Q3’17 Earnings Call and Strategy Update

November 8th, 2017

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CECO Company Confidential

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.

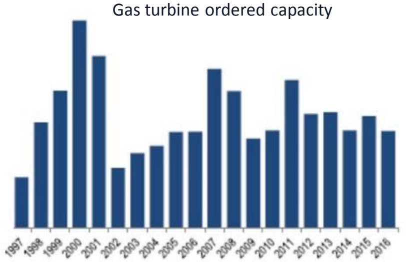
Power Generation and niche Refinery markets in severe trough

	Orders YTD[a/b]	Y/Y%	Near Term
Power Generation	$76	(24)%	↘
Refineries	$10	(82)%	↘
General Industrial	$103	(23)%	↗

Power Generation

Key Chart

Gas turbine ordered capacity



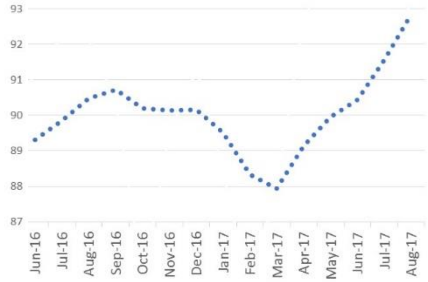
Market Commentary

- GE & Siemens quote "over-capacity in turbines" and "missed forecast" in Q3
- GE Power's profit (51)% in Q3'17… "Power to be tough space atleast thru '18"
- China declines on lower investment and Capacity Utilization at <50%

Refineries

Key Chart

Refining Capacity Utilization – 6 mth mov. avg



Market Commentary

- IIR reports +17 bbl/d production is forcing delays in maintenance downtime
- EIA reports US refinery utilization rates are between 90-95%
- Quotation activity is increasing vs. 1H'17 for Emtrol… ~$15-20 delayed

General Industrial

Key Chart

ISM manufacturing capacity index

Market Commentary

- US GDP grew by 3% for the second consecutive quarter
- Air Pollution (35)% Y/Y due to China slowdown and fewer US turnkey projects
- Fluid Handling +11% Y/Y on improved short cycle pumps replenishment

a) Orders on Gross basis, excludes prior quarter cancellations
b) Order YTD highlights under performing markets; excludes $53 of midstream/other

Deepening end market downturn undermines Q3 results

- $71M Orders down 26.2% Y/Y; down 18.6% sequentially
- $85M Revenue down 16.3% Y/Y; down 9.5% sequentially
- 31.9% Gross Margin; 32.1% Non-GAAP Gross Margin, down 130 bps Y/Y
- 6.6% Operating Margin; 6.2% Non-GAAP Operating Margin vs. 14.2% in prior year
- GAAP fully diluted EPS of $0.09 compared with $0.17 in prior year
- Adjusted EBITDA of $6.9M down 57.4% Y/Y; down 37.3% sequentially
- $153.9M Backlog down 21.9% from year end and down 8% sequentially

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Financial Results

Q3’2017 Performance

Q3 2017 results depressed on lower bookings and backlog

($MM)

	Q3'17		Y/Y
GAAP:			
Orders	$	71.0	-26.2%
Revenue	$	85.0	-16.3%
Gross Profit	$	27.1	-19.6%
-%		31.9%	-1.3pts
Op Profit	$	5.6	-46.7%
-%		6.6%	-3.7pts
Diluted EPS	$	0.09	$ (0.08)
Net Cash from Ops	$	(2.8)	-131.8%
Non-GAAP: [(a)]			
Gross Profit	$	27.3	-19.5%
-%		32.1%	-1.3pts
Op Profit	$	5.3	-63.2%
-%		6.2%	-7.9pts
Diluted EPS	$	0.03	$ (0.21)
Adj. EBITDA$	$	6.9	-57.4%
-%		8.1%	-7.8pts

- **Orders down (26)% Y/Y on Refinery, Power Generation, and Industrial Ventilation products**
- **Orders down (19)% Q/Q on International Power Generation and N. America Pumps partially weather**
- **Revenue down (16)% Y/Y on lower Refinery and Power Generation backlog**
- **GAAP Op Profit includes a $3.9 gain from reduction in Zhongli '17 FV earn-out adjustment**
- **Cash from Ops of $(2.8) on lower earnings and growing working capital**

- **Non-GAAP GM% was down (1.3) pts Y/Y on pricing pressure in Power Generation and project mix**
- **$21.9 of SG&A +12% Y/Y on allowance for doubtful AR and increased sales headcount**
- **24% Non-GAAP effective tax rate, excluding $3.9 Zhongli earn-out adjustment gain**

Maintaining Margin & Market Share… Volume leads to disappointing earnings

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(a) Reference appendix for reconciliation of GAAP to Non-GAAP measures

YTD Performance driven by declines & delays in Power Gen & Refinery demand

($MM)

	'17	Y/Y
GAAP:		
Orders	$ 242.1	-25.5%
Revenue	$ 271.5	-14.4%
Gross Profit	$ 87.5	-11.8%
-%	32.2%	0.9pts
Op Profit	$ 16.2	-34.9%
-%	6.0%	-1.9pts
Diluted EPS	$ 0.25	$ (0.13)
Net Cash from Ops	$ (1.0)	-101.9%
Non-GAAP: [(a)]		
Gross Profit	$ 90.0	-9.8%
-%	33.1%	1.6pts
Op Profit	$ 24.8	-35.1%
-%	9.1%	-2.9pts
Diluted EPS	$ 0.32	$ (0.31)
Adj. EBITDA$	$ 29.7	-33.0%
-%	10.9%	-3pts

- **Orders down (26)% Y/Y on Refinery and Power Generation products**
  - **Energy (12)% Y/Y, FH&F +11% Y/Y, Environmental (51)% driven by Refinery (82)% / Ventilation (38)%**
- **Revenue down (14)% Y/Y on Refinery and Power generation products**
- **GM at 32% is up 90 bps Y/Y on project mix and execution**
- **Cash from Ops includes $(7.8) of Earnouts; normalized for this convention CFOA was $6.7**

- **GM% of 33.1% is up 160 bps Y/Y on backlog project mix**
- **$65.2 SG&A [24% of Sales] is +6% Y/Y on selling headcount, finance & legal adds, and bad debt expense**
- **30.8% Non-GAAP effective tax rate, excluding $5.6 Zhongli earn-out adjustment gain**

Restructuring initiated in response to market softness, anticipating $5-7 in savings per annum

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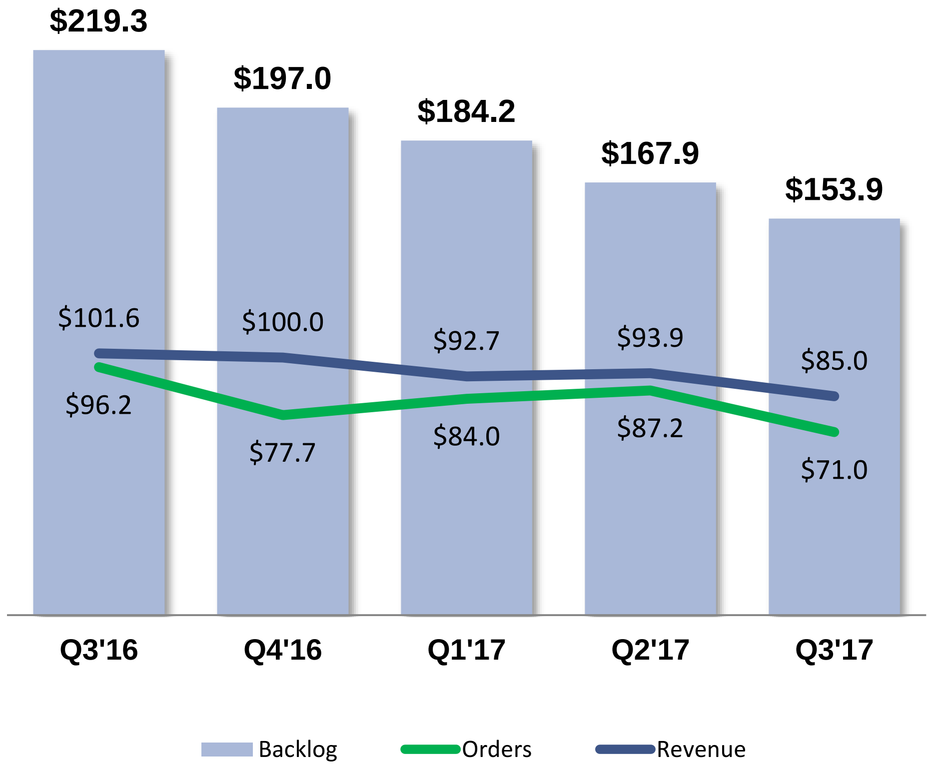
(a) Reference appendix for reconciliation of GAAP to Non-GAAP measures

Backlog has buffered market softness and orders decline



- Book/Bill Ratio has been < 1.0 since Q1'16… 6 straight quarters
- Backlog is down $(65) Y/Y or (30)%
- Energy Backlog down $(11) Y/Y or (9)% primarily on:
  - Power Generation down $(7) Y/Y or (9)%
- Environmental Backlog down $(54) Y/Y or (58)% primarily on:
  - Refinery products down $(34) Y/Y or (77)%
  - Industrial ventilation and Scrubbers down $(15) Y/Y or (55)%
- Fluid Handling flat Y/Y

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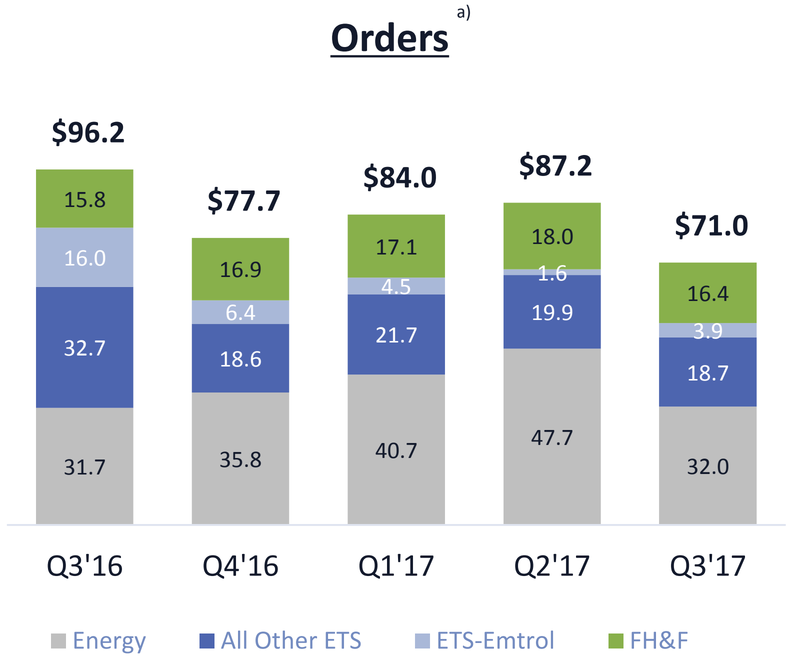
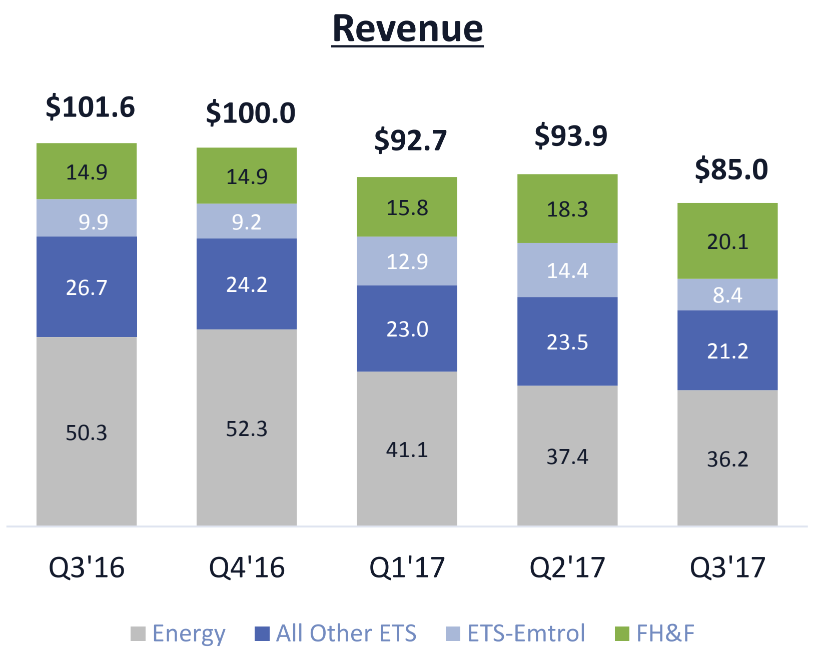
(a) Gross Orders excludes Cancellations

Q3’17 orders below expectations with further delays in Energy markets





- Emtrol Buell orders sluggish at $10 YTD, however market visibility shows activity picking up in Q4’17 and into 2018
- Soft orders quarter for FH&F, Q4’17 visibility shows order levels similar to Q2’17
- Energy underperformed in Q3 on orders as over capacity in Power Generation dampens demand

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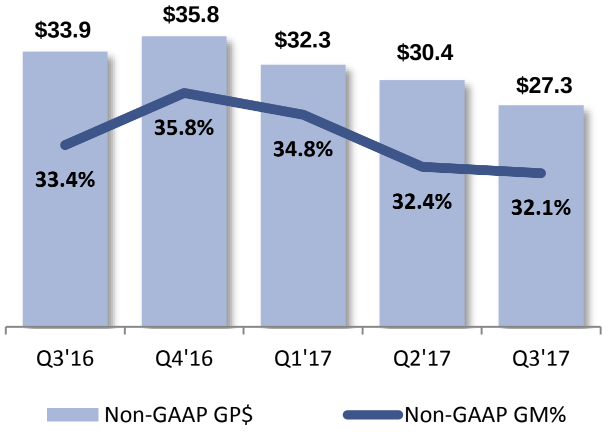
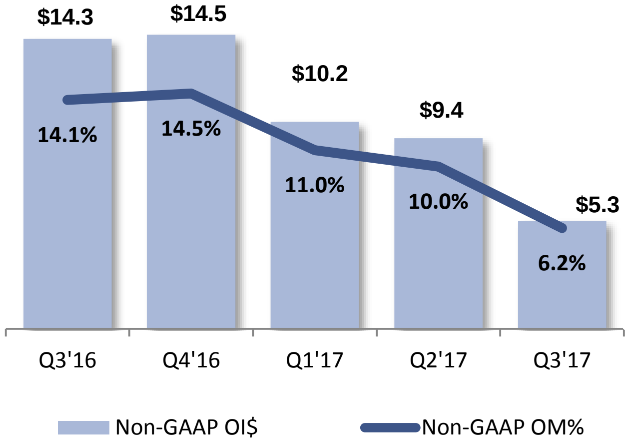
a) Orders on Gross basis, excludes prior quarter cancellations

Profitability decline driven by volume and pricing pressure in Power Gen

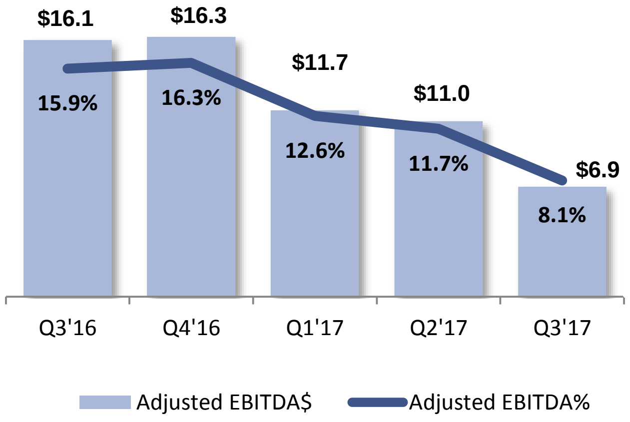
Non-GAAP Gross Profit



Non-GAAP Operating Income



Adjusted EBITDA



- YTD Gross Margins at 33.1% which are up +1.6pts Y/Y on Project backlog and Segment Mix
- Sequential declines in Gross Margins from Q4’16 are driven by competitive pricing in Power Generation Projects
- Operating and EBITDA margins impacted by Volume compression

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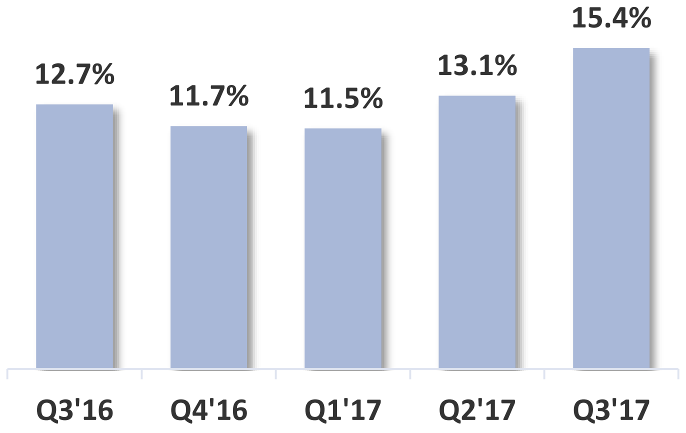
Lower volume led to decrease in Free Cash Flow

Free Cash Flow

	FY'15	FY'16	3Q'16	YTD'16	3Q'16	YTD'17
Net cash from operating activities	12.6	69.6	8.8	52.9	(2.8)	(1.1)
Add: earn-outs classified as operating	-	-	-	-	-	7.8
Capital expenditures	(0.8)	(1.1)	(0.2)	(0.8)	(0.2)	(0.8)
Adjusted free cash flow	**$11.8**	**$68.5**	**$8.6**	**$52.1**	**$(3.0)**	**$5.9**
Proceeds from PP&E sales [(a)]	3.2	14.9	3.2	14.5	0.4	0.4
Dividends	(8.0)	(9.0)	(2.2)	(6.7)	(2.6)	(7.8)
Earn-out payments	(2.5)	(9.3)	(7.0)	(9.3)	-	(15.2)
Adjusted net free cash flow	**$4.5**	**$65.1**	**$2.6**	**$50.6**	**$(5.2)**	**$(16.7)**

Working Capital [(b)]



- Substantial portion of Free Cash Flow YTD used to pay for prior year earnouts
- Mix of project percent complete outpacing project contract billing terms negatively impacting working capital
- Inventory level flat sequentially on lower revenue. CECO focusing on inventory reduction actions particularly in Specialty Pumps
- Implemented weekly milestone progress billing reports, early customer invoice calls, and root cause analysis on Past Due AR

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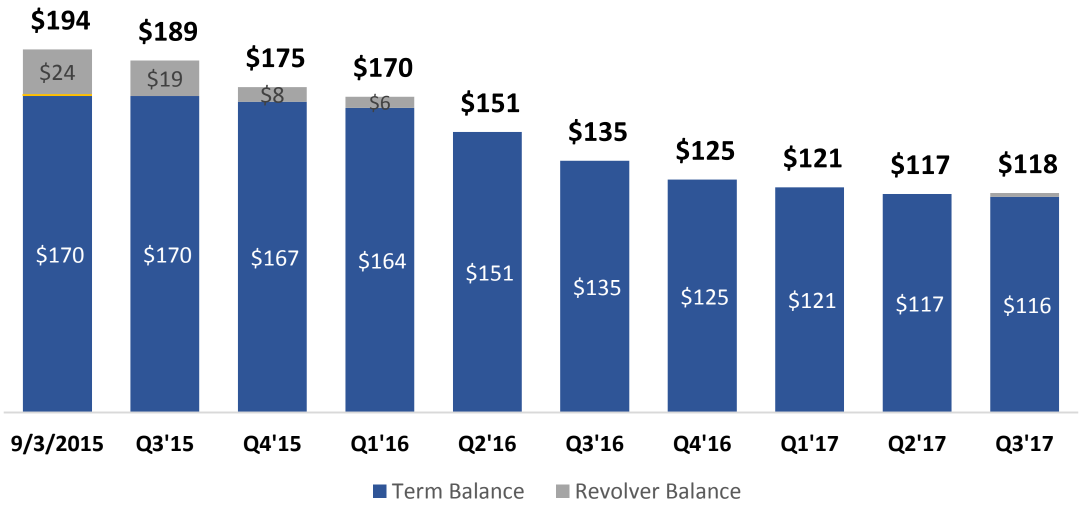
(a) 2016 gross proceeds of $14M from sale-leaseback of 3 facilities
(b) W/C includes: Trade AR, Trade AP, Inventory and Cost/Billings of Excess on Uncompleted contracts on TTM Revenue

Remain committed to paying down debt and will re-allocate capital for Growth

US Debt Performance



Leverage Measures

	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Term Debt	$ 150.6	$ 135.2	$ 125.1	$ 121.0	$ 117.4	$ 115.9
Revolver						2.0
Other [a]	5.6	1.7	1.3	1.3	0.2	1.6
Total Indebtedness	**$ 156.2**	**$ 136.9**	**$ 126.4**	**$ 122.3**	**$ 117.6**	**$ 119.5**
Cash [d]	61.6	44.3	48.0	46.4	28.9	25.7
TTM Bank Defined EBITDA [b]	**$ 61.7**	**$ 56.5**	**$ 61.0**	**$ 59.2**	**$ 55.9**	**$ 47.3**
Bank Defined Leverage	**2.53x**	**2.42x**	**2.07x**	**2.07x**	**2.10x**	**2.53x**
Net Debt/TTM Adj. EBITDA [c]	1.53x	1.64x	1.29x	1.28x	1.59x	1.98x

- Made minimum debt service payment in Q3’17; Cash on hand is split 30% Domestic and 70% Foreign
- Completed amendment to credit agreement with Bank Syndicate 10/31/17… provides flexibility for CECO growth strategy

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(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 / TTM Adjusted Bank EBITDA
(d) Cash & Cash equivalents plus current & non-current restricted cash

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CECO Strategy

Our Path Forward

Strategic assessment has confirmed a refined & compelling winning proposition

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

… and will transform CECO to win share and create value

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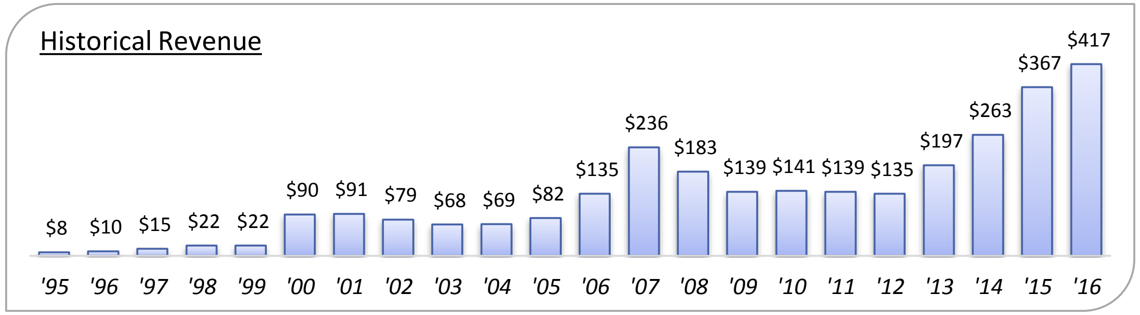
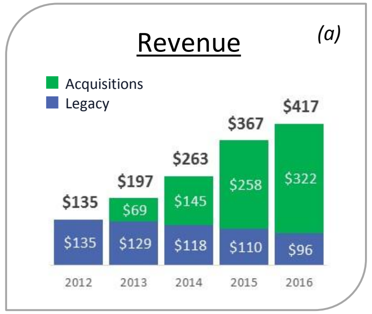
Evaluation of Own Realities shines light on under-investment & declining revenue

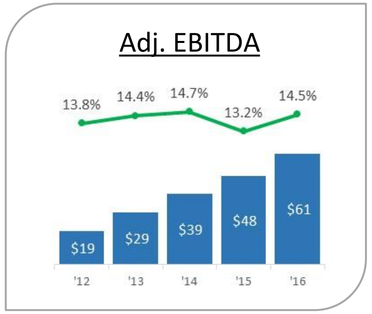
… 20 years of growth via acquisitions

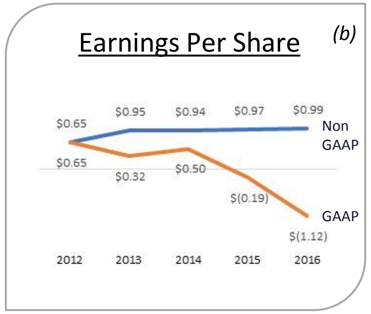


… recognized brand names run as independent BU's without critical mass or cohesive culture

… run with solid operating discipline, but at the expense of investment and shareholder value



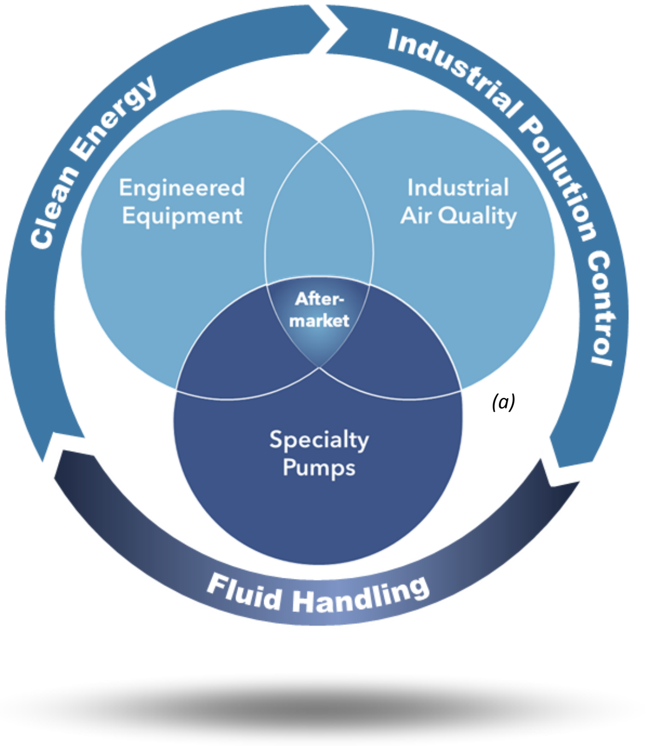




(a) Adjusted EBITDA
(b) Diluted Earnings per Share

Transform CECO to lead in Air Quality and Fluid Handling solutions

Invest in 3 Core Growth Platforms



(a)

Implement Value Creation Enablers

Portfolio Management

Simplification

Outside-In

Innovation

Reward Shareholders

- ☑ Strong Cash Flow Generation
- ☑ Financial Flexibility
- ☑ “Asset Light” in Project Businesses
- ☑ Capital Appreciation
- ☑ 2020 Performance Targets
- ☑ Selective in M&A

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(a) Growth Platforms do not represent complete reporting segments
(b) Air Quality includes Clean Energy and Industrial Pollution Control

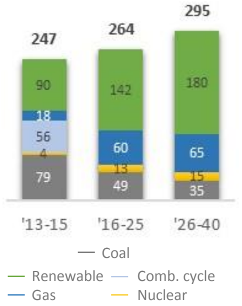
Compelling markets with long term fundamental growth potential

	Clean Energy	*Industrial Pollution Control*	*Fluid Handling*
Market Sizing	Served Available Market $2.8B Estimated Market Share ~8%	Served Available Market $2.2B Estimated Market Share ~5%	Served Available Market $1.2B Estimated Market Share ~3%
Key Verticals (5 Year CAGR%'s)	Gas ~2% Renewables ~8% Mid/LNG + + Refinery ~4%	General ~3% Chem/Pet-Chem ~4% Battery/Renewables +10%	Water/Desal ~8% Chem/Pet-Chem ~4% O&G + +

Market Trends

Clean Energy

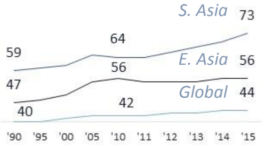
New Power-Gen Capacity (Avg GW/Year) (a)



Global Downstream Maintenance CAPEX ($B Spend) (b)

Industrial Pollution Control

Avg. Annual Pollution (Weighted PM 2.5)

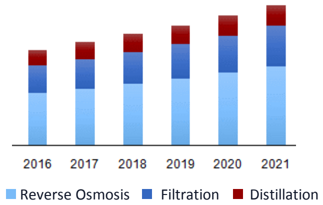


Global Battery Spend ($B)

Fluid Handling

NAM Petrochemical Capacity (mtpa)

Water Desalination ($B Spend)



Voice of Customer

Clean Energy

- Power Gen **shift to Renewables & Gas**
- Outside of SE Asia & India, **Coal in Decline**
- Demand coming from **emerging markets**

Industrial Pollution Control

- **China & India** demanding Air Quality
- Industrial workers demand safe work
- **Productivity & Digitization** expected

Fluid Handling

- **Efficiency matters**… 25% of TCO is Energy
- Smart Pumps and **"IoT"** gaining traction
- Reduce **lead time** and **minimize downtime**

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Sources: IEA, BMI, Douglas Westwood, Internal, HexaResearch

Concentrating our efforts and capital to fuel our Growth platforms

Markets | *Growth Platforms* (-a) | *Product Examples* | *Growth Agenda*

Clean Energy

Engineered Equipment

Silencers

Separators

Cyclones

SCR Emissions

- ❑ Invest to extend **#1 share/brand position**
- ❑ **Re-align sales** organization
  - – Strategic accounts
  - – Regional structure & global teamwork
- ❑ Drive **supply chain purchasing power**
- ❑ Next generation products & applications
  - – Oily water separation
  - – Natural gas emission controls

Market Penetration and Brand Differentiation

Industrial Pollution Control

Industrial Air Quality

Oxidizers

Scrubbers

Ventilation

- ❑ **Build CECO brand & reputation**
  - – Variety of remediation technologies
  - – Technical experts in air pollution control
- ❑ **Extend lifetime value** with customers
  - – Field service technicians
  - – eParts catalog / digital upgrades
- ❑ **24x7 tech call center**; “One stop shop”
- ❑ Add engineering & sales talent in China

Application Expertise and Customer Service

Fluid Handling

Specialty Pumps

High Temp

Fiberglass

Systems

- ❑ CAPEX to improve quality & **lead times**
- ❑ Extend Pump **brands in harsh applications**
- ❑ Grow **international sales…** footprint/brand
- ❑ Improve **customer experience**
  - – Online pump configurator
  - – eCommerce capability

Operational Excellence and Customer Experience

Aftermarket

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(-a) Growth Platforms align with End markets but do not represent reporting segmentation

CECO wide initiatives to drive value creation and cultural change

Active Portfolio Management

- Strict capital budgeting that must exceed internal hurdle rates
- Regularly evaluate business units for **market attractiveness vs. market share** for investment
- Exit **non-core and low critical mass** products
- **Selective M&A** that meets our criteria

Allocate capital to highest yielding returns

Simplification

- Reduce **13 ERP's to at most 3**
- Reduce **64 Legal Entities by ~50%**
- Adopt **operating metrics that drive growth**… On Time Delivery, Cycle Time
- Implement CECO business system that aligns and incentivizes on 2020 targets

Reduce complexity, sharpen metrics… common operating system

Innovation

- Prioritize & Fund Ideas [i.e. **build a pipeline**]
- Steadfast **investment through downturn**
- Leverage digital possibilities
- Measure success based on NPD % of Revenue and # of new Patents

Leverage the Pedigree inherent in our Historical Brands

Outside-In Leadership

- Driving **cultural shift** with employees
- Sales Excellence processes and training
- Investment in **Brand Building, Public Relations, and Demand Generation**
- Measure success based on Net Promoter Score, Win Rate% and Market Share%

New Requirements that define CECO Leaders

Actions underway to transform CECO and re-deploy capital

($MM)

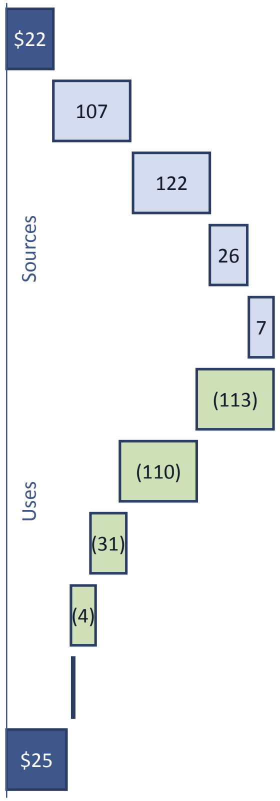
- **Amended Credit Agreement** with our Lenders ✓
  - Leverage Ratio adjusted to 3.75X with step down to 3.5X in Q2'19
  - Clarified and refined financial definitions to provide investment flexibility
- **Suspending the Dividend** for re-investment in CECO's Growth… ~$10 p.a. ✓
- Implementing **Restructuring actions** to achieve $5-7 target savings p.a. … re-position for Market rebound →
- **Evaluating strategic alternatives** for non-core assets to re-invest and paydown debt →
- Invest up to **~$20 in Growth Initiatives and ~$10 in CAPEX** over next 3 yrs despite market downturn →

Capital deployment focused on Long Term Shareholder Value Creation

($MM)

Source / (Use) of Cash Bridge

Historic — Future



		% of Use	Directional Use
Cash YE 2013	$22		
CFOA	107		
Borrowings	122		
PP&E Sales	26		
Residual/Excess	7		***Re-invest***
Debt/Financing	(113)	*44%*	***Service***
M&A/Earnouts	(110)	*43%*	***Selective***
Dividends	(31)	*12%*	***Suspend***
CAPEX	(4)	*1%*	***Re-invest***
Share Buybacks		*0%*	***Opportunistic***
Cash Q3'17	$25		

Critical Success Metrics Going Forward

- **Organic Growth** of 2X our aggregate markets… ~2% Global CAGR
- Recommitment to **Free Cash Flow Generation**
- Growing **Adjusted EBITDA%** while making investments
- **Return on Invested Capital (ROIC%)** that exceeds peer basket
- Maintaining a healthy **Leverage Ratio** in peaks and troughs

Establishing 2020 Performance Targets

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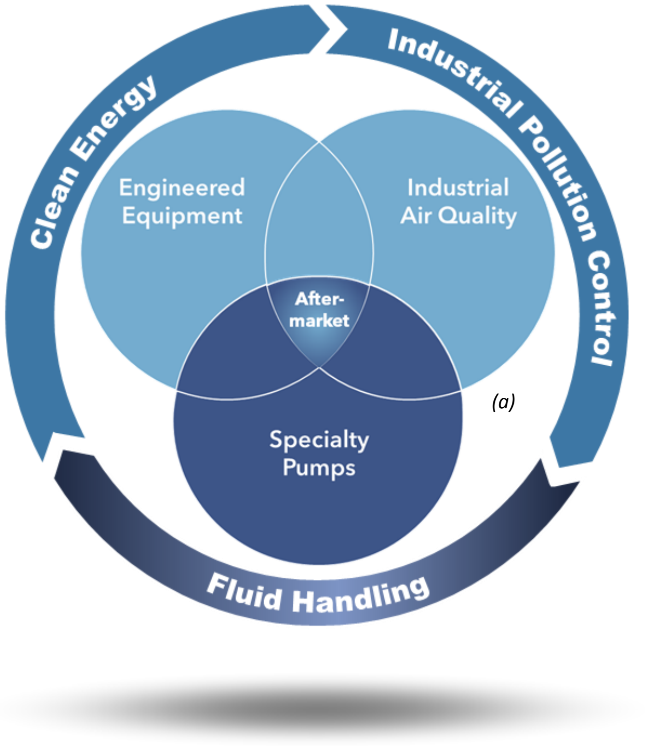
Transform CECO to lead in Air Quality and Fluid Handling solutions

Invest in 3 Core Growth Platforms



Implement Value Creation Enablers

Portfolio Management

Simplification

Outside-In

Innovation

Reward Shareholders

- ☑ Strong Cash Flow Generation
- ☑ Financial Flexibility
- ☑ "Asset Light" in Project Businesses
- ☑ Capital Appreciation
- ☑ 2020 Performance Targets
- ☑ Selective in M&A

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(a) Growth Platforms do not represent complete reporting segments
(b) Air Quality includes Clean Energy and Industrial Pollution Control

Supplemental Materials

Non-GAAP reconciliation

Non-GAAP Gross Profit and Margin

(dollars in millions)	Annual 2012	Annual 2013	Annual 2014	Annual 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Annual 2016	Q1 2017	Q2 2017	Q3 2017	YTD 2017	TTM 2017
Gross profit as reported in accordance with GAAP	$ 42.4	$ 61.6	$ 84.8	$ 109.2	$ 31.6	$ 33.9	$ 33.7	$ 35.7	$ 134.9	$ 31.9	$ 28.5	$ 27.1	$ 87.5	$ 123.2
Gross profit margin in accordance with GAAP	*31.4%*	*31.2%*	*32.2%*	*29.7%*	*30.6%*	*30.2%*	*33.2%*	*35.7%*	*32.4%*	*34.4%*	*30.4%*	*31.9%*	*32.2%*	*33.2%*
Legacy design repairs	-	-	-	-	-	-	-	-	-	0.2	1.8	-	2.0	2.0
Inventory valuation adjustment	-	1.1	-	0.5	0.1	-	-	-	0.1	-	-	-	-	-
Plant, property and equipment valuation adjustment	-	0.2	$ 0.6	0.6	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.5	0.6
Non-GAAP gross profit	$ 42.4	$ 62.9	$ 85.4	$ 110.3	$ 31.9	$ 34.0	$ 33.9	$ 35.8	$ 135.6	$ 32.3	$ 30.4	$ 27.3	$ 90.0	$ 125.8
Non- GAAP Gross profit margin	*31.4%*	*31.9%*	*32.4%*	*30.0%*	*30.9%*	*30.3%*	*33.4%*	*35.8%*	*32.5%*	*34.8%*	*32.4%*	*32.1%*	*33.1%*	*33.9%*

Non-GAAP Operating Income and Margin

(dollars in millions)	Annual 2012	Annual 2013	Annual 2014	Annual 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Annual 2016	Q1 2017	Q2 2017	Q3 2017	YTD 2017	TTM 2017
Operating income as reported in accordance with GAAP	$ 16.7	$ 7.0	$ 21.7	$ 4.9	$ 5.8	$ 8.6	$ 10.5	$ (50.5)	$ (25.6)	$ 1.4	$ 9.3	$ 5.6	$ 16.2	$ (34.2)
Operating margin in accordance with GAAP	*12.4%*	*3.5%*	*8.2%*	*1.3%*	*5.6%*	*7.7%*	*10.3%*	*-50.5%*	*-6.1%*	*1.5%*	*9.9%*	*6.6%*	*6.0%*	*-9.2%*
Legacy design repairs	-	-	-	-	-	-	-	-	-	0.2	1.8	-	2.0	2.0
Inventory valuation adjustment	-	1.1	-	0.5	0.1	-	-	-	0.1	-	-	-	-	-
Plant, property and equipment valuation adjustment	-	0.2	0.6	0.6	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.5	0.6
Gain on insurance settlement	-	-	-	-	-	(1.0)	-	-	(1.0)	-	-	-	-	-
Acquisition and integration expenses	-	7.2	1.3	7.9	-	0.4	0.1	-	0.5	-	-	-	-	-
Amortization and earn-out expenses	-	6.8	10.1	25.6	4.8	4.9	3.5	7.0	20.2	7.3	(2.2)	(0.5)	4.6	11.6
Intangible asset impairment	-	-	-	3.3	-	-	-	57.9	57.9	-	-	-	-	57.9
Executive transition expenses	-	-	-	-	-	-	-	-	-	0.9	0.4	-	1.3	1.3
Facility exit expenses	-	-	-	-	-	-	-	-	-	0.2	-	-	0.2	0.2
Legal reserves	-	3.5	0.3	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP operating income	$ 16.7	$ 25.8	$ 34.0	$ 42.8	$ 10.9	$ 13.0	$ 14.3	$ 14.5	$ 52.7	$ 10.2	$ 9.4	$ 5.3	$ 24.8	$ 39.4
Non-GAAP Operating margin	*12.4%*	*13.1%*	*12.9%*	*11.6%*	*10.6%*	*11.6%*	*14.1%*	*14.5%*	*12.6%*	*11.0%*	*10.0%*	*6.2%*	*9.1%*	*10.6%*

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Non-GAAP Net Income, Adjusted EBITDA and Margin

(dollars in millions)	Annual 2013	Annual 2014	Annual 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Annual 2016	Q1 2017	Q2 2017	Q3 2017	YTD 2017	TTM 2017
Net income as reported in accordance with GAAP	$ 6.6	$ 13.1	$ (5.6)	$ 3.1	$ 4.0	$ 5.8	$ (51.1)	$ (38.2)	$ -	$ 5.5	$ 3.0	$ 8.6	$ (42.6)
Legacy design repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.2	$ 1.8	$ -	$ 2.0	$ 2.0
Inventory valuation adjustment	1.1	-	$ 0.5	$ 0.1	$ -	$ -	$ -	$ 0.1	$ -	$ -	$ -	$ -	$ -
Plant, property and equipment valuation adjustment	0.2	0.6	$ 0.6	$ 0.2	$ 0.1	$ 0.2	$ 0.1	$ 0.6	$ 0.2	$ 0.1	$ 0.2	$ 0.5	$ 0.6
Gain on insurance settlement			$ -	$ -	$ (1.0)	$ -	$ -	$ (1.0)	$ -	$ -	$ -	$ -	$ -
Acquisition and integration expenses	7.2	1.3	$ 7.9	$ -	$ 0.4	$ 0.1	$ -	$ 0.5	$ -	$ -	$ -	$ -	$ -
Amortization and earn-out expenses	6.8	10.1	$ 25.6	$ 4.8	$ 4.9	$ 3.5	$ 7.0	$ 20.2	$ 7.3	$ (2.2)	$ (0.5)	$ 4.6	$ 11.6
Intangible asset impairment	-	-	$ 3.3	$ -	$ -	$ -	$ 57.9	$ 57.9	$ -	$ -	$ -	$ -	$ 57.9
Executive transition expenses	-	-	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.9	$ 0.4	$ -	$ 1.3	$ 1.3
Facility exit expenses	-	-	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.2	$ -	$ -	$ 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	$ (0.9)	$ 0.5	$ (0.2)	$ 1.4	$ 0.8	$ (0.3)	$ (1.2)	$ (0.5)	$ (2.0)	$ (0.6)
Tax benefit of expenses	(4.6)	(3.7)	$ (7.1)	$ (1.2)	$ (1.6)	$ (1.3)	$ (3.3)	$ (7.4)	$ (1.5)	$ (1.5)	$ (1.0)	$ (4.0)	$ (7.3)
Non-GAAP net income	$ 19.7	$ 24.6	$ 28.0	$ 6.1	$ 7.3	$ 8.1	$ 12.0	$ 33.5	$ 7.0	$ 2.9	$ 1.2	$ 11.2	$ 23.1
Depreciation	1.6	3.1	$ 3.5	$ 1.2	$ 1.0	$ 1.2	$ 1.1	$ 4.5	$ 1.1	$ 1.0	$ 1.0	$ 3.1	$ 4.2
Non-cash stock compensation	1.1	1.7	$ 1.9	$ 0.6	$ 0.5	$ 0.6	$ 0.6	$ 2.3	$ 0.5	$ 0.7	$ 0.6	$ 1.8	$ 2.4
Other (income)/expense	0.1	(0.6)	$ (0.4)	$ 0.1	$ (0.1)	$ 0.2	$ (1.3)	$ (1.1)	$ 0.4	$ 0.8	$ 0.6	$ 1.8	$ 0.5
Gain on insurance settlement			$ -	$ -	$ 1.0	$ -	$ -	$ 1.0	$ -	$ -	$ -	$ -	$ -
Interest expense	1.5	3.1	$ 5.7	$ 2.1	$ 2.0	$ 1.9	$ 1.7	$ 7.7	$ 1.7	$ 1.6	$ 1.6	$ 4.9	$ 6.6
Income tax expense	4.5	6.8	$ 9.7	$ 2.6	$ 3.8	$ 4.1	$ 2.2	$ 12.7	$ 1.0	$ 4.0	$ 1.9	$ 6.9	$ 9.1
Adjusted EBITDA	$ 28.5	$ 38.7	$ 48.4	$ 12.7	$ 15.5	$ 16.1	$ 16.3	$ 60.6	$ 11.7	$ 11.0	$ 6.9	$ 29.7	$ 45.9
Adjusted EBITDA margin	*14.4%*	*14.7%*	*13.2%*	*12.3%*	*13.8%*	*15.9%*	*16.3%*	*14.5%*	*12.6%*	*11.7%*	*8.1%*	*10.9%*	*12.4%*
Basic Shares Outstanding	20,116,991	25,750,972	28,791,662	33,928,052	33,946,117	33,983,708	34,280,940	33,979,549	34,215,519	34,473,688	34,518,622	34,403,720	34,372,192
Diluted Shares Outstanding	20,719,951	26,196,901	28,791,662	34,116,534	34,161,543	34,354,687	34,280,940	33,979,549	34,563,139	34,806,808	34,621,883	34,665,053	34,568,193
Earnings (loss) per share:													
Basic	$ 0.33	$ 0.51	$ (0.19)	$ 0.09	$ 0.12	$ 0.17	$ (1.49)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ 0.25	$ (1.24)
Diluted	$ 0.32	$ 0.50	$ (0.19)	$ 0.09	$ 0.12	$ 0.17	$ (1.49)	$ (1.12)	$ -	$ 0.16	$ 0.09	$ 0.25	$ (1.25)
Non-GAAP earnings per share:													
Basic	$ 0.98	$ 0.95	$ 0.97	$ 0.18	$ 0.22	$ 0.24	$ 0.35	$ 0.99	$ 0.20	$ 0.08	$ 0.03	$ 0.33	$ 0.67
Diluted	$ 0.95	$ 0.94	$ 0.97	$ 0.18	$ 0.21	$ 0.24	$ 0.35	$ 0.99	$ 0.20	$ 0.08	$ 0.03	$ 0.32	$ 0.67