

XPEL Reports Third Quarter Revenue Growth of 25% **- Quarterly Net Income Grows 82% -**

San Antonio, TX – November 17, 2016 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint protection and window films, announced results for the third quarter and nine months ended September 30, 2016.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, “We’re pleased with our strong third quarter results which reflect revenue growth of 25% and significant net income growth of 82%. We continue to see strong demand and growth across our product lines, including our recently launched window tint business.

“We continue to execute on our ‘Get Close to the Customer’ strategy with the goal of controlling our delivery model, efficiently leveraging our distribution channels and enhancing our brand exposure. Last week we announced that Tim Hartt, our Chief Operating Officer and one of XPEL’s founders, will be relocating to Europe as Managing Director of our European operations. His leadership presence will enable us to better align our strategic goals and accelerate the execution of our growth initiatives. Europe is the epicenter of the luxury car market, and our increasing commitment there will help expand the European market and aide our operations globally.”

For the Quarter Ended September 30, 2016:

Revenue: Revenue in the third quarter of fiscal 2016 was \$13.55 million, a 24.6% increase compared to revenue of \$10.87 million in the prior year. The revenue increase is primarily related to increased sales of XPEL’s core products of automotive protection film and window tint. On a constant currency basis, revenues increased 25.4% to \$13.63 million.

Gross Margin: Gross profit as a percentage of sales decreased to 28.1% from 30.3% in the third quarter last year. Direct costs include the costs of our physical goods, the costs related to our Design Access Program software, and the costs of labor directly associated with the production of product. Beginning this year, the Company has allocated more personnel cost to Direct Costs reflecting increased dedication of certain employees to the installation business. The effect of this revised methodology for the quarter was to increase direct costs by approximately \$0.20 million. Normalizing for the effect of the aforementioned personnel cost allocation methodology, gross margin for the quarter would have been 29.6%.

Expenses: Selling, general and administrative expenses were essentially flat vs. prior quarter at \$2.58 million, but declined as a percentage of revenue to 19.1% as compared to 24.2% in the third quarter of 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, selling, general and administrative expenses would have decreased as a percentage of sales to 20.0%.

EBITDA: Earnings Before Interest, Taxes Depreciation and Amortization (EBITDA) increased 67.3% to \$1.52 million as compared to EBITDA of \$0.91 million in the same prior year quarter. On a constant currency basis, EBITDA grew 72.1% to \$1.57 million.

Net Income: Net income for the fiscal 2016 third quarter was \$0.72 million or \$0.028 per basic and diluted share, compared with net income of \$0.40 million or \$0.015 per basic and diluted share, for the corresponding prior year period. On a constant currency basis, net income for the fiscal 2016 third quarter grew 92.1% to \$0.76 Million.

For the Nine Months Ended September 30, 2016:

Revenue: Revenue in the first nine months of fiscal 2016 was \$38.51 million, a 27.1% increase as compared to revenue of \$30.3 million in the same period of fiscal 2015. The revenue increase is primarily related to increased sales of XPEL's core products of automotive protection film and window tint. On a constant currency basis, revenues increased 28.1% to \$38.81 million.

Gross Margin: Gross profit as a percentage of sales decreased to 28.2% as compared to 31.3% in the first nine months of 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, gross margin for the quarter would have been 29.5%.

Expenses: Selling, general and administrative expenses declined as a percentage of revenue to 19.1% as compared to 23.2% in the first nine months of 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, selling, general and administrative expenses would have decreased as a percentage of sales to 20.6%.

EBITDA: EBITDA increased 37.1% to \$4.30 million as compared to EBITDA of \$3.1 million in the same prior year period. On a constant currency basis, EBITDA increased 43.9% to \$4.52 million in the first nine months of 2016.

Net Income: Net income for the first nine months of fiscal 2016 was \$2.19 million or \$0.085 per basic and diluted share, compared with net income of \$1.67 million or \$0.065 per basic and diluted share for the corresponding prior year period. On a constant currency basis, net income for the fiscal 2016 first nine months was \$2.36 million.

Conference Call Information

The Company will host a conference call to discuss the third quarter and nine month results today, November 17, 2016 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" under the "Company" header.

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 17, 2016 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 10140.

About XPEL Technologies Corp.

XPEL leads the industry in designing, manufacturing and distributing high-performance automotive paint and headlamp protection film technologies. Using XPEL's proprietary software and materials, our professional design team develops products that deliver the ultimate in vehicle protection, meeting the demands of a broad range of makes and models. With more than 70,000 vehicle-specific applications and a global network of trained installers, XPEL is dedicated to exceeding customer expectations in providing high-quality products, customer service and technical support. XPEL Technologies Corp. (TSXV: DAP.U) is publicly traded on the TSXV Exchange. Visit www.xpel.com for more information.

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 Statements of Income and Comprehensive Income
(Expressed in United States Dollars)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 13,549,976	\$ 10,874,243	\$ 38,510,523	\$ 30,298,220
Expenses				
Direct costs	9,741,681	7,579,123	27,664,414	20,801,634
Selling, general and administrative	2,583,189	2,628,513	7,370,473	7,031,569
Income from operations	1,225,106	666,607	3,475,636	2,465,017
Interest expense	61,654	72,185	180,154	173,049
Loss on sale of property, plant and equipment	(36)	1,603	4,874	3,641
Unrealized foreign currency loss (gain)	(3,186)	(9,263)	11,345	(37,346)
	<u>58,432</u>	<u>64,525</u>	<u>196,373</u>	<u>139,344</u>
Net income before income taxes	1,166,674	602,082	3,279,263	2,325,673
Deferred income tax (recovery) expense	15,639	(59,000)	(72,213)	200,000
Current income tax expense	427,627	263,000	1,165,094	455,000
	<u>443,266</u>	<u>204,000</u>	<u>1,092,881</u>	<u>655,000</u>
Net Income	\$ 723,408	\$ 398,082	\$ 2,186,382	\$ 1,670,673
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	(150,278)	(384,675)	(54,366)	(456,064)
Total comprehensive income	\$ <u>573,130</u>	\$ <u>13,407</u>	\$ <u>2,132,016</u>	\$ <u>1,214,609</u>
Net income attributable to equity holders of the Company	741,810	410,760	2,227,512	1,713,309
Non-controlling interest	<u>(18,402)</u>	<u>(12,678)</u>	<u>(41,130)</u>	<u>(42,636)</u>
	\$ 723,408	\$ 398,082	\$ 2,186,382	\$ 1,670,673
Earnings per Share				
Basic and diluted	\$ 0.028	\$ 0.015	\$ 0.085	\$ 0.065
Weighted Average Number of Common Shares				
Basic and diluted	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, 2016	December 31, 2015
Assets		
Current		
Cash and cash equivalents	\$ 2,991,173	\$ 2,840,549
Accounts receivable	4,913,381	3,450,407
Inventory	5,717,822	6,972,768
Prepaid expenses and other current assets	786,640	522,613
Income taxes receivable	-	300,668
Total current assets	14,409,016	14,087,005
Property, plant and equipment	1,291,613	1,235,337
Intangible assets	2,781,412	2,434,692
Deferred tax asset	55,747	100,659
Goodwill	1,647,562	1,668,527
Total assets	\$ 20,185,350	\$ 19,526,220
Liabilities		
Current		
Bank indebtedness	\$ 2,000,000	\$ 3,000,000
Accounts payable and accrued liabilities	4,452,665	4,465,819
Notes Payable	-	191,978
Income Tax Payable	491,217	117,649
Current portion of bank loan payable	559,316	542,181
Current portion of note payable– vendor loan	520,145	481,652
Total current liabilities	8,023,343	8,799,279
Deferred tax liability	473,693	558,116
Bank loan payable	584,021	1,004,369
Note payable – vendor loan	630,601	822,780
Total liabilities	9,711,658	11,184,544
Equity		
Capital stock	6,635,133	6,635,133
Contributed surplus	2,165,130	2,165,130
Accumulated other comprehensive income	(676,359)	(621,993)
Retained Earnings (Deficit)	2,394,095	166,583
	10,517,999	8,344,853
Non-controlling interest	(44,307)	(3,177)
Total liabilities and equity	\$ 20,185,350	\$ 19,526,220

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 IASB, 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 IASB.

EBITDA Reconciliation

	Three Months Ended		Nine Months Ended	
	Ended Sept 30 2016	Ended Sept 30 2015	Ended Sept 30 2016	Ended Sept 30 2015
Net Income	723,408	398,082	2,186,382	1,670,673
Interest	61,654	72,185	180,154	173,049
Taxes	443,266	204,000	1,092,881	655,000
Depreciation	76,350	70,107	218,930	169,988
Amortization	225,220	170,110	621,838	466,868
EBITDA	1,529,898	914,484	4,300,184	3,135,578