



12th Annual East Coast IDEAS Conference



June 22-23, 2022



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 these forward-looking 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, 2020 and include, but are not limited to: the sensitivity of our business to 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 revenue; 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; 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; 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; economic and political conditions generally; 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; 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. 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.

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.

CECO Environmental: Company Position

A differentiated position to generate long term shareholder returns

Well Position Portfolio

- ❑ Market leader with distinct competitive advantages including:
 - World renowned Brands (#1 / #2 in target markets)
 - Sought-after application engineering expertise
- ❑ \$6B+ Global Installed Base and diversified customers in growing markets
- ❑ Asset-light businesses delivering consistent cash flow; healthy balance sheet

Strategic Approach to Higher Performance

- ❑ Robust M&A pipeline: accretive transactions to strengthen position
- ❑ Growing in lucrative Industrial Air, Water and Energy Transition markets

\$345 Revenue
\$28 Adj. EBITDA

-a)

\$283 Backlog
+40% YoY

-a)

\$235 Market Cap

-b)

CECO Environmental: Real Customer Value Creation



We Protect People

- Advanced solutions ensuring our customer's employees are safe from industrial exposures
- Enabling employees to focus on their jobs, growth and productivity – not contaminants



We Protect The Environment

- More demand for environmental solutions to meet-or-exceed regulation
- Global customer base continues to drive more environmental regulations and ESG focus
- Committed to minimizing environmental footprint in our internal practices



We Protect Industrial Equipment

- Protects our customer's investment in their operating environmental and capital equipment
- Minimize usage, where possible, by enabling reuse of by-products
- Maximal protection in critical applications with flow control and other industrial operations

Environmental Solutions to Support Industrial Growth & Sustainability

Industrial Air

Dust Collectors & Bag Houses



Thermal Oxidizers



- Wood
- Electric vehicle
- Beverage Can
- Clean Power
- General Industrial
- Beverage Can

Short Cycle Business



Industrial Water

Industrial Pumps & Filtration



Storm Water Expansion Joints



- Desalination
- Automotive
- Municipal
- General Industrial
- Water/Waste Water
- Storm Water

Short Cycle Business



Energy Transition

Gas Separation Equipment



Turbine De-Nox System



- Renewable Nat Gas
- Carbon Capture
- Nat Gas Pipelines
- H₂ / Gas Turbines
- CO₂ Transport
- LNG Liquification

Short Cycle Business



Highly Diversified Global Customers



No single customer >10% of revenue

Global organization ... serving customers where they are



Global HQ:
Dallas, TX

 Sales and
Engineering

 Manufacturing and
Assembly

~900 Employees worldwide

~60% are Engineers/Solution experts ^(-a)



(-a) employee count less manufacturing

Q1 2022 Performance

Q1'22 Summary

- **Record Orders / Record Backlog**
 - Maintained momentum after ~ 30% orders growth in 2021
 - Each CECO Business Platform grew Orders YoY
- **Q2 Revenue +29% ... Adj. EBITDA +51%**
 - Strong execution in challenging market
 - Platform structure delivering sustained performance
- **2022 Full Year Outlook** *(see slide 13)*
 - Solid Double-Digit Orders, Revenue, EBITDA Growth
- **Capital Allocation**
 - M&A = several accretive acquisitions YTD (Industrial Water)
 - Announced \$20M share repurchase authorization

	Q1'22	YoY%
Orders	\$161M	+75%
Sales	\$92M	+29%
Adj. EBITDA	\$9.5M 10.2%	+51% +0.2pts
Adj. EPS	\$0.14	+56% +\$0.05
Free Cash Flow	\$(0.9)M	UNFAV

Recent Announcements ... Driving Shareholder Value

New Share Repurchase Program

- **Board Authorization: \$20M over 3 years¹**
- **Equates to ~12% of shares at current price²**
- **Reflects confidence in organic growth, profitability and free cash flow generation**

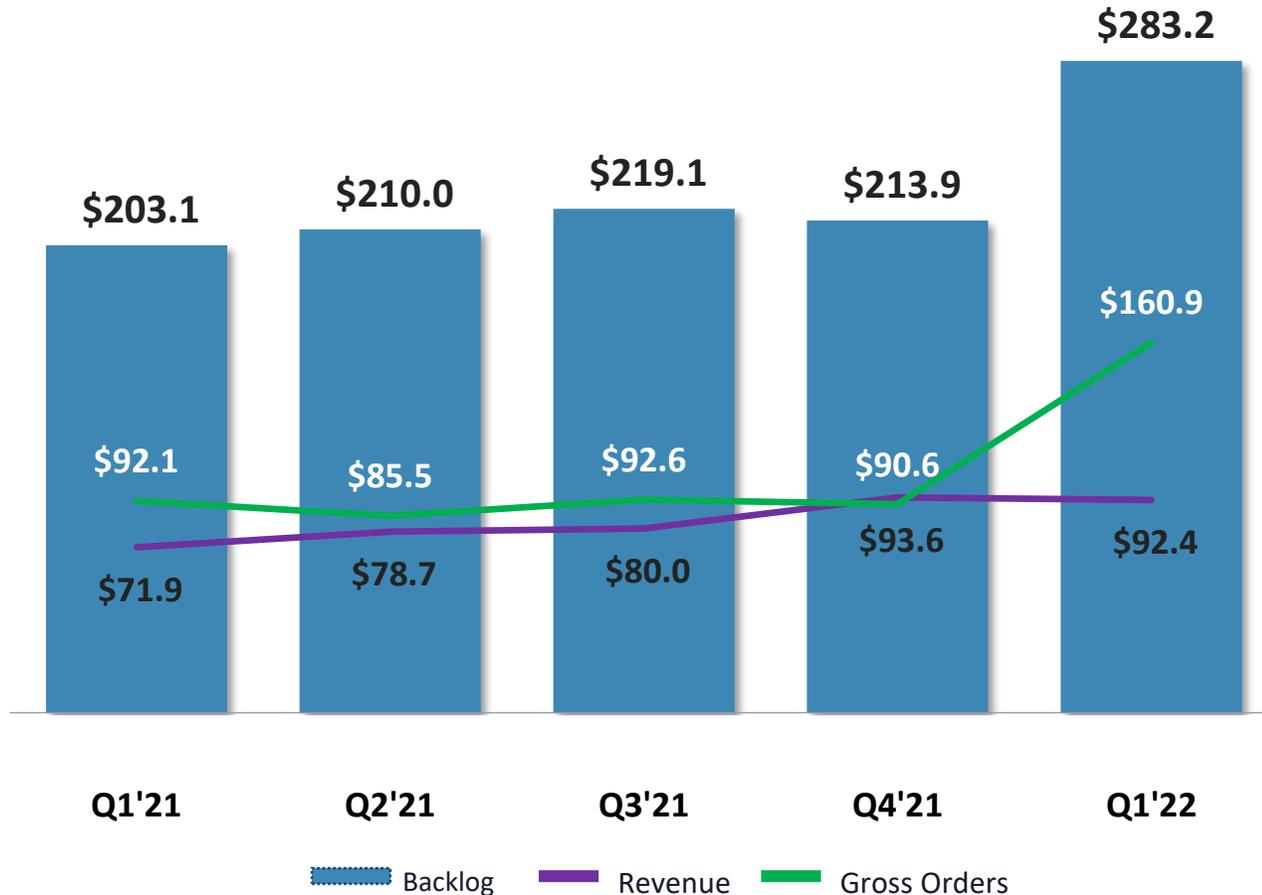


- **Leader in membrane-based industrial water treatment systems**
- **Expands CECO's Addressable Industrial Water Market by \$250M**
- **Compass Water = Sales ~\$11M with Double-digit EBITDA margins (2021)**

¹ Effective immediately and through April 30, 2025 (repurchase of outstanding common stock)

² CECO stock price of \$4.75 as of May 4, 2022

Record Orders drives Backlog higher... Revenue to ramp up



- Record Backlog up ~ 40% YoY
- Orders Growth of +75% Broad-based
- Q1'22 B2B 1.74 = Future revenue growth
- Short-cycle Sales Continue to Grow Nicely
- TTM Book to Bill ratio at 1.3x
- Opportunity pipeline remains > \$2B

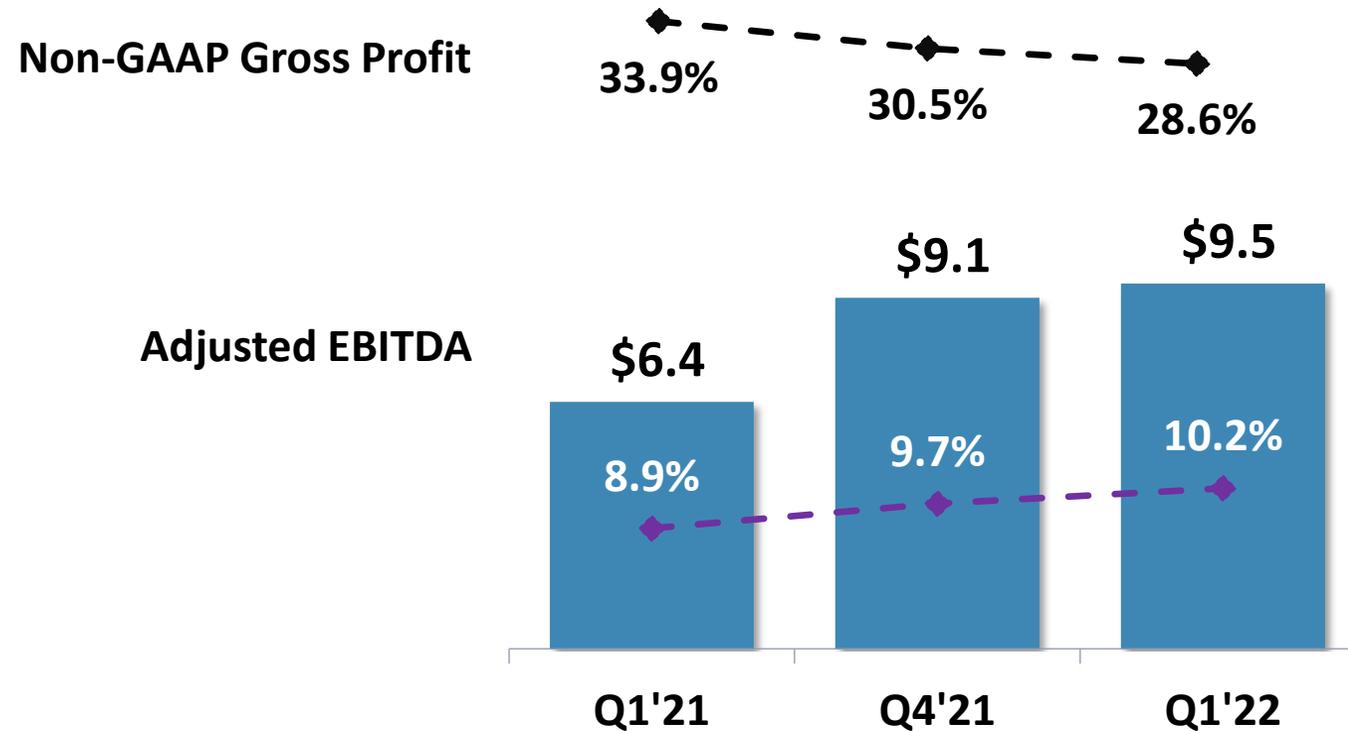
B2B =	1.28	1.09	1.16	0.97	1.74
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(\$MM)
 TTM = Trailing 12 Month
 B2B = Book to Bill

** Starting Backlog – Revenue + Gross Orders – Cancellations +/- FX = Ending Backlog. FX typically +/- ~\$1-3 per quarter.

EBITDA Margins > 10% ... Inflation Remains Challenged in GM%

(\$MM)

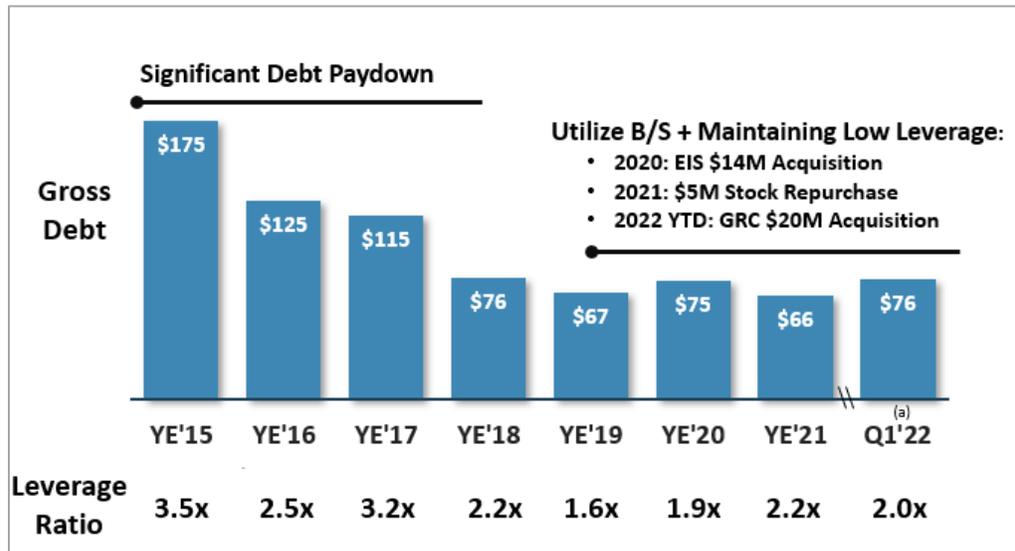


- **Gross Profits:** Under Pressure from Inflation & Supply Chain / Logistics' Challenges
- **Price:** Raising Prices to Address Higher Costs ... 2-3 Quarter Lag Before Benefit hits P&L
- **EBITDA:** Up Significantly as Volume Absorbs SG&... 1X Legacy Insurance Settlement a Benefit in Q1

Supporting Growth and Shareholder Returns

(\$MM)

Healthy Balance Sheet Enables Utilization



Q1 2022 Earnings Slide

Recent Acquisitions

- **Compass Water Solutions = \$12.5 Deal**
 - \$8.5 at close, \$4 holdbacks (Funded = Cash + Debt)
 - Accretive in 2022 (Closed May 2022)
 - Expands Industrial Water capabilities to technology provider
- **Index Water**
 - Bought company assets and customer access (Funded = cash)
- **GRC = \$24 Deal**
 - Funded: \$5 JV equity and \$19 debt split 50-50 CECO and J.V.
 - Accretive in 2022 ... well-positioned in water infrastructure

Stock Repurchase Authorization

- **\$20 Program ... 3 Year Authorization**

Looking Forward

Full Year 2022 Guidance

(\$MM)

	FY 2022
Orders	\$410 – \$430 Up Strong Double Digits
Sales	\$360 – \$380 Double Digit Growth
Gross Margins	~ 29% – 31% Down ~ 200 bps
Adj. EBITDA	\$33 - \$38 Midpoint up nearly 40% YoY

- **Orders:** Robust Pipeline = B2B >1.0 in 2022 ... Continued Growth
- **Sales:** Growing Backlog + Investment in Ind'l & Short-Cycle + M&A = Double Digit Revenue Growth
- **Gross Margins:** Inflation / Supply Chain / Logistics = Hurdles
- **Adj EBITDA:** Significant YoY Income Growth

- Record Backlog Levels (Post Q1) Lends Strong Conviction to Steady Growth
- Investing in More Growth Resources / Marketing / ESG / Business Development
- Focused Capital Allocation Will Add Accretive Growth + Share Repurchase
- CECO In Better Position Than Ever for Higher Performance

Summary

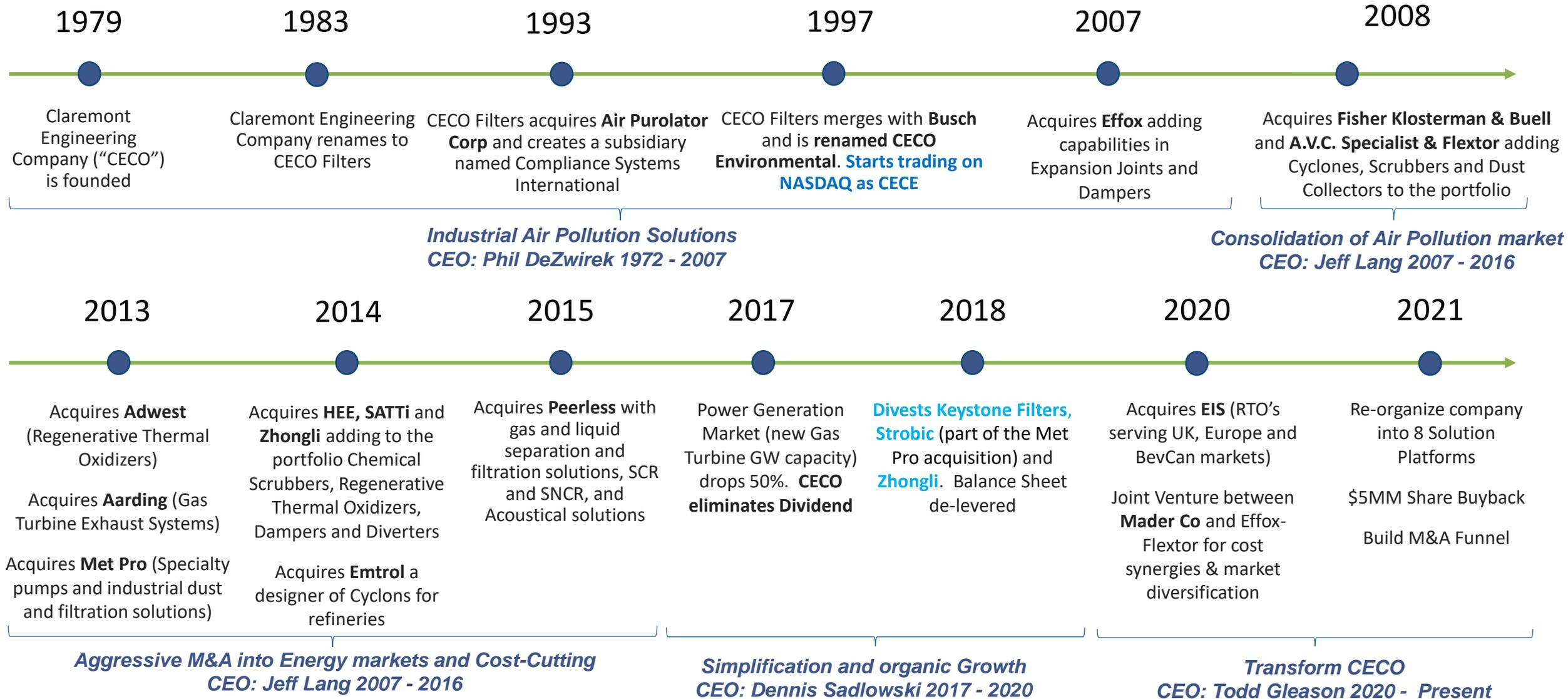
- Great start to 2022 ... Largest Backlog in Company History
- Full Year Guidance ... Strong Organic Growth and Investments
- Portfolio Is Delivering ... We Will Continue to Enhance
- Capital Allocation ... M&A + Share Repurchases = Additional Value
- Inaugural ESG Report Will Be Published in Coming Weeks ...

Thanks Team CECO ... And Thank You For Your Interest

Appendix

Supplemental Materials

CECO a “clean air story” with a history of acquisitions spanning 40+ years



Key Executive Biographies



Todd Gleason, CEO

- Over 25 years of experience in variety of senior leadership roles including general management, finance and strategy/growth
- Significant roles in leading industrial companies: Honeywell, Trane and Pentair
- Impactful experience leading private equity / venture company through transformations
- Aligned with shareholders to deliver growth and value creation



Matt Eckl, CFO

- 20 years experience in Finance, IT, and Process roles including FP&A, Audit, Ops Finance, M&A, and Project Management
- Several roles of elevating responsibility at General Electric and Gardner Denver
- 5 Years at CECO Environmental as CFO. Responsibilities and focus have transitioned from Foundational Finance & Business Process to Operational/COO and now to M&A



Ramesh Nuggihalli, COO

- 30+ years industry experience, working in 25+ countries across Power Generation, O&G, process and Water markets
- President and Managing Director of Xylem Asia, based in Singapore, serving the Water sector.
- Managing Director of Pentair Middle East, based in Dubai UAE, serving the Energy sector
- Executive leadership roles at multi-national corporations: Tyco, Ametek, General Electric, Babcock & Wilcox and SNC-Lavalin

Revenue excluding acquisitions and divestitures

<i>(dollars in millions)</i>	Annual 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	TTM
Revenue as report in accordance with GAAP	\$ 316.0	\$ 71.9	\$ 78.7	\$ 80.0	\$ 93.6	\$ 324.1	\$ 92.4	\$ 344.7
<i>Less revenue attributable to divestitures</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Less revenue attributable to acquisitions and joint venture:</i>	\$ (8.7)	\$ (2.7)	\$ (5.5)	\$ (5.7)	\$ (6.0)	\$ (19.9)	\$ (4.8)	\$ (22.1)
Organic Revenue	\$ 307.3	\$ 69.2	\$ 73.2	\$ 74.3	\$ 87.6	\$ 304.2	\$ 87.6	\$ 322.6

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>	Annual 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	TTM
Operating Income as report in accordance with GAAP	\$ 13.3	\$ 3.1	\$ 2.1	\$ (0.6)	\$ 5.3	\$ 9.9	\$ 5.2	\$ 12.0
<i>Operating margin in accordance with GAAP</i>	4.2%	4.3%	2.7%	-0.8%	5.7%	3.1%	5.6%	3.5%
Acquisition and integration expenses	\$ 1.4	\$ 0.1	\$ -	\$ 0.2	\$ 0.5	\$ 0.8	\$ 1.0	\$ 1.7
Amortization	\$ 7.4	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.6	\$ 6.7	\$ 1.5	\$ 6.5
Earn-out and retention expenses	\$ 1.4	\$ 0.1	\$ 0.6	\$ 0.1	\$ 0.3	\$ 1.1	\$ -	\$ 1.0
Intangible asset impairment	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring expense (income)	\$ 2.4	\$ -	\$ 0.3	\$ 0.4	\$ -	\$ 0.6	\$ 0.1	\$ 0.8
Executive transition expenses	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-GAAP operating Income	\$ 28.3	\$ 5.0	\$ 4.7	\$ 1.8	\$ 7.7	\$ 19.1	\$ 7.8	\$ 22.0
<i>Non-GAAP Operating margin</i>	9.0%	7.0%	6.0%	2.3%	8.2%	5.9%	8.4%	6.4%

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>	Annual 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	TTM
Net Income (loss) as report in accordance with GAAP	\$ 8.2	\$ 1.2	\$ 0.3	\$ (1.2)	\$ 1.2	\$ 1.4	\$ 2.8	\$ 3.1
Acquisition and integration expenses	\$ 1.4	\$ 0.1	\$ -	\$ 0.2	\$ 0.5	\$ 0.8	\$ 1.0	\$ 1.7
Amortization	\$ 7.4	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.6	\$ 6.7	\$ 1.5	\$ 6.5
Earn-out and retention expenses	\$ 1.4	\$ 0.1	\$ 0.6	\$ 0.1	\$ 0.3	\$ 1.1	\$ -	\$ 1.0
Intangible asset impairment	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring expense (income)	\$ 2.3	\$ -	\$ 0.3	\$ 0.4	\$ -	\$ 0.6	\$ 0.1	\$ 0.8
Executive transition expenses	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign currency remeasurement	\$ 0.3	\$ 0.6	\$ 1.1	\$ (0.1)	\$ 0.5	\$ 2.0	\$ 0.3	\$ 1.8
Tax benefit of expenses	\$ (3.9)	\$ (0.6)	\$ (0.9)	\$ (0.6)	\$ (0.7)	\$ (2.8)	\$ (0.7)	\$ (2.9)
Non-GAAP net income	\$ 19.5	\$ 3.1	\$ 3.1	\$ 0.5	\$ 3.4	\$ 9.8	\$ 5.0	\$ 12.0
Depreciation	\$ 2.5	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 3.2	\$ 0.8	\$ 3.2
Non-cash stock compensation	\$ 2.0	\$ 0.7	\$ 0.9	\$ 0.9	\$ 0.9	\$ 3.3	\$ 0.9	\$ 3.6
Other (income)/expense	\$ (2.3)	\$ (0.1)	\$ (0.2)	\$ (0.1)	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.5
Interest expense	\$ 3.5	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 3.0	\$ 0.8	\$ 3.0
Income tax expense	\$ 7.6	\$ 1.2	\$ 1.1	\$ 0.7	\$ 2.6	\$ 5.5	\$ 1.8	\$ 6.2
Adjusted EBITDA	\$ 32.8	\$ 6.4	\$ 6.4	\$ 3.5	\$ 9.1	\$ 25.0	\$ 9.5	\$ 28.5
<i>Non-GAAP Operating margin</i>	10.4%	8.9%	8.1%	4.4%	9.7%	7.7%	10.3%	8.3%
Basic Shares Outstanding	35,289,616	35,396,705	35,491,725	35,472,298	35,399,724	35,345,785	35,051,034	35,353,695
Diluted Shares Outstanding	35,520,670	35,774,208	35,819,269	35,472,298	35,537,136	35,594,779	35,199,201	35,506,976
Earnings (loss) per share:								
Basic	\$ 0.24	\$ 0.03	\$ 0.01	\$ (0.03)	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.09
Diluted	\$ 0.23	\$ 0.03	\$ 0.01	\$ (0.03)	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.09
Non-GAAP earnings per share:								
Basic	\$ 0.55	\$ 0.09	\$ 0.09	\$ 0.01	\$ 0.10	\$ 0.28	\$ 0.14	\$ 0.34
Diluted	\$ 0.55	\$ 0.09	\$ 0.09	\$ 0.01	\$ 0.10	\$ 0.28	\$ 0.14	\$ 0.34

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>	Annual 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Annual 2021	Q1 2022	TTM
Net Cash provided by operating activities	\$ 4.4	\$ 9.9	\$ (5.8)	\$ 6.1	\$ 3.1	\$ 13.3	\$ (0.2)	\$ 3.2
Add: earn-outs classified as operating	\$ -	\$ -	\$ -	\$ 0.6	\$ -	\$ 0.6	\$ -	\$ 0.6
Capital Expenditures	\$ (3.9)	\$ (0.5)	\$ (0.5)	\$ (0.7)	\$ (0.9)	\$ (2.6)	\$ (0.7)	\$ (2.8)
Adjusted Free Cash Flow	\$ 0.5	\$ 9.4	\$ (6.3)	\$ 6.0	\$ 2.2	\$ 11.3	\$ (0.9)	\$ 1.0
TTM Adjusted FCF	\$ 0.5	\$ 3.9	\$ 3.5	\$ 3.4	\$ 11.3	\$ 11.3	\$ 1.0	\$ 1.0
TTM EBITDA	\$ 32.8	\$ 31.8	\$ 30.0	\$ 26.2	\$ 25.0	\$ 25.0	\$ 28.5	\$ 28.5
TTM FCF / EBITDA conversion	1.5%	12.3%	11.7%	13.0%	45.2%	45.2%	3.5%	3.5%

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.