

A photograph of a complex industrial facility, likely a refinery or chemical plant, featuring a dense network of large, silver-colored metal pipes and machinery. The scene is dimly lit, with a blueish tint, and the pipes are arranged in a complex, three-dimensional structure.

ROTH Conference

March 13, 2017

CECO
ENVIRONMENTAL

**A diversified global provider of leading engineered technologies to
the energy, environmental and industrial markets**

Notes to Investors

Forward-Looking Statements and Non-GAAP Information

Any statements contained in this presentation other than statements of historical fact, including statements about management's beliefs and expectations, are forward-looking statements and should be evaluated as such. These statements are made on the basis of management's views and assumptions regarding future events and business performance. Words such as "estimate," "believe," "anticipate," "expect," "intend," "plan," "target," "project," "should," "may," "will" and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) involve risks and uncertainties that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. These risks and uncertainties include, but are not limited to: our ability to successfully integrate acquired businesses and realize the synergies from acquisitions as well as a number of factors related to our business including economic and financial market conditions generally and economic conditions in CECO's service areas; dependence on fixed price contracts and the risks associated therewith, including actual costs exceeding estimates and method of accounting for contract revenue; fluctuations in operating results from period to period due to seasonality of the business; the effect of growth on CECO's infrastructure, resources, and existing sales; the ability to expand operations in both new and existing markets; the potential for contract delay or cancellation; changes in or developments with respect to any litigation or investigation; the potential for fluctuations in prices for manufactured components and raw materials; the substantial amount of debt incurred in connection with our recent acquisitions and our ability to repay or refinance it or incur additional debt in the future; the impact of federal, state or local government regulations; economic and political conditions generally; and the effect of competition in the 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" measures: non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, adjusted EBITDA, 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, and selected measures expressed on a constant currency basis. These measures are included to provide additional useful information regarding CECO's financial results and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures and reconciliations of these non-GAAP measures to their directly comparable GAAP measures are included in the accompanying "Supplementary Non-GAAP Materials." Descriptions of many of these non-GAAP measures are also included in CECO's SEC reports.



Management Transition to Lead CECO's Next Growth Phase

Dennis Sadlowski, Interim CEO



- Appointed February 1, 2017; CECO Board member since May 2016
- Extensive experience leading industrial companies
- Strategic orientation; Strong focus on driving financial performance
- COO of LSG Sky Chefs North America (2013-2015); Nearly \$1B revenue, 8,000+ employees
- CEO of International Battery (2011- 2012)
- President & CEO of Siemens Energy & Automation (2007–2009) \$4B revenue, 10,000+ employees
- 10 years at Siemens (2000-2010)
- 10 years at GE; and 6 years at Thomas & Betts
- Board and Audit Committee member, Trojan Battery
- BS, Chemical & Nuclear Engineering from UC Berkeley & MBA from Seattle University

Matthew Eckl, CFO & Secretary

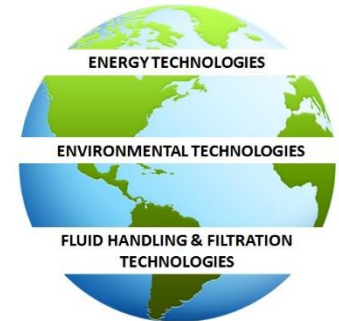


- Appointed January 9, 2017
- VP Finance at Gardner Denver (2012-2016); Financial leadership of \$1B Energy Group
- 10 years at GE (2001-2012); FP&A, Audit & Acquisition roles across Industrial profile
- Bachelor of Management Information Systems from Pennsylvania State University

CECO at a Glance

- **Market Leader with Clear Competitive Advantage**
 - Industry-leading technologies & respected brands
 - High reliability within critical applications
 - Reputation for flawless execution & timely delivery
 - Competitive global supply chain
- **Diverse End Markets, Broad Customer Base**
- **Strong Leadership Team with Large-Cap Industrial Experience**
- **Strategically Balanced Global Footprint**
- **Attractive Aftermarket Business Yielding Higher Margin Recurring Revenue**
- **Well Positioned to Capitalize on Macro Trends**
 - Global demand for natural gas power generation
 - Increasing regs & demand for cleaner, environmentally friendly power generation
 - Industrial capital spending & growth in Asia
- **Attractive Asset-Light Business Model**
- **Fiscal Year 2016 - Revenue of \$417M and adjusted EBITDA of \$60.6M**

CECO's World-Class Technologies



Exchange: Nasdaq
Ticker: CECE
Share Price : \$11.75
Market Cap : \$400M
Qtr Dividend: \$0.075

As of March 9, 2017



Attractive Long-Term Growth Potential for Business Segments

Energy Technologies



- Customized solutions for power & petrochemical industries
- Solutions include gas turbine exhaust systems, dampers & diverters, gas & liquid separation & filtration equipment, acoustical components & silencers, & SCR & SNCR systems
- Est. TAMS: \$2.8 B
- Est. 5-year Market CAGR: 5%
- CECO Est. Market Share: 7%
- Significant upside potential

Environmental Technologies



- Air pollution control solutions & product recovery primarily for industrial applications
- Solutions include high efficiency cyclone systems, scrubbers, regenerative thermal & catalytic oxidizers, & dust collection filtration technology
- Est. TAMS: \$3.7 B
- Est. 5-year Market CAGR: 4.5%
- CECO Est. Market Share: 5%
- Significant upside potential

Fluid Handling/ Filtration Technologies



- High quality pump, filtration & fume exhaust solutions
- Solutions include centrifugal pumps for corrosive, abrasive & high-temperature liquids, industrial filtration, & laboratory fume exhaust systems
- Est. TAMS: \$1.6 B
- Est. 5-year Market CAGR: 3.5%
- CECO Est. Market Share: 4.5%
- Significant upside potential

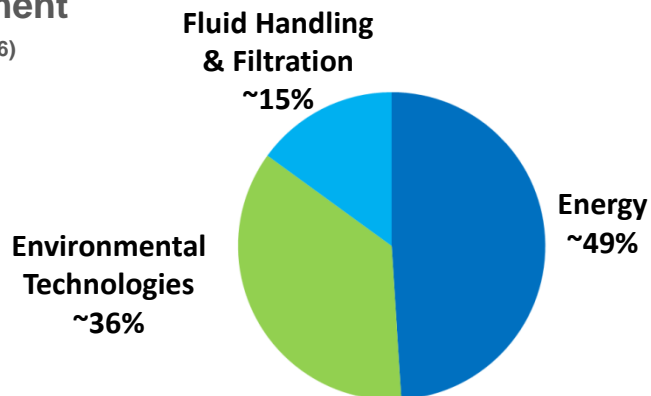
TAMS= Total Available Market Served

Data Sources: BCC Research, McIlvaine Company, European Industrial Forecasting Ltd., IBISWorld, International Energy Agency, Pipeline and Gas Journal, and internal studies

Diversified Base to Drive Profitable Growth through Various Cycles

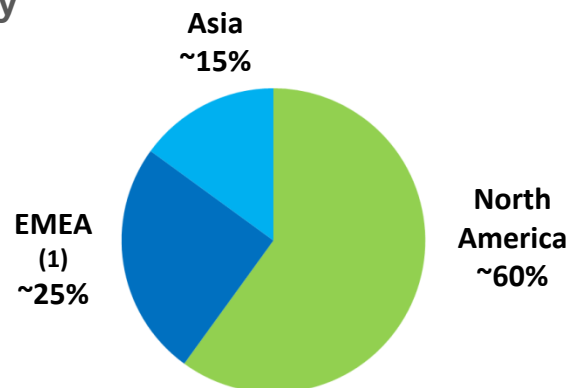
Segment

(FY 2016)



Geography

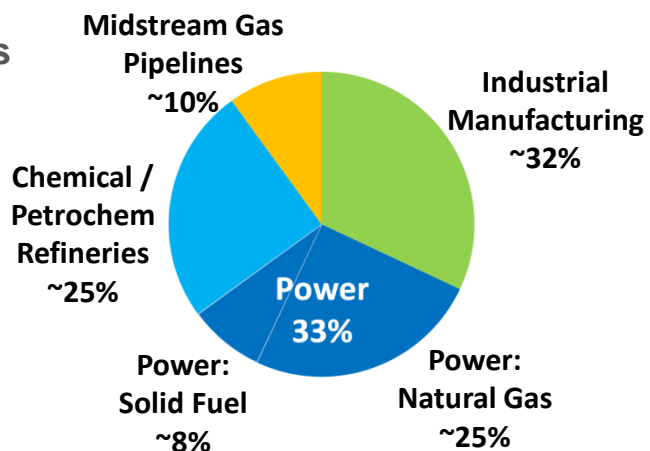
(FY 2016)



(1) Europe, Middle East and Africa

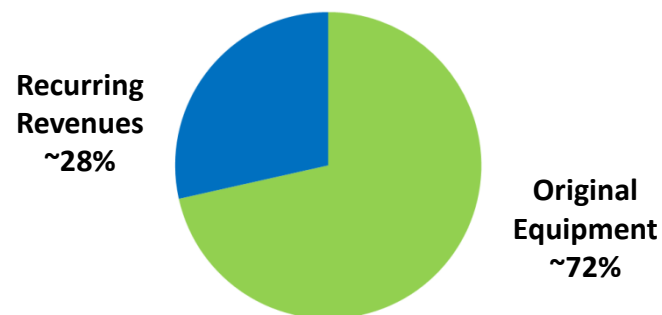
End Markets

(FY 2016)



Recurring Revenue

(FY 2016)



Industry Leaders Choose CECO

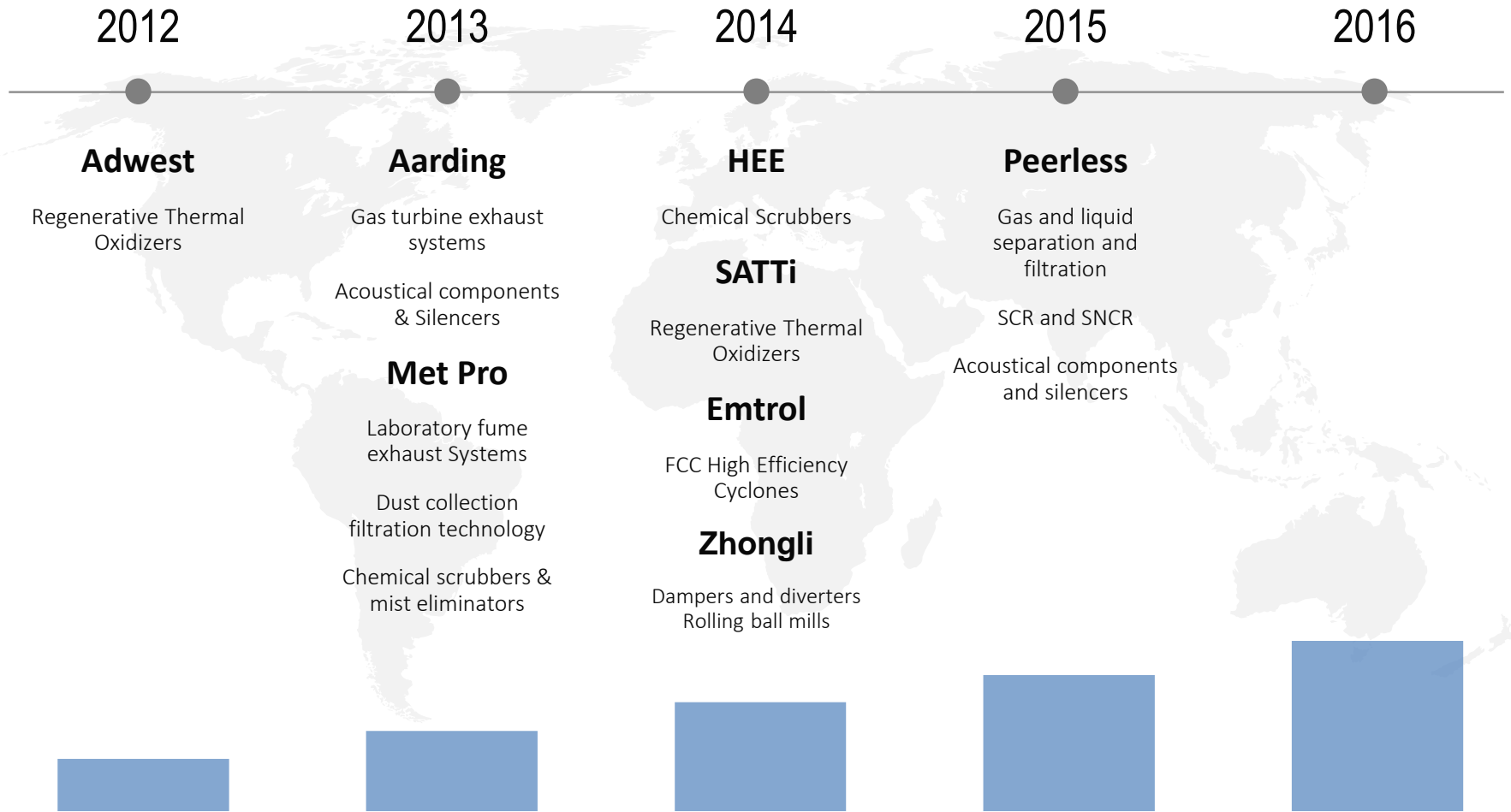
Leverage to Large Blue-Chip Companies



Well Diversified Cross Section of End Markets

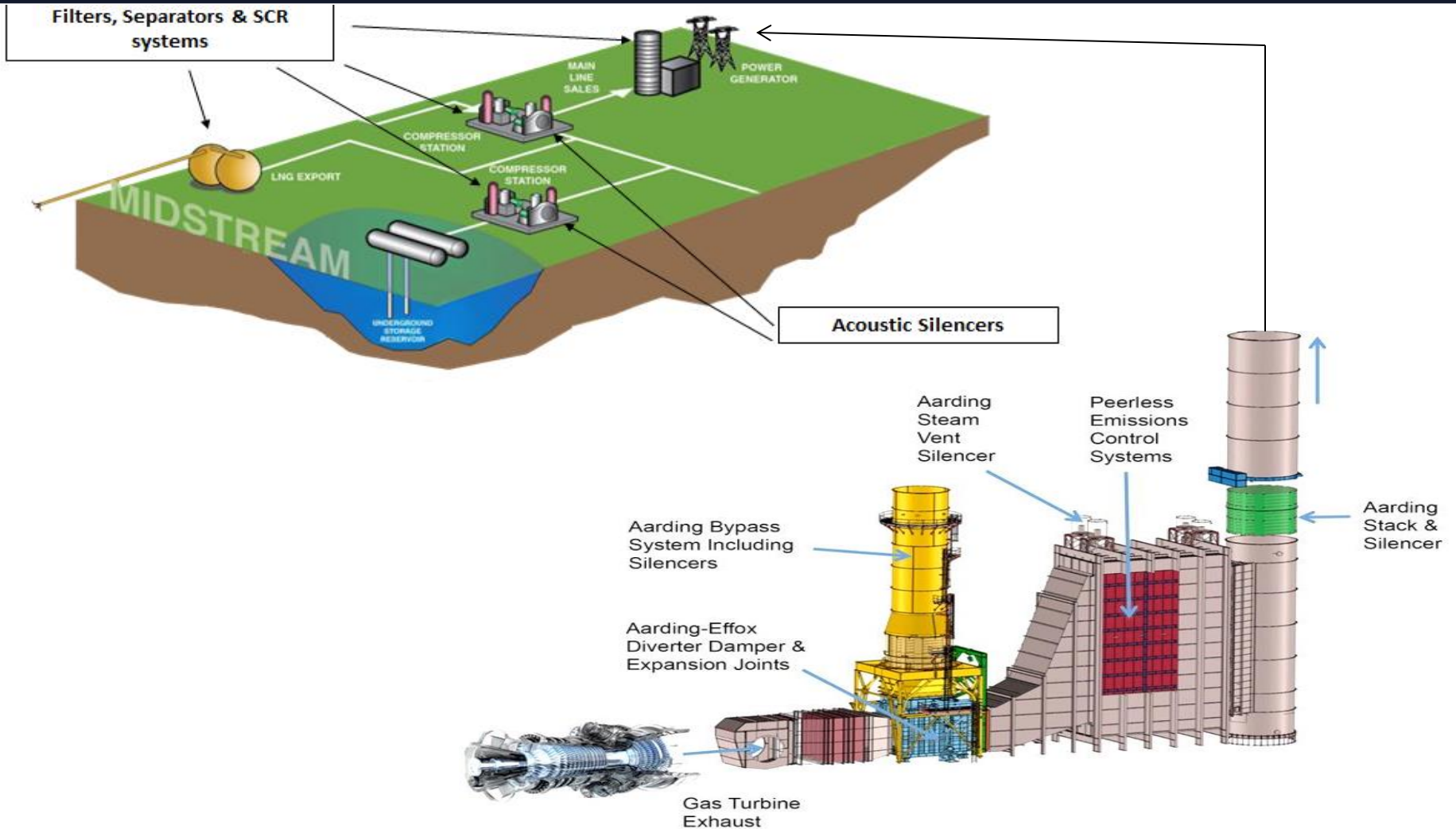
No Customer, Year Over Year, Represents More Than 10% of Sales on Average

Strategic M&A Enhances Product Breadth & Depth & Global Reach



Growing EBITDA

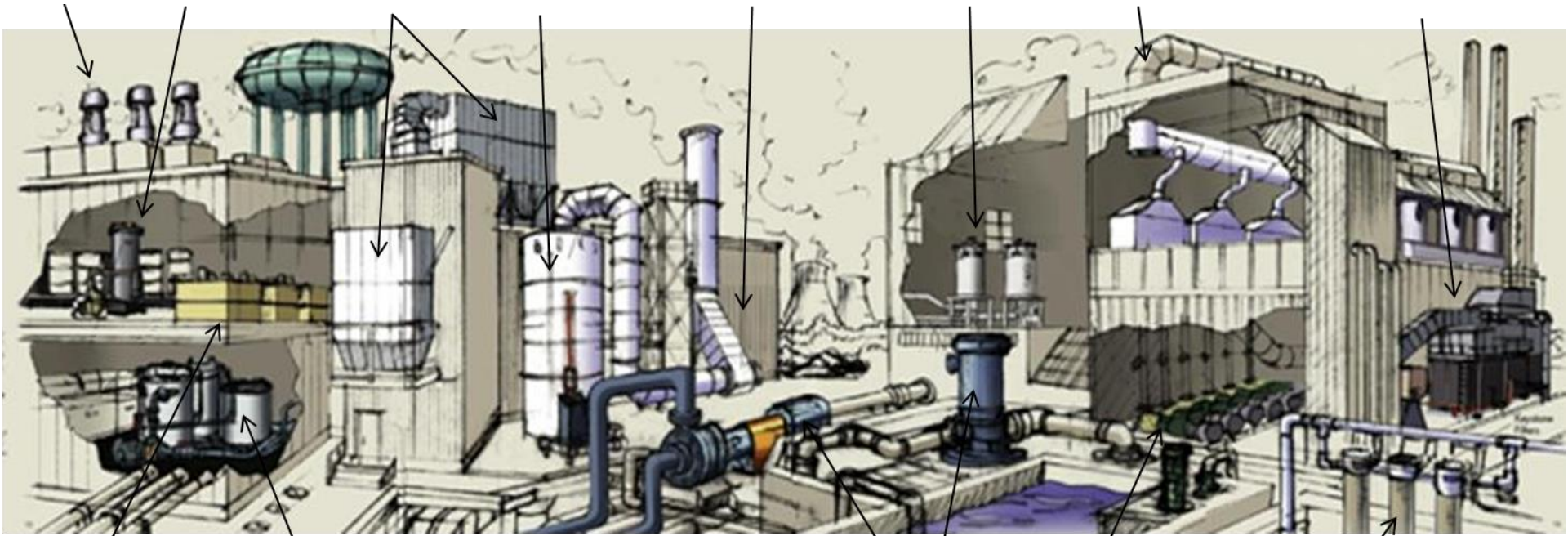
CECO's Energy Solutions Drive Growth in Attractive Nat Gas Market





Broad-Based Customized Solutions Provide Differentiated Value to Customers

Strobic	HEE-Duall	Flex-Kleen	HEE-Duall	HEE-Duall	CECO	HEE-Duall	Adwest-SATTi
Air	Wet Dust	Dry Dust	Chemical	Exhaust	Filters Mist	PVC & FRP (1)	Thermal
Fans	Collectors	Collectors	Scrubbers	Fans	Eliminators	Kirk & Blum Ventilation	Oxidizers



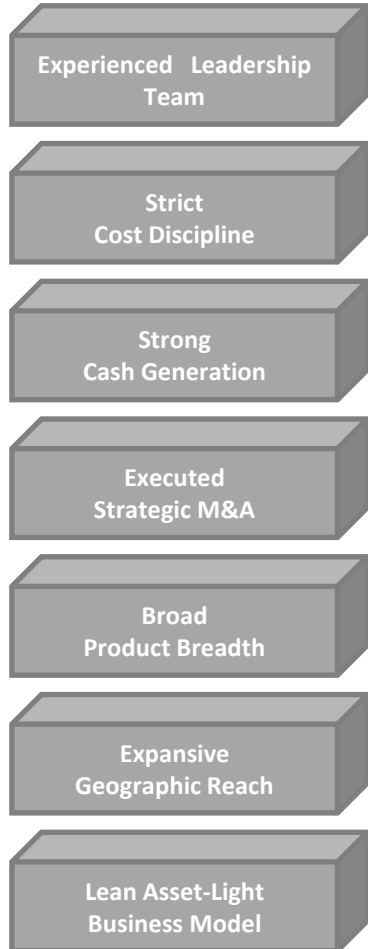
Sethco	Mefiag	Dean	Fybroc	Keystone
Filter	Filters	Pumps	Pumps	Filters
Systems				

(1) PVC = Polyvinyl Chloride; FRP = Fiberglass Reinforced Plastic

Legend: **Blue** = Fluid Handling & Filtration; **Green** = Environmental



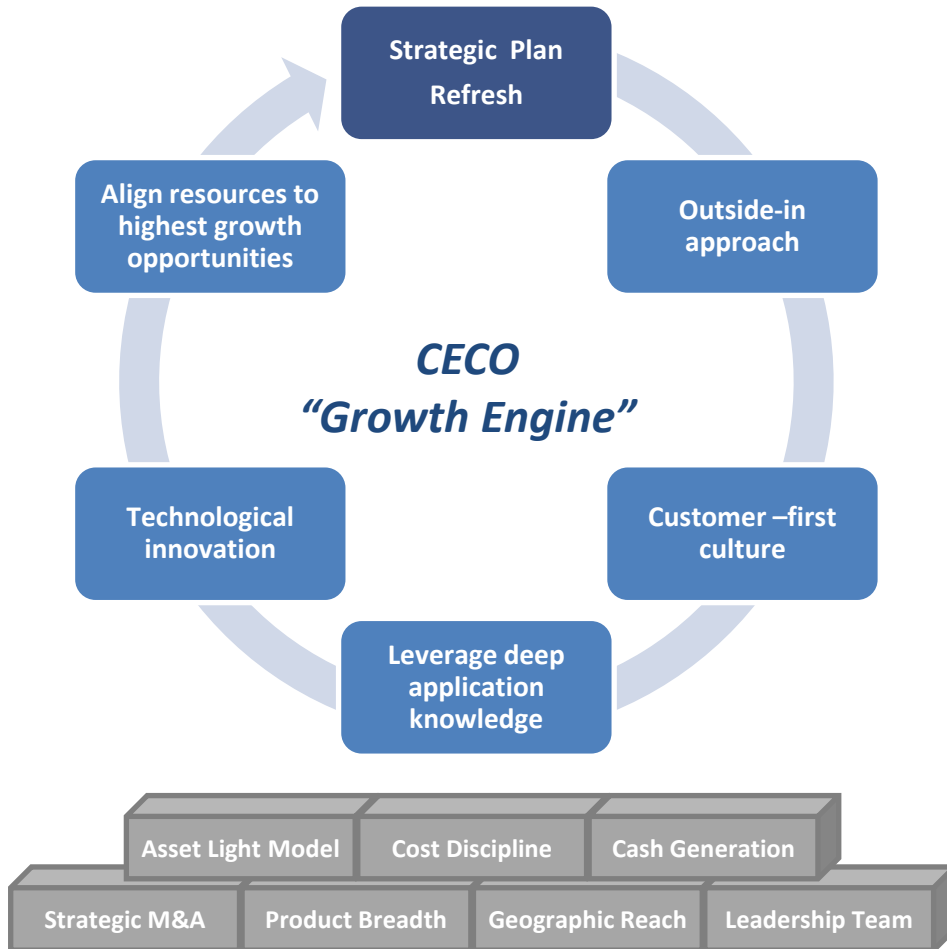
Strong Core Operating Foundation



- Deep bench of strong operators
- Performance orientation
- Metric driven approach with rigorous cost containment
- Disciplined project execution teams
- Working capital excellence
- Low Capex- less than 1% of revenue
- Strong track record of acquisition integration
- Disciplined approach to cost synergies
- Innovative products & solutions in attractive growing end markets
- Increased aftermarket & service offerings that deliver value to customers
- Global footprint with localized talent and ops – 40% outside North America
- Leveraging reach and teamwork for global customers and projects
- Strategically outsourcing production to subassembly partners
- Monetized non-core assets



Taking Necessary Steps to Win in the Long-Term



Focus on Delivering Sustainable Long-Term Growth and Value to Customers and Shareholders

CECO "Foundation"



Committed to Long-Term Value Creation & Growth

3-5 Year Objectives

- **Growth well above overall market**
- **Consistent translation of revenue to EPS & Cash flow**
- **Disciplined M&A to strengthen market position within key segments**

Long-Term Value Creation –
Customers and Shareholders

2017 Priorities

- **Maintain disciplined operational excellence to deliver earnings and cash**
- **Build customer focused culture to pivot for growth in aftermarket and OE**
- **Complete refresh of strategic plan to guide growth focus**

Pivot and Build Growth Engine

Strong Operating Q4'16 Despite Macroeconomic Headwinds

(\$ in millions)

Q4'16 Performance		
GAAP	\$	Y/Y
Bookings	\$77.7 M	-22.6%
Revenue	\$100.0 M	-1.3%
Gross Profit	\$35.7 M	15.9%
Gross Profit %	35.6%	5.2 pts.
Operating Profit	\$(50.4)	NM
Operating Profit %	NM	NM
Diluted EPS	\$(1.49)	NM
Net Cash from Operations (a)	\$16.7 M	-22.2%
Non-GAAP		
Operating Profit	\$14.7 M	45.5%
Operating Profit %	14.7%	4.7 pts.
Adjusted EBITDA (b)	\$16.3 M	33.6%
Adjusted EBITDA %	16.3%	4.3 pts.
Diluted EPS	\$0.35	97.8%

- ✓ \$100M Revenue down 1.3%
- ✓ 35.7% Gross Margin, up 530 bps Y/Y
- ✓ \$16.3M EBITDA, up for 5th consecutive quarter
- ✓ Non-GAAP EPS ahead of expectations
- ✓ Strong \$16.7M cash flow from ops & 16% working capital to revenue
- ✓ \$10M debt paydown resulting in 2.5x bank leverage ratio; 4th consecutive quarterly improvement
- ✗ Bookings down 23% Y/Y; 3rd consecutive quarterly decline
- ✗ \$197M Backlog down \$14M Y/Y
- ✗ \$58M non-cash goodwill & intangible asset impairment charge

Notes

- (a) Reference appendix for reconciliation of GAAP to Non-GAAP measures
- (b) Q4'16 Net loss was \$(51.2)

Solid Results in 2016 Despite Macroeconomic Challenges

(\$ in millions)

FY 16 Performance		
GAAP	\$	Y/Y
Bookings	\$402.8 M	12.6%
Revenue	\$417.0 M	13.5%
Gross Profit	\$134.9 M	23.5%
Gross Profit %	32.3%	2.6 pts.
Operating Profit	\$(25.6)	NM
Operating Profit %	NM	NM
Diluted EPS	\$(1.12)	NM
Net Cash from Operations (a)	\$69.6 M	450.7%
Non-GAAP		
Operating Profit	\$52.7 M	23.1%
Operating Profit %	12.6%	1.0 pts.
Adjusted EBITDA (b)	\$60.6 M	25.2%
Adjusted EBITDA %	14.5%	1.4 pts.
Diluted EPS	\$0.99	2.1%

- ✓ Record gross profit, gross margin & adjusted EBITDA
- ✓ Non-GAAP fully diluted EPS of \$0.99
- ✓ Double digit recurring revenue growth Y/Y & margin expansion
- ✓ Cash flow from operations of \$69.7M
- ✓ Repaid \$50M in debt & returned \$9M cash through dividends to shareholders; Raised dividend 14% in Q1'17
- ✗ \$417M revenue up 13% Y/Y; Organic revenue down 3%
- ✗ \$403M bookings up 12% Y/Y; Organic bookings down 6%

Notes

- (a) Reference appendix for reconciliation of GAAP to Non-GAAP measures
 (b) FY'16 Net loss was \$(38.2)



Wrap Up of Fiscal 2016

Market Challenges Trigger Asset Impairment

- Non-cash charge of \$57.9M recorded in 4Q 2016; Goodwill of \$53.7M and Trade names of \$4.2M
- Primarily related to 2013 Met-Pro Corporation acquisition, which is predominantly in Fluid Handling & Filtration segment
- Triggered by end market challenges in achieving our prior year projections
- No effect to ongoing business or debt covenants

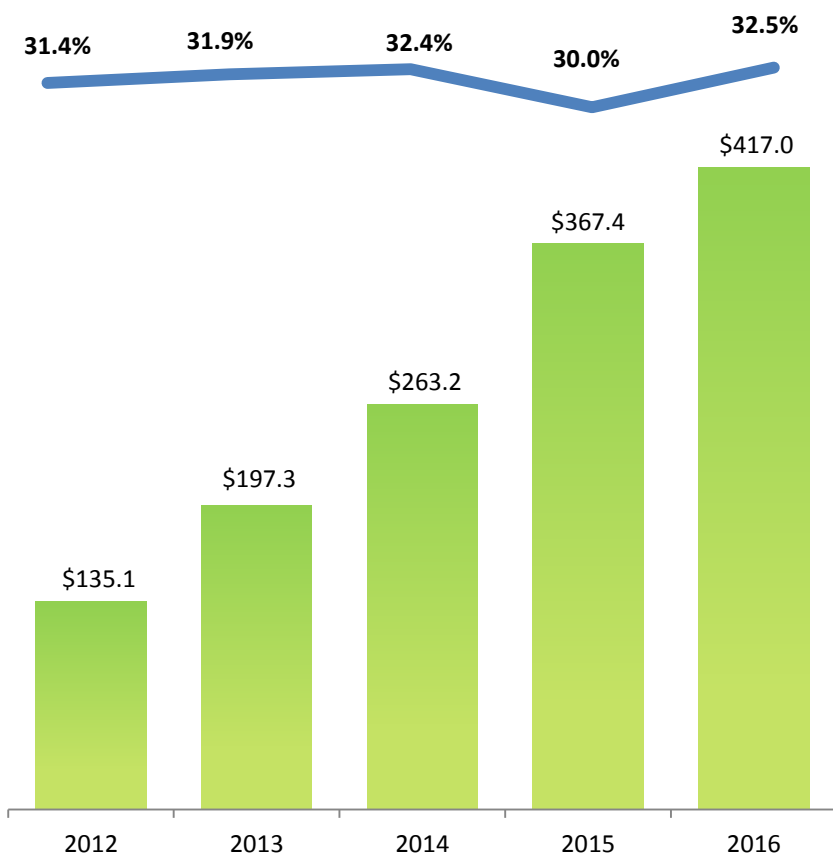
Improvements in Financial Discipline

- As of 12/31/16, management concluded CECO's controls were effective
- Significant measures taken during 2016
- CECO's reputation and compliance integrity remains an important focus

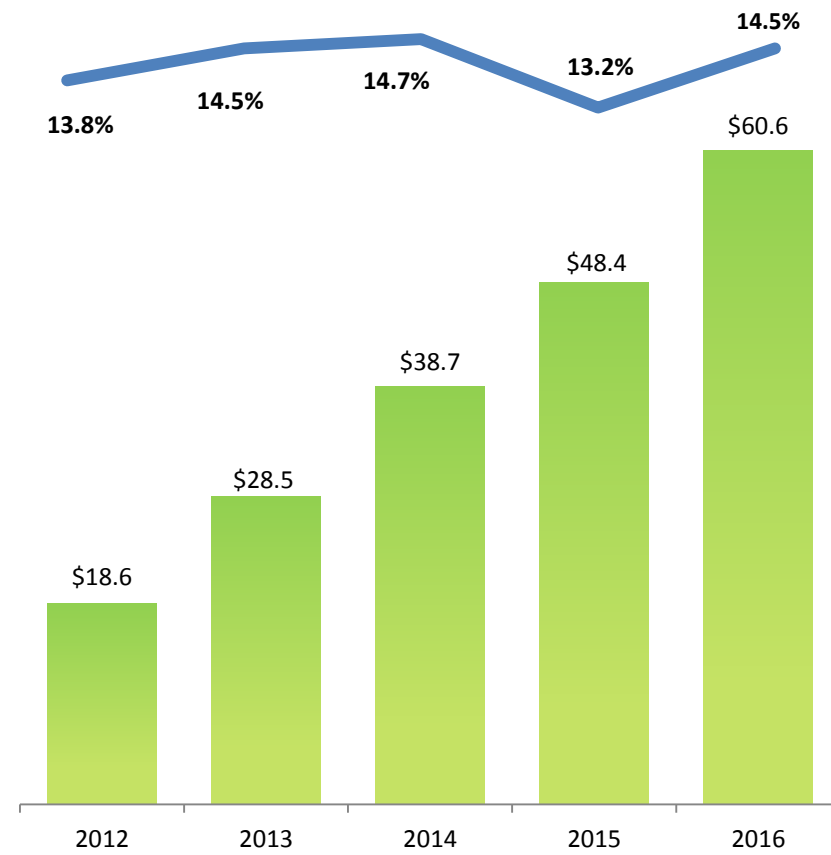
Solid 2016 Demonstrates Operational Excellence

(\$ millions)

Revenue & Non-GAAP Gross Margin



Adjusted EBITDA & EBITDA Margin ⁽¹⁾



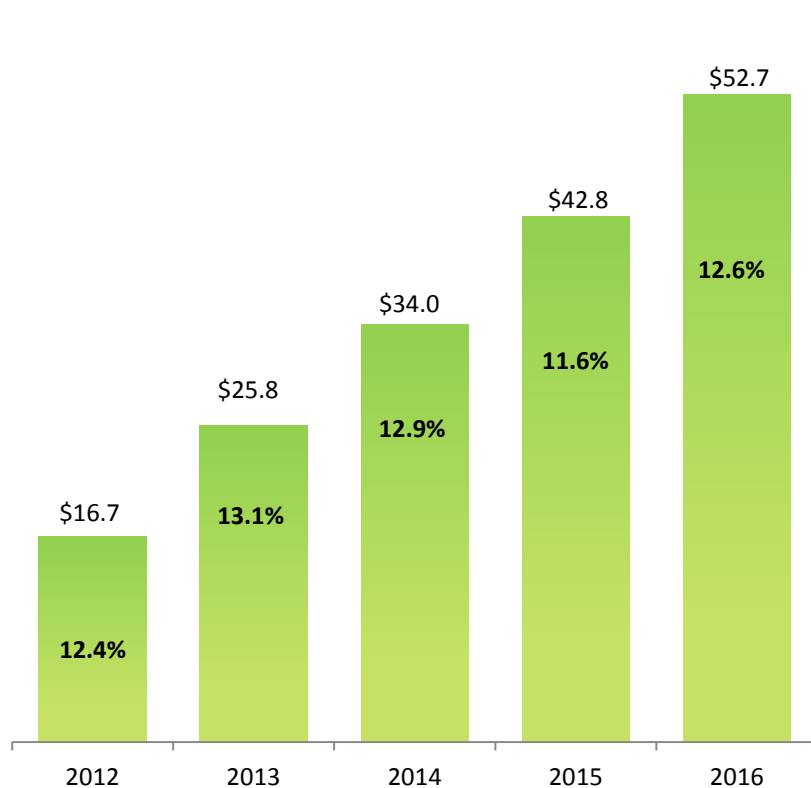
(1) See supplemental slide for adjusted EBITDA reconciliation and important disclosures regarding CECO's use of this non-GAAP financial measure.



Steady Increases in Operating Income with Consistent EPS

(\$ millions except per share data)

Non-GAAP Operating Income (1)



Non-GAAP Earnings Per Share (1)



(1) See supplemental slide for adjusted operating income and earnings per share reconciliation and important disclosures regarding CECO's use of these non-GAAP financial measures.



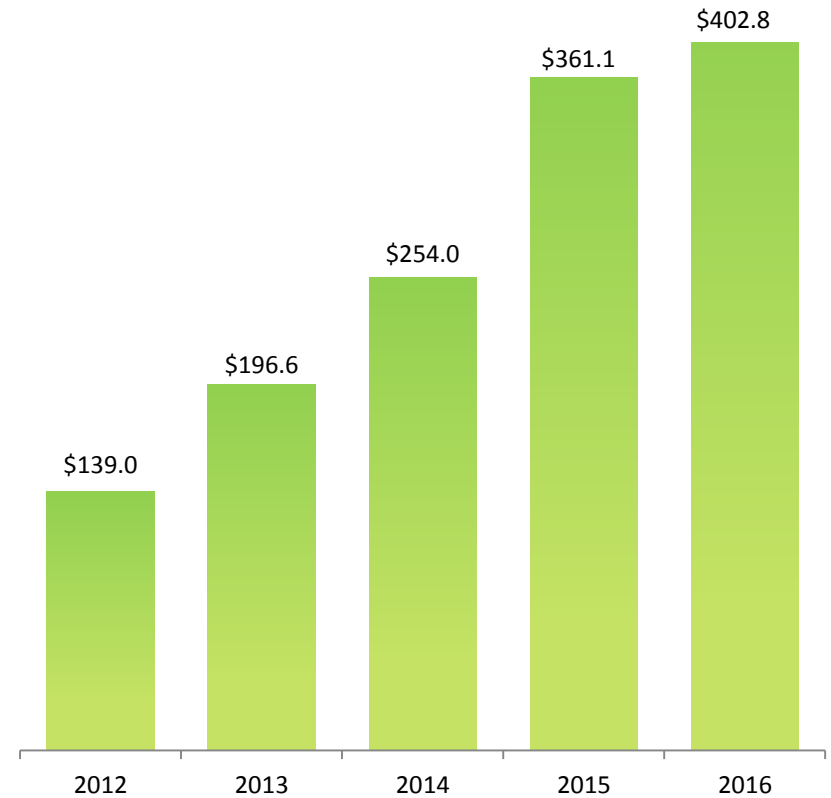
Healthy Backlog Despite Flattening Bookings

(\$ in millions)

Backlog



Bookings



Sharp Focus on Debt Reduction

(\$ in millions)

	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Bank Debt	\$ 181.6	\$ 174.6	\$ 156.2	\$ 136.9	\$ 126.4
Other commitments ^(a)	15.3	12.9	27.9	25.5	26.4
Total Indebtedness ^(b)	\$ 196.9	\$ 187.5	\$ 184.1	\$ 162.4	\$ 152.8
TTM Adjusted EBITDA ^(b)	\$ 56.5	\$ 59.0	\$ 61.7	\$ 56.5	\$ 61.0
Total Indebtedness/TTM Adj. EBITDA ^(b)	3.48x	3.17x	2.98x	2.88x	2.50x
Net Debt/TTM Adj. EBITDA ^(c)	2.88x	2.61x	2.07x	2.13x	1.75x

- Term debt pay down of \$10.1M in 4Q16 and \$49.7M YTD
- Paid down greater than 2x required principal throughout 2016

(a) Other commitments includes all items defined in Credit Agreement, primarily letters of credit and capitalized leases.

(b) As defined by credit agreements; addback for capital lease payments.

(c) Represents a measure of leverage; for informational purposes only

Excellent Free Cash Flow Generation

(\$ in millions)

	FY 2015	1Q16	2Q16	3Q16	4Q16	FY 2016
Net cash provided by operating activities	\$ 12.6	\$ 9.4	\$ 34.7	\$ 8.8	\$ 16.7	\$ 69.6
Capital expenditures	\$ (0.8)	\$ (0.2)	\$ (0.4)	\$ (0.2)	\$ (0.3)	\$ (1.1)
Free cash flow	\$ 11.8	\$ 9.2	\$ 34.3	\$ 8.6	\$ 16.4	\$ 68.5
Proceeds from sale of property & equip.*	\$ 3.2	\$ 0.3	\$ 11.0	\$ 3.2	\$ (0.4)	\$ 14.9
Dividends	\$ (8.0)	\$ (2.2)	\$ (2.3)	\$ (2.2)	\$ (2.3)	\$ (9.0)
Earn-out payments	\$ (2.5)	\$ (1.1)	\$ (1.2)	\$ (7.0)	\$ 0	\$ (9.3)
Adjusted net free cash flow	\$ 4.5	\$ 6.2	\$ 41.8	\$ 2.6	\$ 14.5	\$ 65.1

CECO has an attractive free cash flow business model with working capital excellence

*2016 gross proceeds of \$14M from sale-leaseback of 3 facilities

Strengthening the Balance Sheet

(\$ in millions)

Selected Balance Sheet Information	12/31/15	6/30/16	9/30/16	12/31/16
Cash & Equivalents	\$ 34.2	\$ 56.6	\$ 41.8	\$ 45.8
Total Assets	\$ 598.8	\$ 591.7	\$ 562.0	\$ 498.6
Total Debt	\$ 181.6	\$ 156.2	\$ 136.9	\$ 126.4
Shareholders' Equity	\$ 245.0	\$ 247.0	\$ 244.5	\$ 190.1

Balance Sheet Detail

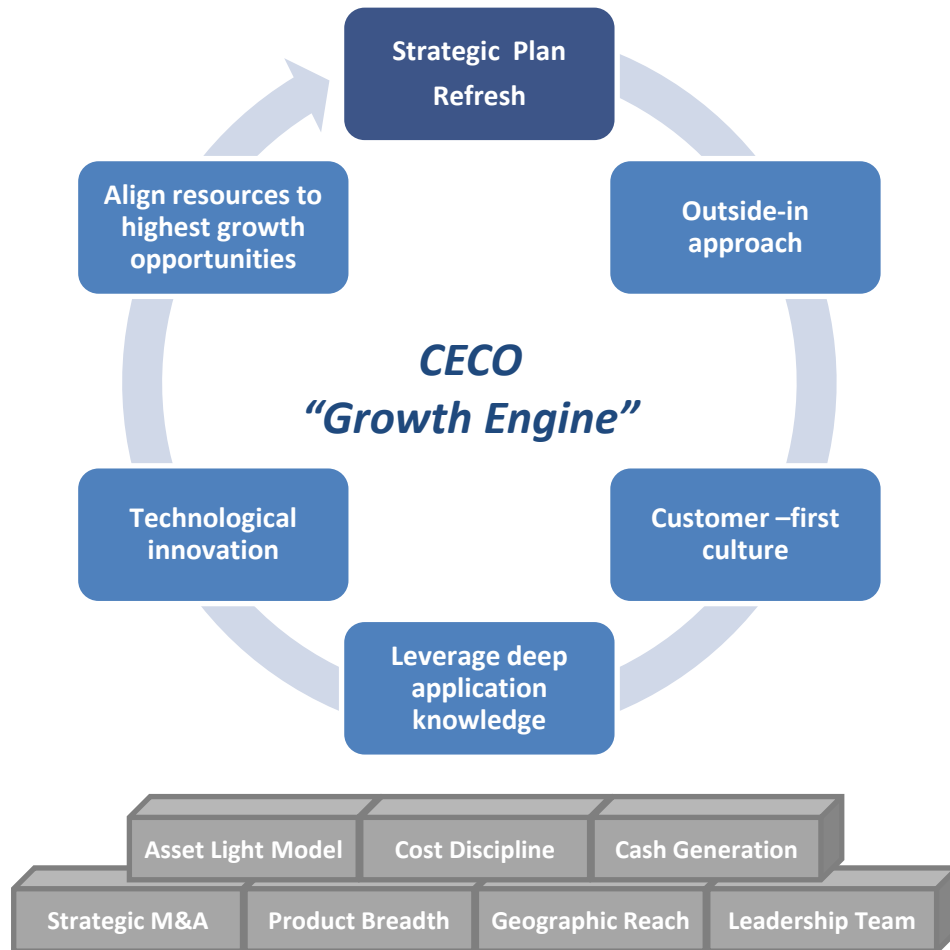
Current Assets	\$ 228.5	\$ 233.7	\$ 213.4	\$ 213.0
Current Liabilities	\$(148.2)	\$(160.4)	\$(144.7)	\$(146.4)
Working Capital	\$ 80.3	\$ 73.3	\$ 68.7	\$ 66.6
Less Cash & Equivalents	\$ (34.2)	\$ (56.6)	\$ (41.8)	\$ (45.8)
Net Working Capital	\$ 46.1	\$ 16.7	\$ 26.9	\$ 20.8

- Net working capital streamlined significantly from prior year
- Net working capital as % of revenue remains low
- Q4 term debt repayment of \$10.1M lowered leverage ratios

Note: Balance Sheet figures presented as reported in Company filings



Taking Necessary Steps to Win in the Long-Term



Focus on Delivering Sustainable Long-Term Growth and Value to Customers and Shareholders

CECO "Foundation"



Supplementary Non-GAAP Materials



Notes to Investors

Non-GAAP Financial Information

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

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

Non-GAAP gross profit margin, non-GAAP operating income, non-GAAP net income, non-GAAP gross profit margin, non-GAAP operating margin, free cash flow, adjusted net free cash flow, non-GAAP earnings per basic and diluted share, and adjusted EBITDA 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 gross profit margin, non-GAAP operating income, non-GAAP net income, non-GAAP gross profit margin, non-GAAP operating margin, free cash flow, adjusted net free cash flow, and non-GAAP earnings per basic and diluted share and adjusted EBITDA stated in the tables above are reconciled 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 those measures.

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



(\$ in millions)

Non-GAAP Gross Profit Margin

(dollars in millions)	Annual 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Annual 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015	Q1 2016	Q2 2016	Q3 2016	YTD 2016	TTM 2016
Gross profit as reported in accordance with GAAP	\$ 61.6	\$ 19.7	\$ 21.4	\$ 21.1	\$ 22.6	\$ 84.8	\$ 21.0	\$ 26.6	\$ 30.8	\$ 30.8	\$ 109.2	\$ 31.6	\$ 33.9	\$ 33.7	\$ 99.2	\$ 130.0
<i>Gross profit margin in accordance with GAAP</i>	31.2%	34.4%	32.1%	33.3%	29.7%	32.2%	25.9%	30.6%	31.4%	30.4%	29.7%	30.6%	30.2%	33.2%	31.3%	31.1%
Inventory valuation adjustment	1.1	-	-	-	-	-	-	-	-	0.5	0.5	0.1	-	-	0.1	0.6
Plant, property and equipment valuation adjustment	0.2	0.2	0.1	0.2	0.1	\$ 0.6	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.5	0.6
Non-GAAP gross profit	\$ 62.9	\$ 19.9	\$ 21.5	\$ 21.3	\$ 22.7	\$ 85.4	\$ 21.2	\$ 26.7	\$ 31.0	\$ 31.4	\$ 110.3	\$ 31.9	\$ 34.0	\$ 33.9	\$ 99.8	\$ 131.2
<i>Non-GAAP Gross profit margin</i>	31.9%	34.8%	32.3%	33.6%	29.8%	32.4%	26.2%	30.7%	31.6%	31.0%	30.0%	30.9%	30.3%	33.4%	31.5%	31.4%



(\$ in millions)

Non-GAAP Operating Margin

(dollars in millions)

	Annual 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Annual 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015	Q1 2016	Q2 2016	Q3 2016	YTD 2016	TTM 2016
Operating income as reported in accordance with GAAP	\$ 7.0	\$ 5.5	\$ 7.2	\$ 5.2	\$ 3.8	\$ 21.7	\$ 3.0	\$ 4.5	\$ (2.2)	\$ (0.3)	\$ 4.9	\$ 5.8	\$ 8.6	\$ 10.5	\$ 24.9	\$ 24.6
<i>Operating margin in accordance with GAAP</i>	3.5%	9.6%	10.8%	8.2%	5.0%	8.2%	3.7%	5.2%	-2.2%	-0.3%	1.3%	5.6%	7.7%	10.3%	7.9%	5.9%
Inventory valuation adjustment	1.1	-	-	-	-	-	-	-	-	0.5	0.5	0.1	-	-	0.1	0.6
Plant, property and equipment valuation adjustment	0.2	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.5	0.6
Gain on insurance settlement	-	-	-	-	-	-	-	-	-	-	-	-	(1.0)	-	(1.0)	(1.0)
Acquisition and integration expenses	7.2	0.1	0.2	0.1	0.9	1.3	0.3	1.0	5.7	0.9	7.9	-	0.4	0.1	0.5	1.4
Amortization and earn-out expenses	6.8	2.5	2.4	2.4	2.8	10.1	4.0	6.7	9.3	5.6	25.6	4.8	4.9	3.5	13.2	18.8
Intangible asset impairment	-	-	-	-	-	-	-	-	-	3.3	3.3	-	-	-	-	3.3
Legal reserves	3.5	-	-	0.3	-	0.3	-	-	-	-	-	-	-	-	-	-
Non-GAAP operating income	\$ 25.8	\$ 8.3	\$ 9.9	\$ 8.2	\$ 7.6	\$ 34.0	\$ 7.5	\$ 12.3	\$ 13.0	\$ 10.1	\$ 42.8	\$ 10.9	\$ 13.0	\$ 14.3	\$ 38.2	\$ 48.3
<i>Non-GAAP Operating margin</i>	13.1%	14.5%	14.9%	12.9%	10.0%	12.9%	9.3%	14.2%	13.2%	10.0%	11.6%	10.6%	11.6%	14.1%	12.1%	11.5%



(\$ in millions)

Non-GAAP Net Income and Adjusted EBITDA

<i>(dollars in millions)</i>	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Annual 2015	Q1 2016	Q2 2016	Q3 2016	YTD 2016	TTM 2016
Net income as reported in accordance with GAAP	\$ 0.2	\$ 2.1	\$ (4.8)	\$ (3.1)	\$ (5.6)	\$ 3.1	\$ 4.0	\$ 5.8	\$ 12.9	\$ 9.8
Inventory valuation adjustment	-	-	-	0.5	0.5	0.1	-	-	0.1	0.6
Plant, property and equipment valuation adjustment	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)	(1.0)
Acquisition and integration expenses	0.3	1.0	5.7	0.9	7.9	-	0.4	0.1	0.5	1.4
Amortization and earn-out expenses	4.0	6.7	9.3	5.6	25.6	4.8	4.9	3.5	13.2	18.8
Intangible asset impairment	-	-	-	3.3	3.3	-	-	-	-	3.3
Legal reserves	-	-	-	-	-	-	-	-	-	-
Deferred financing fee adjustment	-	-	0.3	-	0.3	-	-	-	-	-
Foreign currency remeasurement	2.7	(0.6)	(0.3)	0.7	2.5	(0.9)	0.5	(0.2)	(0.6)	0.1
Tax benefit of expenses	(1.7)	(0.8)	(2.6)	(2.0)	(7.1)	(1.2)	(1.6)	(1.3)	(4.1)	(6.1)
Non-GAAP net income	\$ 5.7	\$ 8.5	\$ 7.8	\$ 6.0	\$ 28.0	\$ 6.1	\$ 7.3	\$ 8.1	\$ 21.5	\$ 27.5
Depreciation	0.7	0.6	0.7	1.5	3.5	1.2	1.0	1.2	3.4	4.9
Non-cash stock compensation	0.4	0.5	0.4	0.6	1.9	0.6	0.5	0.6	1.7	2.3
Other (income)/expense	(1.0)	0.1	0.6	(0.1)	(0.4)	0.1	(0.1)	0.2	0.2	0.1
Gain on insurance settlement	-	-	-	-	-	-	1.0	-	1.0	1.0
Interest expense	1.0	1.2	1.4	2.1	5.7	2.1	2.0	1.9	6.0	8.1
Income tax expense	1.8	2.6	3.2	2.1	9.7	2.6	3.8	4.1	10.5	12.6
Adjusted EBITDA	\$ 8.6	\$ 13.5	\$ 14.1	\$ 12.2	\$ 48.4	\$ 12.7	\$ 15.5	\$ 16.1	\$ 44.3	\$ 56.5
Basic Shares Outstanding	26,271,316	26,283,529	28,617,589	33,912,163	28,791,662	33,928,052	33,946,117	33,983,708	33,952,768	33,942,510
Diluted Shares Outstanding	26,598,799	26,627,051	28,617,589	33,912,163	28,791,662	34,116,534	34,161,543	34,354,687	34,211,067	34,136,232
Earnings (loss) per share:										
Basic	\$ 0.01	\$ 0.08	\$ (0.17)	\$ (0.09)	\$ (0.19)	\$ 0.09	\$ 0.12	\$ 0.17	\$ 0.38	\$ 0.29
Diluted	\$ 0.01	\$ 0.08	\$ (0.17)	\$ (0.09)	\$ (0.19)	\$ 0.09	\$ 0.12	\$ 0.17	\$ 0.38	\$ 0.29
Non-GAAP earnings per share:										
Basic	\$ 0.22	\$ 0.32	\$ 0.27	\$ 0.18	\$ 0.97	\$ 0.18	\$ 0.22	\$ 0.24	\$ 0.63	\$ 0.81
Diluted	\$ 0.21	\$ 0.32	\$ 0.27	\$ 0.18	\$ 0.97	\$ 0.18	\$ 0.21	\$ 0.24	\$ 0.63	\$ 0.81



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