, 2015 at 11:00 a.m. Eastern Time.

To access the live webcast, log onto the XPEL Technologies website at <http://www.xpel.com>, and click on "Investor Relations".

To participate in the call by phone, dial (877) 407-8033 approximately five minutes prior to the scheduled start time. International callers please dial (201) 689-8033.

A replay of the teleconference will be available until December 30, 2015 and may be accessed by dialing (877) 660-6853. International callers may dial (201) 612-7415. Callers should use conference ID: 13625605.

About XPEL Technologies Corp.

XPEL is the leading supplier of automotive paint and headlamp protection films with over 70,000 vehicle-specific applications and a worldwide network of trained installers. XPEL is the developer of the Design Access Program software, and manufacturer of XPEL™ Automotive Paint and Headlamp Protection Products. XPEL has forged the cutting-edge of automotive protection technology, and leads the industry in quality, technical support and customer service. Additional information can be found on the Company's website at www.xpel.com

Safe harbor statement

This release includes forward-looking statements regarding XPEL Technologies Corp. and its business, which may include, but is not limited to, anticipated use of proceeds from capital transactions, expansion into new markets, and execution of the company's growth strategy. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "is expected," "expects," "scheduled," "intends," "contemplates," "anticipates," "believes," "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of XPEL. The forward-looking events and circumstances discussed in this release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company, performance and acceptance of the company's products, economic factors, competition, the equity markets generally and many other factors beyond the control of XPEL. Although XPEL has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and XPEL undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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XPEL TECHNOLOGIES CORP.
Condensed Consolidated Statement of Comprehensive Income
(Expressed in United States Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue	\$ 10,874,243	\$ 8,410,089	\$ 30,298,220	\$ 22,030,271
Expenses				
Direct costs	7,579,123	5,770,856	20,801,634	15,145,231
Selling, general and administrative	2,628,513	1,897,277	7,031,569	4,525,185
Unrealized foreign currency gain	(9,263)	-	(37,346)	-
Income from operations	675,870	741,956	2,502,363	2,359,855
Interest expense	72,185	13,260	173,049	20,663
Loss on sale of property, plant and equipment	1,603	2,475	3,641	1,610
	<u>73,788</u>	<u>15,735</u>	<u>176,690</u>	<u>22,273</u>
Net income before income tax	602,082	726,221	2,325,673	2,337,582
Provision for income tax				
Deferred income tax expense (recovery)	(59,000)	(8,000)	200,000	19,000
Current income tax expense	263,000	260,925	455,000	790,925
Net Income	\$ 398,082	\$ 473,296	\$ 1,670,673	\$ 1,527,657
Exchange differences on translating foreign operations	(384,675)	-	(456,064)	-
Total comprehensive income	\$ <u>13,407</u>	\$ <u>473,296</u>	\$ <u>1,214,609</u>	\$ <u>1,527,657</u>
Net income attributable to equity holders of the Company	410,760	477,306	1,713,309	1,531,667
Non-controlling interest	<u>(12,678)</u>	<u>(4,010)</u>	<u>(42,636)</u>	<u>(4,010)</u>
	398,082	473,296	1,670,673	1,527,657
Earnings per share				
Basic and diluted	\$ 0.015	\$ 0.018	\$ 0.065	\$ 0.059
Weighted average number of common shares outstanding	25,784,950	25,784,950	25,784,950	25,784,950

XPEL TECHNOLOGIES CORP.
Condensed Consolidated Balance Sheet
(Expressed in United States Dollars)
(unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current		
Cash and cash equivalents	\$ 3,367,518	\$ 1,474,130
Accounts receivable	3,795,332	2,287,342
Inventory	5,705,435	6,235,137
Prepaid expenses and sundry assets	914,451	347,472
Total current assets	13,782,736	10,344,081
Property, plant and equipment	1,186,037	790,343
Intangible assets	2,428,397	784,510
Deferred tax asset	--	163,000
Goodwill	1,722,323	526,243
Total assets	\$ 19,119,493	\$ 12,608,177
Liabilities		
Current		
Bank operating facility	\$ 2,800,000	\$ 900,000
Accounts payable and accrued liabilities	3,546,428	4,121,590
Income Tax Payable	330,092	--
Customer deposits	12,350	12,350
Vehicle notes payable	140,684	90,413
Current portion of Promissory note	359,485	-
Current portion of Bank loan payable	380,000	-
Total current liabilities	7,569,039	5,124,353
Promissory note	1,100,194	-
Bank loan payable	1,298,333	-
Deferred tax liability	460,626	-
Total liabilities	10,428,192	5,124,353
Equity		
Capital stock	6,635,133	6,635,133
Contributed surplus	2,165,130	2,165,130
Accumulated other comprehensive income	(471,785)	(15,721)
Retained Earnings (Deficit)	325,327	(1,387,982)
Total liabilities and equity	\$ 19,119,493	\$ 12,608,177
Non-controlling interest	37,496	87,264
Total liabilities and equity	\$ 19,119,493	\$ 12,608,177

Constant Currency

The Company reports results in U.S. Dollars, but does business on a global basis. Exchange rate fluctuations affect the U.S. Dollar value for foreign currency revenue and expenses and may have a significant effect on reported results. Comparisons are made to the prior year in constant currency terms, which Management believes is helpful in understanding the Company's performance. Constant currency is calculated by converting current period results using the prior year currency exchange rates.

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS as issued by FASB, the Company also provides supplementary non-IFRS measures as a method of evaluating the Company's performance. Management uses EBITDA as a measure of company-wide performance. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Management believes EBITDA is a useful measure to allow period-to-period comparison of the Company's operating performance. EBITDA does not have a standardized meaning under IFRS and is not necessarily comparable to measures presented by other Companies. EBITDA excludes components that are significant in understanding and assessing our results of operations and cash flows. EBITDA does not represent funds available for Management's discretionary use and is not intended to represent cash flow from operations. EBITDA should not be considered a substitute for Net Income prepared in accordance with IFRS as issued by the FASB.

EBITDA Reconciliation

	Three Months Ended		Nine Months Ended	
	September 30 2015	September 30 2014	September 30 2015	September 30 2014
Net Income	\$ 398,082	\$ 473,296	\$ 1,670,673	\$ 1,527,657
Interest	72,185	13,260	173,049	20,663
Taxes	204,000	252,925	655,000	809,925
Depreciation	70,107	36,851	169,988	98,490
Amortization	170,110	86,397	466,868	244,844
EBITDA	\$ 914,484	\$ 862,729	\$ 3,135,578	\$ 2,701,579