Q2 2018 Earnings Call

August 8th, 2018

CECO ENVIRONMENTAL

Forward Looking Statement 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," "forecast," "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 realize the expected benefits of our restructuring program; liabilities arising from faulty services or products that could result in significant professional or product liability, warranty, or other claims; 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 cyclicality or 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; failure to meet timely completion or performance standards that could result in higher cost and reduced profits or, in some cases, losses on projects; 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 energy, environmental 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 may include the following "non-GAAP" financial measures; non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, adjusted EBITDA, adjusted free cash flow, adjusted net free cash flow, non-GAAP gross profit margin; non-GAAP operating margin, non-GAAP earnings per basic and diluted share, adjusted EBITDA margin 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 Financial Measures." Descriptions of many of these non-GAAP measures are also included in CECO's SEC reports.

CECO ENVIRONMENTAL

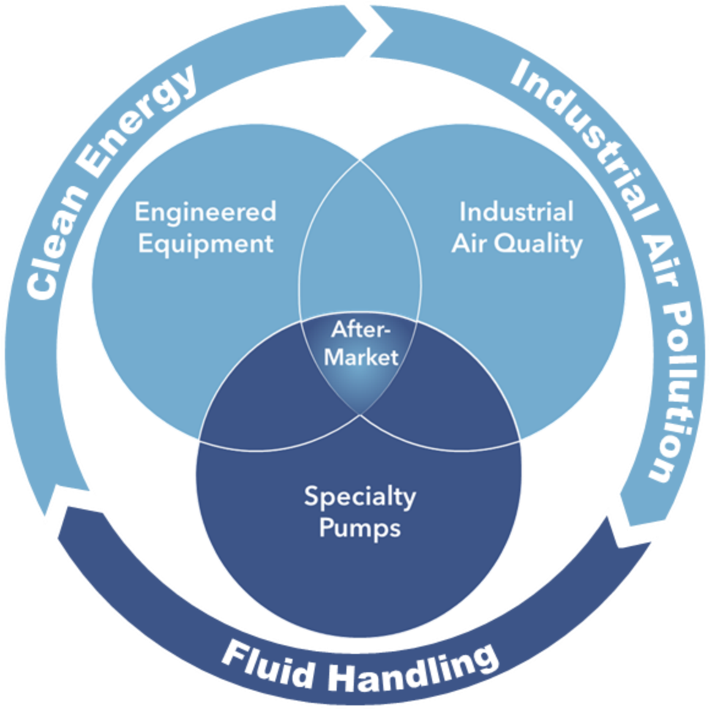
4-3-3 Strategy yielding tangible financial results… CECO building momentum

- ✓ \$100 of organic orders +24% Y/Y and +11% sequentially… 3rd consecutive quarter of growth and Book to Bill ratio > 1.2X
- ✓ Built nearly \$60 of Backlog over the last 3 quarters
- ✓ Gross Margins of 33.5% in line with 2017 GM rate demonstrates value of solution offerings
- ✓ Non-GAAP operating income and Adjusted EBITDA improved sequentially 30% and 23%, respectively
- ✓ \$8.4 of Free Cash Flow in the quarter demonstrates the power of CECO's cash generating engine

- × Industrials segment results below our potential… projects slow to close
- × China business weighted towards Power Generation, especially coal, which remains sluggish

CECO ENVIRONMENTAL

Driving for clarity and purpose: Enable Growth, Protect Environment



Enabling industrial companies to grow with clean, safe, and more efficient solutions that protect our shared environment

Our "4-3-3 Operational Strategy" guides our ability to win share and create shareholder value

CECO ENVIRONMENTAL

CECO to lead in Air Quality and Fluid Handling solutions

4-3-3 Operating Strategy

4 Value Creation Enablers

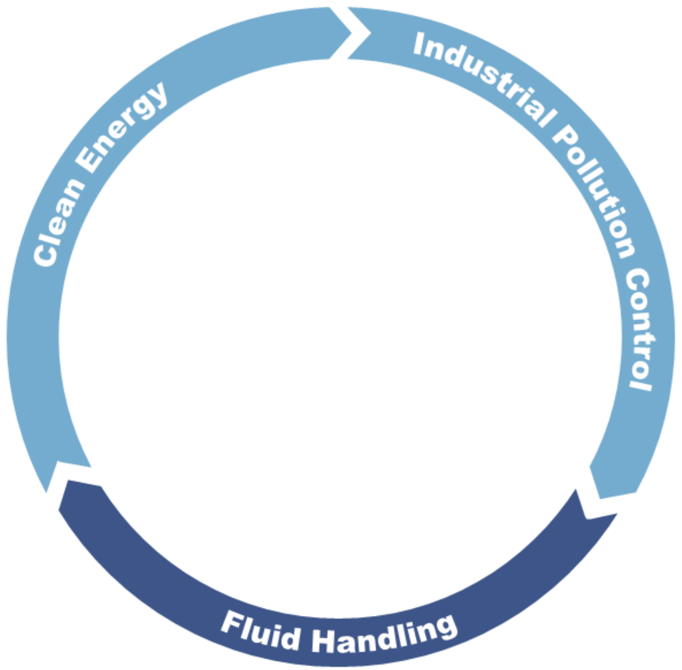
Outside-In

Portfolio Management

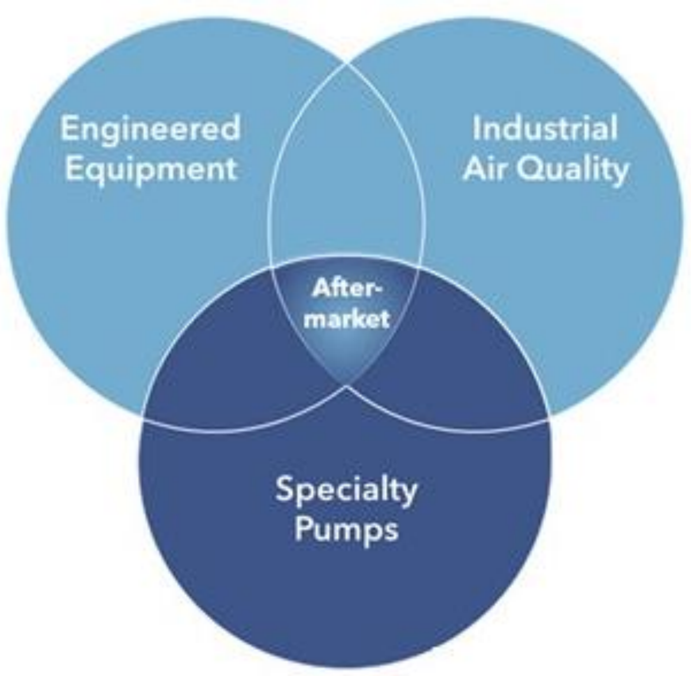
Innovation

Simplification

3 Compelling End Markets



3 Core Growth Platforms



CECO ENVIRONMENTAL

Air Quality products and solutions
Fluid Handling products and solutions

Investments and actions producing growth and market momentum

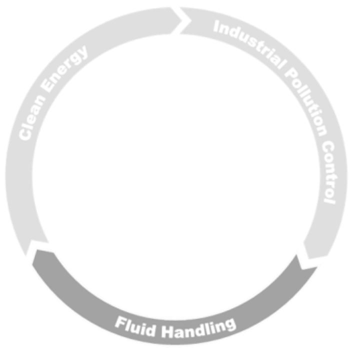
4-3-3 Operating Strategy

4 Value Creation Enablers

- ✓Leadership and Board upgrades
- ✓Innovation leader - CTO
- ✓ERPs, Entities, Accounts reduction
- ✓Asset light bus model
- ✓Reshaped portfolio

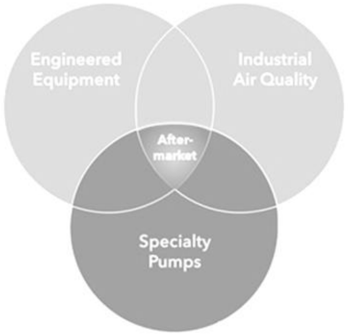
3 Compelling End Markets

- ✓Large winnable markets
- ✓Improving market demand
- ✓Exercising $5B installed base



3 Core Growth Platforms

- ✓Shifting G&A to Sales / Incentive Comp changes
- ✓CAPEX for agility
- ✓Teamwork plus internal promotions
- ✓Adding application depth
- ✓Innovations that address future



CECO ENVIRONMENTAL

Key wins demonstrate the unrivaled CECO proposition unlocking customer value

- Multiple large wins across platforms representing multiple products and technologies
- Global Presence: North America, EU, Asia, and Middle East
- Leveraged strategic account approach to drive increased penetration
- Built on subject matter expertise to increase opportunity conversion and customer retention

Industrial Air Quality
Engineering expertise

Refining
Engineering expertise

Middle East
Oily Water Separation

Power Generation
Brownfield Retrofit

Natural Gas Pipeline
Strategic Account Mgmt

Fluid Handling
Application Performance

CECO
ENVIRONMENTAL

CECO
ENVIRONMENTAL

Q2 2018 Financials

Share gains in key markets and cash generation driving improved Q2 results

($MM)

Three Months Ended [-a)]	Q2'18	Y/Y	v-Q1'18
GAAP:		*Like for Like*	*Like for Like*
Orders	$ 100.4	23.6%	10.5%
Revenue	$ 81.1	-8.5%	17.1%
Gross Profit	$ 27.2	1.6%	14.7%
-%	33.5%	*3.3pts*	*-0.7pts*
Op Income	$ 2.6	-69.2%	-76.9%
-%	3.2%	*-6.3pts*	*-13pts*
Diluted EPS	$ (0.03)	$ (0.18)	$ (0.18)
Net Cash from Ops	$ 6.6	262.3%	303.4%
Non-GAAP:			
Gross Profit	$ 27.2	-5.2%	14.7%
-%	33.5%	*1.2pts*	*-0.7pts*
Op Income	$ 5.2	-39.2%	77.6%
-%	6.4%	*-3.2pts*	*2.2pts*
Diluted EPS	$ 0.05	$ (0.02)	$ 0.02
Adj. EBITDA$	$ 6.9	-31.9%	53.6%
-%	8.5%	-2.9pts	2pts

- Orders +24% Y/Y on growth in Refinery, Specialty Pumps, and Brownfield Power Generation activity
- Revenue ↓(9)% Y/Y primarily on lower Industrial & China backlog
- Gross Profit of 33.5% is trending solidly at 2017 YE rate
- Net Cash from Operations of $6.6 significantly improved on favorable contract terms in Quarter

---

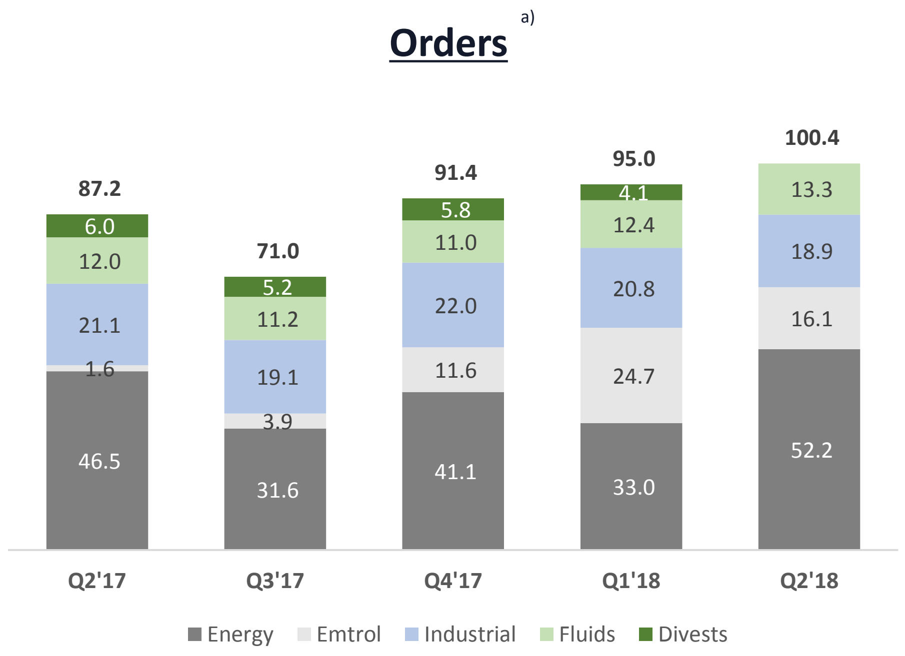
- SG&A excluding Stock Comp is flat sequentially… 1H'18 is down $(2) Y/Y
- Non-GAAP OI ↓(39)% Y/Y on Volume & Divestitures but up +78% sequentially
- $6.9 Adjusted EBITDA improved 54% sequentially on Growth + cost Leverage
- YTD'18 tax rate of 53% driven by tax effects of divestitures. On normalized basis, ETR was 24.7%

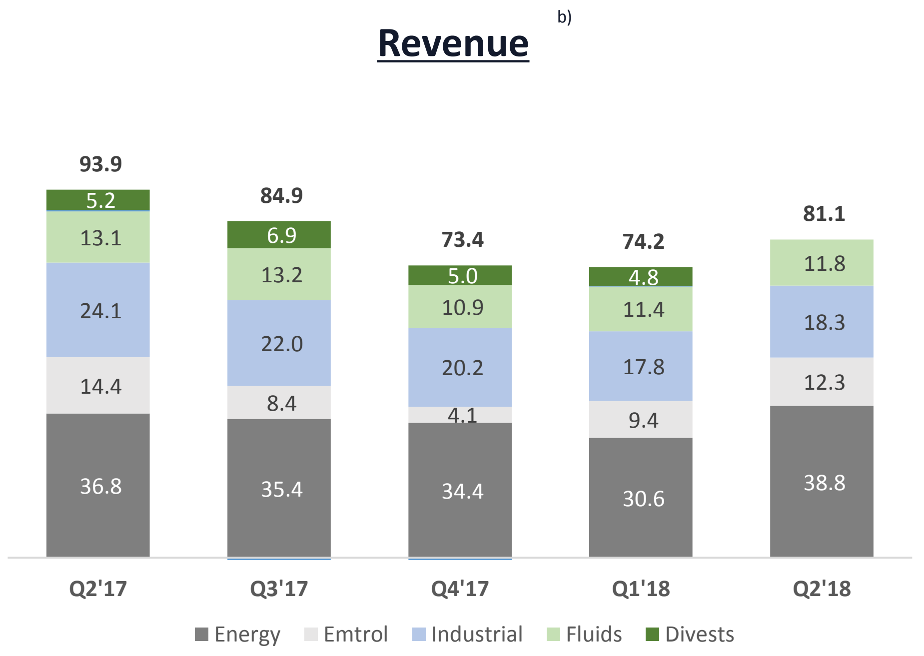
CECO ENVIRONMENTAL

-a) Like for Like: Excludes Keystone and Strobic divestitures from Prior Periods

Winning share in each segment with Energy Solutions leading uplift

($MM)



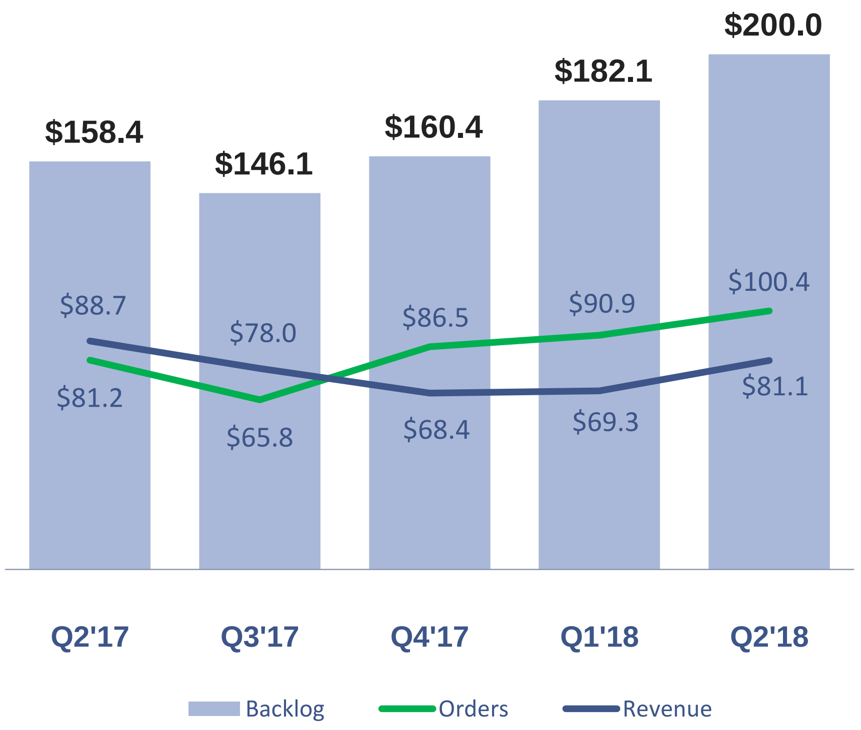


- Orders strong across the business; Industrial Solutions only down segment in orders
- Eclipsed $100 Orders in spite of divesting Strobic and Keystone in Q1
- Sequential revenue growth in all segments

a) Orders on Gross basis excludes cancellations
b) Segment Eliminations excluded from graph
c) Emtrol + Energy = Energy Solutions

CECO Backlog excluding recent divestitures reaches $200

($MM)



Book/Bill Ratio:	0.92	0.84	1.26	1.31	1.24

- Positive Book to Bill ratio for 3rd straight quarter
- Backlog +26% Year over Year on a like-for-like basis
- GM% in backlog healthy despite Energy pricing pressure

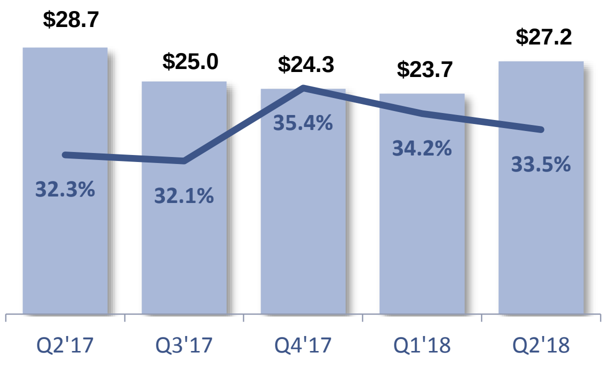
CECO ENVIRONMENTAL

(a) Orders excludes cancellations and divestitures
(b) Revenue & Backlog excludes divestitures
(c) In Q2'18, Backlog negatively impacted by FX by $(1.4)

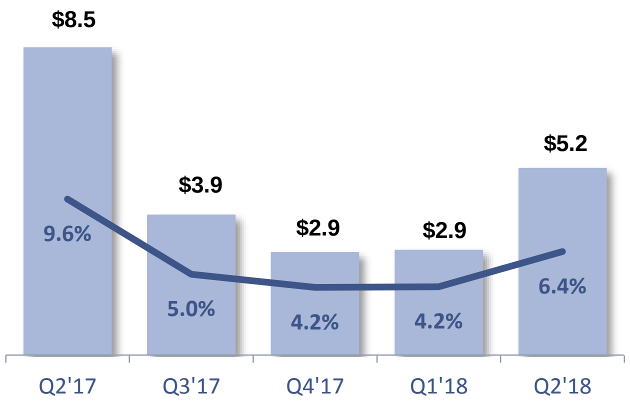
Sequential improvement in key profit measures as revenue begins to grow

($MM)

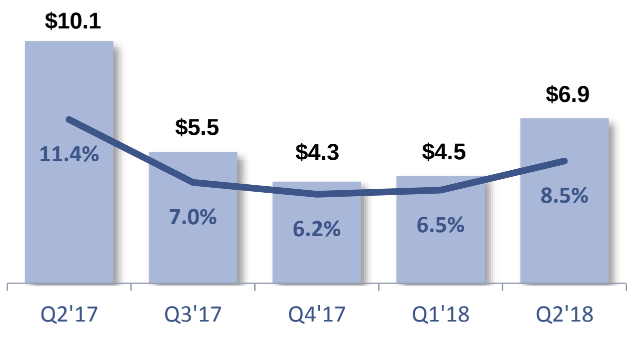
Non-GAAP Gross Profit



Non-GAAP Operating Income



Adjusted EBITDA



- GM% maintained at or above ‘17 and ‘16 YE rates of 33.6% and 32.5%, respectively
- Operating Income & EBITDA growing on volume…Y/Y growth expected on Backlog growth
- SG&A excluding Stock Comp in 1H’18… down $(2) YoY with Restructuring offset by Growth investments

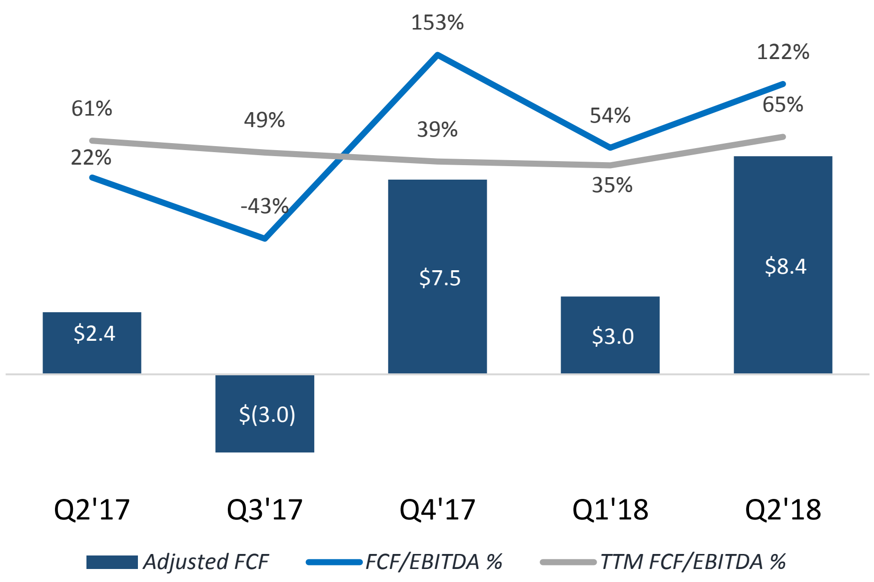
CECO ENVIRONMENTAL

-a) Divestitures excluded in prior periods for comparative purposes

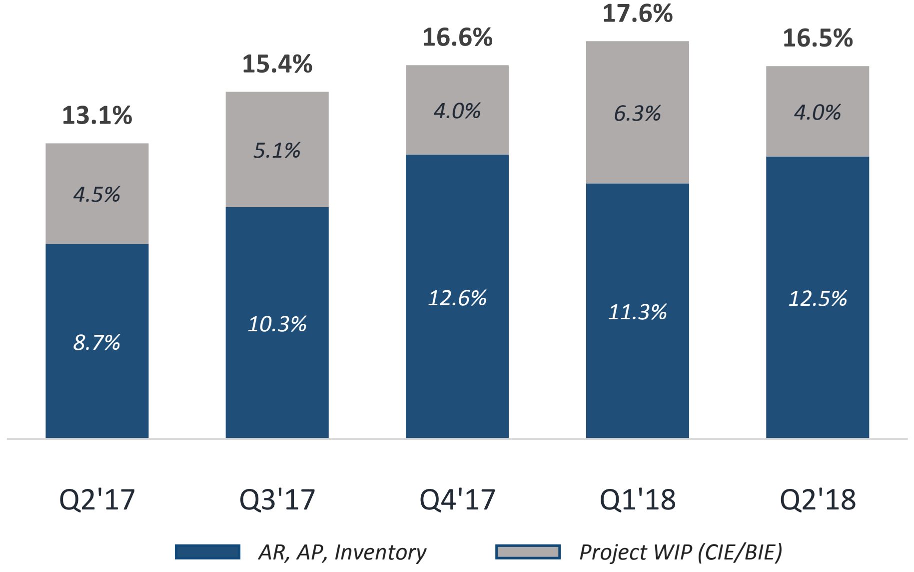
Asset light business model supports strong cash flow in Q2

($MM)

Adjusted Free Cash Flow (a)



Trade Working Capital as % of Sales (b)



- Q2 cash flow exceptional
- TTM conversion rate approaching expectations

- CECO's asset intensity is an Industrial "Best in class"

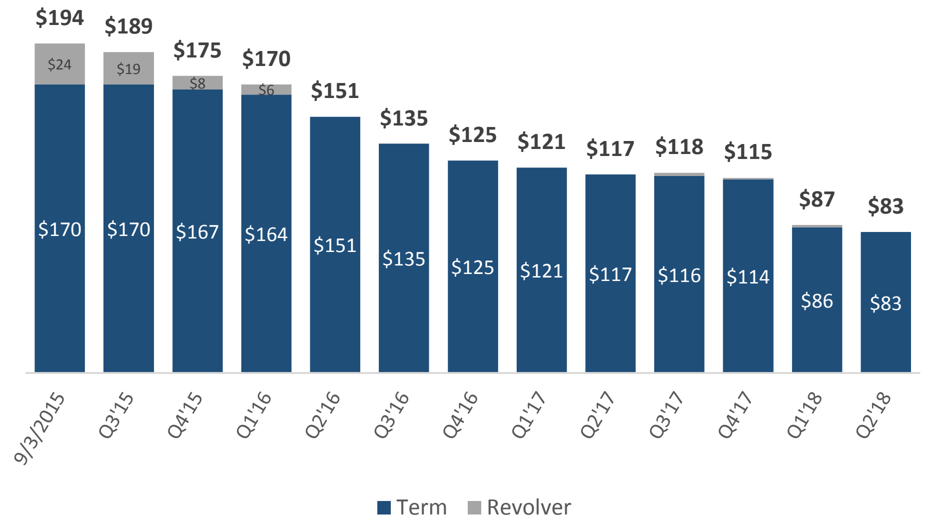
CECO ENVIRONMENTAL

(a) Adjusted Free Cash Flow = Cash Flow From Operations less Earnouts classified as Operating Cash Flow less CAPEX spend
(b) W/C includes: Trade AR, Trade AP, Inventory and Cost/Billings of on TTM Revenue; Reported Basis

Increasing volume and disciplined debt reduction will drive 2H de-leveraging

($MM)

US Debt Performance



Leverage Measures

	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18
Term Debt	$ 117.4	$ 115.9	$ 113.9	$ 85.7	$ 83.1
Revolver		2.0	1.0	1.5	-
Other [a]	0.2	1.6	3.1	-	-
Total Indebtedness	**$ 117.6**	**$ 119.5**	**$ 118.0**	**$ 87.2**	**$ 83.1**
Cash	28.9	25.7	34.0	34.0	35.9
Bank Defined EBITDA [b]	10.4	7.4	7.3	5.5	8.5
TTM Bank Defined EBITDA	**$ 55.9**	**$ 47.3**	**$ 36.6**	**$ 30.7**	**$ 28.7**
Bank Defined Leverage	**2.10x**	**2.52x**	**3.23x**	**2.84x**	**2.89x**
Net Debt/TTM Adj. EBITDA [c]	1.59x	1.98x	2.30x	1.73x	1.64x

- Continued to pay down debt ahead of Principal Schedule
- $36 Cash on hand is split 40% Domestic and 60% Foreign
- 2.9x Leverage ratio nearly flat sequentially… expect de-levering in 2H

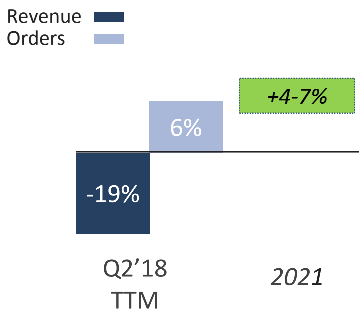
CECO ENVIRONMENTAL

(a) Other commitments includes Netherlands overdraft facility and China debt facility
(b) Bank Defined EBITDA is based on our Credit Agreements
(c) Net Debt is Total Indebtedness less Cash

3 year targets position CECO to generate top-tier returns

Grow Revenue organically 2X market -a)

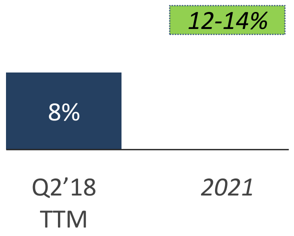
YoY Growth%



- Outside-In leadership
- OE and Aftermarket focus
- Innovations with value

Expand EBITDA margins

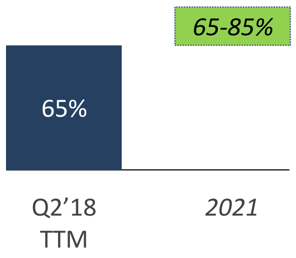
EBITDA%



- Customer value => GM%
- SG&A op leverage
- Complexity cost out

Consistently convert EBITDA to Cash

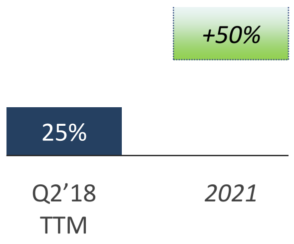
FCF/EBITDA



- Asset light model
- Working capital management

Superior Return on Tangible Capital -b)

ROTC%



- Low Asset Intensity %
- Greater value = ↑ margins

CECO ENVIRONMENTAL

-a) Global GDP growth and management estimates
-b) ROTC defined as Non-GAAP NOPAT / (Working Capital – Cash + net PP&E); reference appendix

CECO ENVIRONMENTAL

Continued Momentum & Market Outlook

Outlook for end markets remains positive outside of Power Generation

($MM)

Refinery

'18 Outlook

Q2 Orders: *$16 | +906%*
TTM Orders: *$56 | +98%*

Cyclones

Midstream O&G

'18 Outlook

Q2 Orders: *$20 | +11%*
TTM Orders: *$66 | +33%*

Gas Separation

Oily Water

Power Gen: Natural Gas

'18 Outlook

Q2 Orders: *$27 | +40%*
TTM Orders: *$73 | ↓(5)%*

Silencers

SCR Emissions

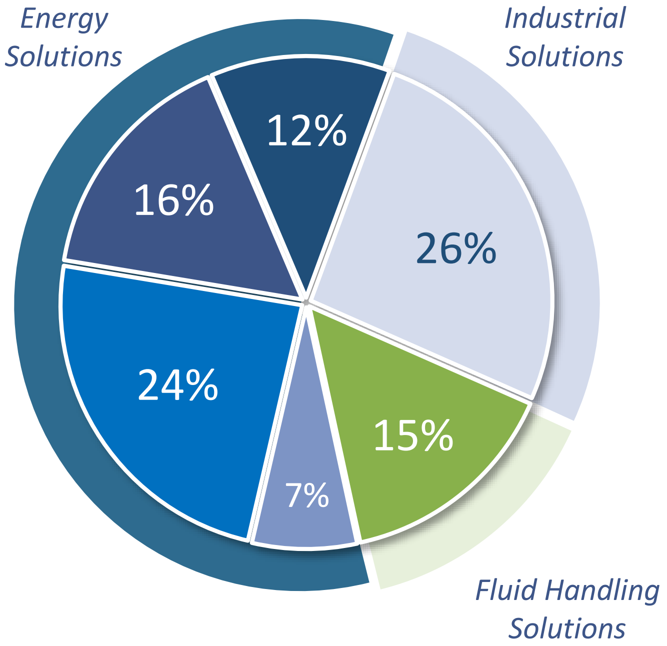
Power Gen: Solid Fuel

'18 Outlook

Q2 Orders: *$5 | ↓(45)%*
TTM Orders: *$20 | ↓(30)%*

Ball Mills

Dampers



2017 Revenue Mix

Industrial Solutions

'18 Outlook

Q2 Orders: *$19 | ↓(11)%*
TTM Orders: *$158 | +3%*

Air Quality

Industrial: Fluid Handling

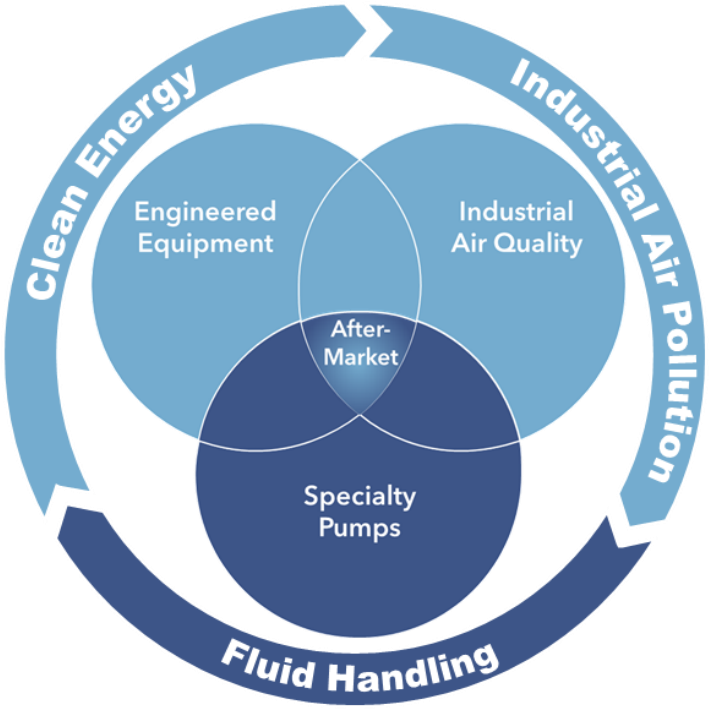
'18 Outlook

Q2 Orders: *$13 | +11%*
TTM Orders: *$49 | +5%*

Pumps

a) 2017 Revenue Mix excludes divestitures

Driving for clarity and purpose: Enable Growth, Protect Environment



Enabling industrial companies to grow with clean, safe, and more efficient solutions that protect our shared environment

Our "4-3-3 Operational Strategy" guides our ability to win share and create shareholder value

CECO ENVIRONMENTAL

Supplemental Materials

Non-GAAP Reconciliation

CECO ENVIRONMENTAL

Non-GAAP Gross Profit and Margin

(dollars in millions)	Annual 2012	Annual 2013	Annual 2014	Annual 2015	Annual 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Annual 2017	Q1 2018	Q2 2018	YTD 2018	TTM
Gross profit as reported in accordance with GAAP	$ 42.4	$ 61.6	$ 84.8	$ 109.2	$ 134.9	$ 32.0	$ 28.5	$ 27.1	$ 25.6	$ 113.2	$ 25.9	$ 27.2	$ 53.1	$ 105.8
Gross profit margin in accordance with GAAP	*31.4%*	*31.2%*	*32.2%*	*29.7%*	*32.4%*	*34.5%*	*30.4%*	*31.9%*	*34.8%*	*32.8%*	*35.0%*	*33.5%*	*34.2%*	*33.7%*
Legacy design repairs	$ -	$ -	$ -	$ -	$ -	$ 0.2	$ 1.8	$ -	$ -	$ 2.0	$ -	$ -	$ -	$ -
Inventory valuation adjustment	$ -	$ 1.1	$ -	$ 0.5	$ 0.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plant, property and equipment valuation adjustment	$ -	$ 0.2	$ 0.6	$ 0.6	$ 0.6	$ 0.2	$ 0.1	$ 0.2	$ 0.1	$ 0.6	$ -	$ -	$ -	$ 0.3
Non-GAAP gross profit	$ 42.4	$ 62.9	$ 85.4	$ 110.3	$ 135.6	$ 32.4	$ 30.4	$ 27.3	$ 25.7	$ 115.8	$ 25.9	$ 27.2	$ 53.1	$ 106.1
Non- GAAP Gross profit margin	*31.4%*	*31.9%*	*32.4%*	*30.0%*	*32.5%*	*35.0%*	*32.4%*	*32.1%*	*35.0%*	*33.6%*	*35.0%*	*33.5%*	*34.2%*	*33.8%*

CECO ENVIRONMENTAL

Non-GAAP Operating Income and Margin

(dollars in millions)	Annual 2012	Annual 2013	Annual 2014	Annual 2015	Annual 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Annual 2017	Q1 2018	Q2 2018	YTD 2018	TTM
Operating income as reported in accordance with GAAP	$ 16.7	$ 7.0	$ 21.7	$ 4.9	$ (25.4)	$ 1.4	$ 9.3	$ 5.6	$ (8.2)	$ 8.0	$ 12.1	$ 2.6	$ 14.7	$ 12.1
Operating margin in accordance with GAAP	*12.4%*	*3.5%*	*8.2%*	*1.3%*	*-6.1%*	*1.5%*	*9.9%*	*6.6%*	*-11.2%*	*2.3%*	*16.3%*	*3.2%*	*9.5%*	*3.9%*
Legacy design repairs	$ -	$ -	$ -	$ -	$ -	$ 0.2	$ 1.8	$ -	$ -	$ 2.0	$ -	$ -	$ -	$ -
Inventory valuation adjustment	$ -	$ 1.1	$ -	$ 0.5	$ 0.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plant, property and equipment valuation adjustment	$ -	$ 0.2	$ 0.6	$ 0.6	$ 0.6	$ 0.2	$ 0.1	$ 0.2	$ 0.1	$ 0.6	$ -	$ -	$ -	$ 0.3
Gain on insurance settlement	$ -	$ -	$ -	$ -	$ (1.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquisition and integration expenses	$ -	$ 7.2	$ 1.3	$ 7.9	$ 0.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization and earn-out expenses	$ -	$ 6.8	$ 10.1	$ 25.6	$ 20.2	$ 7.3	$ (2.2)	$ (0.5)	$ 2.5	$ 7.1	$ 2.9	$ 2.5	$ 5.4	$ 7.4
Intangible asset impairment	$ -	$ -	$ -	$ 3.3	$ 57.9	$ -	$ -	$ -	$ 7.2	$ 7.2	$ -	$ -	$ -	$ 7.2
Gain on divestiture, net of selling costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (11.2)	$ 0.1	$ (11.1)	$ (11.1)
Restructuring expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.9	$ 1.9	$ 0.2	$ -	$ 0.2	$ 2.1
Executive transition expenses	$ -	$ -	$ -	$ -	$ -	$ 0.9	$ 0.4	$ -	$ -	$ 1.3	$ -	$ -	$ -	$ -
Facility exit expenses	$ -	$ -	$ -	$ -	$ -	$ 0.2	$ -	$ -	$ -	$ 0.2	$ -	$ -	$ -	$ -
Legal reserves	$ -	$ 3.5	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-GAAP operating income	$ 16.7	$ 25.8	$ 34.0	$ 42.8	$ 52.9	$ 10.2	$ 9.4	$ 5.3	$ 3.5	$ 28.3	$ 4.0	$ 5.2	$ 9.2	$ 18.0
Non-GAAP Operating margin	*12.4%*	*13.1%*	*12.9%*	*11.6%*	*12.7%*	*11.0%*	*10.0%*	*6.2%*	*4.8%*	*8.2%*	*5.4%*	*6.4%*	*5.9%*	*5.7%*

CECO ENVIRONMENTAL

Non-GAAP Net Income, Adjusted EBITDA and Margin

(dollars in millions)	Annual 2013	Annual 2014	Annual 2015	Annual 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Annual 2017	Q1 2018	Q2 2018	YTD 2018	TTM
Net income as reported in accordance with GAAP	$ 6.6	$ 13.1	$ (5.6)	$ (38.2)	$ -	$ 5.5	$ 3.0	$ (11.6)	$ (3.0)	$ 5.8	$ (0.9)	$ 4.9	$ (3.7)
Legacy design repairs	$ -	$ -	$ -	$ -	$ 0.2	$ 1.8	$ -	$ -	$ 2.0	$ -	$ -	$ -	$ -
Inventory valuation adjustment	$ 1.1	$ -	$ 0.5	$ 0.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plant, property and equipment valuation adjustment	$ 0.2	$ 0.6	$ 0.6	$ 0.6	$ 0.2	$ 0.1	$ 0.2	$ 0.1	$ 0.6	$ -	$ -	$ -	$ 0.3
Gain on insurance settlement			$ -	$ (1.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquisition and integration expenses	$ 7.2	$ 1.3	$ 7.9	$ 0.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization and earn-out expenses	$ 6.8	$ 10.1	$ 25.6	$ 20.2	$ 7.3	$ (2.2)	$ (0.5)	$ 2.5	$ 7.1	$ 2.9	$ 2.5	$ 5.4	$ 7.4
Intangible asset impairment	$ -	$ -	$ 3.3	$ 57.9	$ -	$ -	$ -	$ 7.2	$ 7.2	$ -	$ -	$ -	$ 7.2
Gain on divestiture, net of selling costs					$ -	$ -	$ -	$ -		$ (11.2)	$ 0.1	$ (11.1)	$ (11.1)
Restructuring expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.9	$ 1.9	$ 0.2	$ -	$ 0.2	$ 2.1
Executive transition expenses	$ -	$ -	$ -	$ -	$ 0.9	$ 0.4	$ -	$ -	$ 1.3	$ -	$ -	$ -	$ -
Facility exit expenses	$ -	$ -	$ -	$ -	$ 0.2	$ -	$ -	$ -	$ 0.2	$ -	$ -	$ -	$ -
Legal reserves	$ 3.5	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred financing fee adjustment	$ -	$ -	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Foreign currency remeasurement	$ (1.1)	$ 2.9	$ 2.5	$ 0.8	$ (0.3)	$ (1.2)	$ (0.5)	$ (0.1)	$ (2.1)	$ (0.3)	$ 1.0	$ 0.7	$ 0.1
Tax benefit of expenses	$ (4.6)	$ (3.7)	$ (7.1)	$ (7.4)	$ (1.5)	$ (1.5)	$ (1.0)	$ (1.7)	$ (5.7)	$ 4.3	$ (0.9)	$ 3.4	$ 0.7
Non-GAAP net income	$ 19.7	$ 24.6	$ 28.0	$ 33.5	$ 7.0	$ 2.9	$ 1.2	$ (1.7)	$ 9.5	$ 1.7	$ 1.8	$ 3.5	$ 3.0
Depreciation	$ 1.6	$ 3.1	$ 3.5	$ 4.5	$ 1.1	$ 1.0	$ 1.0	$ 0.9	$ 3.9	$ 1.0	$ 0.9	$ 1.9	$ 3.8
Non-cash stock compensation	$ 1.1	$ 1.7	$ 1.9	$ 2.3	$ 0.5	$ 0.7	$ 0.6	$ 0.5	$ 2.3	$ 0.6	$ 0.8	$ 1.4	$ 2.5
Goodwill impairment	$ -	$ -	$ -	$ -					$ -	$ -	$ -	$ -	$ -
Other (income)/expense	$ 0.1	$ (0.6)	$ (0.4)	$ (1.1)	$ 0.4	$ 0.8	$ 0.6	$ 0.1	$ 2.0	$ 0.6	$ (0.6)	$ -	$ 0.7
Gain on insurance settlement			$ -	$ 1.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest expense	$ 1.5	$ 3.1	$ 5.7	$ 7.7	$ 1.7	$ 1.6	$ 1.6	$ 1.8	$ 6.7	$ 1.9	$ 1.8	$ 3.7	$ 7.1
Income tax expense	$ 4.5	$ 6.8	$ 9.7	$ 12.7	$ 1.0	$ 4.0	$ 1.9	$ 3.3	$ 10.1	$ (0.2)	$ 2.2	$ 2.0	$ 7.2
Adjusted EBITDA	$ 28.5	$ 38.7	$ 48.4	$ 60.6	$ 11.7	$ 11.0	$ 6.9	$ 4.9	$ 34.5	$ 5.6	$ 6.9	$ 12.5	$ 24.3
Adjusted EBITDA margin	*14.4%*	*14.7%*	*13.2%*	*14.5%*	*12.6%*	*11.7%*	*8.1%*	*6.7%*	*10.0%*	*7.6%*	*8.5%*	*8.1%*	*7.7%*
Basic Shares Outstanding	20,116,991	25,750,972	28,791,662	33,979,549	34,215,519	34,473,688	34,518,622	34,568,508	34,445,256	34,592,803	34,669,810	34,631,519	34,538,405
Diluted Shares Outstanding	20,719,951	26,196,901	28,791,662	33,979,549	34,563,139	34,806,808	34,621,883	34,637,110	34,697,744	34,641,390	34,785,726	34,715,141	34,676,798
Earnings (loss) per share:													
Basic	$ 0.33	$ 0.51	$ (0.19)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ (0.34)	$ (0.09)	$ 0.17	$ (0.03)	$ 0.14	$ 0.08
Diluted	$ 0.32	$ 0.50	$ (0.19)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ (0.33)	$ (0.09)	$ 0.17	$ (0.03)	$ 0.14	$ 0.08
Non-GAAP earnings per share:													
Basic	$ 0.98	$ 0.95	$ 0.97	$ 0.99	$ 0.20	$ 0.08	$ 0.03	$ (0.05)	$ 0.28	$ 0.05	$ 0.05	$ 0.10	$ 0.09
Diluted	$ 0.95	$ 0.94	$ 0.97	$ 0.99	$ 0.20	$ 0.08	$ 0.03	$ (0.05)	$ 0.27	$ 0.05	$ 0.05	$ 0.10	$ 0.09

CECO
ENVIRONMENTAL

Return on Tangible Capital

(dollars in millions)	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Non-GAAP Operating Income	5.3	3.5	4.0	5.2
Other non-cash adjustments, not in Non-GAAP:				
Add: Non-cash stock compensation	0.6	0.5	0.6	0.8
Adjusted Non-GAAP Operating Income	5.9	4.0	4.6	6.0
Cash Operating Taxes (assumed 27% rate)	-1.4	-0.9	-1.1	-1.4
Net Operating Profit After Taxes (NOPAT)	4.5	3.1	3.5	4.6
TTM NOPAT	31.3	23.1	18.7	15.7
Net Tangible Capital -a)	74.1	70.3	62.8	58.1
TTM ROTC				25%

CECO ENVIRONMENTAL

-a) Net Tangible Capital = (Currents Assets – Cash + PP&E) – (Current Liabilities less Current Debt)