CECO ENVIRONMENTAL

A global industrial technology company focused on environmental, energy, fluid handling and filtration industries

4Q & Full-Year 2015 Earnings Conference Call

March 10, 2015*

*This presentation has been revised as described in “Item 7, Results of Operations” of the Form 10K, furnished to the SEC on March 23, 2016.

NOTES TO INVESTORS

Forward-Looking Statements and Non-GAAP Information

Any statements contained in this presentation other than statements of historical fact, including statements about management's beliefs and expectations, are forward-looking statements and should be evaluated as such. These statements are made on the basis of management's views and assumptions regarding future events and business performance. Words such as "estimate," "believe," "anticipate," "expect," "intend," "plan," "target," "project," "should," "may," "will" and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) involve risks and uncertainties that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. These risks and uncertainties include, but are not limited to: our ability to successfully integrate acquired businesses and realize the synergies from acquisitions, including PMFG, as well as a number of factors related to our business including economic and financial market conditions generally and economic conditions in CECO's service areas; dependence on fixed price contracts and the risks associated therewith, including actual costs exceeding estimates and method of accounting for contract revenue; fluctuations in operating results from period to period due to seasonality of the business; the effect of growth on CECO's infrastructure, resources, and existing sales; the ability to expand operations in both new and existing markets; the potential for contract delay or cancellation; changes in or developments with respect to any litigation or investigation; the potential for fluctuations in prices for manufactured components and raw materials; the substantial amount of debt incurred in connection with our recent acquisitions and our ability to repay or refinance it or incur additional debt in the future; the impact of federal, state or local government regulations; economic and political conditions generally; and the effect of competition in the product recovery, air pollution control and fluid handling and filtration industries. These and other risks and uncertainties are discussed in more detail in CECO's filings with the Securities and Exchange Commission, including our reports on Form 10-K and Form 10-Q. Many of these risks are beyond management's ability to control or predict. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary in material aspects from those currently anticipated. Investors are cautioned not to place undue reliance on such forward-looking statements as they speak only to our views as of the date the statement is made. All forward-looking statements attributable to CECO or persons acting on behalf of CECO are expressly qualified in their entirety by the cautionary statements and risk factors contained in this presentation and CECO's respective filings with the Securities and Exchange Commission. Furthermore, forward-looking statements speak only as of the date they are made. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission, CECO undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

While CECO reports its results in accordance with generally accepted accounting principles in the U.S. (GAAP), comments made during this conference call and these materials will include the following "non-GAAP" measures: Non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP adjusted EBITDA, non-GAAP gross profit margin, non-GAAP operating margin, non-GAAP earnings per basic and diluted share, and selected measures expressed on a constant currency basis. These measures are included to provide additional useful information regarding CECO's financial results and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures and reconciliations of these non-GAAP measures to their directly comparable GAAP measures are included in the accompanying "Supplementary Non-GAAP Materials." Descriptions of many of these non-GAAP measures are also included in CECO's SEC reports.

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Jeff Lang

President and Chief Executive Officer

4Q15 Highlights

- **Despite macroeconomic challenges, delivered solid 4Q & full-year results**
  - Driven by strategic focus on margin, recurring revenue and sales excellence
  - Aided by diversity of end-markets, geographies and revenue streams
- **Record revenue of $101.3M, up 33% y/y**
  - Organic revenue, constant currency, down 2.4% in quarter and up 3.0% for full year
- **Record bookings of $100.3M, up 58% y/y**
  - Organic bookings flat in quarter and down 7% for full year
- **Strong backlog of $211.2M, up 51% y/y & consistent with 3Q15**
- **Gross margin of 31.0%, up 120bps y/y**
- **Non-GAAP operating income of $10.1M, up 33% y/y**
- **Adjusted EBITDA of $12.2M, up 37% y/y**
- **Paid down $20M in debt in the quarter**

Delivering margin expansion through operating excellence and commitment to long-term growth

2015 Operational Highlights

- Delivered record results: Revenue, Bookings, Adjusted EBITDA, Non-GAAP Operating Income, Gross Profit & Non-GAAP EPS
- Achieved $367M Revenue, $43M Non-GAAP Operating Income and $48M Adjusted EBITDA
- Continued strategic focus on recurring revenue growth to drive higher margins
- Peerless integration ahead of plan; Delivered ~$4.5M adjusted EBITDA since acquisition close (9/3/15)
- Strong balance sheet, working capital improvements & $34M cash reserves
- Continued focus on debt reduction; Paid down $37M in 2015
- Continued investment in technology, services and talent

Business Conditions & Strategic Review

- **Environmental Segment**
  - Lighter demand for industrial engineered equipment causes project delays and slowness in activity and bookings
  - Global refinery and petrochemical activity remain solid
  - Lower expectations for China; Flat near-term opportunity yet strong long-term prospects
- **Energy Segment**
  - Global natural gas power generation remains robust and midstream natural gas pipeline activity remains solid
  - Attractive long-term natural gas growth profile
  - Domestic utility coal business has slowed
- **Fluid Handling and Filtration Segment**
  - Revenue and margins consistent despite weaker demand for industrial capital equipment
- **Aftermarket sales strategies/recurring revenues gaining momentum and will drive continued margin expansion**

Despite near-term headwinds, remain confident in long-term growth of our end markets

Executing on Peerless Integration & Operational Efficiencies

- **Peerless integration ahead of plan and almost complete**
- **As of March 2016, achieved $15M of annual cost synergies; Accomplished in 6 months vs. 18-24 months as previously communicated**
  - Corporate overhead (IT, public company fees, etc.) integrated and streamlined
  - Manufacturing optimized with one less manufacturing plant
  - Shift to external strategic manufacturing partners
  - Expense streamlining of divisional operations
  - Convert savings from manufacturing shop overhead to additional gross profit
- **Focused on driving sales productivity, sales synergies and top-line growth**

Achieved cost synergies more than one year ahead of plan

Peerless Exceeding Expectations

- **Delivered strong 4Q15 performance, exceeding margin expectations**
  - Revenue $28.3M
  - Bookings $32.0M
  - Non-GAAP Operating Income $3.1M
  - Adjusted EBITDA $3.3M
  - Gross Margin 35.3%
  - Non-GAAP Operating Margin 11%

- **Performance on track with CECO operating metrics**
- **In-line with $20M annual adjusted EBITDA run rate by year-end 2016**

Driving significant cost reductions while focusing on profitable growth

Recurring Revenue Strategy

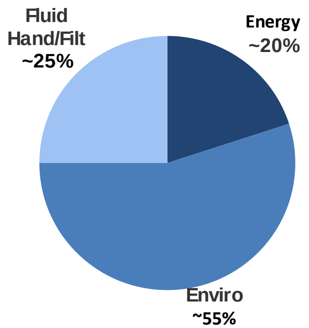
- Dedicated AM Employees
- 300K Installed Units= $5BN Base
- Expanded Offering Portfolio
- Technician Footprint
- Weekly Metrics Review
- Lifecycle Sales Team
- Connectivity Focus

- **Relationships**: Leverage $5BN installed base to develop deeper relationships with end user customers
- **Influence and Differentiation:** Consulted first throughout the asset lifecycle
- **Increased Growth and Profitability:** Grow recurring revenue every year in every market condition
- **Improved Cash Flow:** Good margins, low asset intensity and good terms provide attractive cash flow
- **Lead with Services:** Solving challenges strengthens relationships & creates opportunities for parts & new equipment
- **Pull-Through Opportunities:** Service & consulting opportunities provide multiple areas of pull-through business

Demonstrate value at every stage of customer's lifecycle & stay connected for life

Recurring Revenue Journey

2016E Recurring Revenue Mix by Segments



2015

25% of Total Revenue Recurring
- Parts
- Contract Services
- Ducting Accessories

2016

Low Double Digit Recurring Revenue Growth
- Enhanced Service Offerings
- Margin Expansion

2018

30% of Total Revenue Recurring
- Lead With Services
- Improved Installed Base Connectivity

Grow Recurring Revenues 2x to 2.5x Engineered Equipment Growth

2016 Strategic Priorities

Continued Focus on Organic Revenue Growth & Higher Margin Aftermarket Opportunities

Sharp Focus on Debt Reduction, Working Capital & Free Cash Flow Conversion

Continue to Innovate and Deliver Differentiation and Value to Customers

Solid Operating Platform to Drive Future Growth Initiatives

Further Integrate Peerless Acquisition and Realize Additional Synergies

Enhance Profitability Through Streamlined Operations

Drive Above Industry Average Revenue Growth Through Sales & Operational Excellence

Sharp Focus on Debt Reduction

- **4Q15 Net Debt to TTM Adjusted EBITDA = 3x Leverage Ratio**
- **Core focus**
  - Growth and EBITDA generation
  - Working capital improvement
  - Debt repayment
  - Asset light continuation
- **Paid off $37M of debt in 2015, including $20M in 4Q15, exclusive of new borrowings**
- **Exiting unutilized assets and evaluating asset sale-lease back opportunities**

Goal to achieve net debt/adjusted EBITDA of 2.0x within 18-24 months

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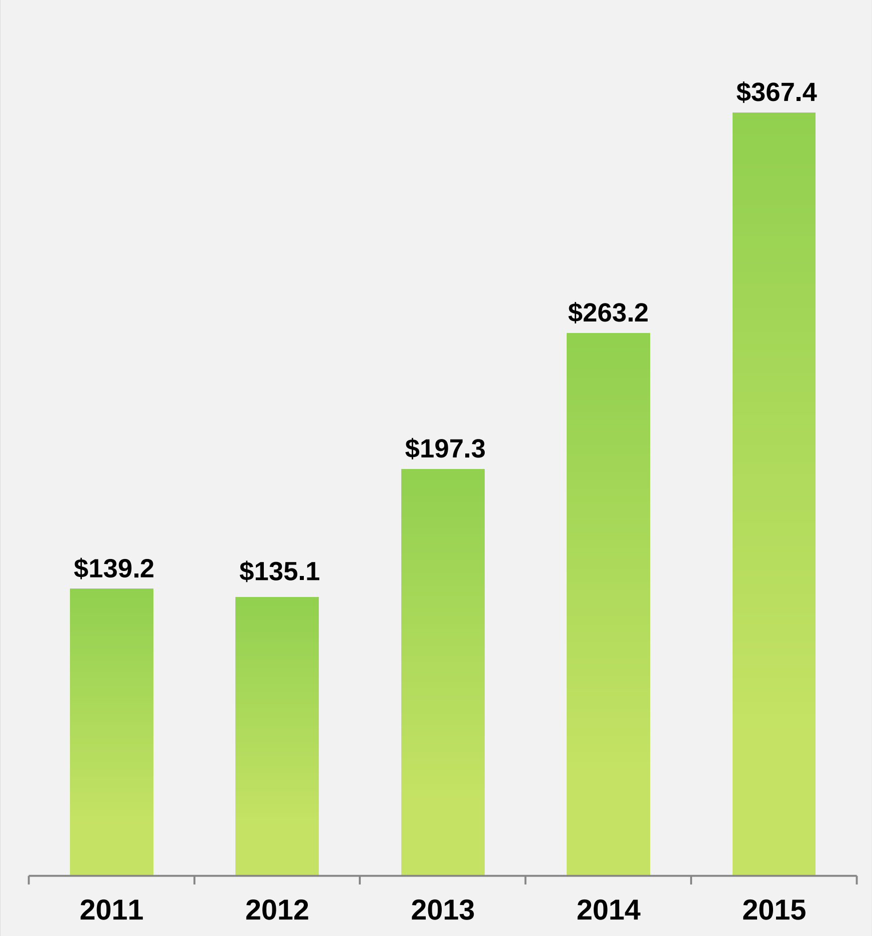
Ed Prajzner

Chief Financial Officer

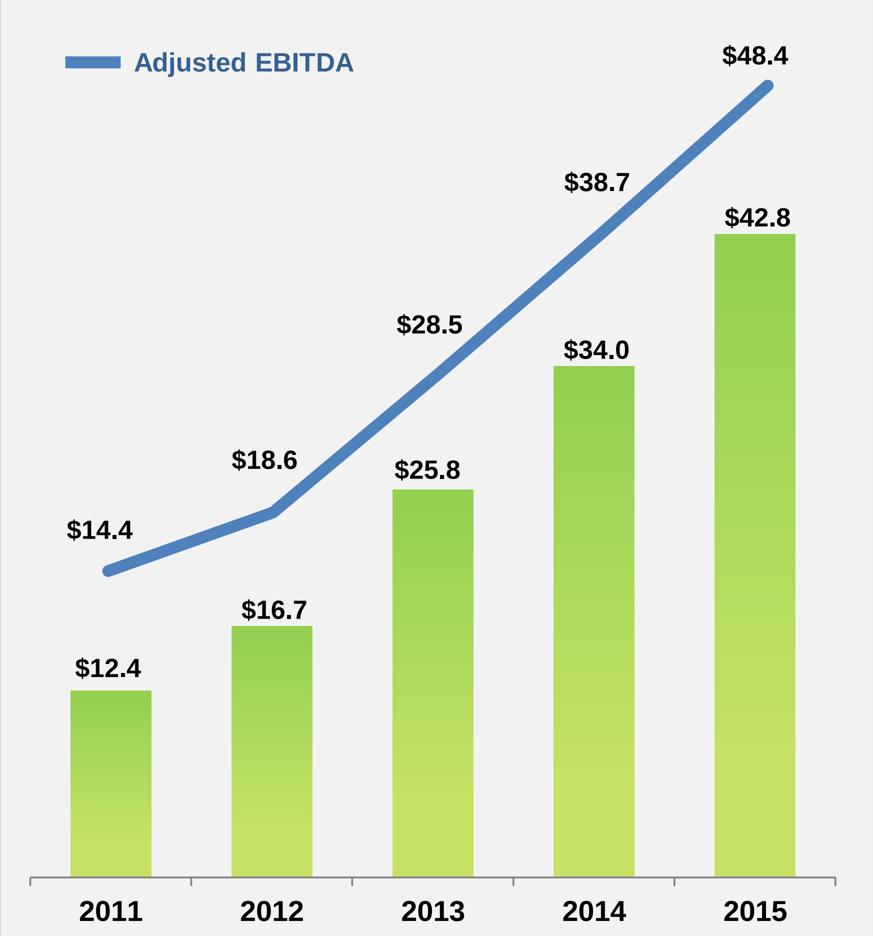
Growth in Revenue, OI & Adjusted EBITDA

($ in millions)

Revenue



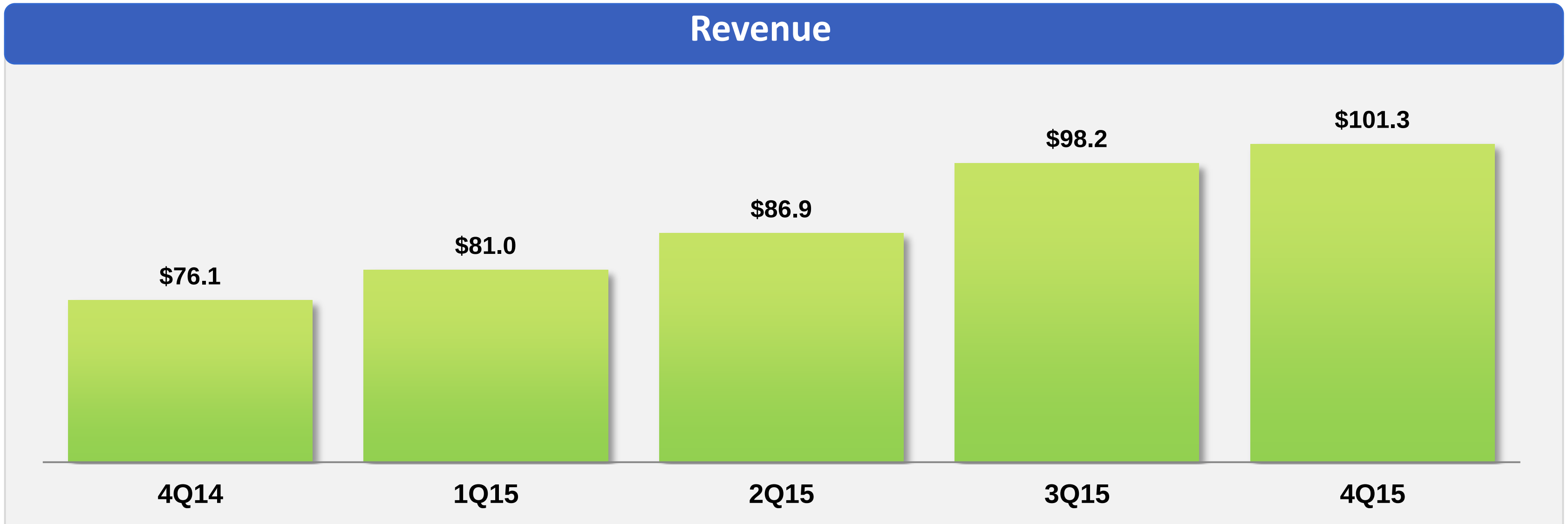
Non-GAAP Operating Income & Adjusted EBITDA (1)



(1) See supplemental slide for adjusted EBITDA and Non-GAAP Operating Income reconciliations and important disclosures regarding CECO's use of these non-GAAP financial measures.

4Q15 Financial Highlights

($ in millions)



4Q15 Results

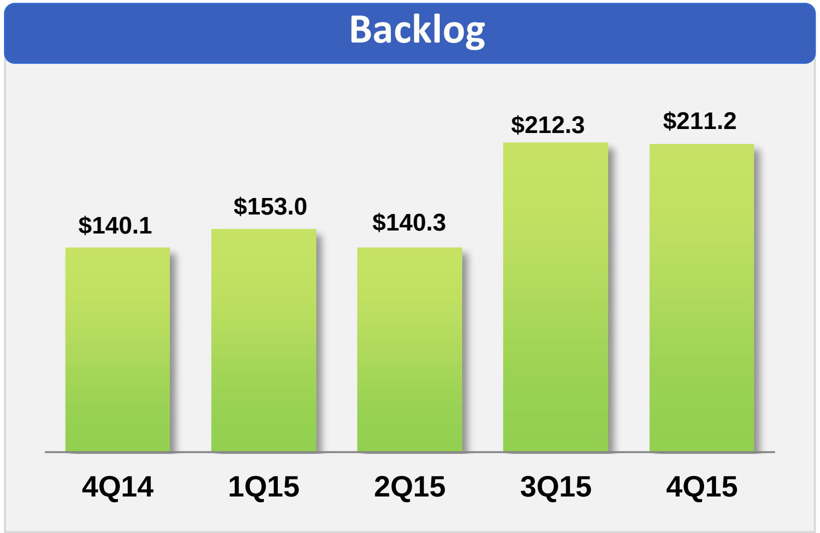
- Record revenue of $101.3M, up 33% y/y
- Organic revenue down 2.4% y/y, constant currency, due to softness in Asia and weaker demand for industrial engineered equipment

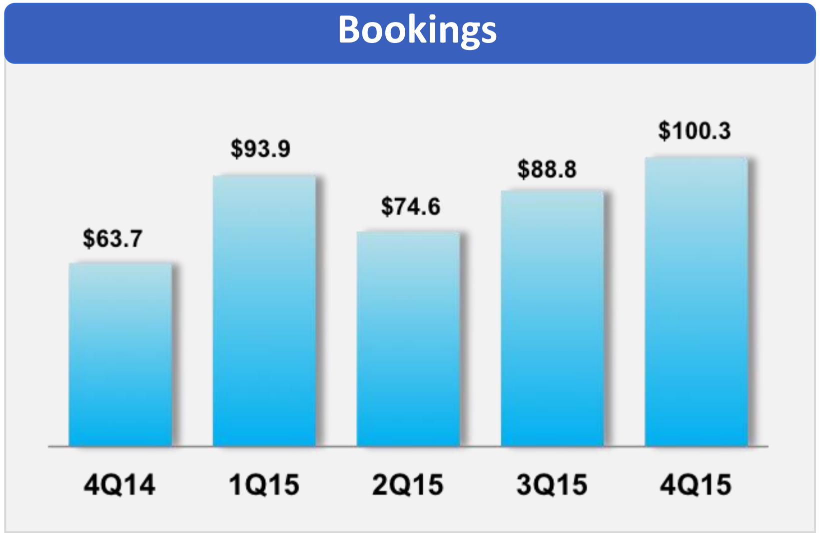
FY 2015 Results

- Record revenue of $367.4M, up 40% y/y
- Organic revenue, constant currency, up 3.0% y/y
- Revenue gains driven primarily by Peerless acquisition

4Q15 Financial Highlights

($ in millions)





4Q15 Results

- **Solid backlog of $211.2M, up 51% y/y**
- **Bookings of $100.3M, up 57% y/y**
  - **Organic bookings down 7.5% y/y due to weaker market conditions**

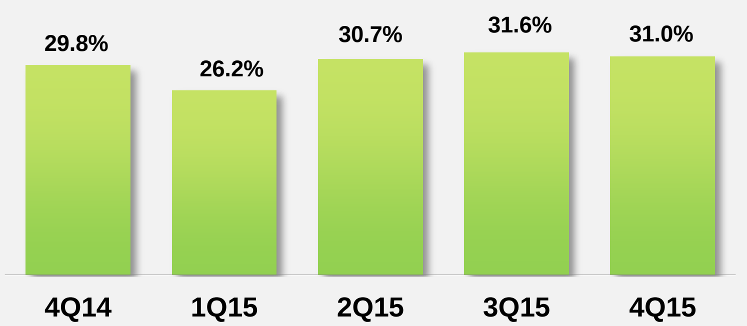
FY 2015 Results

- **Bookings of $358M, up 40% y/y**
  - **Organic bookings flat y/y**

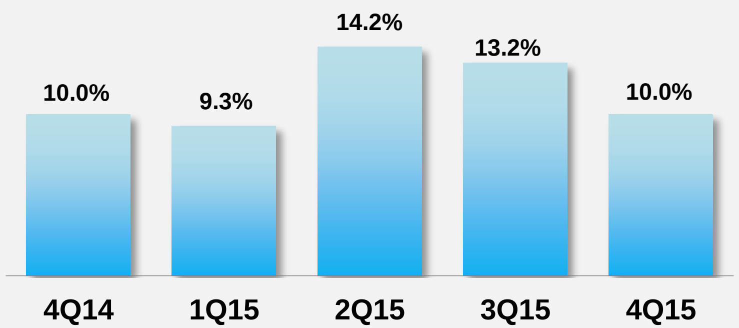
- **Bookings and backlog increases due primarily to Peerless acquisition**

4Q15 Financial Highlights

Non-GAAP Gross Margin



Non-GAAP Operating Margin



4Q15 Results

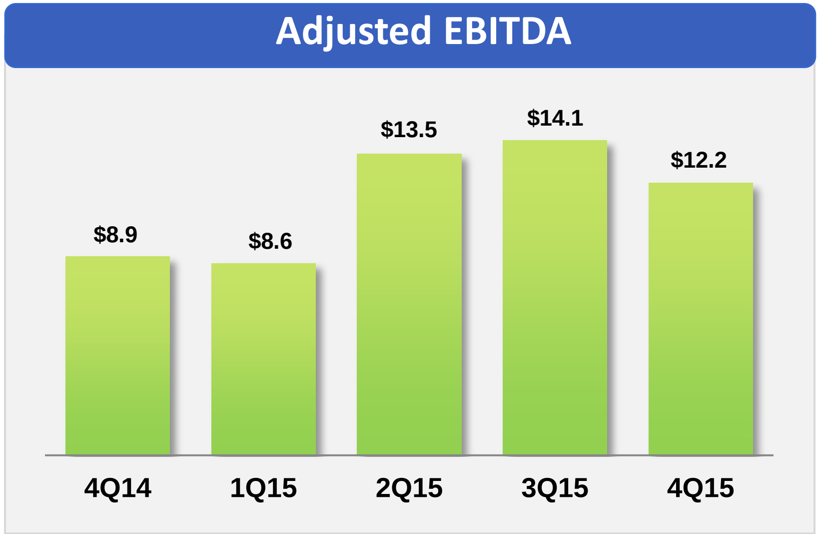
- Non-GAAP gross margin of 31.0%, up 120 bps y/y, driven by price management and increased aftermarket sales
- Non-GAAP operating margin of 10.0%, flat y/y, and down sequentially due to Peerless' higher operating expenses

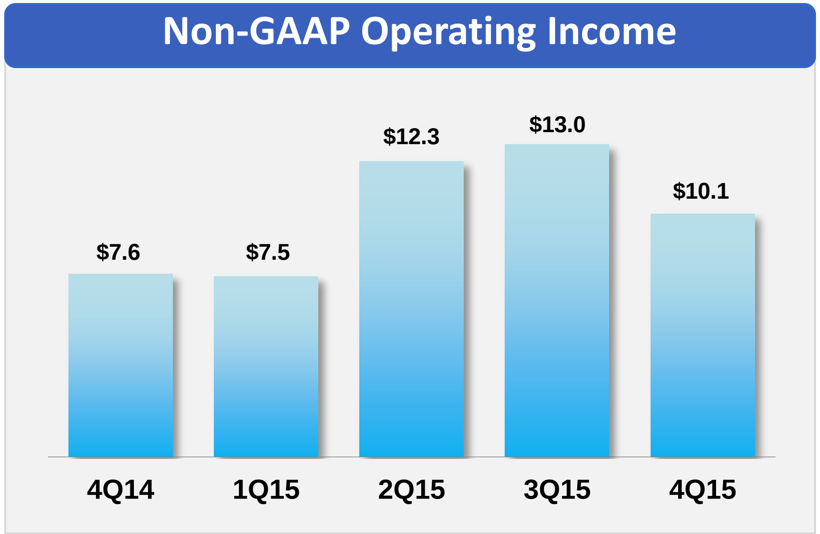
FY 2015 Results

- Non-GAAP gross margin of 30.0%, down 240 bps y/y
- Non-GAAP operating margin of 11.6%, down 130 bps y/y

4Q15 Financial Highlights

($ in millions)





Note: See supplemental slide for adjusted EBITDA reconciliation and important disclosures regarding CECO's use of adjusted EBITDA.

4Q15 Results
- **Adjusted EBITDA of $12.2M, up 37% y/y**
- **Non-GAAP operating income of $10.1M, up 33% y/y**

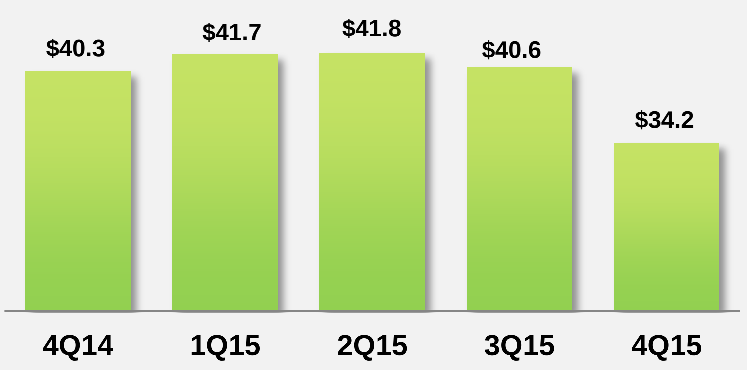
FY 2015 Results
- **Adjusted EBITDA of $48.4M, up 25% y/y**
- **Non-GAAP operating income of $42.8M, up 26% y/y**

- **Increases due to operational excellence and increased aftermarket sales**

Environmental Segment

4th Quarter Results *($ in millions)*

Revenue



Bookings

4Q15 Results

- Revenue of $34.2M, down 15% y/y
  - Organic revenue down 7% y/y
- Bookings of $30.3M, down 9% y/y
  - Organic bookings down 19%

FY 2015 Results

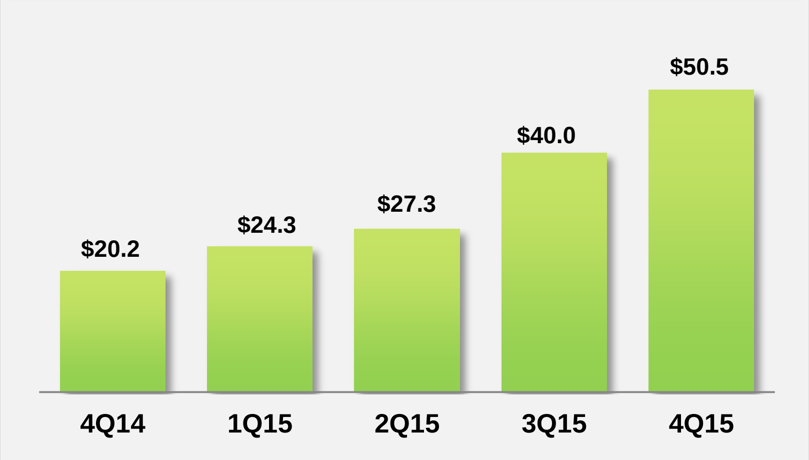
- Revenue of $158.4M, up 24% y/y
  - Organic revenue down 3% y/y
- Bookings of $162M, up 41% y/y
  - Organic bookings up 5%
- Aftermarket continues to gain momentum

Energy Segment

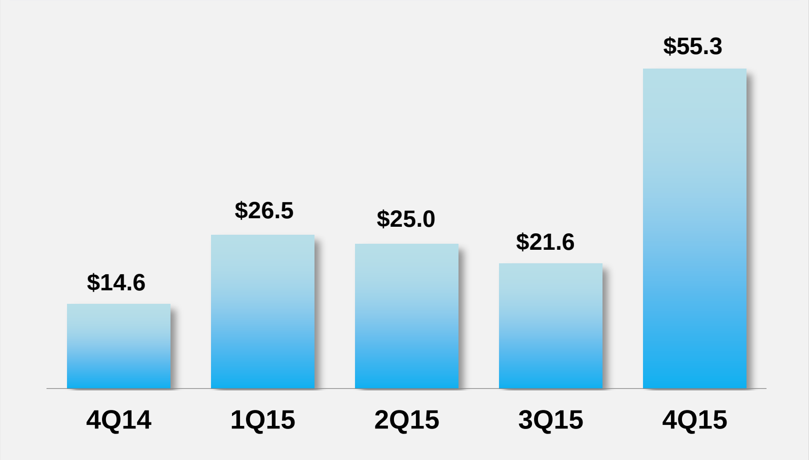
4th Quarter Results

($ in millions)

Revenue



Bookings



4Q15 Results
- Revenue of $50.5M, up 150% y/y, primarily due to Peerless acquisition
  - Organic revenue down 4% y/y
- Bookings of $55.3M, up 278% y/y, primarily due to Peerless acquisition
  - Organic bookings up 12% y/y

FY 2015 Results
- Record revenue of $142.1M up 102% y/y
  - Organic revenue up 12% y/y
- Bookings of $128.4M, up 70% y/y
  - Organic bookings down 14% y/y

Fluid Handling & Filtration Segment

4th Quarter Results

($ in millions)

Revenue

Bookings

4Q15 Results

- Organic revenue of $17.5M, up 10% y/y
- Organic bookings of $14.8M, down 6% y/y

FY 2015 Results

- Organic revenue of $67.6M, up 3% from 2015
- Organic bookings of $67M, up 4.5% y/y

- Margin expansion and operational excellence on plan
- Aftermarket sales accelerating

Balance Sheet

($ in millions)

Selected Balance Sheet Information	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Cash & Equivalents	$ 12.7	$ 23.0	$ 22.7	$ 18.2	$ 34.2
Total Assets	$ 79.3	$ 94.1	$348.5	$412.1	$598.8
Total Bank Debt	$ 0.0	$ 0.0	$ 89.1	$111.9	$177.3
Shareholders' Equity	$ 43.0	$ 62.0	$170.4	$181.2	$245.0

Balance Sheet Detail					
Current Assets	$ 53.5	$ 64.3	$124.8	$143.0	$228.5
Current Liabilities	$(23.6)	$(27.5)	$(59.3)	$(77.8)	$(148.2)
Working Capital	**$ 29.9**	**$ 36.8**	**$ 65.5**	**$ 65.2**	**$ 80.3**

Net Debt to TTM Adjusted EBITDA = 3x Leverage Ratio

Note: Balance Sheet figures presented as reported in Company filings

Supplementary Non-GAAP Materials

NOTES TO INVESTORS

Non-GAAP Financial Information

CECO is providing non-GAAP historical financial measures as the Company believes these figures are helpful in allowing individuals to better assess the ongoing nature of CECO's core operations. A "non-GAAP financial measure" is a numerical measure of a company's historical financial performance that excludes amounts that are included in the most directly comparable measure calculated and presented in the GAAP statement of operations.

Non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP adjusted EBITDA, non-GAAP gross profit margin, non-GAAP operating margin, non-GAAP earnings per basic and diluted share, as presented in this presentation, have been adjusted to exclude the effects of expenses related to property, plant, and equipment valuation adjustments, acquisition and integration expense activities including retention, legal, accounting, banking, amortization and earnout expenses, the impact of foreign currency re-measurement and the associated tax benefit of these charges. Management believes these items are not necessarily indicative of the Company's ongoing operations and their exclusion provides individuals with additional information to compare the Company's results over multiple periods. Additionally, management utilizes this information to evaluate its ongoing financial performance. CECO's financial statements may be affected by items similar to those excluded in the non-GAAP adjustments described above, and exclusion of these items from our non-GAAP financial measures should not be construed as an inference that all such costs are unusual or infrequent.

Non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP adjusted EBITDA, non-GAAP gross profit margin, non-GAAP operating margin, and non-GAAP earnings per basic and diluted shares are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the costs associated with the operations of our business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of CECO's results as reported under GAAP.

In accordance with the requirements of Regulation G issued by the Securities and Exchange Commission, non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP adjusted EBITDA, non-GAAP gross profit margin, non-GAAP operating margin, and non-GAAP earnings per basic and diluted share stated in the tables above are reconciled to the most directly comparable GAAP financial measures. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures, since it does not take into account debt service requirements or other non-discretionary expenditures that are not deducted from the measure. Adjusted EBITDA and Free Cash Flow are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP Additionally, CECO cautions investors that non-GAAP financial measures used by the Company may not be comparable to similarly titled measures of other companies.

Additionally, CECO presents certain measures, such as period-over-period revenue growth, on a constant currency basis, which excludes the effects of foreign currency translation. Due to the continuing strengthening of the U.S. dollar against foreign currencies and the overall variability of foreign exchange rates from period to period, management uses these measures on a constant currency basis to evaluate period-over-period operating performance. Measures presented on a constant currency basis are calculated by translating current period results at prior period monthly average exchange rates.

Non-GAAP Gross Margin

($ in millions)

	Annual 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Annual 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015
Gross profit as reported in accordance with GAAP	$61.6	$19.7	$21.4	$21.1	$22.6	$84.8	$21.0	$26.6	$30.8	**$30.8**	**$109.2**
Gross profit margin in accordance with GAAP	*31.2%*	*34.4%*	*32.1%*	*33.3%*	*29.7%*	*32.2%*	*25.9%*	*30.6%*	*31.4%*	***30.4%***	***29.7%***
Inventory valuation adjustment	1.1	-	-	-	-	-	-	-	-	**0.5**	**0.5**
Plant, property and equipment valuation adjustment	0.2	0.2	0.1	0.2	0.1	$0.6	0.2	0.1	0.2	**0.1**	**0.6**
Non-GAAP gross margin	$62.9	$19.9	$21.5	$21.3	$22.7	$85.4	$21.2	$26.7	$31.0	**$31.4**	**$110.3**
Non- GAAP Gross profit margin	*31.9%*	*34.8%*	*32.3%*	*33.6%*	*29.8%*	*32.4%*	*26.2%*	*30.7%*	*31.6%*	***31.0%***	***30.0%***

Non-GAAP Operating Margin

($ in millions)

	Annual 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Annual 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015
Operating income as reported in accordance with GAAP	$7.0	$5.5	$7.2	$5.2	$3.8	$21.7	$3.0	$4.5	$(2.2)	**$(0.3)**	**$4.9**
Operating margin in accordance with GAAP	*3.5%*	*9.6%*	*10.8%*	*8.2%*	*5.0%*	*8.2%*	*3.7%*	*5.2%*	*-2.2%*	***-0.3%***	***1.3%***
Inventory valuation adjustment	1.1	-	-	-	-	-	-	-	-	**0.5**	**0.5**
Plant, property and equipment valuation adjustment	0.2	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	**0.1**	**0.6**
Acquisition and integration expenses	7.2	0.1	0.2	0.1	0.9	1.3	0.3	1.0	5.7	**0.9**	**7.9**
Amortization and earn-out expenses	6.8	2.5	2.4	2.4	2.8	10.1	4.0	6.7	9.3	**5.6**	**25.6**
Intangible asset impairment	-	-	-	-	-	-	-	-	-	**3.3**	**3.3**
Legal reserves	3.5	-	-	0.3	-	0.3	-	-	-	**-**	**-**
Non-GAAP operating income	$25.8	$8.3	$9.9	$8.2	$7.6	$34.0	$7.5	$12.3	$13.0	**$10.1**	**$42.8**
Non-GAAP Operating margin	*13.1%*	*14.5%*	*14.9%*	*12.9%*	*10.0%*	*12.9%*	*9.3%*	*14.2%*	*13.2%*	***10.0%***	***11.6%***

Non-GAAP Net Income & EBITDA

($ in millions)

	Annual 2011	Annual 2012	Annual 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Annual 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015
Net income as reported in accordance with GAAP	$8.3	$10.9	$6.6	$3.0	$4.5	$3.7	$1.9	$13.1	$0.2	$2.1	$(4.8)	$(3.1)	$(5.6)
Inventory valuation adjustment	-	-	1.1	-	-	-	-	-	-	-	-	0.5	$0.5
Plant, property and equipment valuation adjustment	-	-	0.2	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.1	$0.6
Acquisition and integration expenses	-	-	7.2	0.1	0.2	0.1	0.9	1.3	0.3	1.0	5.7	0.9	$7.9
Amortization and earn-out expenses	-	-	6.8	2.5	2.4	2.4	2.8	10.1	4.0	6.7	9.3	5.6	$25.6
Intangible asset impairment	-	-	-	-	-	-	-	-	-	-	-	3.3	$3.3
Legal reserves	-	-	3.5	-	-	0.3	-	0.3	-	-	-	-	$-
Deferred financing fee adjustment	-	-	-	-	-	-	-	-	-	-	0.3	-	$0.3
Foreign currency remeasurement	-	-	(1.1)	-	-	1.7	1.2	2.9	2.7	(0.6)	(0.3)	0.7	$2.5
Tax benefit of expenses	-	-	(4.6)	(0.8)	(0.7)	(1.2)	(1.0)	(3.7)	(1.7)	(0.8)	(2.6)	(2.0)	$(7.1)
Non-GAAP net income	$8.3	$10.9	$19.7	$5.0	$6.5	$7.2	$5.9	$24.6	$5.7	$8.5	$7.8	$6.0	$28.0
Depreciation	1.4	1.2	1.6	0.8	0.7	0.8	0.8	3.1	0.7	0.6	0.7	1.5	$3.5
Non-cash stock compensation	0.7	0.7	1.1	0.3	0.4	0.5	0.5	1.7	0.4	0.5	0.4	0.6	$1.9
Other (income)/expense	(0.5)	0.1	0.1	0.1	0.1	(0.2)	(0.6)	(0.6)	(1.0)	0.1	0.6	(0.1)	$(0.4)
Interest expense	1.1	1.2	1.5	0.7	0.8	0.7	0.9	3.1	1.0	1.2	1.4	2.1	$5.7
Income tax expense	3.4	4.5	4.5	2.5	2.5	0.4	1.4	6.8	1.8	2.6	3.2	2.1	$9.7
Non-GAAP EBITDA	$14.4	$18.6	$28.5	$9.4	$11.0	$9.4	$8.9	$38.7	$8.6	$13.5	$14.1	$12.2	$48.4
Basic Shares Outstanding			20,116,991	25,606,352	25,643,508	25,691,884	26,057,831	25,750,972	26,271,316	26,283,529	28,617,589	33,912,163	28,791,662
Diluted Shares Outstanding			20,719,951	26,115,512	26,107,648	26,129,427	26,467,984	26,196,901	26,598,799	26,627,051	28,617,589	33,912,163	28,791,662
Earnings (loss) per share:													
Basic			$0.33	$0.12	$0.18	$0.14	$0.07	$0.51	$0.01	$0.08	$(0.17)	$(0.09)	$(0.19)
Diluted			$0.32	$0.12	$0.17	$0.14	$0.07	$0.50	$0.01	$0.08	$(0.17)	$(0.09)	$(0.19)
Non-GAAP earnings per share:													
Basic			$0.98	$0.20	$0.25	$0.28	$0.22	$0.95	$0.22	$0.32	$0.27	$0.18	$0.97
Diluted			$0.95	$0.19	$0.25	$0.28	$0.22	$0.94	$0.21	$0.32	$0.27	$0.18	$0.97