

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 10, 2022

CECO ENVIRONMENTAL CORP.
(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-7099
(Commission
File Number)

13-2566064
(IRS Employer
Identification No.)

**14651 North Dallas Parkway
Suite 500
Dallas, TX**
(Address of principal executive offices)

75254
(Zip Code)

Registrant's telephone number, including area code: (214) 357-6181

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CECE	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 10, 2022, CECO Environmental Corp., a Delaware corporation (the "Company"), issued a press release announcing its financial results for the quarter ended March 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

The information in this Item 2.02, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure

On May 10, 2022, the Company issued a press release announcing that its Board of Directors authorized the repurchase of up to \$20.0 million of the Company's common stock. The press release is furnished herewith as Exhibit 99.2.

Also, on May 10, 2022, the Company issued a press release announcing it has acquired Compass Water Solutions, Inc. ("Compass"), a leading global supplier of membrane-based industrial water and wastewater treatment systems that help customers achieve regulatory compliance of water discharge at the lowest lifecycle cost.

Key financial highlights include:

- Purchase price of approximately \$12.5 million financed with cash and debt
- Compass generated approximately \$11 million of revenue in 2021
- Compass has above-average EBITDA margins and cash flows delivering attractive value for the Company.

The information furnished under Item 7.01 in this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Title
99.1	Press release, CECO Environmental Reports First Quarter 2022 Results
99.2	Press release, CECO Environmental Announces \$20 million Share Repurchase Program
99.3	Press release, CECO Environmental Acquires Compass Water Solutions
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 10, 2022

CECO Environmental Corp.

By: /s/ Matthew Eckl

Matthew Eckl

Chief Financial Officer



CECO Environmental Reports First Quarter 2022 Results

Record Orders, New Share Repurchase Authorization, and Acquisition of Compass Water

DALLAS (May 10, 2022) – **CECO Environmental Corp. (Nasdaq: CECE) ("CECO")**, a leading environmentally focused, diversified industrial company whose solutions protect people, the environment, and industrial equipment, today reported its financial results for the first quarter of 2022.

Highlights for the Quarter and Recent Corporate Developments*

- Record orders of \$160.9 million, up 75 percent
- Revenue of \$92.4 million, up 29 percent
- Net income of \$2.8 million, up 133 percent; Non-GAAP net income of \$5.0 million, up 61 percent
- Adjusted EBITDA of \$9.5 million, up 48 percent
- \$20 million share repurchase program authorized May 4, 2022
- Compass Water Solutions acquired May 3, 2022, adds to industrial water offerings

*All comparisons are versus the comparable prior year period, unless otherwise stated; Reconciliations of GAAP (reported) to non-GAAP measures are in the attached financial tables.

“We are pleased to report that our first quarter produced record orders and backlog, as well as strong double-digit growth in sales and income. Growth was broad-based across our entire portfolio, and we believe that we are well positioned for strong continued sales growth throughout the remainder of the year,” said CECO Chief Executive Officer, Todd Gleason.

First quarter operating income was \$5.2 million, up 68 percent when compared to \$3.1 million in the first quarter 2021. On an adjusted basis, non-GAAP operating income was \$7.8 million, up 56 percent when compared to \$5.0 million in the first quarter of 2021. Net income was \$2.8 million in the quarter, up 133 percent compared to \$1.2 million in the first quarter 2021. Non-GAAP net income was \$5.0 million, up 61 percent compared to \$3.1 million in the first quarter 2021. Adjusted EBITDA was \$9.5 million, up 48 percent compared to \$6.4 million in the first quarter 2021.

“We believe the strong start to 2022 reflects the hard work our team has done to better position CECO for sustainable growth and higher levels of profitability. Additionally, our healthy balance sheet has enabled us to authorize a \$20 million share repurchase program – the largest in our company’s history, while continuing to improve our portfolio with strategic, accretive acquisitions, such as the Compass Water Solutions transaction,” Mr. Gleason concluded.

Compass Water Solutions Acquisition

On May 3, 2022, CECO acquired Compass Water Solutions, Inc. ("Compass") for a total purchase price of \$12.5 million with a mix of cash and debt. Compass is a leading global supplier of membrane-based industrial water and wastewater treatment systems that help customers achieve regulatory compliance of water discharge at the lowest lifecycle cost. With this acquisition, CECO expands its addressable industrial water technology market by over \$250 million, with an expected CAGR through 2025 of over 6 percent for industrial oily-water and seawater reverse osmosis applications. CECO expects the acquisition to be accretive to total company EBITDA margins, earnings per share, and free cash flows in 2022.

Full Year 2022 Outlook:

The Company introduces full year 2022 guidance of \$360 to \$380 million in revenue, up approximately 14 percent at the midpoint year over year. The Company anticipates \$33 to \$38 million of adjusted EBITDA, up approximately 40 percent at the midpoint year over year.

“We expect to deliver great financial results throughout the year as our businesses execute focused growth and operating excellence initiatives. We believe the incremental benefit of well-executed and accretive acquisitions will add to our 2022 performance and strengthen our portfolio for the future,” concluded Mr. Gleason.

EARNINGS CONFERENCE CALL

A conference call is scheduled for today at 8:30 a.m. ET to discuss the first quarter financial results of 2022. The conference call may be accessed via webcast by going to the Company's website at <http://www.cecoenviro.com/events-calendar> or by dialing (888) 346-4547 (Toll-Free) within the U.S., (855) 669-9657 (Toll-Free) within Canada or Toll/International +1(412) 317-5251.

A replay of the conference call will be available on the Company's website at <http://www.cecoenviro.com> for seven days. The replay may be accessed by dialing (877) 344-7529 (Toll-Free) within the U.S., (855) 669-9658 (Toll-Free) within Canada, or Toll/International +1 (412) 317-0088 and entering access code 5313915.

ABOUT CECO ENVIRONMENTAL

CECO Environmental is a global leader in industrial air quality and water treatment, serving a diversified set of niche markets through an attractive asset-light business model. 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 systems for applications including power generation, petrochemical processing, general industrial, refining, midstream oil & gas, electric vehicle production, poly silicon fabrication, battery recycling, and wastewater treatment along with a wide range of other applications. CECO is listed on Nasdaq under the ticker symbol "CECE". For more information, please visit www.cecoenviro.com.

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CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data)	(unaudited) March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 28,382	\$ 29,902
Restricted cash	1,918	2,093
Accounts receivable, net	95,440	74,991
Costs and estimated earnings in excess of billings on uncompleted contracts	49,567	51,429
Inventories, net	22,080	17,052
Prepaid expenses and other current assets	13,323	10,760
Prepaid income taxes	1,128	2,784
Total current assets	211,838	189,011
Property, plant and equipment, net	16,219	15,948
Right-of-use assets from operating leases	11,660	10,893
Goodwill	181,599	161,183
Intangible assets – finite life, net	24,281	25,841
Intangible assets – indefinite life	9,573	9,629
Deferred income taxes	505	505
Deferred charges and other assets	2,718	3,187
Total assets	\$ 458,393	\$ 416,197
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$ 3,303	\$ 2,203
Accounts payable and accrued expenses	91,369	84,081
Billings in excess of costs and estimated earnings on uncompleted contracts	36,308	28,908
Income taxes payable	1,610	1,493
Total current liabilities	132,590	116,685
Other liabilities	13,883	14,826
Debt, less current portion	81,401	61,577
Deferred income tax liability, net	8,025	8,390
Operating lease liabilities	9,272	8,762
Total liabilities	245,171	210,240
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.01 par value; 10,000 shares authorized, none issued	—	—
Common stock, \$.01 par value; 100,000,000 shares authorized, 35,076,119 and 35,028,197 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	350	350
Capital in excess of par value	253,875	252,989
Accumulated loss	(33,923)	(36,715)
Accumulated other comprehensive loss	(12,601)	(12,070)
Total CECO shareholders' equity	207,701	204,554
Noncontrolling interest	5,521	1,403
Total shareholders' equity	213,222	205,957
Total liabilities and shareholders' equity	\$ 458,393	\$ 416,197

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(dollars in thousands, except per share data)	Three months ended March 31,	
	2022	2021
Net sales	\$ 92,436	\$ 71,892
Cost of sales	66,008	47,485
Gross profit	26,428	24,407
Selling and administrative expenses	18,652	19,454
Amortization and earnout expenses	1,452	1,791
Restructuring expenses	73	—
Acquisition and integration expenses	1,049	108
Income from operations	5,202	3,054
Other income (expense), net	(458)	(480)
Interest expense	(822)	(725)
Income before income taxes	3,922	1,849
Income tax expense	1,112	551
Net income	2,810	1,298
Noncontrolling interest	(18)	(117)
Net income attributable to CECO Environmental Corp.	\$ 2,792	\$ 1,181
Earnings per share:		
Basic	\$ 0.08	\$ 0.03
Diluted	\$ 0.08	\$ 0.03
Weighted average number of common shares outstanding:		
Basic	35,051,034	35,396,705
Diluted	35,199,201	35,774,208

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES

(dollars in millions)	Three months ended March 31,			
	2022		2021	
Operating income as reported in accordance with GAAP	\$	5.2	\$	3.1
<i>Operating margin in accordance with GAAP</i>		5.6%		4.3%
Amortization and earnout expenses		1.5		1.8
Restructuring expenses		0.1		—
Acquisition and integration expenses		1.0		0.1
Non-GAAP operating income	\$	7.8	\$	5.0
<i>Non-GAAP operating margin</i>		8.4%		7.0%

(dollars in millions)	Three months ended March 31,			
	2022		2021	
Net income as reported in accordance with GAAP	\$	2.8	\$	1.2
Amortization and earnout expenses		1.5		1.8
Restructuring expenses		0.1		—
Acquisition and integration expenses		1.0		0.1
Foreign currency remeasurement		0.3		0.6
Tax benefit of adjustments		(0.7)		(0.6)
Non-GAAP net income	\$	5.0	\$	3.1
Depreciation		0.8		0.8
Non-cash stock compensation		0.9		0.7
Other (income) expense		0.2		(0.1)
Interest expense		0.8		0.7
Income tax expense		1.8		1.2
Adjusted EBITDA	\$	9.5	\$	6.4
Earnings per share:				
Basic	\$	0.08	\$	0.03
Diluted	\$	0.08	\$	0.03
Non-GAAP net income per share:				
Basic	\$	0.14	\$	0.09
Diluted	\$	0.14	\$	0.09

NOTE REGARDING NON-GAAP FINANCIAL MEASURES

CECO is providing certain non-GAAP historical financial measures as presented above as we believe that these figures are helpful in allowing individuals to better assess the ongoing nature of CECO's core operations. A "non-GAAP financial measure" is a numerical measure of a company's historical financial performance that excludes amounts that are included in the most directly comparable measure calculated and presented in accordance with GAAP.

Non-GAAP operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share and adjusted EBITDA, as we present them in the financial data included in this press release, have been adjusted to exclude the effects of amortization expenses for acquisition related intangible assets, contingent retention and earnout expenses, restructuring expenses primarily relating to severance and legal expenses, acquisition and integration expenses which include retention, legal, accounting, banking, and other expenses, foreign currency remeasurement and other nonrecurring or infrequent items and the associated tax benefit of these items. Management believes that these items are not necessarily indicative of the Company's ongoing operations and their exclusion provides individuals with additional information to compare the Company's results over multiple periods. Management utilizes this information to evaluate its ongoing financial performance. Our financial statements may continue to be affected by items similar to those excluded in the non-GAAP adjustments described above, and exclusion of these items from our non-GAAP financial measures should not be construed as an inference that all such costs are unusual or infrequent.

Non-GAAP operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share and adjusted EBITDA are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the costs associated with the operations of our business as determined in accordance with GAAP. As a result, you should not consider these measures in isolation or as a substitute for analysis of CECO's results as reported under GAAP. Additionally, CECO cautions investors that non-GAAP financial measures used by the Company may not be comparable to similarly titled measures of other companies.

In accordance with the requirements of Regulation G issued by the Securities and Exchange Commission, non-GAAP operating income, non-GAAP net income, non-GAAP operating margin, non-GAAP earnings per basic and diluted share and adjusted EBITDA stated in the tables above are reconciled to the most directly comparable GAAP financial measures.

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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 within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, 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, 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 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 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; 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; 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; and 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.



CECO Environmental Announces \$20 Million Share Repurchase Program

DALLAS (May 10, 2022) -- CECO Environmental Corp. (Nasdaq: CECE) (“CECO” or the “Company”), a leading environmentally focused, diversified industrial company whose solutions protect people, the environment, and industrial equipment, today announced that its Board of Directors (the “Board”) has authorized a share repurchase program under which CECO may repurchase up to \$20 million of its outstanding shares of common stock through April 30, 2025.

Todd Gleason, CECO’s Chief Executive Officer, commented, “CECO is in great position to deliver strong organic growth, increased profitability, and strong free cash flows. We believe our current stock price represents an attractive valuation for our capital allocation strategy. Returning cash to stockholders through a prudent share repurchase plan, coupled with a focused acquisition program, is important to optimize long-term stockholder returns. The Board’s approval of our share repurchase program reflects our confidence in CECO’s strategic growth prospects and the health of our financial performance and balance sheet.”

The share repurchase program is designed to return value to CECO stockholders, offset dilution from share issuances, and reduce share count over time. The \$20 million authorization represents approximately 12 percent of outstanding shares based on the closing stock price of \$4.75 as of May 4, 2022. The authorization permits the Company to repurchase shares in the open market, through accelerated share repurchases, block trades, 10b5-1 plans, or through privately negotiated transactions in accordance with applicable laws, rules, and regulations.

The timing and amount of any future repurchases will be determined by the Company’s management at its discretion based on several factors, including ongoing assessments of the capital needs of the business, the market price of the company’s common stock, and general market considerations. The share repurchase program may be modified, extended, or terminated by the Board at any time.

ABOUT CECO ENVIRONMENTAL

CECO Environmental is a global leader in industrial air quality and water treatment, serving a diversified set of niche markets through an attractive asset-light business model. 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 systems for applications including power generation, petrochemical processing, general industrial, refining, midstream oil & gas, electric vehicle production, poly silicon fabrication, battery recycling, and wastewater treatment along with a wide range of other applications. CECO is listed on Nasdaq under the ticker symbol "CECE". For more information, please visit www.cecoenviro.com.

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Contact:

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CECO Environmental Acquires Compass Water Solutions

Broadens Industrial Water Capabilities and Expands CECO's Short-Cycle Mix

DALLAS, TX (May 10, 2022) -- CECO Environmental Corp. (Nasdaq: CECE) ("CECO"), a leading environmentally focused, diversified industrial company whose solutions protect people, the environment, and industrial equipment, today announced it has acquired Compass Water Solutions, Inc. ("Compass") a leading global supplier of membrane-based industrial water and wastewater treatment systems that help customers achieve regulatory compliance of water discharge at the lowest lifecycle cost. The transaction adds to CECO's growing industrial water technologies, which is anchored by its Peerless-Skimovex® brand.

Compass generated approximately \$11 million of revenue in 2021 with double-digit EBITDA margins. The total purchase price was \$12.5 million and funded by a mix of cash and debt. Approximately 70 percent was paid at closing with the balance to be paid over a two-year period. CECO expects the acquisition to be accretive to total company EBITDA margins, earnings per share, and free cash flows in 2022.

With this acquisition, CECO expands its addressable industrial water technology market by over \$250 million, with expected growth rates over six percent CAGR through 2025 for industrial oily-water and seawater reverse osmosis applications. CECO expects the Compass acquisition to unlock greater value by leveraging CECO's international sales resources, existing US Navy expertise, and global engineering and production footprint. In addition to market growth rates, the expected stricter water discharge regulations coupled with hard-to-attain international certifications are expected to drive higher sales. Compass' installed base of over 8,000 systems worldwide has created a robust aftermarket parts and services business that represents approximately 40 percent of current revenues. Finally, with an average order size of less than \$250,000, Compass increases CECO's short-cycle business mix to approximately \$100 million, or 30 percent, of total company 2021 revenue.

"Compass adds critical engineered solutions, and an experienced leadership team, to our growing industrial water capabilities, and we are excited to welcome them to the CECO organization," said Todd Gleason, CEO of CECO Environmental. "CECO has completed three industrial water acquisitions in 2022 and each share our common mission to protect people, the environment, and industrial equipment. We expect that these businesses, when coupled with our global footprint and leading brands, will continue to drive strong revenue and income growth in this strategic market," added Mr. Gleason.

ABOUT COMPASS WATER SOLUTIONS

Compass Water Solutions® ("Compass") is a world-wide leader in the engineering, manufacturing, sales, and service of membrane-based water and wastewater treatment systems. Compass helps customers achieve environmental compliance of water discharge ("assurance against a spill") at the lowest lifecycle cost using high-capacity oil-water separators, slop-water separators, reverse osmosis water-makers, water filtration, and purification technology. The company is widely recognized for its brand name, international certifications, global installed base, and nearly 50 years of application expertise serving multiple industries. The company is headquartered in Tustin, California, and operates an ISO 9001 certified assembly plant. For more information, please visit www.compasswater.com

ABOUT CECO ENVIRONMENTAL

CECO is a global leader in industrial air quality and fluid handling serving a broad landscape of 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 Systems for applications including power generation, petrochemical processing, general industrial, refining, midstream oil & gas, electric vehicle production, poly silicon fabrication, battery recycling, beverage can, and water/wastewater treatment along with a wide range of other applications. CECO is listed on Nasdaq under the ticker symbol "CECE." For more information, please visit www.cecoenviro.com.

ADVISORS

The McLean Group served as financial advisor and O'Melveny provided legal counsel to Compass. BDO USA LLP and Dykema Gossett PLLC served as advisors on CECO's behalf.

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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 within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, 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 and include but are not limited to statements about CECO's expectations regarding the integration of Compass into CECO; the benefits of the acquisition of Compass, and the expectations regarding the transaction's impact on CECO's strategic growth plan. 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 Compass that could cause actual results to differ materially include risks regarding the achievement of the anticipated benefits of the acquisition, 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. 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, 2021. 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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