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NEWS RELEASE

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AIRBOSS ANNOUNCES 4th QUARTER AND FULL YEAR 2019 RESULTS AND DIVIDEND
 (\$US except where otherwise noted)

Highlights for the 4th Quarter and Fiscal Year

- Grew net sales by 12.1% and 3.6% for the fourth quarter and 2019 fiscal year periods, respectively, versus the comparable periods in 2018;
- Increased consolidated EBITDA by 54.1% to \$8.8 million in the fourth quarter of 2019 vs \$5.7 million in 2018, and by 25.0% to \$32.1 million in 2019 vs \$25.7 million in 2018;
- Grew EPS by 83.3% to \$0.11 in the fourth quarter of 2019 (2018 – \$0.06), and by 18.9% to \$0.44 for the full year period (\$0.37 – 2018);
- Paid a quarterly dividend of C\$0.07 per common share for a total annual payment of C\$0.28;
- Awarded a contract by the U.S. Department of Defense to manufacture up to 600,000 pairs of molded CBRN lightweight overboots (“MALO”) valued at up to \$26.7 million;
- Invested \$19.5 million during 2019 on capital expenditures related to growth initiatives and equipment upgrades across the organization, in addition to a new research and development facility at the Kitchener, Ontario plant;
- Announced the appointments of Anita Antenucci and David Camilleri to the Board of Directors; and
- Closed the merger between AirBoss' defense business and Critical Solutions International, Inc. on January 1, 2020.

(In thousands of US dollars, except share data)	Three Months ended December 31		Twelve Months ended December 31	
	2019	2018	2019	2018
Financial results:				
Net Sales	85,762	76,484	328,126	316,603
Net income	2,457	1,331	10,219	8,536
<u>Net income per share (US\$)</u>				
-Basic	0.11	0.06	0.44	0.37
-Diluted	0.11	0.06	0.44	0.37
EBITDA ⁽³⁾	8,833	5,732	32,082	25,675
Net cash provided (used) by operating activities	(327)	13,766	11,706	19,867
Dividends declared per share (CAD \$)	0.07	0.07	0.28	0.28
Capital additions ⁽²⁾	13,115	4,687	26,700	8,476
Financial position:				
	December 31, 2019		December 31, 2018	
Total assets	249,664		232,528	
Term loan and other debt ⁽¹⁾	74,144		62,956	
Shareholders' equity	125,979		121,483	
Outstanding shares (#)*	23,392,442		23,392,442	

* at March 10, 2020

Dividend

The Board of Directors of the Company has approved a quarterly dividend of C\$0.07 per common share, to be paid on April 15, 2020 to shareholders of record at March 31, 2020.

Retirement of Board Member Bob Hagerman

Robert Hagerman has retired from the Company's Board of Directors effective March 10, 2020.

"Bob was one of our founders, an original director and served as the Company's CEO for more than 20 years," said Mr. Gren Schoch, Chairman and CEO of AirBoss. "I want to thank Bob for his many valuable contributions to AirBoss over his three decades with the Company and wish him the very best in his retirement."

Full Year Results

Consolidated net sales increased by 3.6% from 2018, to \$328,126, supported by increases in both the Rubber Solutions and Engineered Products segments. Consolidated gross profit increased by \$3,763 to \$48,754 compared with 2018, with increases in both segments. Gross profit as a percentage of net sales increased to 14.9% from 14.2%, primarily as a result of increased volume in the Rubber Solutions segment and higher net sales in the defense business within the Engineered Products segment, particularly in the gloves, masks and boots product lines. Compared with 2018, consolidated net income increased by 19.7% in 2019 to \$10,219, due to higher gross profit offset by higher finance costs and income tax expense. Consolidated EBITDA for 2019 increased by 25.0% to \$32,082 as compared with 2018.

The Company remains in strong financial condition. With \$60 million in undrawn availability under its credit facilities and a net debt to TTM EBITDA ratio of 1.85x, the Company enters 2020 with significant resources with which to pursue organic and acquisitive growth opportunities.

In addition, on November 27, 2019 the Company renewed its normal course issuer bid for its common shares, pursuant to which the Company may re-purchase up to 500,000 of its common shares (representing approximately 4.0% of the Company's public float of 12,586,524 common shares as of November 21, 2019).

"In 2019, we generated record consolidated net sales and EBITDA thanks to continued solid performance in the Rubber Solutions segment and meaningful growth in the defense business as we delivered against the contracts we were awarded in late 2018 and 2019," said Chris Bitsakakis, President and COO of AirBoss. "2019 was also a year of significant investment in the business with a clear focus on innovation and product offering diversification across the organization, all to help support long-term growth."

Fourth Quarter

Consolidated Results

Consolidated net sales in the fourth quarter increased by 12.1% to \$85,762 compared with the same period in 2018, with increases in Engineered Products' defense business partially offset by decreases in Rubber Solutions and Engineered Products' anti-vibration business. Consolidated gross profit grew to \$13,246 from \$10,306, with increases in Rubber Solutions and Engineered Products' defense business partially offset by decreases in Engineered Products' anti-vibration business. Consolidated net income increased to \$2,457 as a result of higher gross profit, partially offset by higher income taxes and higher operating expenses relative to the comparable period in 2018.

Segment Results

At Rubber Solutions, net sales decreased by 1.9%, to \$34,904, compared with the same period in 2018, reflective of an approximate 6.7% decrease in raw material prices where the savings were passed onto customers and partly offset by an 10.0% increase in volume. A higher product sales mix in tolling versus non-tolling applications impacted net sales growth. In tolling applications, the Company only realizes net sales on the provision of compounding services for customer-supplied material, versus non-tolling where AirBoss also supplies the raw material inputs that are reflected in net sales. The increase in net sales for the three-month period ended December 31, 2019 was primarily in the conveyor belt and track sectors and partially offset by decreased net sales in the mining sector. Gross profit increased to \$6,103 from \$6,066 in the same period in 2018, principally due to higher volume.

At Engineered Products, net sales increased by 24.3%, to \$50,858, compared with the same period in 2018. An \$11,425 increase in net sales for the defense business was partly offset by a \$1,467 decrease in the anti-vibration business. The increase in the defense business was across most product lines, but primarily in the masks, boots and gloves product lines. These increases were partly offset by lower net sales in the anti-vibration business due to lower demand across the majority of product lines, and in particular the muffler hangers, bushings and spring isolator product lines. Gross profit increased to \$7,143 from \$4,240 in the same period in 2018, due to the increased net sales in the defense business and a favourable product mix, which was partly offset by lower net sales in the anti-vibration business.

Overview

To support longer-term growth, AirBoss invested in a series of key strategic initiatives across the business in 2019 with a dual focus on innovation and diversification. Capital expenditures for 2019 were \$19.5 million dollars (excluding leases). Capital expenditures are expected to decrease closer to historical levels in 2020. In light of the emerging Coronavirus (COVID-19) outbreak, AirBoss has taken steps, including risk mitigation plans within the Company's supply chain, intended to reduce any potential impact to its business and that of customers, by identifying alternative raw material sources both domestically and internationally.

For the Rubber Solutions segment, areas of investment in 2019 include new mixing lines in Kitchener, ON and Scotland Neck, NC that, in addition to increasing annual capacity by 20 and 50 million pounds, respectively, will support production of a broader array of compounded products (white and color), as well as provide enhanced flexibility in attracting and fulfilling new business. The Company also recently brought online a new "tilt" mixer, which should support the production of increasingly specialized, higher margin compounds, further diversifying the AirBoss' offering and enhancing penetration with both existing and new customers. In Kitchener, AirBoss has finished upgrading its office and laboratory facilities to support enhanced collaboration with customers and better reflect the Company's focus on innovative R&D and proprietary technical solutions.

Within the Engineered Products segment, management is continuing to address key challenges in the anti-vibration business directly, with the near-term focus on driving margins through better cost management, improved pricing strategies and investments in advanced manufacturing, including piloting new presses and sourcing and ordering a new robotic work cell expected to come online in the first half of 2020. In addition, the recently strengthened sales and marketing team is working to both increase penetration with existing customers as well as target new ones, including major automakers and Tier I and II parts suppliers. Over the medium and longer-term, the team is focused on launching new products that diversify initially into opportunities adjacent to the automotive space, such as trucking, buses, construction and motorcycles/ATVs, but increasingly across a range of sectors where anti-noise, vibration and harshness solutions are required including, renewable energy, marine, rail and appliances.

In May 2019, AirBoss announced a transaction to create AirBoss Defense Group ("ADG") through the merger of the AirBoss defense business with privately-owned Critical Solutions International. While management believes there are numerous synergies associated with transaction, most important is the creation of a strong platform with the scale, capabilities and flexibility to act on an array of growth opportunities, both organic and transactional. AirBoss' defense business continues to identify and submit to tenders internationally, cumulatively valued at hundreds of millions of dollars. The transaction closed immediately subsequent to year-end on January 1, 2020. In the near-term, ADG remains focused on fulfilling the contracts secured in 2018 and 2019, including the recent MALO contract award from the U.S. Department of Defense. ADG is also working to advance next-generation products like Blast Gauge® and a new version of the low-burden mask through development and testing.

As part of its go-forward strategy for the Company, management is focused on four core priorities:

1. Growing the core Rubber Solutions segment by positioning it as a specialty supplier of choice in the consolidating North American market, with a growing focus on building defensible leadership positions in selected compounds;
2. Leveraging ADG's enhanced scale and capabilities to pursue an array of growth and value-creation opportunities in the broader survivability solutions segment serving both defense and first responder markets;
3. Driving improved performance from the anti-vibration business through a combination of disciplined cost containment, client relationship expansion, new product development and sector diversification; and
4. Targeting additional acquisition opportunities across the business with a focus on adding new compounds and products, technical capabilities, and geographic reach into selected North American and international markets.

AirBoss continues to generate meaningful returns to shareholders through a stable quarterly dividend, while driving improved profitability and simultaneously investing in core areas of the business to expand a solid foundation that will support long-term growth.

Contact: Chris Bitsakakis, President or Gren Schoch, CEO at 905-751-1188.

AirBoss of America Corp. is a group of complementary businesses using compounding technology and engineering expertise to create value for its customers. With a capacity to process over 450 million turn pounds of rubber annually, AirBoss Rubber Solutions is one of North America's largest custom rubber compounding companies and a leading supplier of essential calendared

and extruded products for a broad range of applications. AirBoss Engineered Products is a leading supplier of innovative anti-vibration solutions to the North American automotive market. AirBoss Defense Group is a world leader in the supply of survivability solutions to the defense and first responder industries. The Company's shares trade on the TSX under the symbol BOS. Visit www.airbossofamerica.com.

Note (1): Term loan and other debt as at December 31, 2019, includes \$14,542 of lease liabilities (see Significant Account Policies in the Company's FY2019 MD&A).

Note (2): Capital additions includes \$7,219 of leased assets.

Note (3): Non – IFRS Financial Measures: EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to a similar measure presented by other issuers. This measure is neither required by, nor calculated in accordance with IFRS, and therefore is considered a Non-IFRS Financial Measure. The Company discloses EBITDA, a financial measurement used by interested parties and investors to monitor the ability of an issuer to generate cash from operations for debt service, finance working capital and capital expenditures and pay dividends. It should not be considered as an alternative to, or more meaningful than net income (or any other IFRS financial measure) as an indicator of the Company's performance. Because EBITDA excludes some, but not all, items that affect net income, the EBITDA presented by the Company may not be comparable to similarly titled measures of other companies. A reconciliation of EBITDA to net income is presented below.

In thousands of US dollars	Three months ended December 31		Twelve months ended December 31	
	2019	2018	2019	2018
Net income	2,457	1,331	10,219	8,536
Finance costs	850	1,008	3,831	2,921
Depreciation, amortization and impairment	3,692	2,728	13,716	10,966
Income tax expense	1,834	665	4,316	3,252
EBITDA	8,833	5,732	32,082	25,675

AIRBOSS FORWARD LOOKING INFORMATION DISCLAIMER

Certain statements contained or incorporated by reference herein, including those that express management's expectations or estimates of future developments or AirBoss' future performance, constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws, and can generally be identified by words such as "will", "may", "could" "expects", "believes", "anticipates", "forecasts", "plans", "intends" or similar expressions. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events and performance.

Statements containing forward-looking information are necessarily based upon a number of opinions, estimates and assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies. AirBoss cautions that such forward-looking information involves known and unknown contingencies, uncertainties and other risks that may cause AirBoss' actual financial results, performance or achievements to be materially different from its estimated future results, performance or achievements expressed or implied by the forward-looking information. Numerous factors could cause actual results to differ materially from those in the forward-looking information, including without limitation: impact of general economic conditions; dependence on key customers; cyclical trends in the tire and automotive, construction, mining and retail industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; AirBoss' ability to maintain existing customers or develop new customers in light of increased competition; AirBoss' ability to successfully integrate acquisitions of other businesses and/or companies or to realize on the anticipated benefits thereof, changes in accounting policies and methods, including uncertainties associated with critical accounting assumptions and estimates; changes in the value of the Canadian dollar relative to the US dollar; changes in tax laws and potential litigation; ability to obtain financing on acceptable terms; environmental damage and non-compliance with environmental laws and regulations; potential product liability and warranty claims and equipment malfunction. This list is not exhaustive of the factors that may affect any of AirBoss' forward-looking information.

All of the forward-looking information in this press release is expressly qualified by these cautionary statements. Investors are cautioned not to put undue reliance on forward-looking information. All subsequent written and oral forward-looking information attributable to AirBoss or persons acting on its behalf are expressly qualified in their entirety by this notice. Forward-looking information contained herein is made as of the date of this press release and, whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly this forward-looking information except as required by applicable laws. Risks and uncertainties about AirBoss' business are more fully discussed under the heading "Risk Factors" in our most recent Annual Information Form and are otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.