CECO Environmental Acquires UK-Based Environmental Integrated Solutions Limited

June 4, 2020

Complementary Tuck-in Acquisition Adds $16 million in Annual Revenues

DALLAS, June 4, 2020 /PRNewswire/ -- CECO Environmental Corp. ("CECO", Nasdaq: CECE), a leading global air quality and fluid handling technology company, today announced that it has completed the acquisition of Environmental Integrated Solutions Limited ("EIS"). Headquartered in Birmingham UK. EIS engineers products that clean air through a variety of technologies including VOC abatement, odor control, and other air pollution control solutions. This acquisition advances CECO's mission to solve the sustainability challenges that come with the demands of industrial progress.

"We are very excited with the acquisition of EIS and pleased to welcome their team to the CECO family. EIS further increases CECO's solution capability, application depth, and knowledge expertise as part of our growth strategy. EIS expands the coverage of our industrial customers across Europe, as well as leverages our current capabilities in North America," said Dennis Sadlowski, Chief Executive Officer of CECO Environmental. "The addition of EIS further elevates our leadership position in solving the most challenging air quality applications around the world. EIS will serve as a regional hub for CECO's Industrial Solutions segment and is expected to become a catalyst for accelerated growth into the European industrial markets."

Matt Eckl, CECO Environmental's Chief Financial Officer commented, "The acquisition of EIS gives us immediate access to new markets, adds approximately $16 million in annual revenues and provides CECO with incremental market and financial scale. This combination is a win-win as EIS will leverage CECO's supply chain in North America and CECO will gain access to EIS's network of production partners in Europe, further expanding our lucrative asset light business model. From a financial perspective, EIS brings above average EBITDA margins and strong free cash flows. At a purchase price of approximately $12.2 million, including a targeted earnout, the transaction is anticipated to deliver attractive value for CECO shareholders."

About CECO:

CECO Environmental is a global leader in air quality and fluid handling serving the energy, industrial and other niche markets. Providing innovative technology and application expertise, CECO helps companies grow their business with safe, clean and more efficient solutions that help protect our shared environment. In regions around the world, CECO works to improve air quality, optimize the energy value chain and provide custom engineered solutions for applications including oil and gas, power generation, water and wastewater, battery production, poly silicon fabrication, chemical and petrochemical processing along with a range of others. CECO is listed on Nasdaq under the ticker symbol "CECE".

For more information, please visit www.cecoenviro.com.

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Any statements contained in this Press Release, 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. 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 surrounding the acquisition of EIS that could cause actual results to differ materially include risks regarding the achievement of the anticipated benefits of the acquisition, including synergies. Additional risks and uncertainties 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, 2019 and "Part II – Item 1A. Risk Factors" of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and 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; the ability to expand operations in both new and existing markets; 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"); and the effect of competition in the air quality and fluid handling industries. 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. 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, we undertake no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

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