NEWS RELEASE

XPEL Reports Record Revenue In Fourth Quarter 2020 Of $48.6 Million; Fourth Quarter Revenue Increase Of 23.1%; Full Year Revenue Increase Of 22.3%

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San Antonio, TX – March 11, 2021 – XPEL, Inc. (Nasdaq: XPEL) (the "Company"), a global provider of protective films and coatings, announced results for the fourth quarter and year ended December 31, 2020.

Fourth Quarter 2020 Highlights:

- Revenues increased 23.1% to $48.6 million compared to fourth quarter 2019 and increased 5.4% sequentially as compared to third quarter 2020
- Net income grew 31.8% to $6.1 million, or $0.22 per basic and diluted share, compared to $4.6 million, or $0.17 per basic and diluted share, in the same quarter of 2019
- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) grew 45.3% to $8.1 million, or 16.6%

of revenues compared to $5.6 million, or 14.1% in fourth quarter 20191

Full Year Highlights

- Revenues increased 22.3% to $158.9 million compared to full year 2019.
- Net income increased 30.6% to $18.3 million, or $0.66 per basic and diluted share, compared to $14.0 million, or $0.51 per basic and diluted share, in 2019
- EBITDA grew 34.9% to $25.3 million, or 15.9% of revenues, as compared to $18.7 million, or 14.4% of revenues in 20191

Ryan Pape, President and Chief Executive Officer of XPEL, commented, “We closed out a strong year by delivering record fourth quarter results – our second consecutive quarter reaching record levels. The XPEL brand continues to grow around the world, and as we move through 2021 we’re focused on continuing the momentum achieved in the back half of 2020.”

The Company also announced the filing of an automatic “shelf” registration statement on Form S-3. Under this shelf registration statement, the Company may sell from time to time in one or more offerings, various series of debt securities, common stock, or other securities.

Barry Wood, Senior Vice President and Chief Financial Officer of XPEL, commented, “While we have no current plans to raise capital, this registration statement provides flexibility and maximizes our optionality in raising capital should the need arise in the future as we execute on our multi-faceted growth strategy."

For the Quarter Ended December 31, 2020:

Revenues. Revenues increased approximately $9.1 million or 23.1% to $48.6 million as compared to $39.5 million in the fourth quarter of the prior year.

Gross Margin. Gross margin was 32.8% compared to 31.5% in the fourth quarter of 2019.

Expenses. Operating expenses increased slightly to $8.6 million, but decreased as a percentage of sales to 17.7%, compared to $7.5 million or 18.9% of sales in the prior year period.

Net income. Net income was $6.1 million, or $0.22 per basic and diluted share versus net income of $4.6 million, or $0.17 per basic and diluted share in the fourth quarter of 2019.

EBITDA. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) was $8.1 million, or 16.6% of sales, as compared to $5.6 million in the prior year1.

For the Year Ended December 31, 2020:

Revenues. Revenues increased approximately $29.0 million or 22.3% to $158.9 million as compared to $129.9 million in 2019.

Gross Margin. Gross margin improved to 34.0% compared 33.5% in full year 2019.

Expenses. Operating expenses increased to $30.7 million, and decreased to 19.3% of sales, compared to $26.4 million or 20.3% of sales in 2019.

Net income. Net income was $18.3 million, or $0.66 per basic and diluted share versus net income of $14 million, or $0.51 per basic and diluted share for 2019.

EBITDA. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) was $25.3 million, or 15.9% of sales, as compared to $18.7 million in 20191.

As of December 31, 2020, XPEL had cash and cash equivalents of $29.0 million compared to $11.5 million at December 31, 2019.

1 See reconciliation of non-GAAP financial measures below

Conference Call Information

The Company will host a conference call and webcast on Wednesday, March 11, 2021 at 11:00 a.m. Eastern Time to discuss the Company's results for the fourth quarter and year end 2020.

To access the live webcast, please visit the XPEL, Inc. website at www.xpel.com/investor.

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 April 11, 2021 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 40119.

About XPEL, Inc.

XPEL is a leading provider of protective films and coatings, including automotive paint protection film, surface protection film, automotive and architectural window films, and ceramic coatings. With a global footprint, a network of trained installers and proprietary DAP software, XPEL is dedicated to exceeding customer expectations by providing high-quality products, leading customer service, expert technical support and world-class training. XPEL, Inc. is publicly traded on Nasdaq under the symbol “XPEL”.

Safe harbor statement

This release includes forward-looking statements regarding XPEL, Inc. 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.

This press release is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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