

# 25th Annual Needham Growth Conference

New York , NY

January 10, 2023



# Forward-looking statements and Non-GAAP information

This presentation contains forward-looking statements with predictions, projections and other statements about future events. These statements are made on the basis of management's views and assumptions regarding future events and business performance. We use words such as "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "plan," "should" and similar expressions to identify forward-looking statements. Forward-looking statements 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. Potential risks and uncertainties, among others, that could cause actual results to differ materially are discussed under "Part I – Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and may be included in subsequently filed Quarterly Reports on Form 10-Q, and include, but are not limited to: the sensitivity of our business to economic and financial market conditions generally and economic conditions in our service areas; dependence on fixed price contracts and the risks associated therewith, including actual costs exceeding estimates and method of accounting for revenue; the effect of growth on our infrastructure, resources, and existing sales; the ability to expand operations in both new and existing markets; the potential for contract delay or cancellation as a result of on-going or worsening supply chain challenges; liabilities arising from faulty services or products that could result in significant professional or product liability, warranty, or other claims; 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, including as a result of tariffs and surcharges, and rising energy costs; inflationary pressures relating to rising raw material costs and the cost of labor; the substantial amount of debt incurred in connection with our strategic transactions and our ability to repay or refinance it or incur additional debt in the future; the impact of federal, state or local government regulations; our ability to repurchase shares of our common stock and the amounts and timing of repurchases, if any; our ability to successfully realize the expected benefits of our restructuring program; our ability to successfully integrate acquired businesses and realize the synergies from strategic transactions; and the unpredictability and severity of catastrophic events, including cyber security threats, acts of terrorism or outbreak of war or hostilities or public health crises, such as uncertainties regarding the extent and duration of impacts of matters associated with the novel coronavirus ("COVID-19"), as well as management's response to any of the aforementioned factors. 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. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission, we undertake no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

While we report our 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 our 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, to the extent the reconciliation be performed without unreasonable efforts, are included in the accompanying "Supplementary Non-GAAP Financial Measures." Descriptions of many of these non-GAAP measures are also included in our SEC reports.

# CECO Overview

# Key Messages ...

## Press Released Today\*

### ***Strong Q4'22 Bookings of >\$145M***

- +60% Y/Y
- Second biggest bookings quarter in CECO history
- Book-to-Bill significantly above 1.0
- Year-end backlog remains at or near record levels

### ***CECO Announces M&A Transaction***

- 6<sup>th</sup> acquisition since 2021
- Closed purchase of UK-based Wakefield Acoustics
- Attractive revenue and EBITDA multiples
- Accretive in year 1
- Strong synergies

## Maintain Value Creation Strategy

- Well positioned in Industrial Air, Industrial Water & Energy Transition End Markets
- Deliver Above-Market Organic Growth + Systematic Capital Allocation = Great Results

# CECO Environmental: Executive Summary

## Well Positioned Portfolio ...

- ❑ Diverse, Global Leadership in Growing End Markets with Strong Momentum:
  - **Industrial Air** ... We treat harmful airborne particulates with environmentally-friendly advanced solutions
  - **Industrial Water** ... We provide solutions for harmful industrial-related produced water and critical fluids
  - **Energy Transition** ... A well-positioned leader providing solutions in a range of critical energy applications
- ❑ **>\$7B Global Installed Base** across diversified customers in growing markets
- ❑ Project Backlog and Sales **Pipeline of \$2B+** are **at-or-near record levels**

## Key Investment Thesis ... Advancing Leadership = Increasing Performance

- **Transformation Underway: Organic and Inorganic Investments to Advance our Leadership**
  - **Industrial Air:** Advancing Leadership (3 acquisitions since 2020)
  - **Industrial Water:** Building Leadership (3 acquisitions in 2022)
  - **Energy Transition:** Maintaining Leadership as our ecosystem transitions (Multiple deals in our pipeline)
- **Growth Themes:**
  - Developed economy Industrial “Rebuild” and “Reshoring”
  - Global Infrastructure and “Green” Investments
  - Energy Transition ... LNG, RNG, Hydrogen, Carbon Capture, Nuclear, ...
- **Capital Allocation:** Expanding our Core, Programmatic M&A, Share Buybacks

**~\$500M  
Enterprise Value**

**Organic Revenue  
Growing Strong  
Double Digits** -a)

**YE Backlog at/near  
Record Levels**

**M&A: 6 Strategic  
Deals Completed  
Since 2021**

-a) based on TTM Q3-2022 Financials in millions

# Passionate About What We Do and Why We Do It ...



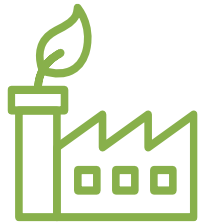
## We Protect People

- Solving customer challenges to ensure their employees work in a safe and productive work environment



## We Protect The Environment

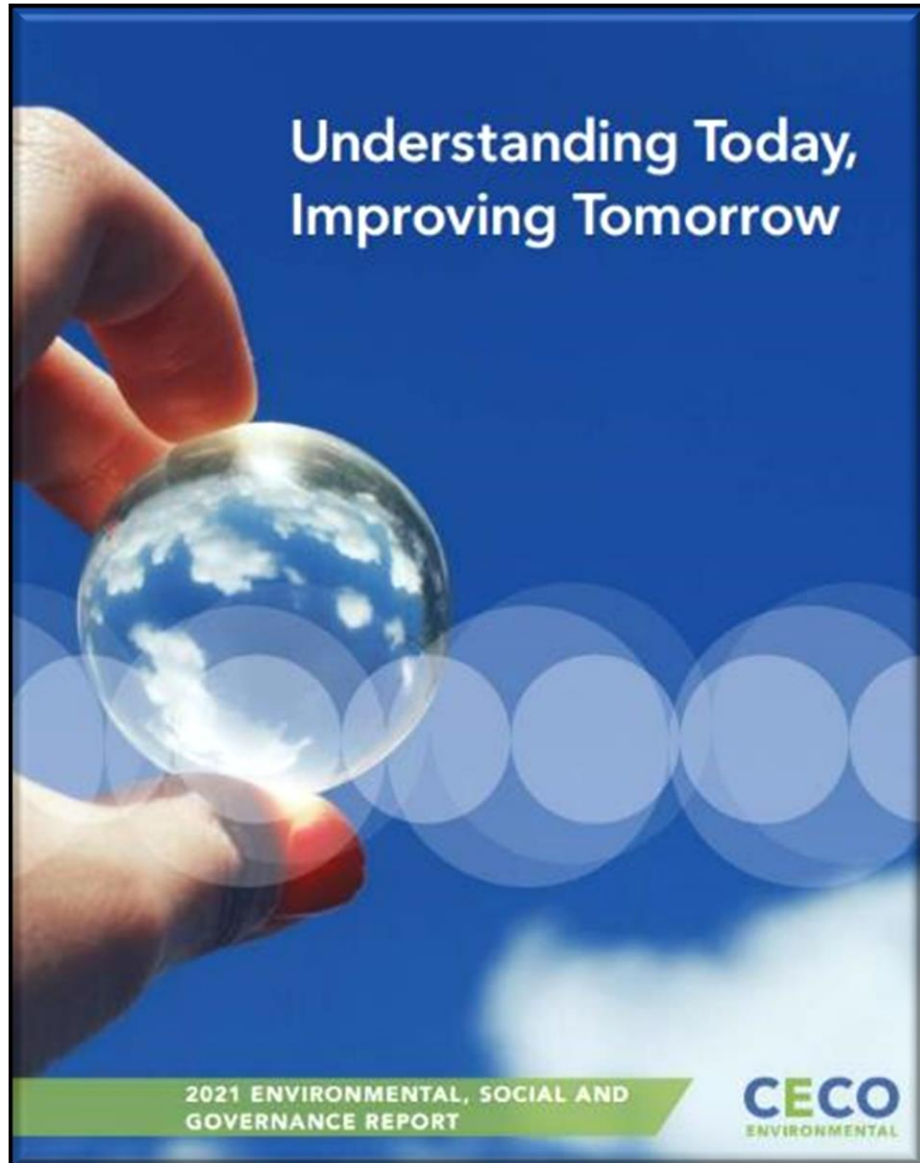
- We minimize our environmental impact and help our global customers do the same



## We Protect Industrial Equipment and Improve Processes

- We help maximize our customer's investment in their operating systems and optimize their output

# Strong Commitment to Environment, Social & Governance Programs





- Inaugural ESG Report published in early 2022
- Committed to advancing CECO processes to minimize environmental footprint, while continuing to enhance our strong social and governance programs
- Asset Light business model for operational and global efficiencies
- ‘ESG Journey’ underway with focused leadership across multiple businesses and functions

# Winning In Our Focus End Markets

## Focus Markets

## Select Brands

## Example Project Wins and Brands\*

<p><b>Industrial Air</b></p> <p>~ 45% of Portfolio</p>		<ul style="list-style-type: none"> <li>• <b>Semiconductor</b> <ul style="list-style-type: none"> <li>○ \$5M for Scrubbers in Semiconductor Fab (HEE-Duall + Fybroc)</li> </ul> </li> <li>• <b>Electric Vehicle &amp; Battery</b> <ul style="list-style-type: none"> <li>○ \$2M for VOC recovery in Electric Vehicle Plant (Adwest)</li> <li>○ \$0.5M for liquid handling in Li-Ion Battery Plant (Fybroc)</li> </ul> </li> <li>• <b>Lightweight Metals &amp; Food &amp; Beverage</b> <ul style="list-style-type: none"> <li>○ \$8M for Oil Mist Recovery in an Aluminum Mill for EVs (Busch)</li> <li>○ \$7M for VOC Recovery for Aluminum Can Plant (EIS)</li> </ul> </li> </ul>
<p><b>Industrial Water</b></p> <p>~ 25% of Portfolio</p>		<ul style="list-style-type: none"> <li>• <b>Industrial Water</b> <ul style="list-style-type: none"> <li>○ \$15M for Produced Water Treatment (Peerless)</li> <li>○ \$1.1M for Saltwater Recirculation (Fybroc)</li> <li>○ \$0.8M for Ultra-high Purity Water for H<sub>2</sub> Electrolysis (DS21)</li> </ul> </li> <li>• <b>Marine/Offshore</b> <ul style="list-style-type: none"> <li>○ \$2M for Potable Water Treatment (Compass)</li> <li>○ \$0.4M for Offshore Wind Platform Oil Separation (Compass)</li> </ul> </li> </ul>
<p><b>Energy Transition</b></p> <p>~ 30% of Portfolio</p>		<ul style="list-style-type: none"> <li>• <b>Carbon Capture</b> <ul style="list-style-type: none"> <li>○ \$4M for Ethanol CO<sub>2</sub> Capture and Treatment (Peerless)</li> </ul> </li> <li>• <b>Geothermal Power</b> <ul style="list-style-type: none"> <li>○ \$2M for Geothermal Power Plant Steam Drying (Peerless)</li> </ul> </li> <li>• <b>LNG</b> <ul style="list-style-type: none"> <li>○ \$3.4M for Inlet Feed Gas &amp; Fuel Gas Treatment (Peerless)</li> <li>○ \$5M for Compressor Turbine Drive Emission Mgmt (Peerless)</li> </ul> </li> <li>• <b>Renewable Power Backup Peaking Plant</b> <ul style="list-style-type: none"> <li>○ \$10M for Gas Turbine Exhaust Treatment (Peerless/Aarding)</li> </ul> </li> <li>• <b>Solar Panel Polysilicon Production</b> <ul style="list-style-type: none"> <li>○ \$0.7M for Catalyst Recovery Cyclones (Emtrol)</li> </ul> </li> </ul>

\* Select projects booked through 3Q2022



# Global Footprint ... Serving Global Customers



 Global HQ:  
Dallas, TX

 Sales &  
Engineering

 Manufacturing & Assy

~900 Employees worldwide <sup>(-b)</sup>

~60% are Engineers/Solution experts <sup>(-a)</sup>

~50% International Sales

<sup>(-a)</sup> employee count less manufacturing  
<sup>(-b)</sup> includes 2022 acquisitions

# Financial Performance -- Highlights

# Financial Highlights – Executive Summary

- ***Announced Today\**: Strong Q4'22 Orders ... > \$145M+, up ~60%**
- ***Announced Today\**: Closed Acquisition of Wakefield Acoustics ... 6<sup>th</sup> Transaction since 2021**
- ***Q1'22 through Q3'22: Delivered Strong YTD Financial Results***
  - Q1'22 produced highest orders level in company history
  - Strong organic growth and EBITDA expansion in each quarter
  - Q3'22 had record revenue and EBITDA for a third quarter (in company history)
  - Y/E Backlog at or near record levels
  - Pipeline remains strong
- ***Maintained Consistent Capital Allocation and Business Investment***
  - M&A, Stock Repurchases, Facility / Capex Investments, Added Key Resources
- Introduced Preliminary Full Year 2023 Outlook (Q3 Earnings Call) ... ***Continued Strong Growth***

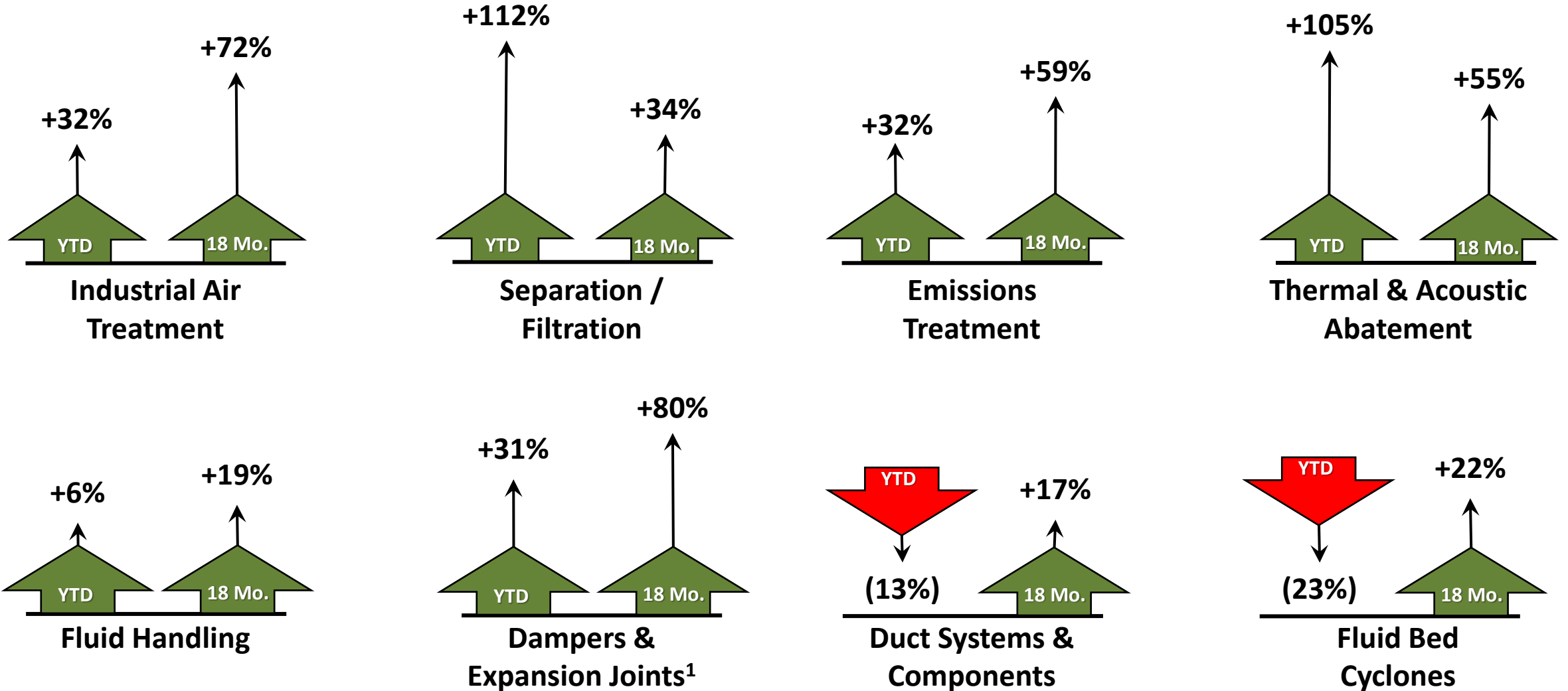
# YTD 2022 and Trailing Twelve Month (TTM) Financial Summary\*

	<u>YTD '22</u>	<u>YoY%</u>			<u>TTM*</u>	<u>YoY%</u>
Orders	\$376M	+39%	Strong Orders Each Qtr	Orders	\$467M	+35%
Sales	\$306M	+33%		Great Sales ... 2 <sup>nd</sup> Straight Quarter >\$100M	Sales	\$400M
Adj. EBITDA	\$29.3M 9.6%	+80% +250bps	Continued Strong Margin Expansion & FCF Conversion	Adj. EBITDA	\$38.7M 9.7%	+46% +120bps
Adj. EPS (diluted)	\$0.53	+194% +\$0.35		Adj. EPS (diluted)	\$0.63	+80% +\$0.28
FCF	\$18M	>\$100%		FCF	\$21M	>500%

- Broad-based Orders **Growth** ... **Record** 3Q YTD Orders rate ... Run rate >> \$100M/q
- **Record** 3Q Revenue ... **Balanced** across platforms ... 2<sup>nd</sup> **Highest** in Company History ... Run rate now > \$100M/Qtr
- **Navigating** input cost, and supply chain and logistics challenges
- **Continuing** to Invest in Growth ... **Overcoming** Inflation and F/X Impacts

# Broad-based Orders Growth

(3Q'22 = YTD and Past 18 Months vs comparable periods)



<sup>1</sup> Includes positive impact from GRC Acquisition (closed transaction in Q1'22)

# Strong Balance Sheet + EBITDA Growth Supports Capital Deployment

## Cash Position and Liquidity (\$MM)

**Cash 12.31.21** **\$32.0**

### Sources

Cash from Operations	\$19.7
Net Borrowings	<u>\$46.4</u>
Total	\$66.1

### Uses

M&A	\$(44.9)
Share Buyback	\$(6.6)
Capex	<u>\$(2.4)</u>
Total	\$(53.9)

**Cash 09.30.22** **\$44.2**

### Less

Interest	\$(3.2)
Taxes	\$(3.6)
Other non-operating	<u>\$(1.2)</u>

**Net Cash 09.30.22** **\$36.2**

Note:

1/ Net Debt = Gross Debt - Cash

2/ TTM Bank EBITDA as defined in the Credit Facility

3/ Leverage Ratio = Net Debt / TTM Bank EBITDA

4/ Capacity = Current Facility Capacity + Net Cash

## Leverage and Investment Capacity (\$MM)

**Gross Debt 12.31.21** **\$65.5**

### Borrowings

On revolver	\$73.6
On credit facility	<u>\$11.0</u>
Total	\$84.6

### Repayments

On revolver	\$(35.9)
On credit facilities	<u>\$(2.3)</u>
Total	\$(38.2)

Net Borrowings, Q3'22 \$46.4

**Gross Debt 09.30.22** **\$111.9**

	<u>12.31.21</u>	<u>09.30.22</u>
Net Debt <sup>1/</sup>	\$33.5	\$75.7
TTM Bank EBITDA <sup>2/</sup>	\$28.7	\$42.9
<b>Leverage Ratio<sup>3/</sup></b>	<b>1.17x</b>	<b>1.76x</b>
Capacity <sup>4/</sup>	~\$78	~\$97

# Balanced Capital Deployment Driving Value Creation

## Acquisitions in 2022



- Q3 Close ... Annualized Revenues ~\$10M
- Industrial Water ... Adds Geography + EPC's
- South Korea-based



- Q2 Close ... Annualized Revenues ~\$5M
- Industrial Air ... Adds Standard Products + Energy Controls
- UK-based



- Q2 Close ... Annualized Revenues ~\$10M
- Industrial Water ... Membrane Solutions + Marine/Offshore & Navy
- US-based



- Q1 Close ... Annualized Revenues ~\$13M
- Industrial Water ... Adds Infrastructure & Process Applications
- US-based

## Share Repurchase Update

### ----- 2022 -----

- Announced \$20M, 3-Yr. Authorization in May '22
- Completed ~\$2M of share repurchases in Q3'22
- Completed ~\$4M of share repurchases in Q2'22
- Q2/Q3 = Repurchased ~3% of Shares
- Shares Repurchased at Avg. Price \$7.69

### ----- 2021 -----

- 2021 Completed \$5M of share repurchases
  - 2021 Authorization (\$5M) was 1<sup>st</sup> buyback in 10+ Years

*Deployed ~\$60M Toward Acquisitions and Stock Buybacks Over the Past 18 Months*

# Wakefield Acoustics Transaction Overview

## Business Overview

- Niche UK provider of industrial and commercial noise control equipment and systems, and analytical services
- Founded in 1980
- 55 employees
- 44,000 SF facility in UK
- Product lines: acoustic containers, enclosures, screens, and louvres; attenuators, process air/gas silencers
- Industries served: standby & backup power generation, data centers, oil & gas, petrochemical, commercial and infrastructure construction, and manufacturing
- 2023E Revenue expected to exceed \$10M

## Financial Profile / Transaction Metrics

- Revenue: ~70% short-cycle
- Geographic Sales: Majority UK-based ... opportunity for expansion
- EBITDA Margins = Low double-digits
- Attractive working capital management = Strong FCF
- Accretive Multiple: ~ 6X EBITDA ('22) ... ~3-4X expected by YE'23
- Accretive to EPS in Year One

## Products

Container



Enclosure



Rect. Attenuator



*Highly accretive proprietary bolt-on ... extends offering and capabilities of Thermal Acoustics platform*



# Full Year 2023 Outlook\*

(\$MM)

	<u>Revenue</u>	<u>Adjusted EBITDA</u>	<u>Free Cash Flow</u>
<b>Full Year Outlook</b>	<b>\$450 to \$475</b> <i>Up ~ 13% YoY</i>	<b>\$45 to \$48</b> <i>Up ~ 19% YoY</i>	<b>50% to 70% of EBITDA</b>

## Maximize to Hit or Exceed Outlook

- ✓ Strong Backlog Provides Good Visibility
- ✓ Organic Growth Initiatives Accelerating
- ✓ Programmatic M&A Continues
- ✓ Operating Excellence Initiatives Underway

## Potential Challenges = Remain Cautious

- Continued Supply Chain Disruptions
- Economic Uncertainty
- Expecting Some “Unexpected” Headwinds
- Staffing Challenges Remain

# In Conclusion

- ✓ **Strong Bookings to Close-out 2022 Produces Great Backlog to Start 2023**
- ✓ **Closed Another Strategic / Accretive Acquisition ... In Line with Previous Deals**
- ✓ **Advancing Leadership in Industrial Air ... Building Leadership in Industrial Water ... Maintaining Leadership in Energy Transition**
- ✓ **Generating High Growth at Higher Margins with more Sustainable Revenue Mix**
- ✓ **Delivering Exception Value to Global Customers**
- ✓ **Leadership Team Aligned With Shareholders to Create Exceptional Value**
  
- ✓ **Delivering on a Consistent Value Creation Strategy**

# Appendix

## Supplemental Materials and Reconciliation Tables

# Revenue Excluding Acquisitions

<i>(dollars in millions)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	Q2 2022	Q3 2022	TTM
Revenue as reported in accordance with GAAP	\$ 71.9	\$ 78.7	\$ 80.0	\$ 93.6	\$ 324.1	\$ 92.4	\$ 105.4	\$ 108.4	\$ 399.8
<i>Less revenue attributable to acquisitions and joint ventures</i>	-	-	-	-	-	(0.7)	(4.6)	(6.0)	(11.3)
<b>Organic Revenue</b>	<b>\$ 71.9</b>	<b>\$ 78.7</b>	<b>\$ 80.0</b>	<b>\$ 93.6</b>	<b>\$ 324.1</b>	<b>\$ 91.7</b>	<b>\$ 100.8</b>	<b>\$ 102.4</b>	<b>\$ 388.5</b>

NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

# Non-GAAP Operating Income and Margin

<i>(dollars in millions)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	Q2 2022	Q3 2022	TTM
<b>Operating Income (Loss) as reported in accordance with GAAP</b>	\$ 3.1	\$ 2.1	\$ (0.6)	\$ 5.3	\$ 9.9	\$ 5.2	\$ 5.7	\$ 2.8	\$ 19.0
<i>Operating Margin in accordance with GAAP</i>	4.3%	2.7%	-0.8%	5.7%	3.1%	5.6%	5.4%	2.6%	4.8%
<b>Acquisition and integration expenses</b>	0.1	-	0.2	0.5	0.8	1.0	1.5	1.3	4.2
<b>Amortization expenses</b>	1.7	1.7	1.7	1.6	6.7	1.5	1.5	2.0	6.6
<b>Earn-out and retention expenses</b>	0.1	0.6	0.1	0.3	1.1	-	-	-	0.3
<b>Restructuring expenses</b>	-	0.3	0.4	-	0.6	0.1	-	-	0.2
<b>Executive transition expenses</b>	-	-	-	-	-	-	-	1.2	1.2
<b>Non-GAAP Operating Income</b>	\$ 5.0	\$ 4.7	\$ 1.8	\$ 7.7	\$ 19.1	\$ 7.8	\$ 8.7	\$ 7.3	\$ 31.5
<i>Non-GAAP Operating Margin</i>	7.0%	6.0%	2.3%	8.2%	5.9%	8.4%	8.2%	6.7%	7.9%

NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

# Non-GAAP Net Income, Adjusted EBITDA, and Margin

<i>(dollars in millions)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	Q2 2022	Q3 2022	TTM
<b>Net Income (Loss) as reported in accordance with GAAP</b>	\$ 1.2	\$ 0.3	\$ (1.2)	\$ 1.2	\$ 1.4	\$ 2.8	\$ 4.4	\$ 1.9	\$ 10.4
Acquisition and integration expenses	0.1	-	0.2	0.5	0.8	1.0	1.5	1.3	4.2
Amortization expenses	1.7	1.7	1.7	1.6	6.7	1.5	1.5	2.0	6.6
Earn-out and retention expenses	0.1	0.6	0.1	0.3	1.1	-	-	-	0.3
Restructuring expenses	-	0.3	0.4	-	0.6	0.1	-	-	0.2
Executive transition expenses	-	-	-	-	-	-	-	1.2	1.2
Foreign currency remeasurement	0.6	1.1	(0.1)	0.5	2.0	0.3	(0.3)	2.5	3.1
Tax benefit of expenses	(0.6)	(0.9)	(0.6)	(0.7)	(2.8)	(0.7)	(0.7)	(1.8)	(3.8)
<b>Non-GAAP Net Income</b>	\$ 3.1	\$ 3.1	\$ 0.5	\$ 3.4	\$ 9.8	\$ 5.0	\$ 6.4	\$ 7.1	\$ 22.2
Depreciation expense	0.8	0.8	0.8	0.8	3.2	0.8	0.9	0.9	3.5
Non-cash stock compensation	0.7	0.9	0.9	0.9	3.3	0.9	0.9	1.1	3.8
Other (income) expense	(0.1)	(0.2)	(0.1)	0.6	0.2	0.2	(1.6)	(3.8)	(4.7)
Interest expense	0.7	0.7	0.7	0.8	3.0	0.8	1.1	1.6	4.3
Income tax expense	1.2	1.1	0.7	2.6	5.5	1.8	2.6	2.1	9.0
Non-Controlling Interest	0.1	0.1	0.1	0.3	0.6	-	0.3	0.2	0.9
<b>Adjusted EBITDA</b>	\$ 6.5	\$ 6.5	\$ 3.6	\$ 9.4	\$ 25.6	\$ 9.5	\$ 10.6	\$ 9.2	\$ 39.0
<i>Non-GAAP Operating Margin</i>	9.0%	8.3%	4.5%	10.0%	7.9%	10.4%	10.1%	8.5%	9.8%
<b>Basic Shares Outstanding</b>	35,396,705	35,491,725	35,472,298	35,399,724	35,345,785	35,051,034	34,873,238	34,455,657	35,048,986
<b>Diluted Shares Outstanding</b>	35,774,208	35,819,269	35,472,298	35,537,136	35,594,779	35,199,201	35,041,152	34,871,313	35,266,274
<b>Earnings (Loss) per share:</b>									
Basic	\$ 0.03	\$ 0.01	\$ (0.03)	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.13	\$ 0.06	\$ 0.09
Diluted	\$ 0.03	\$ 0.01	\$ (0.03)	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.13	\$ 0.06	\$ 0.09
<b>Non-GAAP earnings per share:</b>									
Basic	\$ 0.09	\$ 0.09	\$ 0.01	\$ 0.10	\$ 0.28	\$ 0.14	\$ 0.18	\$ 0.21	\$ 0.63
Diluted	\$ 0.09	\$ 0.09	\$ 0.01	\$ 0.10	\$ 0.28	\$ 0.14	\$ 0.18	\$ 0.20	\$ 0.63

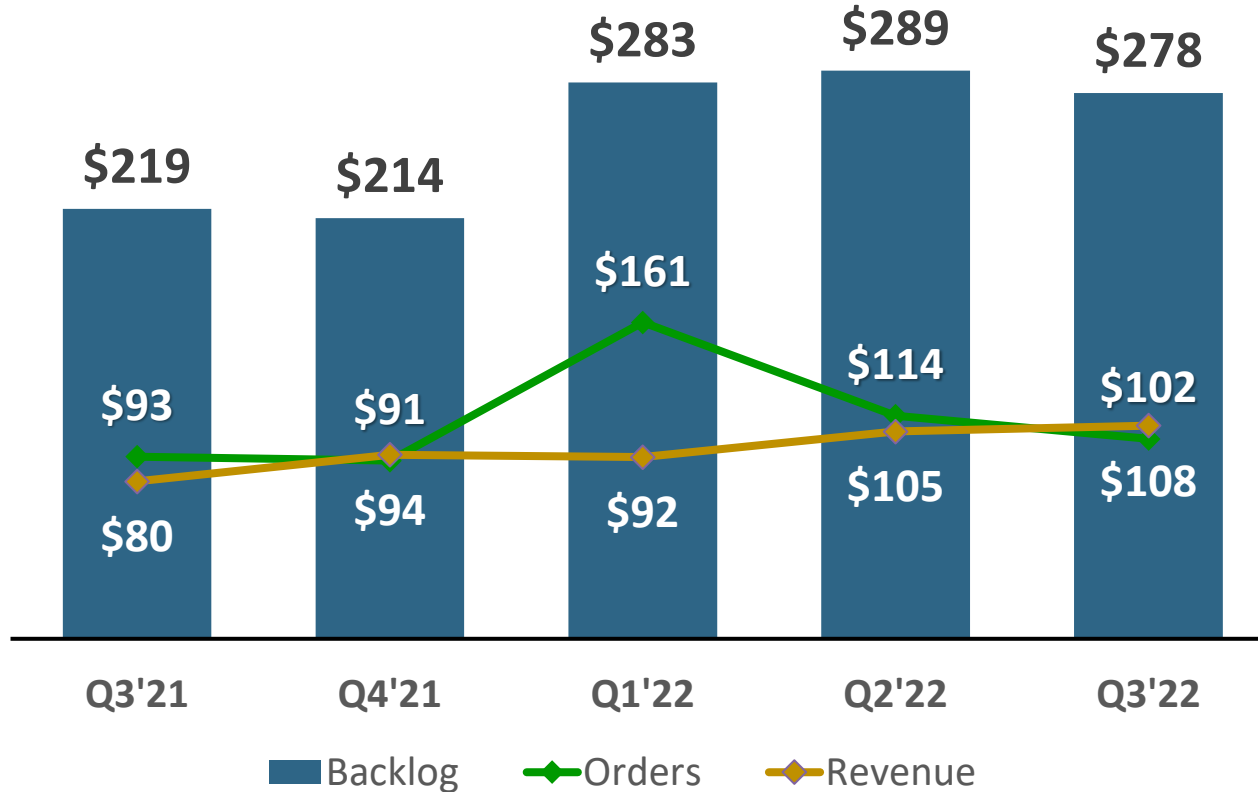
NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

# Adjusted Free Cash Flow

<i>(dollars in millions)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	Q2 2022	Q3 2022	TTM
Net cash provided by operating activities	\$ 9.9	\$ (5.8)	\$ 6.1	\$ 3.1	\$ 13.3	\$ (0.2)	\$ 18.9	\$ 1.0	\$ 22.9
Earnout payments (within operating activities)	-	-	0.6	-	0.6	-	1.0	-	1.0
Acquisitions of property and equipment	(0.5)	(0.5)	(0.7)	(0.9)	(2.6)	(0.7)	(0.8)	(0.9)	(3.2)
Free cash flow	\$ 9.4	\$ (6.3)	\$ 6.0	\$ 2.2	\$ 11.3	\$ (0.9)	\$ 19.1	\$ 0.1	\$ 20.7
TTM free cash flow	\$ 3.9	\$ 3.5	\$ 3.4	\$ 11.3	\$ 11.3	\$ 1.0	\$ 26.4	\$ 20.5	\$ 20.5
TTM EBITDA	\$ 31.9	\$ 30.2	\$ 26.5	\$ 25.7	\$ 25.7	\$ 29.0	\$ 33.1	\$ 38.7	\$ 38.7
TTM free cash flow / EBITDA conversion	12.2%	11.6%	12.8%	44.0%	44.0%	3.4%	79.8%	53.0%	53.0%

NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

# Q3'22 Earnings Slide: Backlog Remains at Near Record Levels



- Holding Close to Record Backlog (Q2'22)
- Q3'22 Ending Backlog\* up 27% YoY
- YTD'22 B2B = 1.24x → Future revenue growth
- TTM Book to Bill ratio at 1.17x
- Opportunity pipeline remains > \$2B
- Strong start to 4Q22 order rates

**B2B = 1.16x      0.97x      1.75x      1.09x      0.94x**

\* Starting Backlog – Revenue + Gross Orders – Cancellations +/- FX = Ending Backlog.

(\$MM)  
TTM = Trailing 12 Month  
B2B = Book to Bill



# Q3 Earnings Slide: Q3 and YTD 2022 Financial Summary

	<u>Q3'22</u>	<u>YoY%</u>
Orders	\$102M	+10%
Sales	\$108M	+36%
Adj. EBITDA	\$9.2M 8.5%	+165% +420bps
Adj. EPS (diluted)	\$0.20	+\$0.19
FCF	\$0.1M	Down YoY

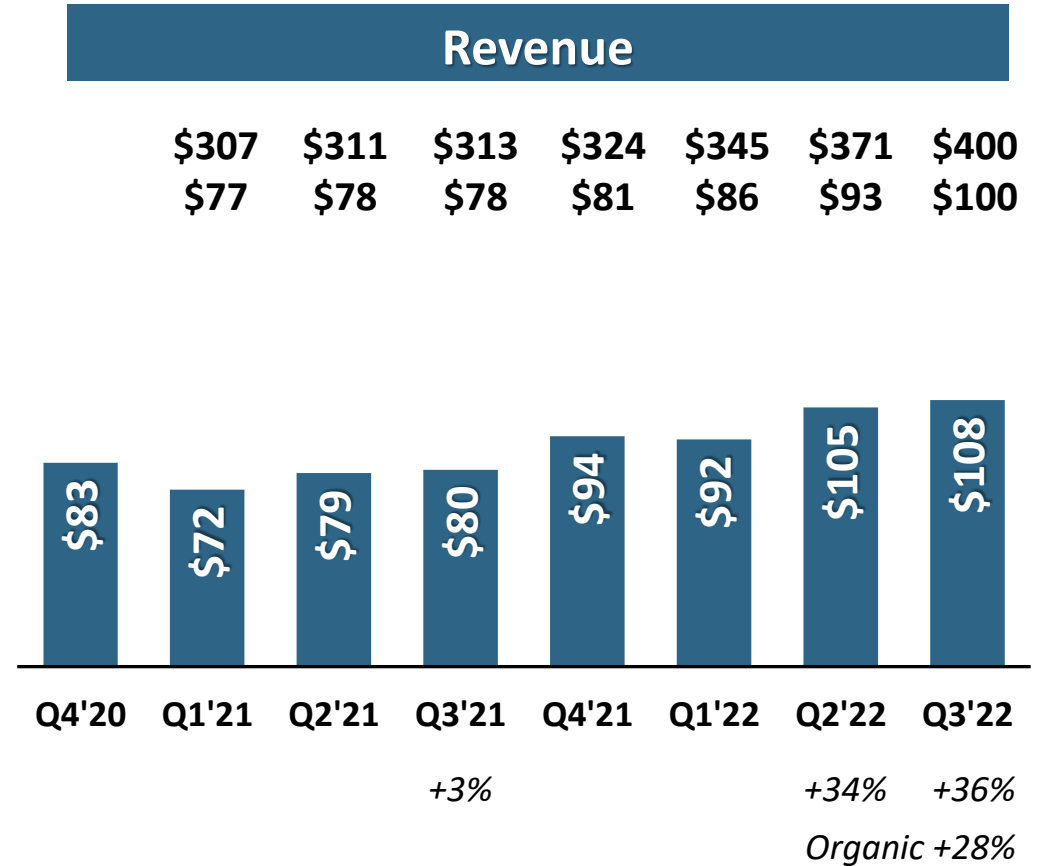
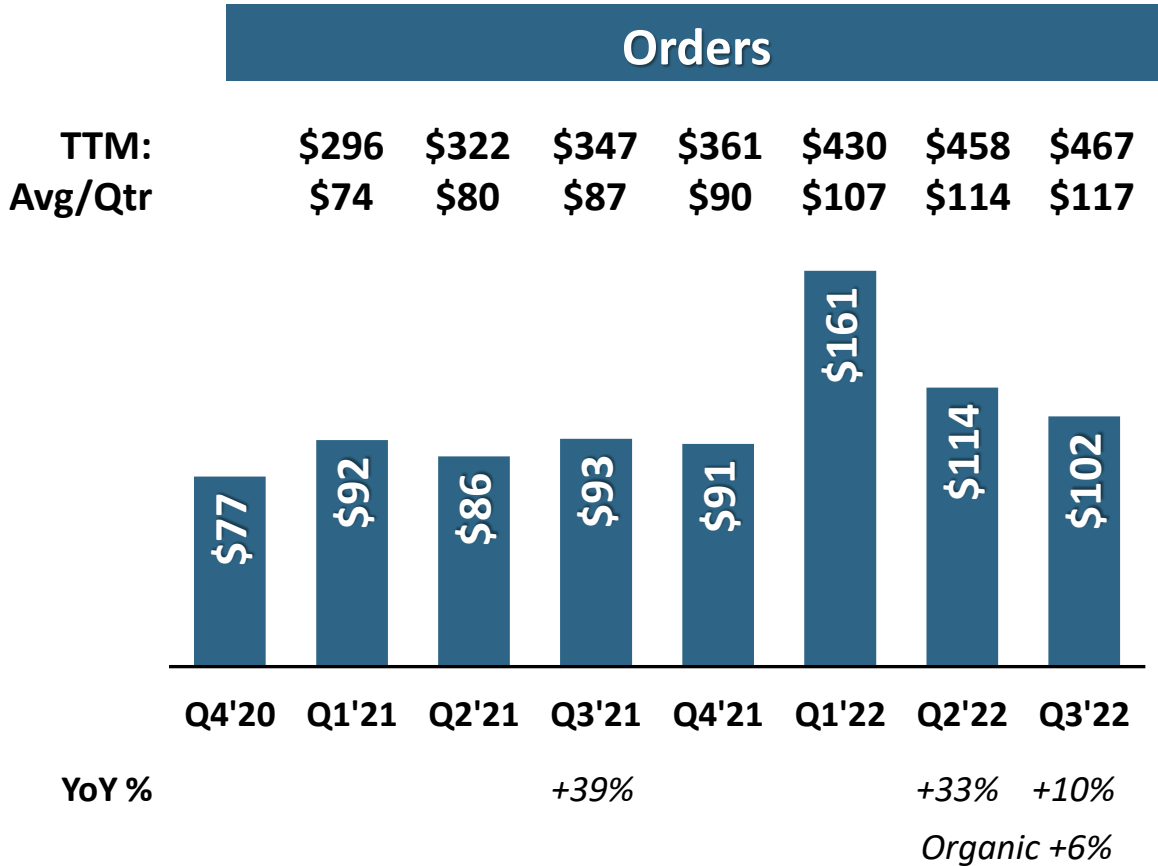
**Third Consecutive Quarter  
with Orders > \$100M**

**Great Q3 and YTD Growth**

**Continued YTD Margin  
Expansion & FCF  
Conversion**

	<u>YTD'22</u>	<u>YoY%</u>
Orders	\$376M	+39%
Sales	\$306M	+33%
Adj. EBITDA	\$29.3M 9.6%	+80% +250bps
Adj. EPS (diluted)	\$0.653	+194% +\$0.35
FCF	\$18M	>\$100%

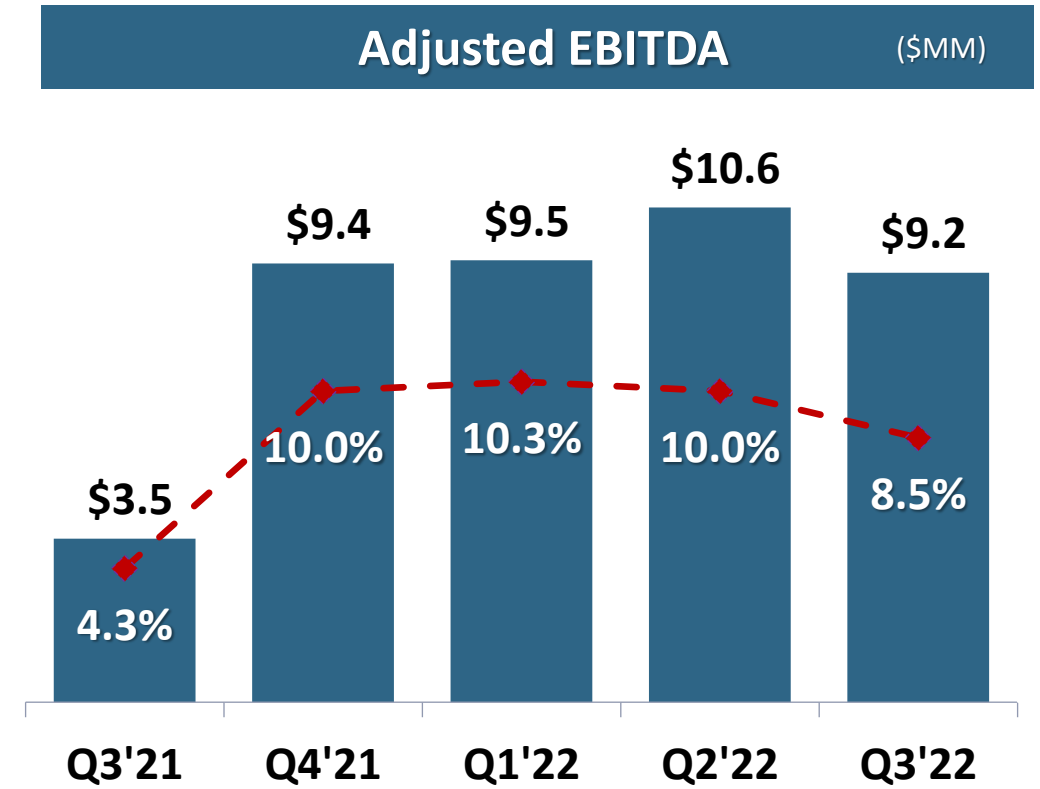
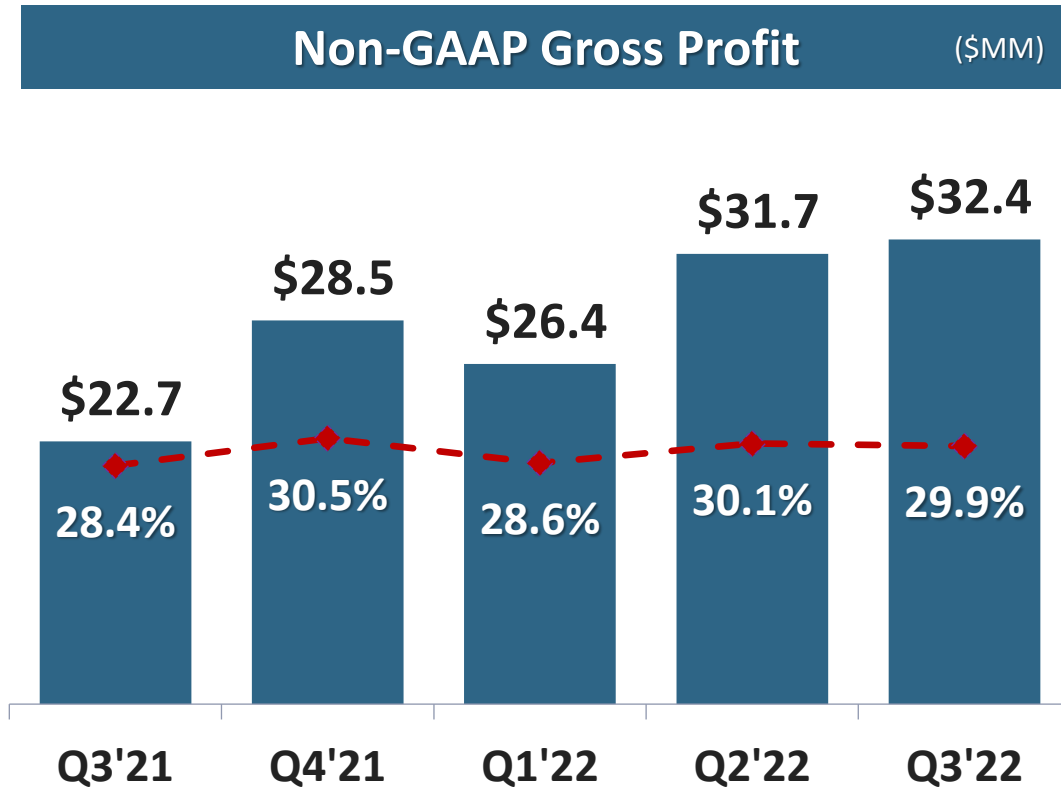
# Q3 Earnings Slide: Strong Orders Growth Delivering Continued Revenue Strength



- Broad-based Orders **Growth**
- **Record** Trailing 12-Month Orders of \$467M
- **Record** Orders Through First 3 Quarters

- **Record** Third Quarter Revenue / 2<sup>nd</sup> Highest Quarterly Revenue in Company History
- **Balanced** YoY Platform Growth
- **Navigated** Supply Chain **Challenges** to Deliver

# Q3 Earnings Slide: Improving Profitability and Margins



- **Gross Profits:** Up 43% on higher volume and pricing; margin rate showing continued improvement from Q3'21 lows
- **EBITDA:** Up Significantly YoY ... Continue to Invest in Growth ... Overcoming Inflation and F/X Impact
- **Price:** Continued price actions to address inflation and capture value ... benefits flowing thru P&L as backlog turns