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**FOR IMMEDIATE RELEASE**

**CECO Environmental Corp. Reports First Quarter 2017 Results;  
*Improved Gross Margin and Sequential Bookings Increase***

Highlights of the First Quarter 2017\*

- Revenue of \$92.7 million, compared with \$103.2 million
- Gross profit of \$31.9 million (34.5% margin), compared with \$31.6 million (30.6% margin)
- Operating income of \$1.4 million compared with \$5.8 million
- Non-GAAP operating income of \$10.0 million compared with \$10.9 million
- Net income was break even, compared with \$3.1 million
- Non-GAAP net income of \$6.8 million, compared with \$6.1 million
- Net income per diluted share was break even, compared with \$0.09
- Non-GAAP net income per diluted share of \$0.20, compared with \$0.18
- Adjusted EBITDA of \$11.5 million, compared with \$12.7 million
- Bookings of \$84.0 million
- Backlog of \$184.2 million
- Debt repayment of \$4.0 million

\* All comparisons are versus the comparable prior-year period.

**CINCINNATI, Ohio, May 10, 2017 -- CECO Environmental Corp. (Nasdaq: CECE)**, a leading global energy, environmental, and industrial technology company, today reported its financial results for the first quarter of 2017.

CECO's Interim Chief Executive Officer Dennis Sadlowski commented, "After three months as Interim CEO, I remain very excited to be leading CECO during this transformative next stage of its development. The last five years have proven that CECO is very strong operationally, and is adept at generating solid margins and cash flow. Now, as we maintain our core operating strength, we will also need to build our organic growth engine through a re-orientation to an outside-in focus on customers and markets, along with a strategic refresh that is already well underway. Our management team is energized with these new initiatives as well as our core focus on serving global customer markets that are attractive in the long-term – natural gas power, midstream natural gas pipelines, petroleum and petrochemical refineries, and diversified industrial markets."

Mr. Sadlowski continued, "While the challenging macroeconomic environment continues in 2017, I am confident that CECO's diversity of technologies, end markets and multiple geographies provide the foundation for a strong future. I am encouraged by our sequential growth in bookings compared to the fourth quarter of 2016, which improved in all three of our segments. My meetings with customers, coupled with customer research that we have conducted over the last few months, have confirmed that the direction and focus of our business is fundamentally sound. With our renewed focus on customers and end markets, we will enable growth at a faster rate. Our long-term potential is very exciting."

Revenue in the first quarter of 2017 was \$92.7 million, down 10.2% from \$103.2 million in the prior-year period.

Operating income was \$1.4 million for the first quarter of 2017 (1.5% margin), compared with \$5.8 million in the prior-year period (5.6% margin). Operating income on a non-GAAP basis was \$10.0 million for the first quarter of 2017 (10.8% margin), compared with \$10.9 million in the prior-year period (10.6% margin).

Net income was break even for the first quarter of 2017, compared with \$3.1 million in the prior-year period. Net income on a non-GAAP basis was \$6.8 million for the first quarter of 2017, compared with \$6.1 million in the prior-year period.

Net income per diluted share was break even for the first quarter of 2017, compared with net income per diluted share of \$0.09 in the prior-year period. Non-GAAP net income per diluted share was \$0.20 for the first quarter of 2017, compared with \$0.18 for the prior-year period.

Cash and cash equivalents were \$45.0 million and bank debt was \$122.3 million, as of March 31, 2017, compared with \$45.8 million and \$126.4 million, respectively, as of December 31, 2016.

### **BACKLOG AND BOOKINGS**

Total backlog at March 31, 2017 was \$184.2 million as compared with \$197.0 million on December 31, 2016, and \$228.1 million on March 31, 2016.

Bookings were \$84.0 million for the first quarter of 2017, compared with \$120.1 million in the prior-year period and \$77.7 million in the fourth quarter of 2016.

### **QUARTERLY DIVIDENDS**

On May 8, 2017, CECO's Board of Directors approved a quarterly dividend of \$0.075 per share. The dividend will be paid on June 30, 2017 to all stockholders of record on close of business on June 16, 2017. CECO initiated a Dividend Reinvestment Plan ("DRIP") in 2012 that provides for the voluntary reinvestment of dividends by its stockholders.

### **CONFERENCE CALL**

A conference call is scheduled for today at 8:30 a.m. ET to discuss the first quarter 2017 results. The conference call may be accessed by dialing +1.877.407.3982 (Toll-Free) in the U.S. and Canada or by dialing +1.201.493.6780 for international calls. A replay will be available from 1:30 p.m. ET on May 10, 2017 until May 24, 2017 at 11:59 p.m. ET. The replay may be accessed by dialing +1.844.512.2921 (Toll-Free) in the U.S. and Canada or by dialing +1.412.317.6671 for international calls and entering passcode 13661005.

The live webcast and slides can also be accessed at [www.cecoenviro.com/Events-Calendar](http://www.cecoenviro.com/Events-Calendar).

### **ABOUT CECO ENVIRONMENTAL**

CECO is a diversified global provider of leading engineered technologies to the energy, environmental, and fluid handling and filtration industrial segments, targeting specific niche-focused end markets through an attractive asset-light business model. We provide a wide spectrum of products and services including dampers & diverters, cyclonic technology, thermal oxidizers, separation and filtration systems, selective catalytic reduction ("SCR") and selective non-catalytic reduction ("SNCR") systems, scrubbers, dampers and silencers, exhaust systems, fluid handling equipment and plant engineered services and design build fabrication. CECO's products play a vital role in helping companies achieve exacting production standards, meeting increasing plant needs and stringent emissions control regulations around the globe. The company serves a broad range of markets and industries, including power, municipalities, chemical, industrial manufacturing, mid-stream pipeline natural gas transmission, refining, petrochemical, metals, minerals & mining companies, as well as hospitals and universities. CECO targets its \$5 billion+ of installed base, specifically to expand and grow a higher recurring revenue of aftermarket products and services. CECO is listed on Nasdaq under the ticker symbol "CECE." For more information, please visit [www.cecoenviro.com](http://www.cecoenviro.com).

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## CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	(dollars in thousands, except per share data)	(unaudited) MARCH 31, 2017	DECEMBER 31, 2016
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$	44,999	\$ 45,824
Restricted cash		1,272	1,498
Accounts receivable, net		76,726	83,062
Costs and estimated earnings in excess of billings on uncompleted contracts		33,447	38,123
Inventories, net		21,498	21,487
Prepaid expenses and other current assets		12,282	13,560
Prepaid income taxes		2,709	1,590
Assets held for sale		7,826	7,834
Total current assets		200,759	212,978
Property, plant and equipment, net		26,452	27,270
Goodwill		170,293	170,153
Intangible assets-finite life, net		57,906	60,728
Intangible assets-indefinite life		22,085	22,042
Deferred charges and other assets		4,809	5,463
	\$	<u>482,304</u>	\$ <u>498,634</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Current portion of debt	\$	8,852	\$ 8,827
Accounts payable and accrued expenses		81,796	95,610
Billings in excess of costs and estimated earnings on uncompleted contracts		34,211	35,085
Note payable		5,300	5,300
Income taxes payable		1,793	1,536
Total current liabilities		131,952	146,358
Other liabilities		37,526	34,864
Debt, less current portion		110,565	114,366
Deferred income tax liability, net		12,899	12,964
Total liabilities		292,942	308,552
Commitments and contingencies			
Shareholders' equity:			
Preferred stock, \$.01 par value; 10,000 shares authorized, none issued		—	—
Common stock, \$.01 par value; 100,000,000 shares authorized, 34,599,179 and 34,300,209 shares issued at March 31, 2017 and December 31, 2016, respectively		346	343
Capital in excess of par value		246,259	244,878
Accumulated loss		(44,394)	(41,741)
Accumulated other comprehensive loss		(12,493)	(13,042)
		189,718	190,438
Less treasury stock, at cost, 137,920 shares at March 31, 2017 and December 31, 2016		(356)	(356)
Total shareholders' equity		189,362	190,082
	\$	<u>482,304</u>	\$ <u>498,634</u>

**CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

	THREE MONTHS ENDED MARCH 31,	
	2017	2016
(dollars in thousands, except per share data)		
Net sales	\$ 92,651	\$ 103,175
Cost of sales	60,722	71,589
Gross profit	31,929	31,586
Selling and administrative expenses	23,256	20,945
Acquisition and integration expenses	—	37
Amortization and earn-out expenses	7,323	4,797
Income from operations	1,350	5,807
Other (expense) income, net	(109)	780
Interest expense	(1,711)	(2,102)
(Loss) income before income taxes	(470)	4,485
Income tax (benefit) expense	(508)	1,430
Net income	\$ 38	\$ 3,055
Less net loss attributable to noncontrolling interest	\$ —	\$ (45)
Net income attributable to CECO Environmental Corp.	\$ 38	\$ 3,100
Earnings per share:		
Basic	\$ 0.00	\$ 0.09
Diluted	\$ 0.00	\$ 0.09
Weighted average number of common shares outstanding:		
Basic	34,215,519	33,928,052
Diluted	34,563,139	34,116,534

**CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**

(dollars in millions)	Three Months Ended March 31,			
	2017		2016	
Operating income as reported in accordance with GAAP	\$	1.4	\$	5.8
<i>Operating margin in accordance with GAAP</i>		1.5%		5.6%
Inventory valuation adjustment		—		0.1
Plant, property and equipment valuation adjustment		0.2		0.2
Amortization and earn-out expenses		7.3		4.8
Executive transition expenses		0.9		—
Facility exit expenses		0.2		—
Non-GAAP operating income	\$	10.0	\$	10.9
<i>Non-GAAP operating margin</i>		10.8%		10.6%

(dollars in millions)	Three Months Ended March 31,			
	2017		2016	
Net income as reported in accordance with GAAP	\$	—	\$	3.1
Inventory valuation adjustment		—		0.1
Plant, property and equipment valuation adjustment		0.2		0.2
Amortization and earn-out expenses		7.3		4.8
Executive transition expenses		0.9		—
Facility exit expenses		0.2		—
Foreign currency remeasurement		(0.3)		(0.9)
Tax benefit of adjustments		(1.5)		(1.2)
Non-GAAP net income	\$	6.8	\$	6.1
Depreciation		1.1		1.2
Non-cash stock compensation (excluding executive transition expenses)		0.5		0.6
Other (income) / expense		0.4		0.1
Interest expense		1.7		2.1
Income tax (benefit) expense		1.0		2.6
Adjusted EBITDA	\$	11.5	\$	12.7
Earnings per share:				
Basic	\$	0.00	\$	0.09
Diluted	\$	0.00	\$	0.09
Non-GAAP net income per share:				
Basic	\$	0.20	\$	0.18
Diluted	\$	0.20	\$	0.18

**NOTE REGARDING NON-GAAP FINANCIAL MEASURES**

CECO is providing certain non-GAAP historical financial measures as presented above as the Company believes that 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 operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share and adjusted EBITDA, as we present them in the financial data included in this press release, have been adjusted to exclude the effects of expenses related to inventory valuation adjustments, property, plant equipment valuation adjustments, acquisition and integration expense activities including retention, legal, accounting, banking, amortization and contingent earn-out expenses, foreign currency re-measurement, intangible asset impairment, legal reserves, executive transition expenses, facility exit expenses, other nonrecurring or infrequent items and the associated tax benefit of these items. Management believes that 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. Management utilizes this information to evaluate its ongoing financial performance. Our financial statements may continue to 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 operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted net 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. 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. Additionally, CECO cautions investors that non-GAAP financial measures used by the Company may not be comparable to similarly titled measures of other companies.

In accordance with the requirements of Regulation G issued by the Securities and Exchange Commission, non-GAAP operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share, adjusted EBITDA, adjusted EBITDA margin, free cash flow and adjusted net free cash flow stated in the tables above present the most directly comparable GAAP financial measure and reconcile to the most directly comparable GAAP financial measures. Free cash flow and adjusted net free cash flow have limitations due to the fact that they do not represent the residual cash flow available for discretionary expenditures since they do not take into account debt service requirements or other non-discretionary expenditures that are not deducted from these measures.

## SAFE HARBOR

Any statements contained in this press release 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, 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 cyclicity 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 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 environmental, energy 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 press release 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.