

27th Annual Needham Growth Conference

January 17, 2025



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, 2023 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 identify and 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, 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: organic revenue, 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. Management believes that these measures provide individuals with additional information to better compare the Company's results over multiple periods. 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 "Appendix." Descriptions of many of these non-GAAP measures are also included in our SEC reports.

Update: January 16, 2025 Press Release

Company Announces Preliminary 2024 Results and Highlights Key Strategic Transactions:

(-) Q4 & FY 2024 Revenue and Adjusted EBITDA Revised

- *Updates FY'24 Revenue Range: \$555 to \$558M ... and ... Adjusted EBITDA Range: \$62 to \$63M*
- *Miss to '24 Sales and EBITDA "Rolls Into" 2025 as Customer-Driven Delays Abate (Too Late for '24 but materializes in '25)*

(+) Q4 Orders > \$210M Sets New Record By Significant Amount ... & New Record Backlog Entering 2025

- *Shatters Previous Quarterly Orders Record of \$165M ... Strength of Balanced Portfolio + Major Power Market Wins*
- *Follows Q3'24 Which Was "Near Record" at \$162M ... Sales Pipeline Remains at Highest Levels*

(+) Newly Announced Transactions:

- **Acquired Verantis in Late Q4'24:** *Adds \$45M of Sales + Accretive Margins + Extends Industrial Air Leadership Position*
- **Announced Intent to Divest CECO's Fluid Handling Business:** *Expect to Close in Late Q1'25*
- *The Net Impact of Adding Verantis and Divesting Fluid Handling Largely Offset*

(+) Completes Acquisition of Profire in Early January (As Previously Announced)

✓ Reiterates FY 2025 Outlook:

- *FY Revenue Range: \$700 to \$750M ... up ~ 30% at Midpoint vs. 2024*
- *FY Adjusted EBITDA Range: \$90 to \$100M ... up ~ 50% at Midpoint vs. 2024*
- *2025 Outlook Strengthened / Bolstered by Record Q4 Bookings + 2024 Revenue & EBITDA That Rolls Into 2024*

Company Overview

Leading Businesses

- **Balanced, Niche Leadership Positions**
 - Industrial Air
 - Industrial Water (*new since 2020*)
 - Energy Transition
- **Global: ~ 50% of Orders Outside U.S.**
- **Strong Organic Growth**
 - Averaged 10%+ Organic Since 2021
 - Record Backlog Positions Us for Future

Sustainable Value Creation

- **Focused Capital Allocation Model**
 - Invest in Organic Growth / Expansion
 - Debt Management
 - Programmatic M&A
 - Stock Buybacks
- **Proven M&A Track Record**
 - ~ 50% of Acquisitions Doubled Sales within 24 months of Deal
- **Management Aligned w/ Shareholders**

Forbes 2024

AMERICA'S MOST
SUCCESSFUL
SMALL COMPANIES

Programmatic M&A
~ Dozen Strategic
Deals Since mid-2020



CECO Environmental ... *Mission Critical* ...



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



CECO Environmental ... Global Company To Serve Global Opportunities



 Global HQ:
Dallas, TX

 Sales, Engineering
& Admin

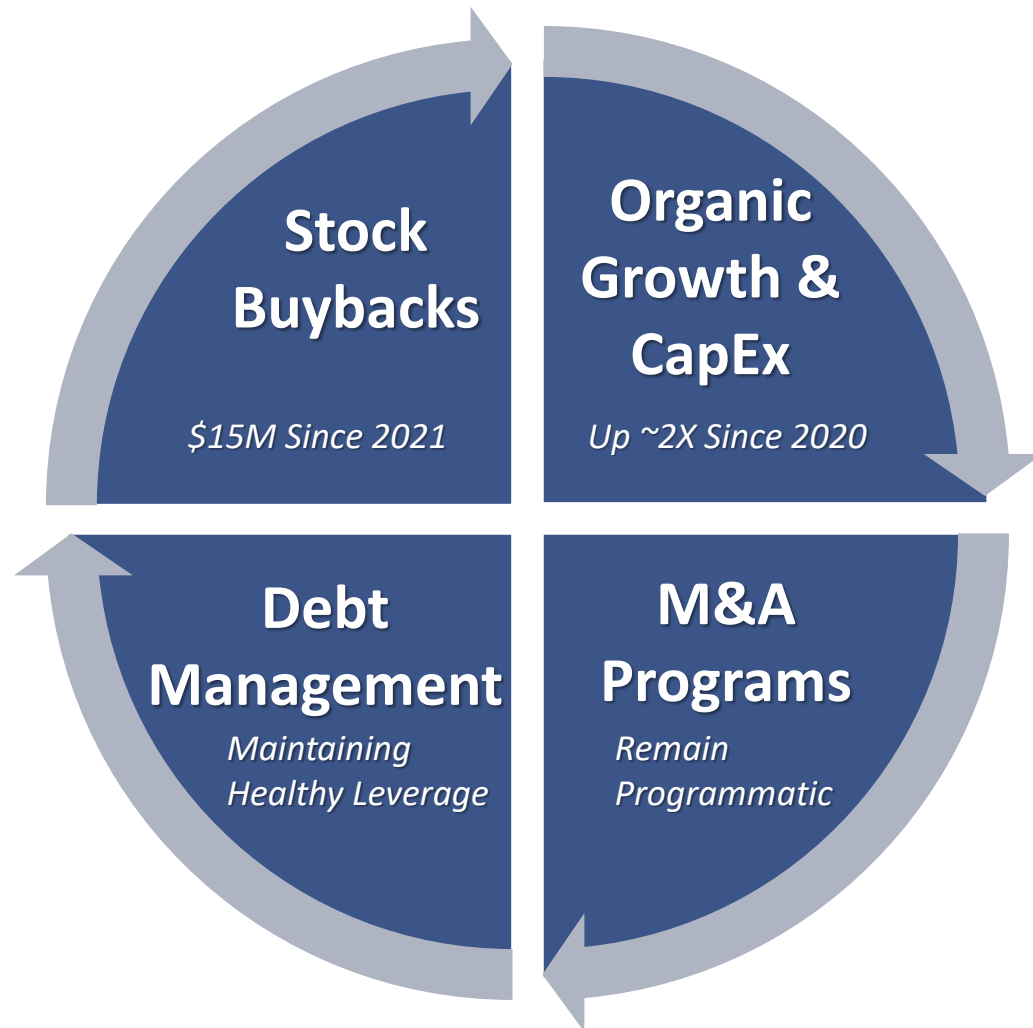
 Manufacturing & Assembly

 ~1,500 Employees worldwide

 ~40% Sales Outside of US

CECO Environmental ... Focused Capital Deployment For Growth ...

Capital Allocation Strategy



Investment Drivers

Organic Growth Programs / Investments

- Sales Team, Engineers and Project Managers
- CapEx: Biz. Growth, ERP Migration, Cybersecurity

M&A Transactions

- Active Pipeline ... Air / Water / Energy Transition
- Targeting ROIC > 25%

Debt Management

- Maintain a Healthy Balance Sheet
- New Credit Facility Expands Capacity

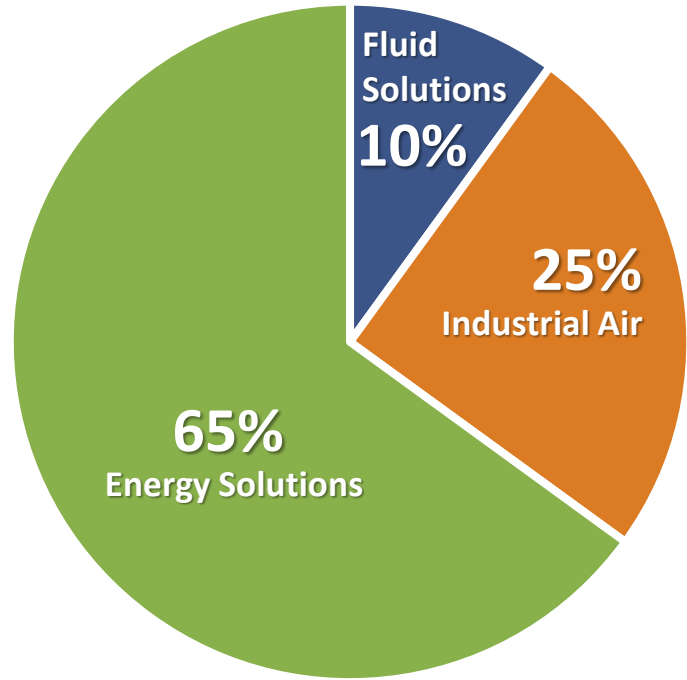
Stock Buybacks

- \$15M repurchased since 2021 (avg. price ~ \$8.20)
- \$10M remaining on authorization

CECO Environmental ... A Transformational Journey ...

- Legend:**
- 2020 financials are based on December 31st, 2020
 - 2020 Stock Price as of July 6, 2020 (Timing of new CEO)
 - 2024 Growth financials are based on Q3'24 TTM
 - Current Stock Price as of close of business Jan. 15, 2025
 - TTM = Trailing 12 Months

2020 Portfolio Mix



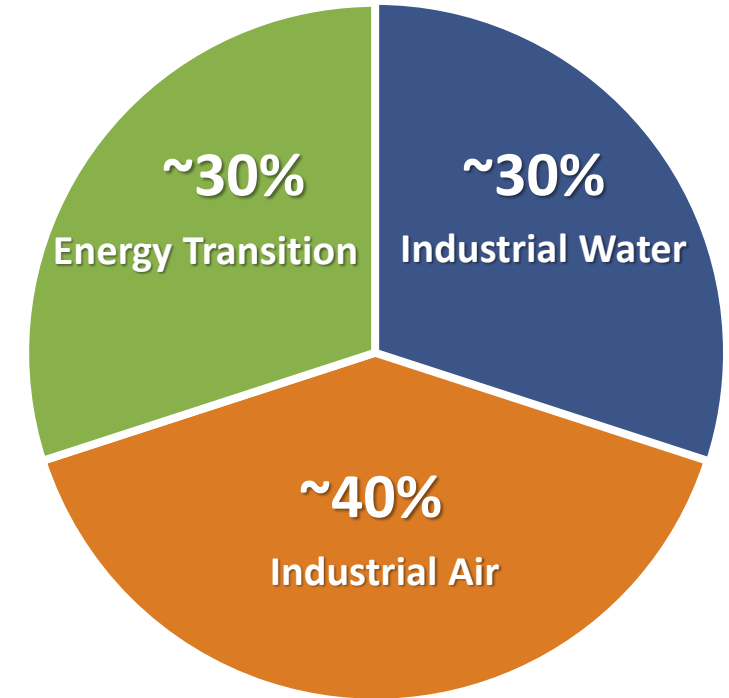
Growth

2020		2024TTM
\$316M	Revenue	\$553M +75%
\$183M	Backlog	\$438M +139%

Shareholder Value

2020		Current
\$6.36	Stock Price	\$31.83 +400%
\$225M	Market Cap	\$1,1B +395%

2024 Portfolio Mix



- ✓ Advancing Our Leading Industrial Air Portfolio
- ✓ Building Industrial Water ... From “Nothing” in 2020 to ~ 30% in 2024
- ✓ Maintaining Our Leadership Position in Energy As The Market Transitions

100% Industrial End-Market



Diversified Industrials

- General Industrial
- EV Production & Battery
- Beverage Can Production
- Food & Beverage Production
- Metals
- Water / Wastewater
- Semiconductor

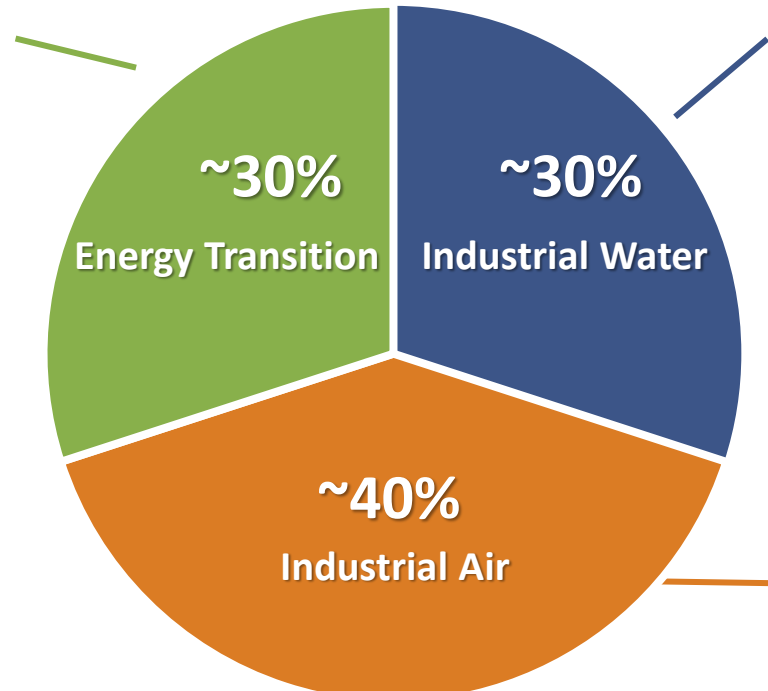


Energy Transition / Power

- Power Generation
- Datacenter Power Management
- Midstream Oil & Gas
- Refining Processes
- Petrochemical Processing
- Nuclear & Geothermal
- Carbon Capture

100% Environmental Solutions

- Emission Management
- Thermal & Acoustics Management
- Gas & Liquid Separation/Filtration
- Cyclonic Separation
- Combustion Mgmt
- Carbon Capture



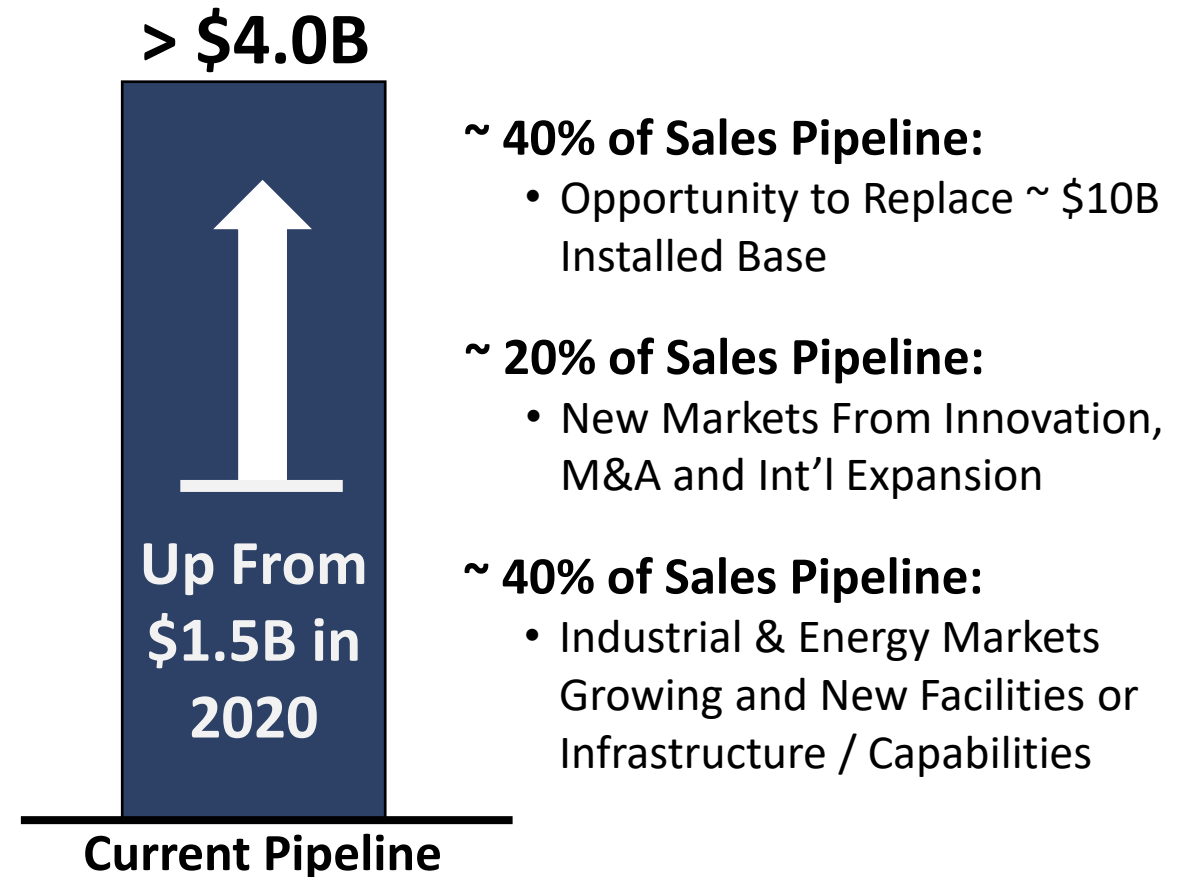
- Supply Water Treatment
- Waste Water Treatment
- Ultra-Pure Water Supply
- Produced Water Treatment
- Oily Water Separators
- Reverse Osmosis

- Thermal Abatement
- Silencers
- Wet/Dry Scrubbers
- Oil Mist & Smoke Removal
- Odor Management
- Dust Removal
- Air Flow Management

Mix of Revenue

- ~ 30%** *Of Sales from Aftermarket, Services and Standard Product / Quick Shipment Sales*
- ~ 25%** *Of Sales from Standard or Lightly Configured Engineered Solutions*
- ~ 45%** *Of Sales from Customized / Highly Engineered Solutions & Services*

Sales Pipeline*



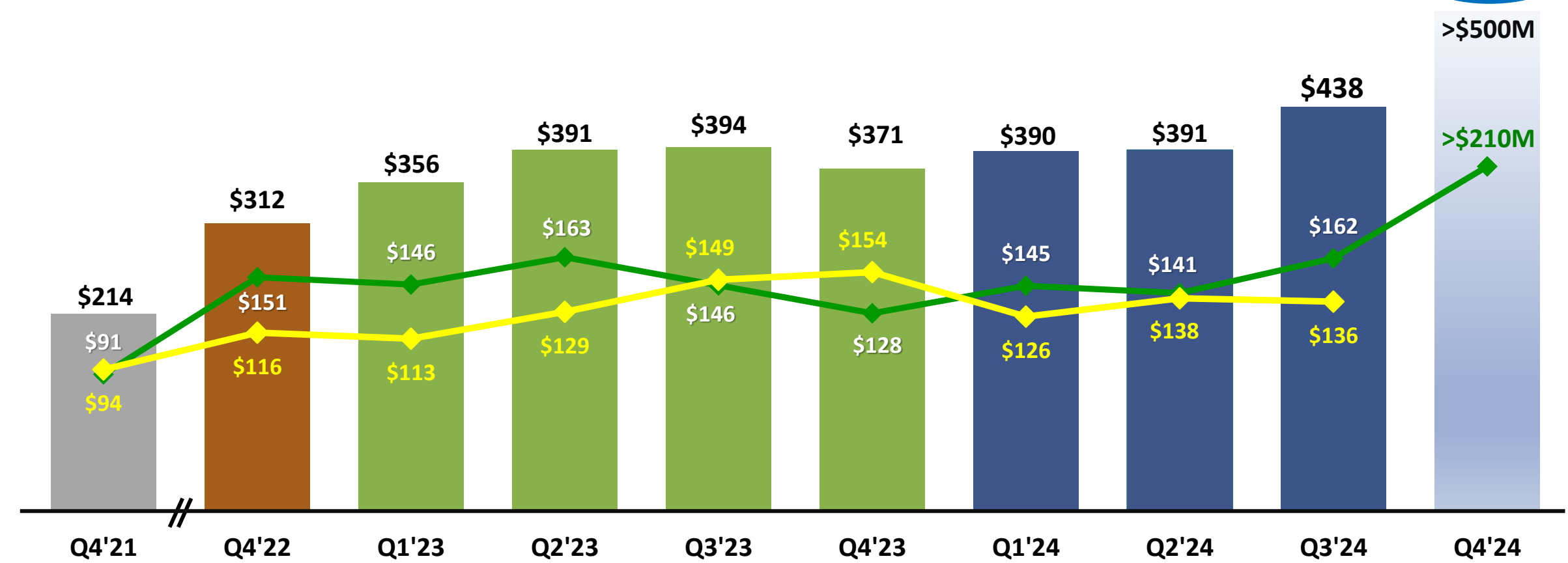
Record Orders Establishes New Record Backlog

(\$MM)

B2B = Book to Bill

* Starting Backlog – Revenue + Net Orders +/- FX + Acquired Backlog = Ending Backlog

Company Record



Book-to-Bill

FY'21
~ 1.1x

FY'22
~ 1.2x

FY'23
~ 1.1x

YTD'24
~ 1.2x

Backlog

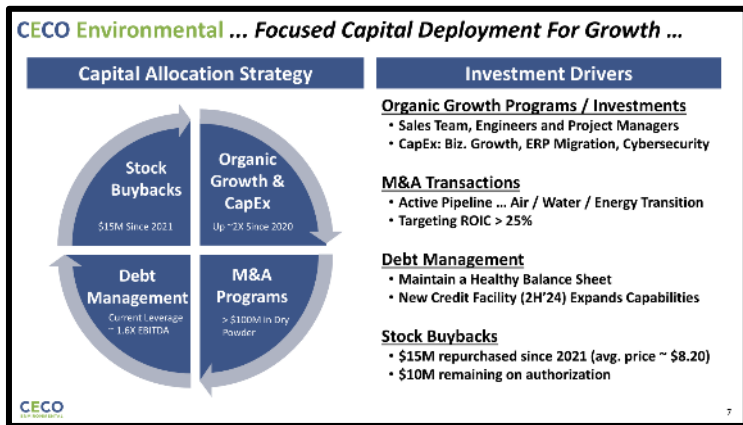
Orders

Revenue

Continue to Execute On Portfolio Transformation

* Additional Information in Appendix

2020 – 2025 Programmatic M&A



- Completed ~ Dozen Transactions '20 - '25
- Doubled Size in 50% of Acquired Companies Within ~ 24 Months
- “Walked Away” From Many Transactions Not Meeting Screening Criteria
- Built Ind’l Water ... Added Key Ind’l Air ... Expanded Energy Transition

2024 Completed Portfolio Actions*



Ind’l Air business
Closed Jul '24



Ind’l Air business
Closed Oct '24



Ind’l Air business
Closed Dec '24

Accretive Strategic Acquisitions to Advance Ind’l Air Leadership

2025 Portfolio Actions*



- Closed Jan 3, 2025
- Public Company and Corporate Cost Synergies
- Significant Growth: Ind’l Markets
- Significant Growth: Int’l Markets
- Significant Growth: Packaged Solutions

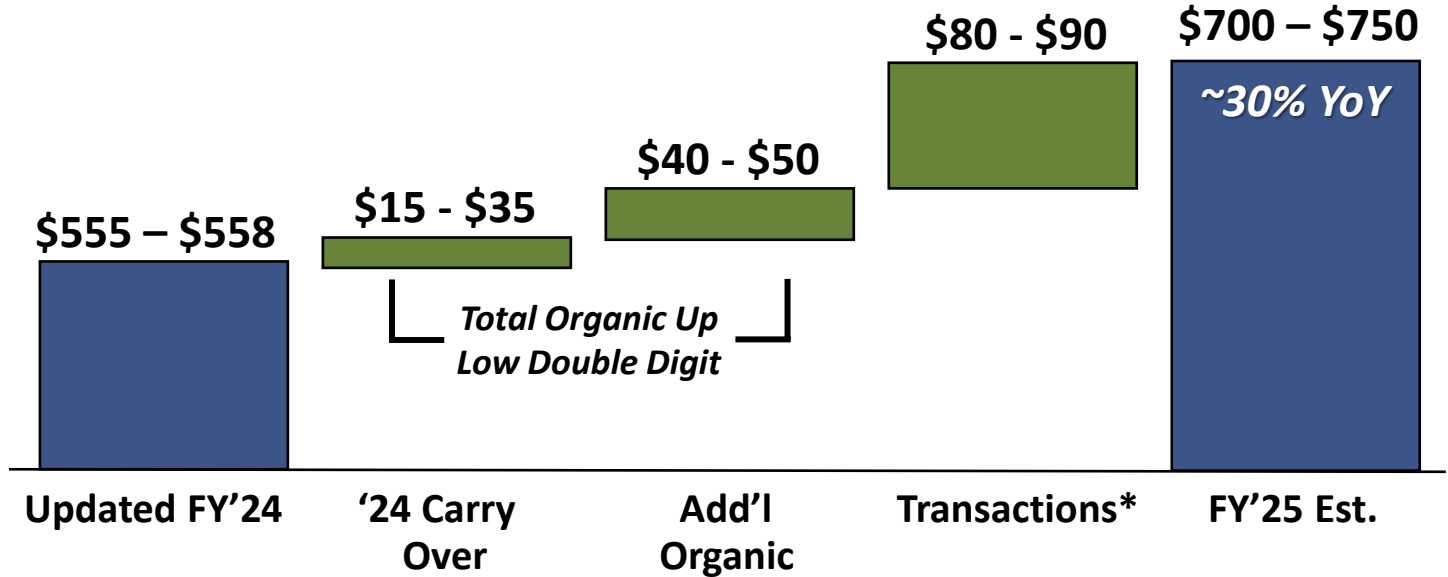


- Announces intent to divest business by late Q1
- Process initiated in 2024
- Brands ... Dean Pump, Mefiag, Fybroc and Sethco
- Three locations: Indiana, Pennsylvania and Netherlands

Maintaining Full Year 2025 Outlook

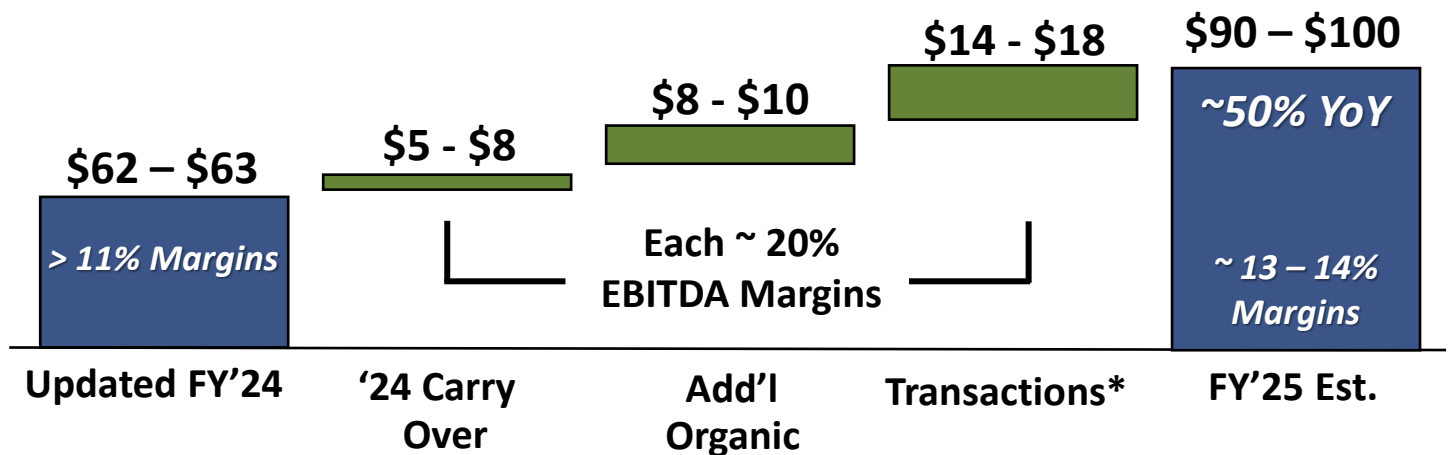
Full Year Revenue

2025 Range
\$700M to \$750M
Up ~ 30% YoY at Midpt.



Full Year Adjusted EBITDA

2025 Range
\$90M to \$100M
Up ~ 50% YoY at Midpt.



CECO Environmental ... Summary

- **Challenging 2024 Negatively Impacted by Customer Driven Project Delays**
- **2024 Revenue and EBITDA “Miss” Rolls Into 2025**
- **Incredible Record Orders in Q4 and Very Strong 2H 2024**
- **Portfolio Transformation Continues Through Programmatic M&A**
- **Proposed Sale of Fluid Handling Business More Tightly Aligns Portfolio**
- **Reiterating 2025 Full Year Outlook with 2H Bookings Momentum, Strong Market / Pipeline, and Accretive M&A**

Thank You For Your Interest & Support

Appendix: M&A Transaction Summary

Verantis Environmental Solutions Group (“Verantis”) Snapshot

Business Overview



- **Leading Engineered Solutions Provider:** Industrial Air Treatment and Industrial Particulate Contaminant removal
- **Founded 1920** ... Established International Brand
- **Core Segments:** Semiconductors, Chemicals, Wastewater
- **Core Offerings:** Scrubbers and Waste incinerators
- **Resources:** Offices in Ohio, Singapore and China; manufacturing facility in Ohio. ~75 employees
- **Installed Base:** >1,000 Systems = Growing Parts & Service Biz.
- **Strong Leadership Team:** Technical + Market Knowledge

Financial Profile / Transaction Metrics

- **FY'24 Sales:** ~ \$45M with Steady Double-Digit Growth since '19
- **Current Sales Footprint:** Global
- **Profit Profile:** Accretive Gross Margins and EBITDA Margins
- **FCF:** Strong Cash Flow Generation
- **Transaction Summary:**
 - **Growth:** Increase access to growing industries
 - **Growth:** Complements Multiple CECO Industrial Air Brands
 - **Accretive Multiple:** Similar to Deal Multiples in '22 and '23

Products & Solutions



Strategic & Accretive Transaction ... Expands Leadership in Industrial Air

Business Overview

- **Description:** Leading North American supplier of mission-critical combustion automation and control solutions and services to improve environmental efficiency, safety and reliability for natural gas and biogas-fired applications
- **Core Offering:** Combustion Automation & Control Solutions supporting customer and industry regulatory compliance, emissions reduction, safety, and ESG objectives
- **Large Installed Base:** ~100K systems, entering replacement cycle
- **Diversified End Markets:** Oil & Gas, Petrochemical, Natural Gas Utilities; and growing exposure to Energy Transition: RNG, Biogas and Biofuels; and Industrial Operations
- **Founded 2002:** Established brand with a blue-chip customers
- **Headquarters & Manufacturing:** Lindon (Salt Lake City), Utah
- **R&D Center:** Edmonton - Alberta, Canada
- **Service / Distribution** in multiple states
- **Resources:** ~130 employees, > 10% field service

Financial Profile / Accretive Acquisition

- **Purchase Price, net of cash:** ~ \$108M, ~9x pre-synergies
- **Profire Energy Management's 2024 Full Year Outlook:**
 - **Sales:** ~\$60M, up ~5% YoY => Record revenues
 - **Gross Profit:** ~50%
 - **Adj EBITDA:** ~20%
 - **FCF Conversion:** ~100%

Products & Solutions



High Value Creating Transaction ... Adds Leadership and Strong Financial Profile

WK Group Transaction Closed in Early October 2024

Business Overview



- **Leading Engineered Industrial Air Solutions Provider:** Industrial Exhaust Air and Industrial Particulate Contaminant Treatment
- **Founded 1959 in Wetzlar, Germany, Expanded to Asia-Pacific in 2003** ... Established International Brand with a Diversified, international blue-chip customer base
- **Core Segments:** Semiconductor, Pharma, Chemicals, Automotive
- **Core Offerings:** Range of air treatment technologies aimed at improving the efficiency and performance of industrial processes and minimizing their impact on the environment
- **Resources:** Strategically located sites in Singapore, Germany, China and India with ~120 employees, a majority with technical degrees
- **Installed Base:** >1,500 Systems
- **Strong Leadership Team:** Technical + Market Knowledge

Financial Profile / Transaction Metrics

- **TY2024E Sales:** ~ \$15M with ~ 20% aftermarket & short cycle
- **Current Footprint:** Europe, SE Asia, China and India
- **Growth Profile:** 2020-23 Revenue CAGR of 15%
- **Margin Expansion Potential:** >500 bps improvement
- **Accretive Multiple:** Similar to deal multiples in '22 and '23
- **Rationale:**
 - **Growth:** Global expansion, New end markets and applications
 - **Market Coverage:** Expands presence in attractive end markets
 - **Capability Expansion** : Close portfolio gaps, add Technical + Project FTEs

Products & Solutions That Cleanse / “Scrub” Industrial Waste Streams



Oxidizers



Incinerators



Wet & Dry
Scrubbers



Burner
Technologies

Strategic & Accretive Transaction ... Expands Leadership in Industrial Air

Transaction Closed in Late July 2024

Business Overview



- **Leading Engineered Solutions Provider:** Industrial Air Treatment and Industrial Particulate Contaminant removal
- **Founded 1981** ... Established International Brand
- **Core Segments:** Chemicals, Cement, Food, Mining & Metals, Fertilizer/Ag and Municipal
- **Core Offerings:** Evaporative Gas Conditioning, Wet Scrubbers, Wet Electrostatic Precipitators – with multiple active patents
- **Resources:** ~ 22K SF facility in N. California ... ~20 employees
- **Installed Base:** >1,000 Systems = Growing Parts & Service Biz.
- **Strong Leadership Team:** Technical + Market Knowledge

Financial Profile / Transaction Metrics

- **2024 FY Sales Est:** ~ \$13M with 30% aftermarket & short cycle with attractive growth profile
- **Current Sales Footprint:** Mostly N. America
- **Profit Profile:** Accretive Gross Margins and EBITDA Margins
- **FCF:** Strong Cash Flow Generation
- **Transaction Summary:**
 - **Growth:** Accelerate Global Expansion + Aftermarket
 - **Growth:** Compliments Multiple CECO Industrial Air Brands
 - **Accretive Multiple:** Similar to Deal Multiples in '22 and '23

Products & Solutions



Evaporative Gas Systems



Wet Scrubbers



MercuryPak



Mercury Retort Furnace



Wet Electrostatic Precipitator



Saracco Scum Concentrator

Strategic & Accretive Transaction ... Expands Leadership in Industrial Air