


Q3 2018 Earnings Call

November 7th, 2018

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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.

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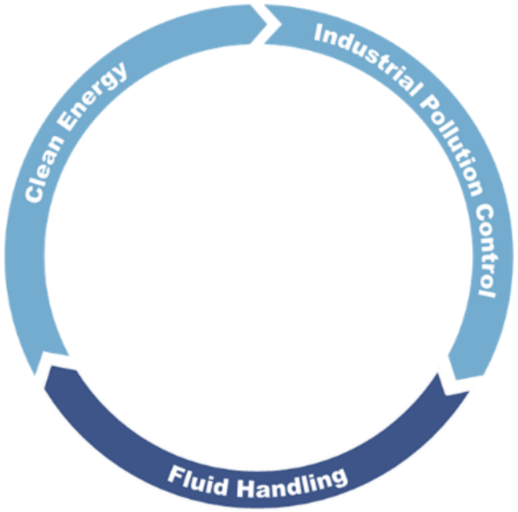
Winning value proposition and clear strategy rolled out one year ago

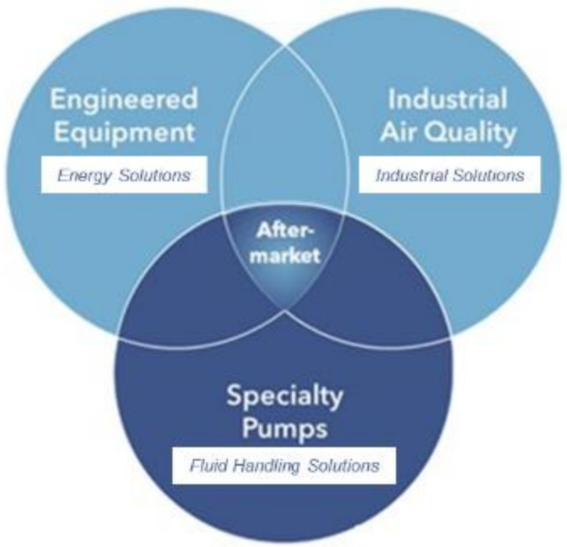
Enabling industrial companies to grow with clean, safe, and more efficient solutions that protect our shared environment

4 Value Creation Enablers

3 Compelling End Markets



3 Core Growth Platforms



4-3-3 Strategy continues to guide focus…team delivering solid Q3 results

- ✓ **$97.5 of organic orders is up 48% Y/Y with all 3 segments achieving a +1 Book to Bill ratio in Q3**
- ✓ **32.5% Gross Margin continues to be strong demonstrating CECO’s value proposition in the market**
- ✓ **$8.3 of Adjusted EBITDA growing 51% year over year and 20% sequentially**
- × **$(6.7) of adjusted Free Cash Flow in Q3 negatively impacted by timing of customer and tax payments**
- → **Divestiture of Zhongli sharpens 4-3-3 operating strategy on Air Quality… includes $15 GAAP impairment**

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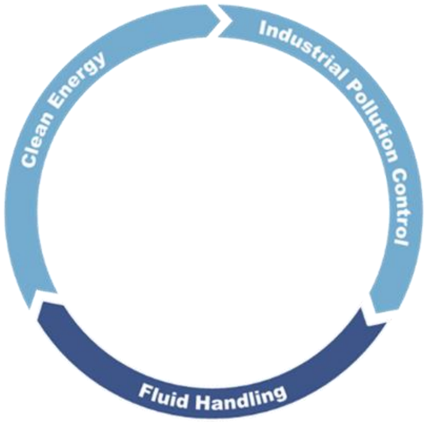
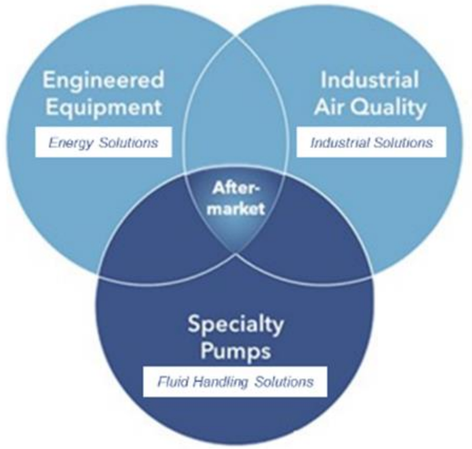
Notable progress after 1 year anniversary of 4-3-3 operating strategy

4 Value Creation Enablers

3 Compelling End Markets



3 Core Growth Platforms



- ☑ New commercially-oriented leadership team
- ☑ Restructured Energy Solutions segment
- ☑ Re-organized segment reporting to markets
- ☑ Reduced 12 of 65 Legal Entities
- ☑ Reduced 3 of 13 ERP’s

- ☑ Divested of 3 non-core Business Units
- ☑ Paid down ~$30+ of Debt
- ☑ Appointed Chief Technology Officer
- ☑ Investments in operating efficiency and innovation
- ☑ Committed to 2021 financial targets

TTM Orders growth of 34% adding $65 to backlog [$211]

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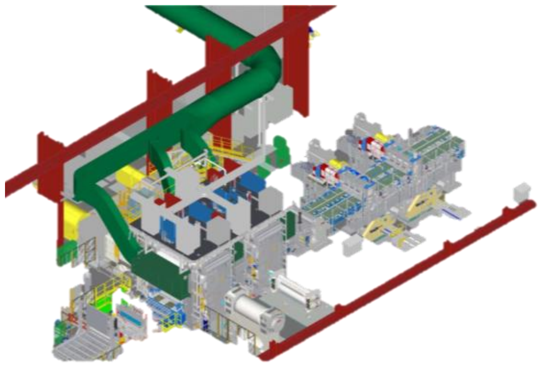
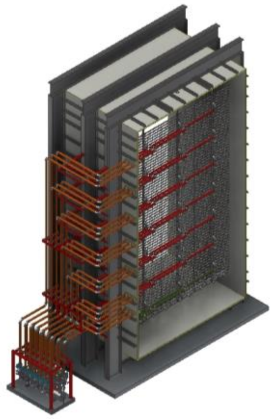
Engineering and Application depth leads the way for ongoing market wins

- Outside-In leadership adding visibility to CECO capabilities
- Technical prowess and execution reputation provide confidence for customers
- Full life-cycle support with strong aftermarket focus for recurring revenues



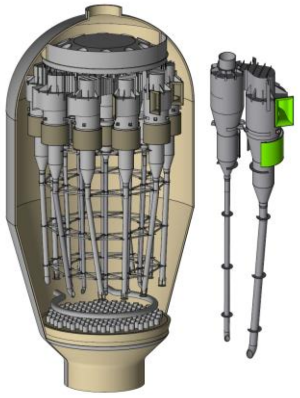
Oil Mist Fume
Exhaust System

CECO Busch



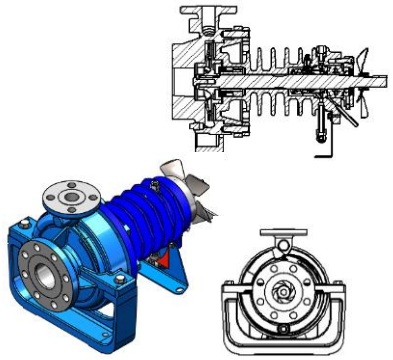
NOx Reducing
A.I.G. for SCR

CECO Peerless



Fluid Catalytic
Cracking Cyclones

CECO Emtrol-Buell



Dual Seal
RTA Pump

CECO Dean

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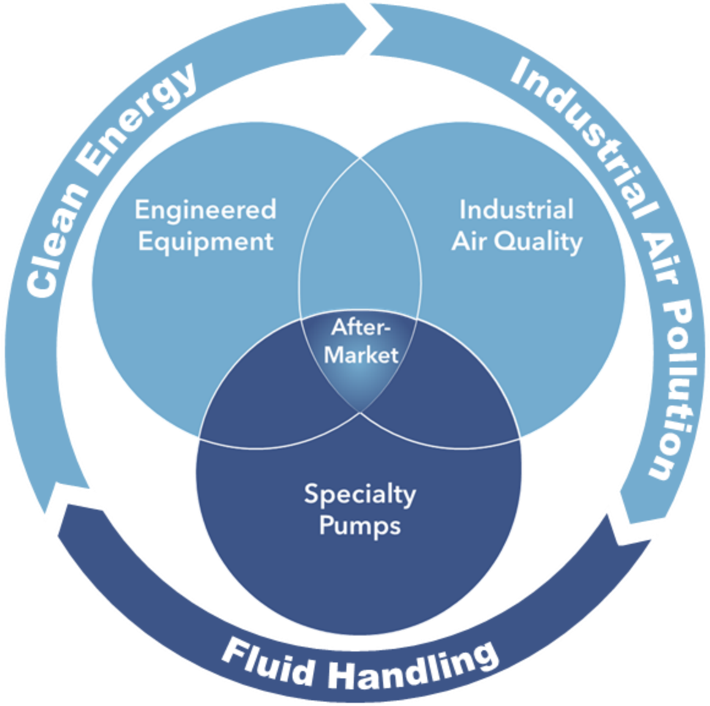
Driving for clarity and purpose…Priorities in Q4 and 2019



Enable Growth, Protect Environment

- ❑ Deepen Account Management Capability
  - Preferred partner supplier
  - Dedicated Aftermarket programs
- ❑ Drive further simplification
  - Reduce ERP count by additional 4
  - Eliminate 15 additional legal entities
- ❑ Develop new product & innovation pipeline
- ❑ Build Brand awareness and impact
  - Digital content
  - Thought leadership

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Q3 2018 Financials

Solid Q3'18 core operating results offset by GAAP impairment from Zhongli sale

($MM)

	Three Months Ended		-a)
	Q3'18	Y/Y	v-Q2'18
GAAP:		*Like for Like*	*Like for Like*
Orders	$ 97.5	48.3%	-2.9%
Revenue	$ 88.3	13.1%	8.9%
Gross Profit	$ 28.7	15.5%	5.4%
-%	32.5%	*0.7pts*	*-1.1pts*
Op Income	$ (10.4)	-338%	-500%
-%	-11.8%	*-17.4pts*	*-15pts*
Diluted EPS	$ (0.37)	$ (0.44)	$ (0.34)
Net Cash from Ops	$ (6.2)	-73.9%	-193.9%
Non-GAAP:			
Gross Profit	$ 28.7	14.7%	5.5%
-%	32.5%	*0.4pts*	*-1pts*
Op Income	$ 6.5	66.6%	25.0%
-%	7.4%	*2.4pts*	*0.9pts*
Diluted EPS	$ 0.10	$ 0.12	$ 0.05
Adj. EBITDA$	$ 8.3	51.2%	20.3%
-%	9.4%	2.4pts	0.9pts

- Orders +48% Y/Y on growth in all 3 segments
- Revenue +13% Y/Y driven by Energy increase offset by Industrial & Fluid Handling declines
- 32.5% GM remains solid and flat to '17… sequential decline driven by OE/AM Mix
- GAAP Operating Income includes $15 impairment on pending Zhongli Divestiture
- $(6.2) CFOA driven by non-repeat of Q2 favorable pre-billings and Q3 customer and tax payments

- $6.5 Non-GAAP OI excludes $15 impairment and improving on Volume and operating leverage
- $8.3 Adjusted EBITDA continues to grow… continue making growth investments
- Excluding impact of Divestitures and Zhongli impairment our normalized Effective Tax Rate was 25.5%

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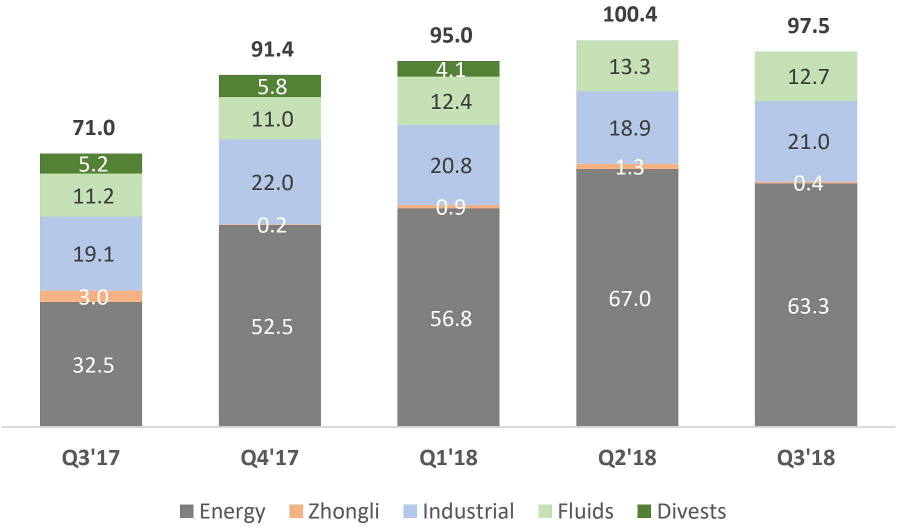
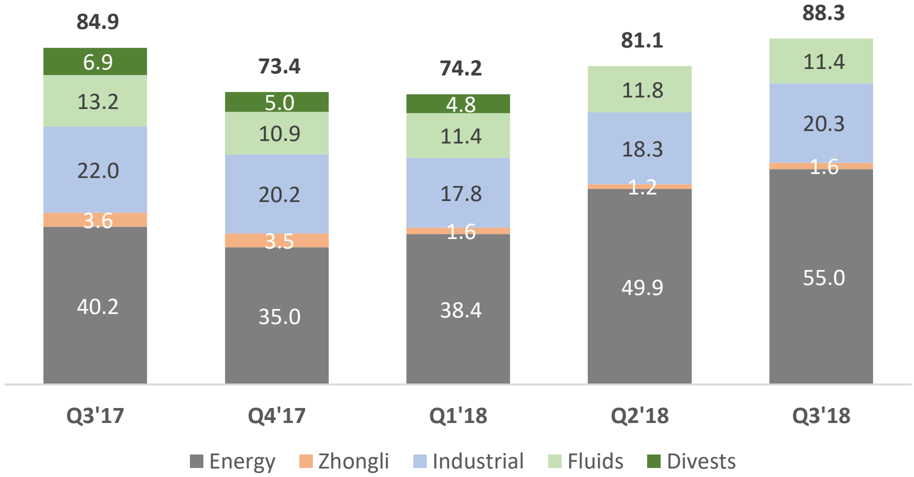
-a) Like for Like: Excludes Keystone and Strobic divestitures from Prior Periods; Zhongli will remain in reported financials through closing

Continued strong momentum with all Segments delivering Book to Bill above 1

($MM)





- Energy taking share in Power Gen, while Emtrol benefiting from #1 position as Refinery rebounds
- Industrial Air Quality orders in Q3 +10% Y/Y and +11% sequentially as commercial re-alignment takes shape
- Fluid Handling orders grew 14% Y/Y with strong end markets as a tailwind
- Zhongli identified separately to provide transparency related to pending divestiture

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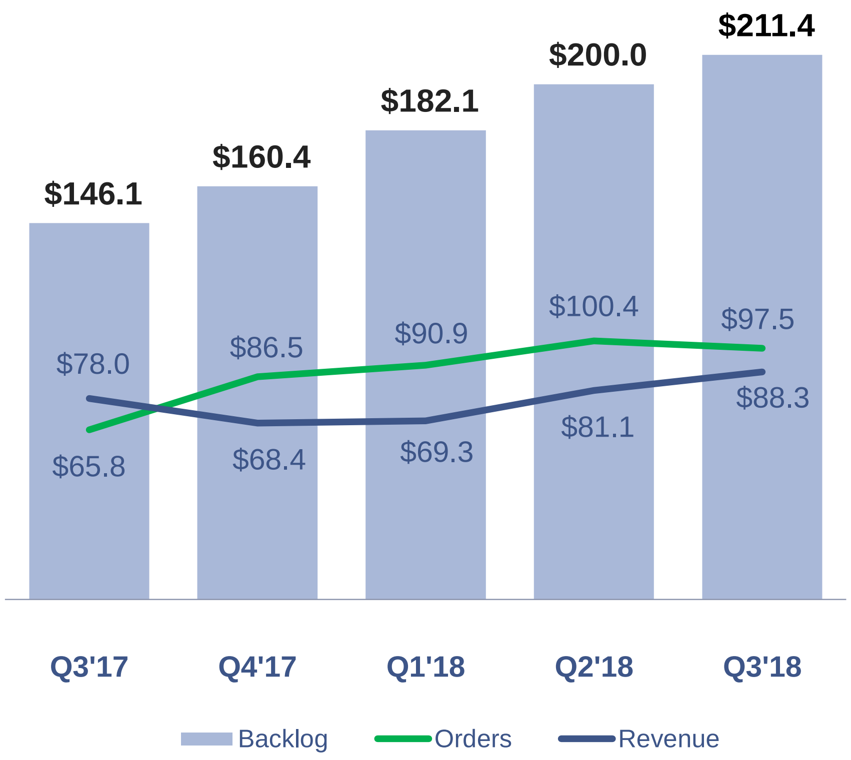
a) Orders on Gross basis excludes cancellations
b) Segment Eliminations excluded from graph
c) Emtrol + Zhongli = Energy Solutions

Strong market wins in Q3 extend the streak of increasing backlog

($MM)



Book/Bill Ratio:	0.84	1.26	1.31	1.24	1.10

- $65 added to backlog in last 4 quarters, +45% year over year
- Another quarter with Book/Bill ratio eclipsing +1.0
- All segments contributed in Q3

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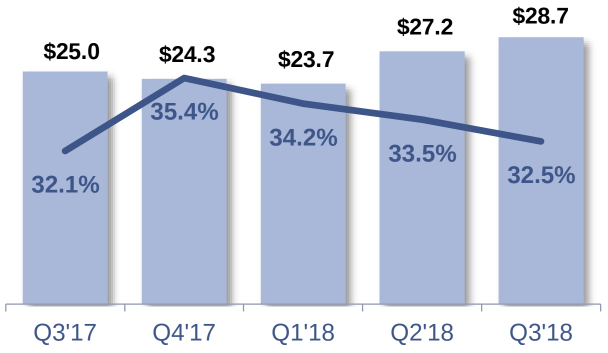
(a) Orders excludes cancellations and divestitures
(b) Revenue & Backlog excludes divestitures, includes $7 of Zhongli Backlog
(c) In Q3'18, Backlog impacted by $2 on FX/Other

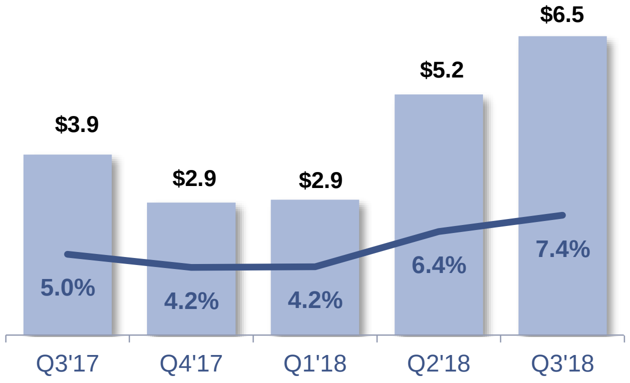
Increasing OE revenue lifts operating margins but impacts GM% mix

($MM)

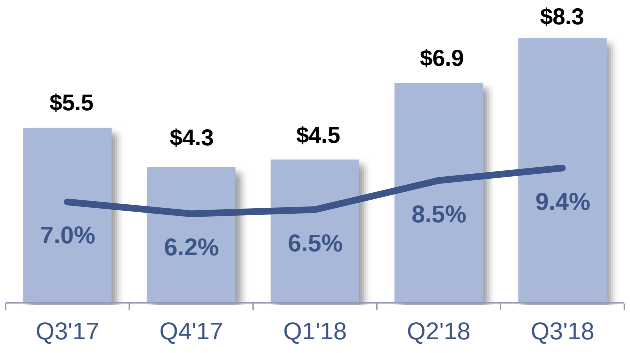
Non-GAAP Gross Profit



Non-GAAP Operating Income



Adjusted EBITDA



- YTD GM% flat at 33%... Sequential declines on Power Gen pressure and product mix
- Operating Income +67% or 240bps Y/Y and +25% and ~90bps sequentially… Strong Volume Leverage
- Adjusted EBITDA +51% or 230bps Y/Y and +20% and ~90bps sequentially

-a) Divestitures excluded in prior periods for comparative purposes

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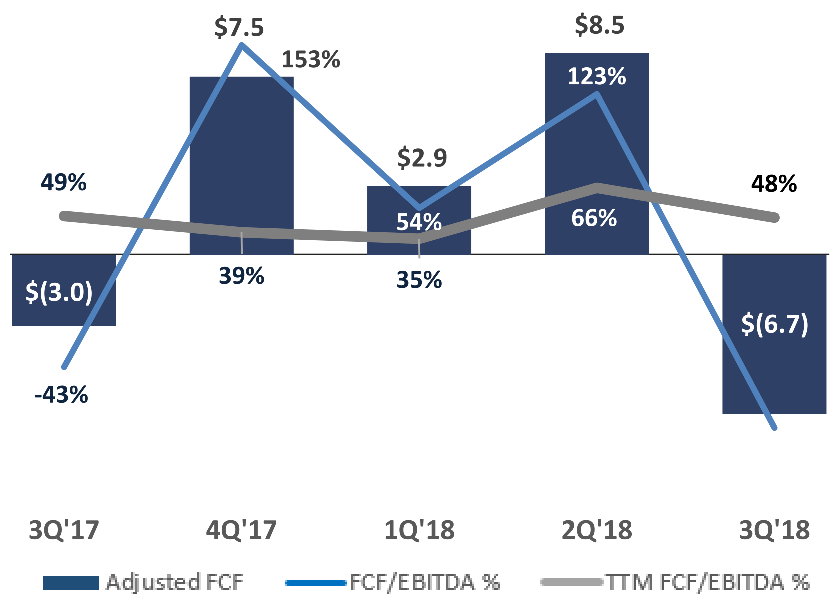
Attractive asset light model impacted by timing of large project cash flows

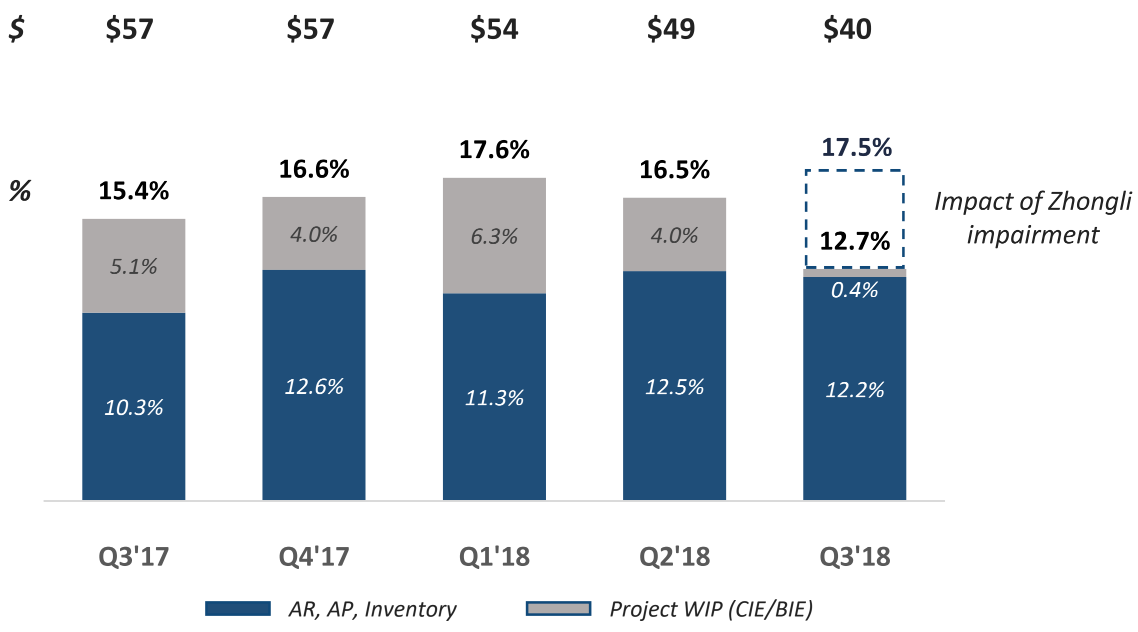
($MM)

Q3 FCF impacted by timing of AR & Taxes [(a)]



- Q/Q FCF decline driven by $6 AR growth, $5 Past Dues collected in Oct and $3 timing of cash taxes

Working Capital efficiency to improve w/Zhongli sale [(b)]



- ~5pts trade W/C attributed to $15 Zhongli impairment

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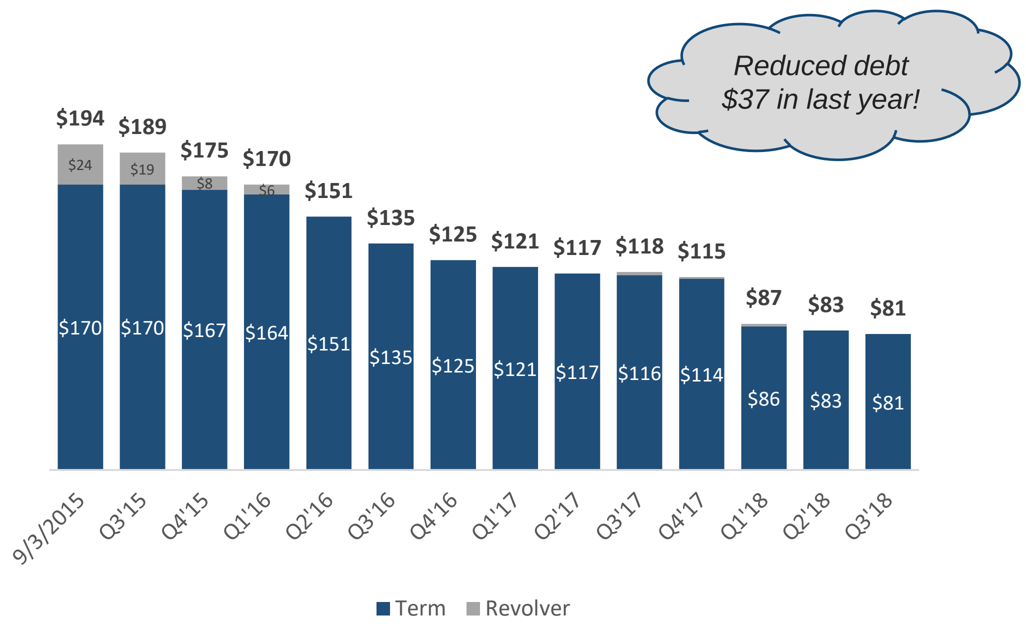
(a) Adjusted Free Cash Flow = Cash Flow From Operations less Earnouts classified as Operating Cash Flow less CAPEX spend
(b) W/C includes: Trade AR, Trade AP, Inventory and Cost/Billings of on TTM Revenue; Reported Basis

Earnings and cash generation continue to strengthen balance sheet

($MM)

Continued reduction of Debt levels



Leverage measures improving

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Term Debt	$ 115.9	$ 113.9	$ 85.7	$ 83.1	$ 81.1
Revolver	2.0	1.0	1.5	-	-
Other [(a)]	1.6	3.1	-	-	-
Total Indebtedness	**$ 119.5**	**$ 118.0**	**$ 87.2**	**$ 83.1**	**$ 81.1**
Cash	25.7	34.0	34.0	35.9	32.7
Bank Defined EBITDA [(b)]	7.4	7.3	5.5	8.5	9.4
TTM Bank Defined EBITDA	**$ 47.3**	**$ 36.6**	**$ 30.7**	**$ 28.7**	**$ 30.7**
Bank Defined Leverage	**2.52x**	**3.23x**	**2.84x**	**2.89x**	**2.64x**
Net Debt/TTM Adj. EBITDA [(c)]	1.98x	2.30x	1.73x	1.64x	1.57x

- Continued to pay down debt ahead of Principal Schedule
- $33 Cash on hand is split 25% Domestic and 75% Foreign
- 2.6x Leverage ratio improved sequentially

(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

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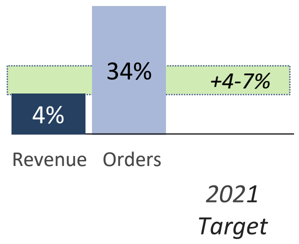
Solid growth in Q3 supports path towards key 2021 targets

Grow Revenue organically 2X market[-a)]

YoY Growth% (TTM)

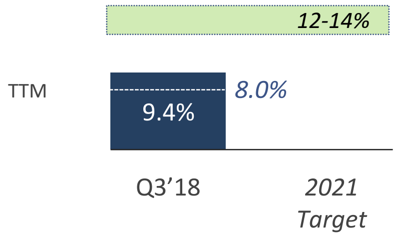
- Outside-In leadership
- OE and Aftermarket focus
- Innovations with value



Expand EBITDA margins

EBITDA%

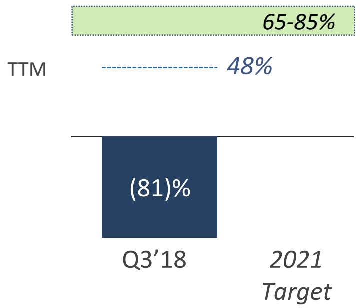
- Customer value => GM%
- SG&A op leverage
- Complexity cost out



Consistently convert EBITDA to Cash

FCF/EBITDA

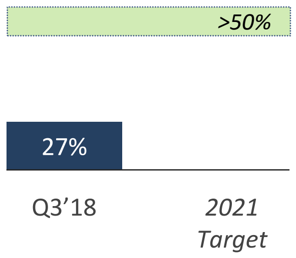
- Asset light model
- Working capital management



Superior Return on Tangible Capital[-b)]

ROTC% (TTM)

- Low Asset Intensity %
- Greater value = ↑ margins



-a) Global GDP growth and management estimates; Orders and Revenue exclude Strobic & Keystone in prior periods

-b) ROTC defined as Non-GAAP NOPAT / (Working Capital – Cash + net PP&E); reference appendix

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Market Outlook

Stable demand with O&G and Industrials… Power Generation challenged

($MM)

Refinery

'19 Outlook

Q3 Orders: *$20 | +403%*
TTM Orders: *$72 | +362%*

Cyclones

Midstream O&G

'19 Outlook

Q3 Orders: *$15 | 3%*
TTM Orders: *$66 | +58%*

Gas Separation

Oily Water

Power Gen: Natural Gas

'19 Outlook

Q3 Orders: *$25 | +133%*
TTM Orders: *$84 | +18%*

Silencers

SCR Emissions

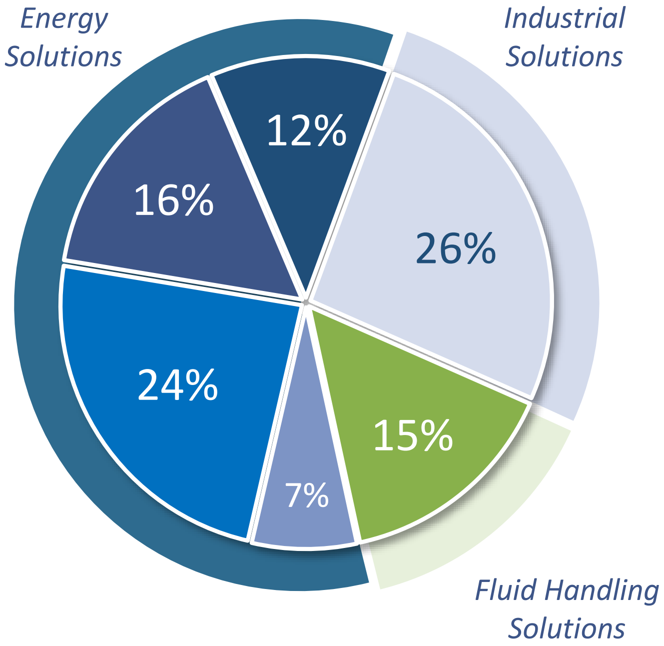
Power Gen: Solid Fuel

'19 Outlook

Q3 Orders: *$4 | ↓(38)%*
TTM Orders: *$22 | ↓(19)%*

Ball Mills

Dampers



2017 Revenue Mix

Industrial Solutions

'19 Outlook

Q3 Orders: *$21 | +10%*
TTM Orders: *$83 | +7%*

Air Quality

Industrial: Fluid Handling

'19 Outlook

Q3 Orders: *$13 | +14%*
TTM Orders: *$54 | +8%*

Pumps

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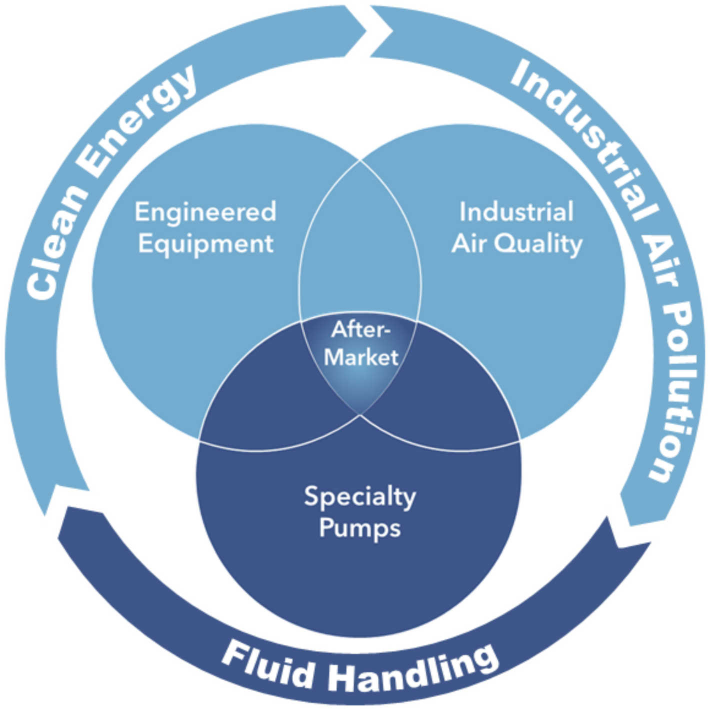
a) 2017 Revenue Mix excludes divestitures

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

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Supplemental Materials

Non-GAAP Reconciliation

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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	Q3 2018	YTD 2018
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	$ 28.7	$ 81.8
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%*	*32.5%*	*33.6%*
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	$ -	$ -	$ -	$ -
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	$ 28.7	$ 81.8
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%*	*32.5%*	*33.6%*

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	Q3 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	$ (10.4)	$ 4.3	$ (3.9)
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%*	*-11.8%*	*1.8%*	*-1.2%*
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	$ -	$ -	$ -	$ -	$ 0.1
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	$ 2.0	$ 7.4	$ 9.9
Intangible asset impairment	$ -	$ -	$ -	$ 3.3	$ 57.9	$ -	$ -	$ -	$ 7.2	$ 7.2	$ -	$ -	$ -	$ -	$ 7.2
Gain on divestiture, net of selling costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (11.2)	$ 0.1	$ 15.1	$ 4.0	$ 4.0
Restructuring expense (income)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.9	$ 1.9	$ 0.2	$ -	$ (0.2)	$ -	$ 1.9
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	$ 6.5	$ 15.7	$ 19.2
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%*	*7.4%*	*6.4%*	*6.1%*

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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	Q3 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)	$ 5.7	$ (0.9)	$ (12.9)	$ (8.1)	$ (19.7)
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	$ -	$ -	$ -	$ -	$ 0.1
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	$ 2.0	$ 7.4	$ 9.9
Intangible asset impairment	$ -	$ -	$ 3.3	$ 57.9	$ -	$ -	$ -	$ 7.2	$ 7.2	$ -	$ -	$ -	$ -	$ 7.2
Gain on divestiture, net of selling costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (11.2)	$ 0.1	$ 15.1	$ 4.0	$ 4.0
Restructuring expense (income)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.9	$ 1.9	$ 0.2	$ -	$ (0.2)	$ -	$ 1.9
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)	$ (0.2)	$ 1.0	$ -	$ 0.8	$ 0.7
Tax benefit of expenses	$ (4.6)	$ (3.7)	$ (7.1)	$ (7.4)	$ (1.5)	$ (1.5)	$ (1.0)	$ (1.7)	$ (5.7)	$ 4.4	$ (0.9)	$ (0.5)	$ 3.0	$ 1.3
Non-GAAP net income	$ 19.7	$ 24.6	$ 28.0	$ 33.5	$ 7.0	$ 2.9	$ 1.2	$ (1.7)	$ 9.5	$ 1.8	$ 1.8	$ 3.5	$ 7.1	$ 5.4
Depreciation	$ 1.6	$ 3.1	$ 3.5	$ 4.5	$ 1.1	$ 1.0	$ 1.0	$ 0.9	$ 3.9	$ 0.8	$ 0.9	$ 1.0	$ 2.7	$ 3.6
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	$ 0.9	$ 2.3	$ 2.8
Goodwill impairment	$ -	$ -	$ -	$ -					$ -	$ -	$ -	$ -	$ -	$ -
Other (income)/expense	$ 0.1	$ (0.6)	$ (0.4)	$ (1.1)	$ 0.4	$ 0.8	$ 0.6	$ 0.1	$ 2.0	$ 0.5	$ (0.6)	$ (0.6)	$ (0.7)	$ (0.6)
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	$ 1.7	$ 5.4	$ 7.2
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	$ 1.8	$ 3.8	$ 7.1
Adjusted EBITDA	$ 28.5	$ 38.7	$ 48.4	$ 60.6	$ 11.7	$ 11.0	$ 6.9	$ 4.9	$ 34.5	$ 5.4	$ 6.9	$ 8.3	$ 20.6	$ 25.5
Adjusted EBITDA margin	*14.4%*	*14.7%*	*13.2%*	*14.5%*	*12.6%*	*11.7%*	*8.1%*	*6.7%*	*10.0%*	*7.3%*	*8.5%*	*9.4%*	*8.5%*	*8.0%*
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	34,779,125	34,681,262	34,652,561
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	34,779,125	34,681,262	34,710,838
Earnings (loss) per share:														
Basic	$ 0.33	$ 0.51	$ (0.19)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ (0.34)	$ (0.09)	$ 0.16	$ (0.03)	$ (0.37)	$ (0.23)	$ (0.57)
Diluted	$ 0.32	$ 0.50	$ (0.19)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ (0.33)	$ (0.09)	$ 0.16	$ (0.03)	$ (0.37)	$ (0.23)	$ (0.57)
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	$ 0.20	$ 0.16
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	$ 0.20	$ 0.16

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Return on Tangible Capital

(dollars in millions)	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Non-GAAP Operating Income	5.3	3.5	4.0	5.2	6.5
Other non-cash adjustments, not in Non-GAAP:					
Add: Non-cash stock compensation	0.6	0.5	0.6	0.8	0.9
Adjusted Non-GAAP Operating Income	5.9	4.0	4.6	6.0	7.4
Cash Operating Taxes (assumed 27% rate)	-1.4	-0.9	-1.1	-1.4	-1.8
Net Operating Profit After Taxes (NOPAT)	4.5	3.1	3.5	4.6	5.6
TTM NOPAT	31.3	23.1	18.7	15.7	16.8
Net Tangible Capital	74.1	70.3	62.8	58.1	50.4
TTM ROTC	45.2%	36.8%	31.0%	25.4%	27.0%

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