



Q2'21 Earnings Release

August 3, 2021

CECO
ENVIRONMENTAL



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.

Q2: Strong Orders Growth Supports Continued Growth

(\$MM)

	<u>Q2'21</u>	<u>YoY %</u>	<u>Seq %</u>	<u>Comments</u>
• Orders:	~ \$86	+43%	(7)%	Strong bookings expected to continue
• Sales:	~ \$79	+5%	+9%	Growing backlog → Growing Sales

Book-to-Bill ~ 1.1X ... Backlog Above \$210M ... Pipeline > \$2B

• Gross Margin:	32.1%	(220)bp	(190)bp	} Good Performance in the Quarter (-) Short term Project Mix; Modest Inflation Impact Q2'20 Benefitted from 1X Furlough (\$2M)
• Adj. EBITDA:	\$6.4	(\$1.8)	Flat	
• Adj. EPS:	\$0.09	(\$0.05)	Flat	
• FCF:	(\$6.3)	(\$0.4)	(\$15.7)	Seq. FCF Chippy = Project Timing

In Good Position for Continued Revenue Growth / Momentum

Q2 2021 Financial Results

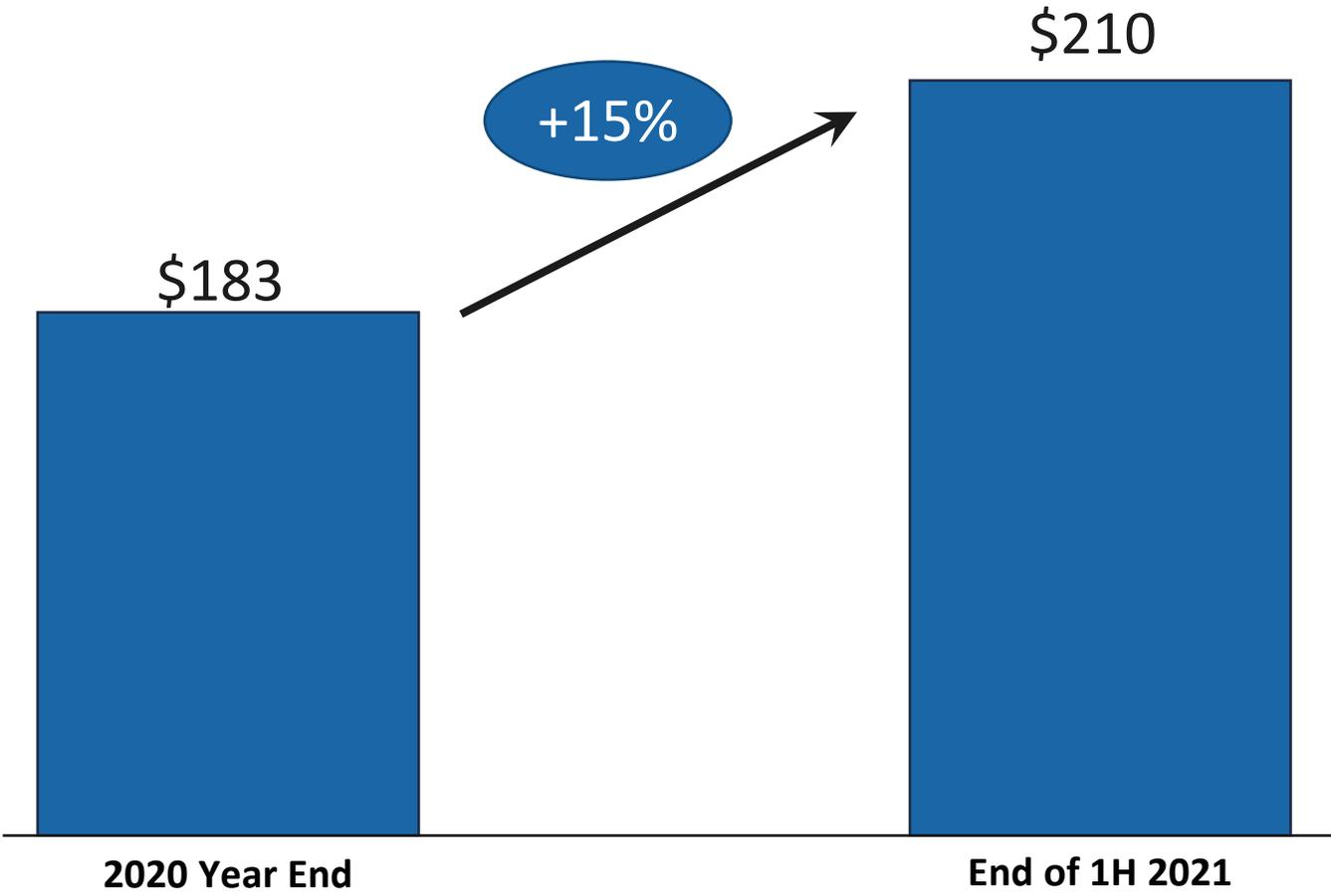
Key Take Away From 1H 2021:

(\$MM)

Order's Growth

- + Up 30% YTD
- + Balanced Across Most Platforms
- + Ability to Maintain Price & Margins

Year-to-Date Backlog Growth

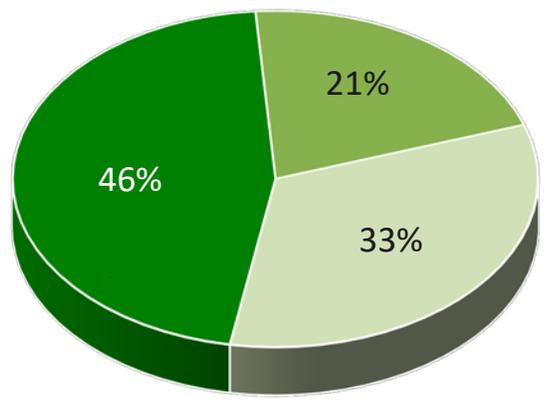


Completed our reorganization into market-focused, leadership platforms

Platform Solutions

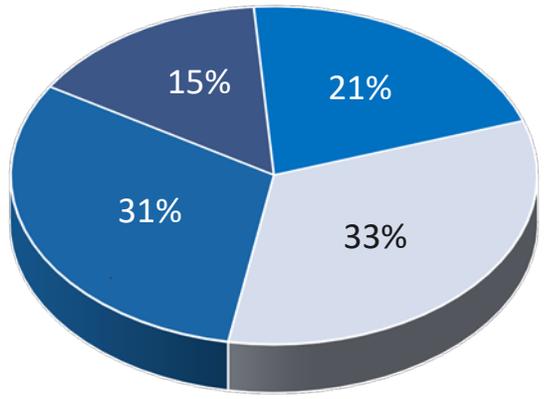
Industrial Air Filtration

- Particulate Filtration
- Scrubbers
- Chemical Abatement
- Thermal Abatement



Emissions Management

- De-NOx Reduction
- Exhaust Control
- Analytical Services



Separation

- Gas Separation
- Water Treatment

Industrial Ventilation

- Duct Fabrication
- Installation

Fluid Handling & Filtration

- Pumps
- Liquid Filtration

Thermal Acoustics

- Noise Abatement
- Vibration Control

Fluid Bed Cyclones

- Catalyst Recovery
- Third-Stage Separation

Segments

(\$MM)



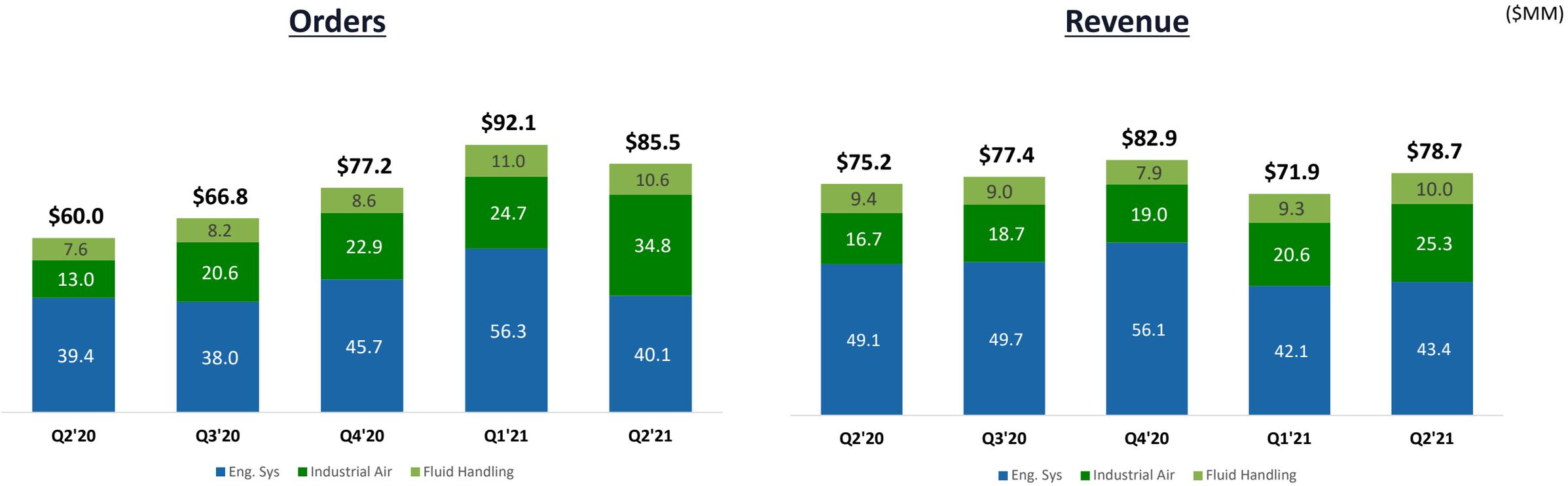
Revenue Mix
(2020)



Q2'21 Financials



Orders & Revenue grew YoY ... balanced with Industrial Air leading the way



- Engineered Systems orders (29)% sequentially on Emtrol timing and +2% YoY ... Revenue higher in Q2'21 on strong bookings in Q1'21
- Industrial Air +41% seq. and +171% YoY... Performing very well in a growing market ... EIS acquisition adds int'l strength
- Fluid Handling (4)% seq. but markets remain good ... +39% YoY on Mefiag-branded Liquid Filtration solutions for the automotive market
- Short cycle revenue totaled \$17.9 million, up \$0.3 or 2% sequentially and +0.2 YoY or 1% on site installation services



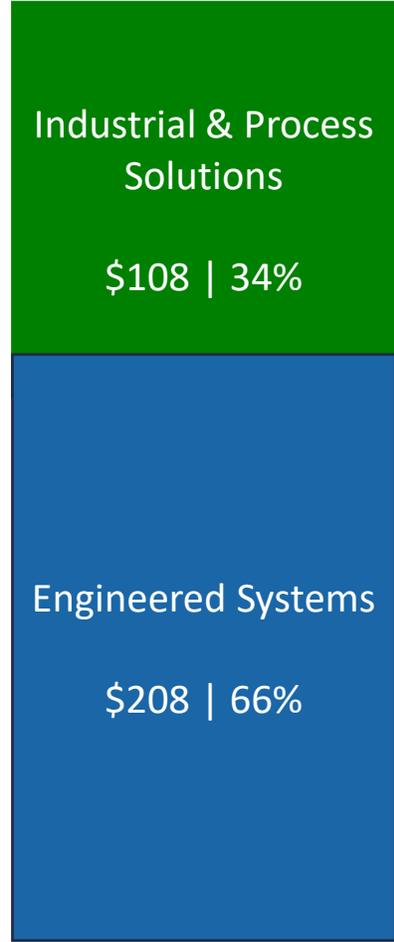
(a) Gross Bookings, excludes Cancellations

Orders Information by end markets served

End Markets Served

		<u>Orders</u>	<u>YoY</u>	<u>Seq.</u>	
Industrial Air	Q2:	\$35	+171%	+41%	Investment = Results
	1H'21:	\$60	+64%	+37%	
	TTM:	\$103	+34%		
Fluid Handling	Q2:	\$11	+39%	(4)%	Solid Growth
	1H'21:	\$22	+19%	+29%	
	TTM:	\$38	+7%		
Power Gen	Q2:	\$21	+40%	(17)%	Early Upturn
	1H'21:	\$46	+43%	+28%	
	TTM:	\$83	(13)%		
Midstream O&G	Q2:	\$12	(10)%	(17)%	Last to Recover
	1H'21:	\$27	(14)%	(24)%	
	TTM:	\$63	(8)%		
Refinery	Q2:	\$7	(36)%	(57)%	Market Improving
	1H'21:	\$23	+25%	+93%	
	TTM:	\$35	(19)%		

Segments



Revenue Mix
(2020)



* Gross Orders, excludes Cancellations

Strong bookings generates positive book/bill ratio

(\$MM)



- 1.09x Book/Bill ratio... 2nd consecutive quarter of backlog growth
- TTM Book to Bill Ratio at 1.03x...YTD '21 = 1.18x
- Backlog up 3% sequentially and 3% Year over Year
- CECO's 12-month Orders Pipeline remains ~\$2B...18 month ~\$2.5B..up \$0.3MM

Book/Bill	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
	0.80	0.86	0.93	1.28	1.09

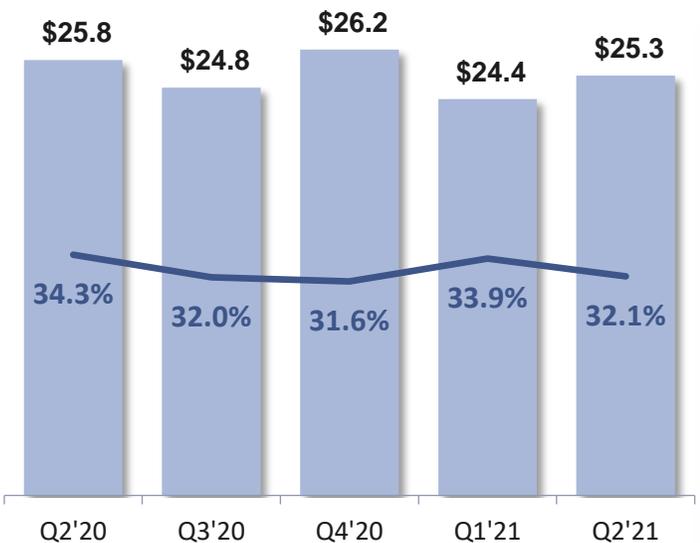


** Starting Backlog – Revenue + Gross Orders – Cancellations +/- FX = Ending Backlog. FX typically +/- ~\$1-3 per quarter.

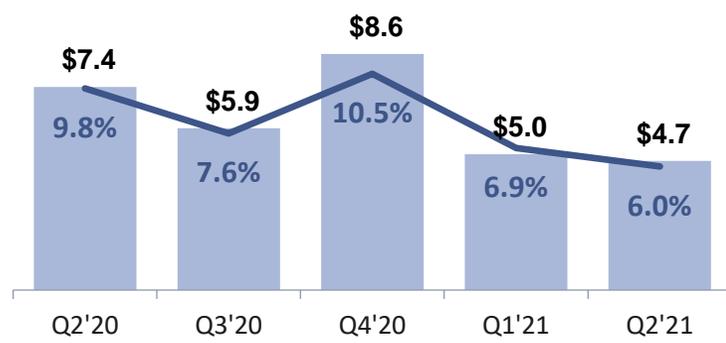
Profitability metrics to expand as volume increases in 2nd half

(\$MM)

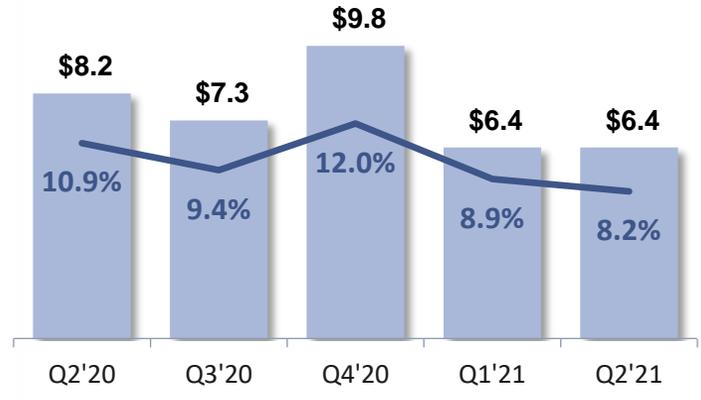
Non-GAAP Gross Profit



Non-GAAP Operating Income



Adjusted EBITDA



- Q2'21 GM at 32.1%... down (1.8)pts sequentially and down (2.2) pts Y/Y due to project mix
- Q2 Non-GAAP OI and EBITDA down Y/Y primarily on GM% and non-repeat of prior year 1-time furlough

Strong Orders an indicator of 2nd half and '22 growth... Q2 EBITDA & EPS in-line with expectations

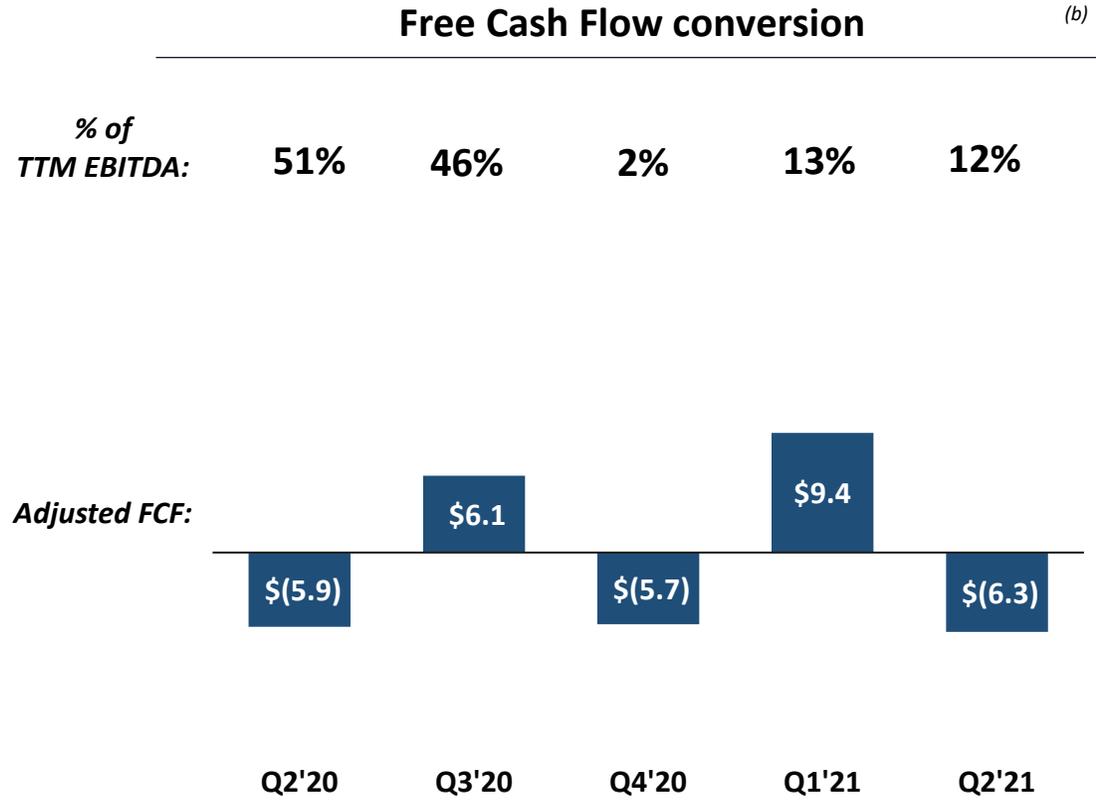
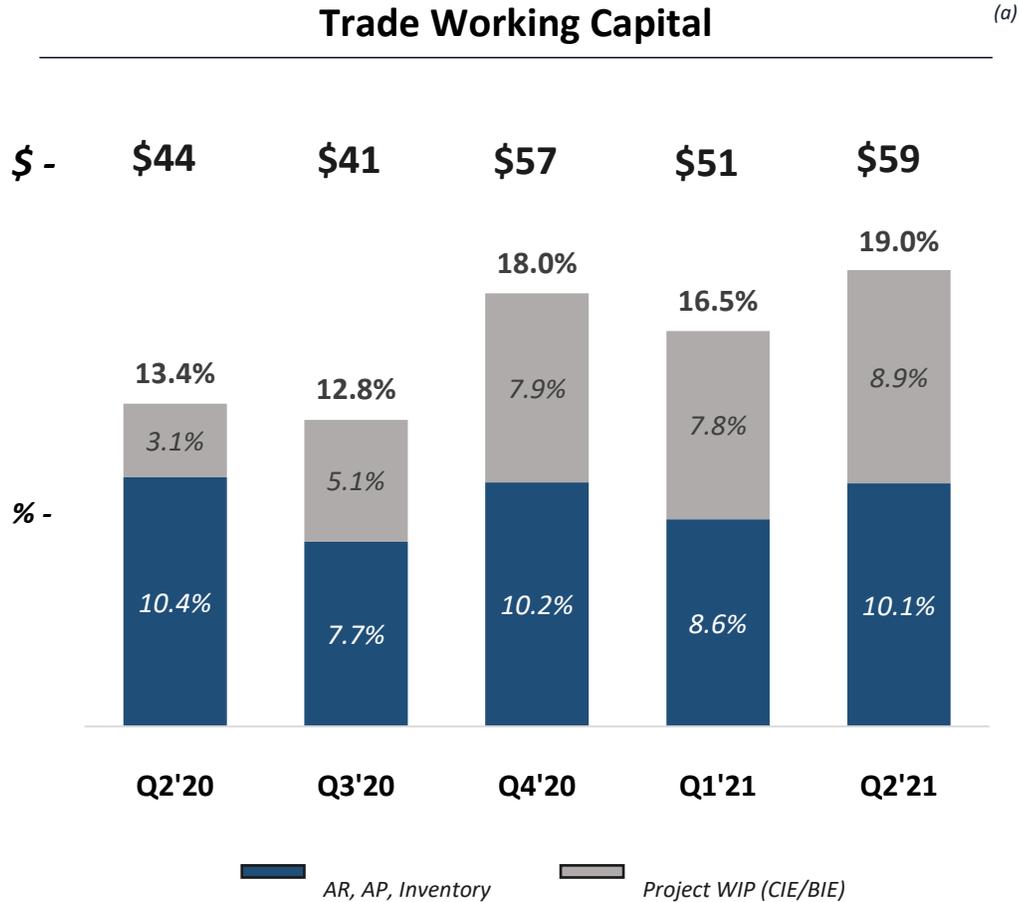
(\$MM)

	Three Months Ended			Q/Q
	Q2'21	Y/Y	Y/Y \$	
GAAP:				
Orders	\$ 85.5	43%	\$ 25.5	(7%)
Revenue	\$ 78.7	5%	\$ 3.5	9%
Gross Profit	\$ 25.3	(2%)	\$ (0.5)	4%
-%	32.1%	(2.2)pts		(1.8)pts
Op Income	\$ 2.1	(51%)	\$ (2.3)	(31%)
-%	2.7%	(3.1)pts		(1.6)pts
Diluted EPS	\$ 0.01	(91%)	\$ (0.08)	(0.03)
Non-GAAP:				
Op Income	\$ 4.7	(36%)	\$ (2.7)	(5%)
-%	6.0%	(3.8)pts		(0.9)pts
Adj. EBITDA\$	\$ 6.4	(22%)	\$ (1.8)	0%
-%	8.2%	(2.7)pts		(0.8)pts
Diluted EPS	\$ 0.09	(39%)	\$ (0.05)	-
Adj. FCF	\$ (6.3)	7%	\$ (0.4)	(15.7)

- \$85.5 of Orders +43% Y/Y, down (7%) Sequentially... Energy markets remain slow
 - Revenue +5% Y/Y and 9% sequentially... driven by Industrial & Fluid volume
 - Gross margin rates down Y/Y and sequentially on short-cycle and project mix
-
- Non-GAAP EPS of 9 cents in-line with consensus
 - 8.2% EBITDA down (2.7)pts on project mix and absence of PY furlough (~\$2)
 - \$(6.4) free cash flow lower in Q2 due to timing & mix of project billings
 - Continue to anticipate full-year non-GAAP ETR% of 25%

FCF decline in Q2 on timing of collections and project milestones

(\$MM)



• Lumpiness of projects & customer mix driving TWC higher

• \$3.1 of FCF generated YTD... \$4.1 of CFOA less \$(1.0) CAPEX



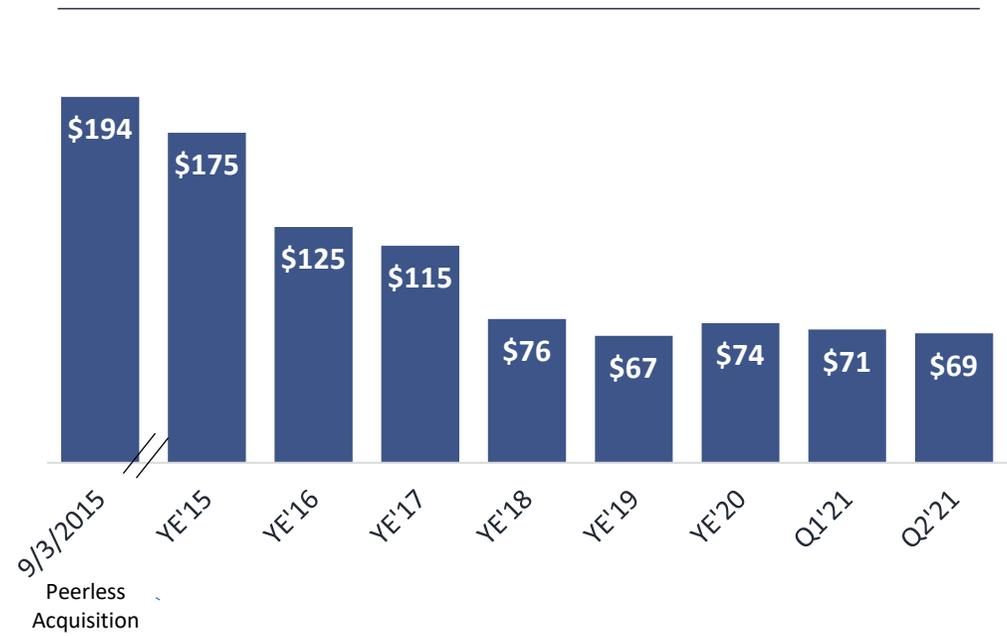
(a) W/C includes: Trade AR, Trade AP, Inventory and Cost/Billings of on TTM Revenue; Reported Basis.

(b) Adjusted Free Cash Flow = Cash Flow From Operations less Earnout classified as Operating Cash Flow less CAPEX spend.

Continue to pay down debt... Balance sheet in healthy position

(\$MM)

Debt Paydown



Balance sheet

	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
Term Debt	\$ 47.5	\$ 46.9	\$ 46.9	\$ 45.6	\$ 45.0
Revolver	32.0	31.0	27.7	25.0	23.6
Total Debt	\$ 79.5	\$ 77.9	\$ 74.6	\$ 70.6	\$ 68.6
Cash	\$ 43.1	\$ 46.3	\$ 37.8	\$ 43.3	\$ 34.5
Bank Defined Leverage Ratio	1.7x	1.8x	1.9x	1.9x	2.1x
Total Net Debt/TTM EBITDA	0.8x	0.8x	1.0x	0.8x	1.1x

- Consistent debt paydown of \$(2) in Q2... ~\$45 of capacity under credit facility
- Cash on hand is split 22% North America and 78% International



Looking Forward



In Great Position to Execute Strategy ... Will Leverage These 3 Things:



- Re-organized CECO business structure → Market-focused businesses
- Navigated major Covid impacts → Backlog at approximately pre-Covid levels
- Streamlined costs, systems & processes → Less SG&A & complexity ... Sustainable Structure

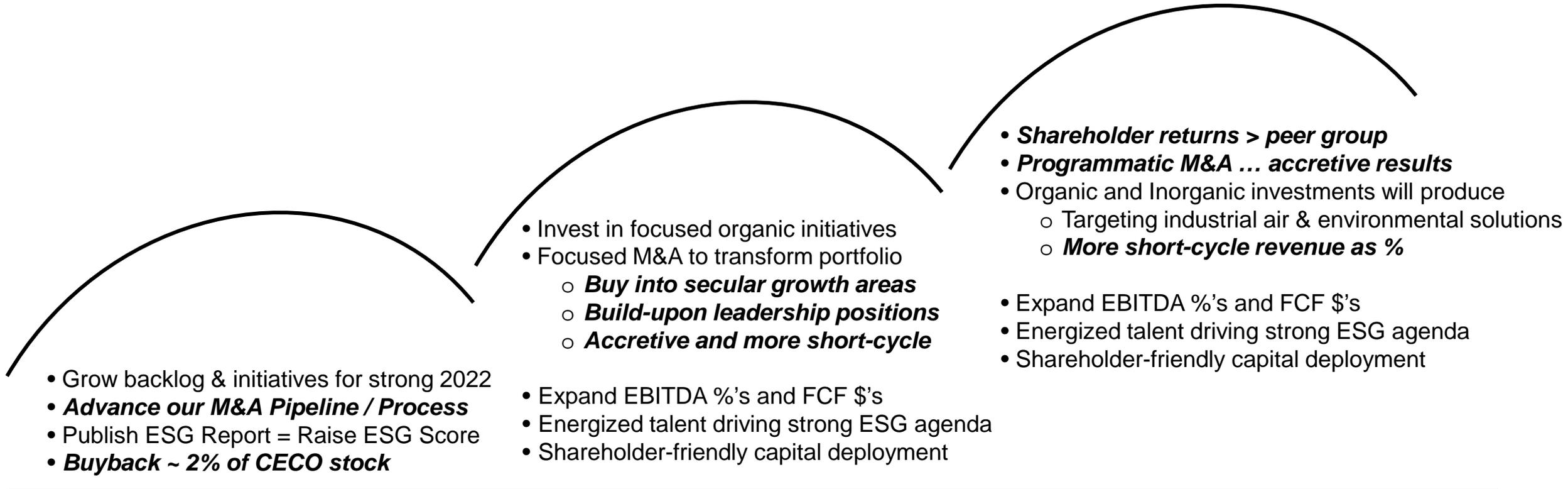


- +30% Orders Growth YTD ... More in 2H → Provides revenue support for 2022+
- Pipeline shows most markets with upside → Energy markets have been weaker but turning ...
- ESG-Focus: Higher Awareness & "Score" → Customers requesting & trillions in Investor \$'s



- Healthy balance sheet = M&A Pipeline → Programmatic M&A ... focused and accretive
- Portfolio optionality ... selective seller → Drive portfolio forward with the right options
- Drive shareholder value ... deploy capital → Share Buyback announced ...

Leverage foundation, momentum and optionality to execute plan



- Grow backlog & initiatives for strong 2022
- **Advance our M&A Pipeline / Process**
- Publish ESG Report = Raise ESG Score
- **Buyback ~ 2% of CECO stock**

- Invest in focused organic initiatives
- Focused M&A to transform portfolio
 - **Buy into secular growth areas**
 - **Build-upon leadership positions**
 - **Accretive and more short-cycle**
- Expand EBITDA %'s and FCF \$'s
- Energized talent driving strong ESG agenda
- Shareholder-friendly capital deployment

- **Shareholder returns > peer group**
- **Programmatic M&A ... accretive results**
- Organic and Inorganic investments will produce
 - Targeting industrial air & environmental solutions
 - **More short-cycle revenue as %**
- Expand EBITDA %'s and FCF \$'s
- Energized talent driving strong ESG agenda
- Shareholder-friendly capital deployment

Next Six Months



Solidify Position for Transformational Actions

6 - 18 Months



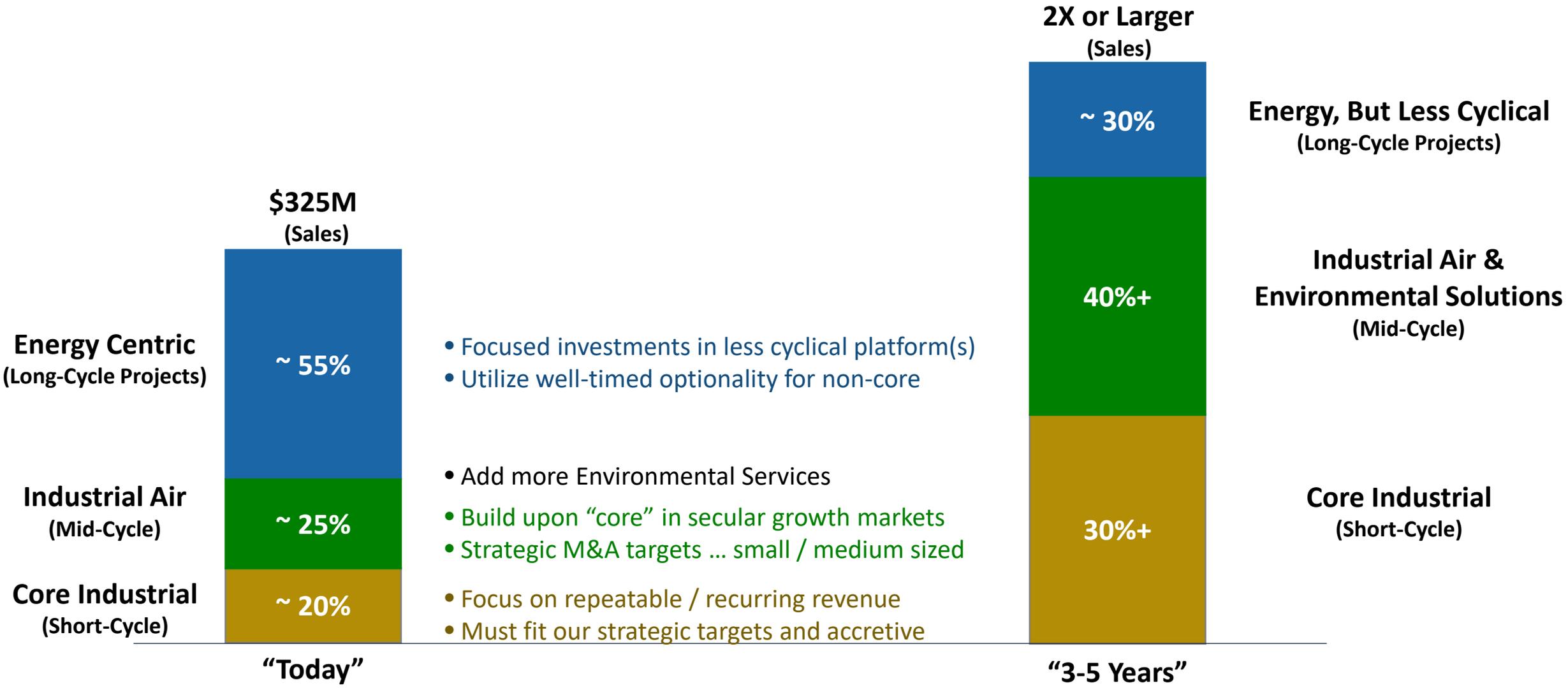
Clear Transformation Underway & Sustainable Results

2022 - 2025+



Continue to Advance Our Strategy and Shareholder Returns

An Environmentally-focused, Diversified Industrial Leader



- Focused investments in less cyclical platform(s)
- Utilize well-timed optionality for non-core
- Add more Environmental Services
- Build upon “core” in secular growth markets
- Strategic M&A targets ... small / medium sized
- Focus on repeatable / recurring revenue
- Must fit our strategic targets and accretive



Long-cycle Projects = 9-to-18-month revenue turn
 Mid-cycle Projects = 3-to-9-month revenue turn

In Summary ...

- Thank you Team CECO ... Commitment to our customers and health & safety!
- Strong 1H 2021 ... Rebuilding our Backlog critical ... Platform organization focused on growth
- Stock buyback program is expected to repurchase ~ 2 percent of common stock in 2021
- \$2B sales pipeline maintains confidence in momentum for 2H'21 and 2022+
- Continue to focus on organic growth and begin to drive programmatic M&A / strategy

Questions?

Supplemental Materials

Other Information

And

Non-GAAP Reconciliation

Revenue excluding Acquisitions & Divestitures

<i>(dollars in millions)</i>	Annual 2018	Annual 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Annual 2020	Q1 2021	Q2 2021	TTM
Revenue as report in accordance with GAAP	\$ 337.3	\$ 341.9	\$ 80.5	\$ 75.2	\$ 77.4	\$ 82.9	\$ 316.0	\$ 71.9	\$ 78.7	\$ 310.9
Less revenue attributable to divestitures	\$ (9.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less revenue attributable to acquisitions and joint ventures	\$ -	\$ -	\$ -	\$ (0.5)	\$ (5.9)	\$ (2.3)	\$ (8.7)	\$ (2.7)	\$ (5.5)	\$ (16.3)
Organic Revenue	\$ 328.0	\$ 341.9	\$ 80.5	\$ 74.7	\$ 71.5	\$ 80.6	\$ 307.3	\$ 69.2	\$ 73.2	\$ 294.6

Non-GAAP Gross Profit and Margin

<i>(dollars in millions)</i>	Annual 2018	Annual 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Annual 2020	Q1 2021	Q2 2021	TTM
Gross Profit as report in accordance with GAAP	\$ 111.5	\$ 114.0	\$ 28.3	\$ 25.8	\$ 24.8	\$ 26.2	\$ 105.1	\$ 24.4	\$ 25.3	\$ 100.7
<i>Gross Profit margin in accordance with GAAP</i>	33.1%	33.3%	35.2%	34.3%	32.0%	31.6%	33.3%	33.9%	32.1%	32.4%
Legacy design repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PP&E valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-GAAP Gross profit	\$ 111.5	\$ 114.0	\$ 28.3	\$ 25.8	\$ 24.8	\$ 26.2	\$ 105.1	\$ 24.4	\$ 25.3	\$ 100.7
<i>Non-GAAP Gross profit margin</i>	33.1%	33.3%	35.2%	34.3%	32.0%	31.6%	33.3%	33.9%	32.1%	32.4%

Non-GAAP Operating Income and Margin

<i>(dollars in millions)</i>	Annual 2018	Annual 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Annual 2020	Q1 2021	Q2 2021	TTM
Operating Income as report in accordance with GAAP	\$ 10.0	\$ 18.0	\$ 4.2	\$ 4.4	\$ 1.0	\$ 3.7	\$ 13.3	\$ 3.1	\$ 2.1	\$ 9.9
<i>Operating margin in accordance with GAAP</i>	3.0%	5.3%	5.2%	5.9%	1.3%	4.5%	4.2%	4.3%	2.7%	3.2%
Legacy design repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PP&E valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on insurance settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition and integration expenses	\$ -	\$ 0.5	\$ -	\$ 0.7	\$ 0.4	\$ 0.3	\$ 1.4	\$ 0.1	\$ -	\$ 0.8
Amortization	\$ 9.7	\$ 8.6	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.0	\$ 7.5	\$ 1.7	\$ 1.7	\$ 7.4
Earn-out and retention expenses	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 1.3	\$ 1.4	\$ 0.1	\$ 0.6	\$ 2.1
Intangible asset impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.9	\$ 0.9	\$ -	\$ -	\$ 0.9
(Gain) Loss on divestitures, net of selling costs	\$ 4.4	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring expense (income)	\$ -	\$ 1.0	\$ 0.4	\$ 0.5	\$ 0.9	\$ 0.6	\$ 2.4	\$ -	\$ 0.3	\$ 1.8
Executive transition expenses	\$ -	\$ -	\$ -	\$ -	\$ 1.5	\$ -	\$ 1.5	\$ -	\$ -	\$ 1.5
Facility exit expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-GAAP operating Income	\$ 24.1	\$ 28.2	\$ 6.3	\$ 7.4	\$ 5.9	\$ 8.8	\$ 28.4	\$ 5.0	\$ 4.7	\$ 24.4
<i>Non-GAAP Operating margin</i>	7.1%	8.2%	7.8%	9.8%	7.6%	10.6%	9.0%	7.0%	6.0%	7.8%

Non-GAAP Net Income, Adjusted EBITDA and Margin

(dollars in millions)	Annual 2018	Annual 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Annual 2020	Q1 2021	Q2 2021	TTM
Net Income (loss) as report in accordance with GAAP	\$ (7.1)	\$ 17.7	\$ 3.4	\$ 3.3	\$ (0.2)	\$ 1.8	\$ 8.3	\$ 1.2	\$ 0.3	\$ 3.0
Legacy design repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PP&E valuation adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on insurance settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition and integration expenses	\$ -	\$ 0.5	\$ -	\$ 0.7	\$ 0.4	\$ 0.3	\$ 1.4	\$ 0.1	\$ -	\$ 0.8
Amortization	\$ 9.7	\$ 8.6	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.0	\$ 7.5	\$ 1.7	\$ 1.7	\$ 7.4
Earn-out and retention expenses	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 1.3	\$ 1.4	\$ 0.1	\$ 0.6	\$ 2.1
Intangible asset impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.9	\$ 0.9	\$ -	\$ -	\$ 0.9
(Gain) Loss on divestitures, net of selling costs	\$ 4.4	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring expense (income)	\$ -	\$ 1.0	\$ 0.4	\$ 0.5	\$ 0.9	\$ 0.6	\$ 2.4	\$ -	\$ 0.3	\$ 1.8
Executive transition expenses	\$ -	\$ -	\$ -	\$ -	\$ 1.5	\$ -	\$ 1.5	\$ -	\$ -	\$ 1.5
Facility exit expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred financing fee adjustment	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign currency remeasurement	\$ 0.8	\$ (0.5)	\$ 0.5	\$ (0.6)	\$ 0.4	\$ -	\$ 0.3	\$ 0.6	\$ 1.1	\$ 2.1
Tax benefit of expenses	\$ 2.4	\$ (2.5)	\$ (0.7)	\$ (0.6)	\$ (1.3)	\$ (1.3)	\$ (3.9)	\$ (0.6)	\$ (0.9)	\$ (4.1)
Zhongli Tax benefit	\$ -	\$ (4.4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-GAAP net income	\$ 10.3	\$ 20.9	\$ 5.3	\$ 5.1	\$ 3.8	\$ 5.6	\$ 19.8	\$ 3.1	\$ 3.1	\$ 15.6
Depreciation	\$ 3.5	\$ 2.2	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 2.3	\$ 0.8	\$ 0.8	\$ 2.8
Non-cash stock compensation	\$ 3.1	\$ 2.8	\$ 0.6	\$ 0.2	\$ 0.7	\$ 0.5	\$ 2.0	\$ 0.7	\$ 0.9	\$ 2.8
Other (income)/expense	\$ (0.4)	\$ (0.3)	\$ (1.5)	\$ 0.2	\$ (0.1)	\$ (1.0)	\$ (2.4)	\$ (0.1)	\$ (0.2)	\$ (1.4)
Interest expense	\$ 7.1	\$ 5.0	\$ 1.0	\$ 0.9	\$ 0.8	\$ 0.8	\$ 3.5	\$ 0.7	\$ 0.7	\$ 3.0
Income tax expense	\$ 6.6	\$ 2.4	\$ 1.5	\$ 1.2	\$ 1.5	\$ 3.4	\$ 7.6	\$ 1.2	\$ 1.1	\$ 7.2
Adjusted EBITDA	\$ 30.2	\$ 33.0	\$ 7.4	\$ 8.2	\$ 7.3	\$ 9.9	\$ 32.8	\$ 6.4	\$ 6.4	\$ 30.0
<i>Non-GAAP Operating margin</i>	<i>8.9%</i>	<i>9.7%</i>	<i>9.2%</i>	<i>10.9%</i>	<i>9.4%</i>	<i>11.9%</i>	<i>10.4%</i>	<i>8.9%</i>	<i>8.1%</i>	<i>9.6%</i>
Basic Shares Outstanding	34,714,395	34,987,878	35,155,377	35,275,729	35,358,913	35,366,837	35,289,616	35,396,705	35,491,725	35,403,545
Diluted Shares Outstanding	34,988,461	35,484,273	35,394,865	35,410,182	35,358,913	35,655,014	35,520,670	35,774,208	35,819,269	35,651,851
Earnings (loss) per share:										
Basic	\$ (0.20)	\$ 0.51	\$ 0.10	\$ 0.09	\$ (0.01)	\$ 0.05	\$ 0.24	\$ 0.03	\$ 0.01	\$ 0.08
Diluted	\$ (0.20)	\$ 0.50	\$ 0.10	\$ 0.09	\$ (0.01)	\$ 0.05	\$ 0.23	\$ 0.03	\$ 0.01	\$ 0.08
Non-GAAP earnings per share:										
Basic	\$ 0.30	\$ 0.60	\$ 0.15	\$ 0.14	\$ 0.11	\$ 0.16	\$ 0.56	\$ 0.09	\$ 0.09	\$ 0.45
Diluted	\$ 0.29	\$ 0.59	\$ 0.15	\$ 0.14	\$ 0.11	\$ 0.16	\$ 0.56	\$ 0.09	\$ 0.09	\$ 0.45

Adjusted Free Cash Flow

<i>(dollars in millions)</i>	Annual 2018	Annual 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Annual 2020	Q1 2021	Q2 2021	TTM
Net Cash provided by operating activities	\$ 22.0	\$ 10.2	\$ 7.0	\$ (4.9)	\$ 7.0	\$ (4.7)	\$ 4.4	\$ 9.9	\$ (5.8)	\$ 6.4
Add: earn-outs classified as operating	\$ 2.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ (3.1)	\$ (5.6)	\$ (1.0)	\$ (1.0)	\$ (0.9)	\$ (1.0)	\$ (3.9)	\$ (0.5)	\$ (0.5)	\$ (2.9)
Adjusted Free Cash Flow	\$ 21.8	\$ 4.6	\$ 6.0	\$ (5.9)	\$ 6.1	\$ (5.7)	\$ 0.5	\$ 9.4	\$ (6.3)	\$ 3.5
TTM Adjusted FCF	\$ 21.8	\$ 4.6	\$ 24.8	\$ 17.2	\$ 15.1	\$ 0.5	\$ 0.5	\$ 3.9	\$ 3.5	\$ 3.5
TTM EBITDA	\$ 30.2	\$ 33.0	\$ 31.9	\$ 34.1	\$ 33.0	\$ 32.8	\$ 32.8	\$ 31.8	\$ 30.0	\$ 30.0
TTM FCF / EBITDA conversion	72.3%	13.9%	77.7%	50.4%	45.8%	1.5%	1.5%	12.3%	11.7%	11.7%