NEWS RELEASE

XPEL Reports Revenue Growth Of 19.0%, Net Income Growth Of 32.1% In Second Quarter 2020

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San Antonio, TX – August 12, 2020 – XPEL, Inc. (Nasdaq: XPEL) (the "Company"), a global provider of protective films and coatings, announced results for the second quarter and first six months ended June 30, 2020.

Second Quarter 2020 Highlights:

- Revenues increased 19.0% to $35.8 million compared to second quarter 2019
- Net income grew 32.1% to $4.0 million, or $0.14 per basic and diluted share, compared to $3.0 million, or $0.11 per basic and diluted share, in the same quarter of 2019
- EBITDA grew 29.2% to $5.7 million, or 15.8% of revenues compared to $4.4 million in second quarter 20191

First Six Months Highlights

- Revenues increased 17.1% to $64.2 million compared to the prior year period
- Net income increased 14.7% to $5.6 million, or $0.20 per basic and diluted share, compared to $4.9 million, or $0.18 per basic and diluted share, in the same period of 2019

- EBITDA grew 14.0% to $8.2 million, or 12.8% of revenues, as compared to $7.2 million in the same prior year period1

Ryan Pape, President and Chief Executive Officer of XPEL, commented, “We're very pleased to have achieved strong second quarter results even as the world continued to contend with the impact of the COVID-19 pandemic. As we moved through the quarter, following early lockdown-related declines, we saw incredible top line resilience, led by the United States and China, which culminated in an all-time record revenue month in June. Early in the quarter, our team took swift action to manage through the crisis. These actions, along with this top line recovery, drove substantial net income growth and record operating cash flow while avoiding any layoffs or furloughs. While the economy continues to face uncertainty related to future COVID-19 impacts, we are cautiously optimistic that our second quarter momentum will continue as we move through the rest of the year.”

For the Quarter Ended June 30, 2020:

Revenues. Revenues increased approximately $5.7 million or 19% to $35.8 million as compared to $30.1 million in the prior year.

Gross Margin. Gross margin was 32.8% compared to 35.3% in the second quarter of 2019.

Expenses. Operating expenses decreased slightly to $6.6 million, or 18.4% of sales, compared to $6.7 million or 22.1% of sales in the prior year period.

Net income. Net income was $4.0 million, or $0.14 per basic and diluted share versus net income of $3.0 million, or $0.11 per basic and diluted share in the second quarter of 2019.

1 See reconciliation of non-GAAP financial measures below

EBITDA. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) was $5.7 million, or 15.8% of sales, as compared to $4.4 million in the prior year1.

For the Six Months Ended June 30, 2020:

Revenues. Revenues increased approximately $9.4 million or 17.1% to $64.2 million as compared to $54.8 million in the same period of the prior year.

Gross Margin. Gross margin was largely consistent at 34.3% compared to the first six months of 2019.

Expenses. Operating expenses increased to $14.4 million, and remained consistent at 22.5% of sales, compared to $12.3 million in the same prior year period.

Foreign Currency Exchange. Foreign Currency Exchange loss increased to $0.4 million in the six month period compared to $0.02 million in the same prior period.

Net income. Net income was $5.6 million, or $0.20 per basic and diluted share versus net income of $4.9 million, or $0.18 per basic and diluted share in the first half of 2019.

EBITDA. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) was $8.2 million, or 12.8% of sales, as compared to $7.2 million in the same prior year period1.

1 See reconciliation of non-GAAP financial measures below

As of June 30, 2020, XPEL had cash and cash equivalents of $25.8 million compared to $11.5 million at December 31, 2019.

Conference Call Information

The Company will host a conference call and webcast today, Wednesday, August 12, 2020 at 11:00 a.m. Eastern Time to discuss the Company's results for the second quarter of 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 September 11, 2020 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 35824.

About XPEL, Inc.

XPEL is a leading provider of protective films and coatings, including automotive paint protection film, surface protection film, automotive and commercial/residential 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.

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