

October 30, 2014



## Global Power Reports EPS of \$0.26, Up From \$0.06 Last Year

- ***On track to deliver 2014 as planned***
- ***Achieved revenue growth of 32%***

IRVING, Texas, Oct. 30, 2014 (GLOBE NEWSWIRE) -- Global Power Equipment Group Inc. (NYSE:GLPW) ("Global Power" or "Company") today reported its financial results for the third quarter and first nine months of 2014.

Luis Manuel Ramírez, President and CEO of Global Power, commented, "We are pleased with our third quarter results and the momentum we have been building throughout 2014. Our focus remains on driving margins higher through our productivity and lean business programs, which is yielding results as demonstrated by the 310 basis point improvement in our adjusted EBITDA margin in the third quarter. We are also encouraged by the strong revenue growth in the quarter, which is benefiting from our effort to provide more value-added solutions to our customers."

### Third Quarter 2014 Highlights

- We remain on track to meet our 2014 guidance.
- Income from continuing operations improved 330.3% to \$4.4 million, or \$0.26 per diluted share, compared to \$1.0 million or \$0.06 in the prior year. EPS from continuing operations for the first nine months of 2014 was \$0.31, up from \$0.03 in the prior-year period.
- Consolidated revenue increased nearly 32% to \$145.1 million with all three business segments posting solid year-over-year gains. Year-to-date revenue is up 6.4% over the same period last year.
- Posted meaningful progress towards our profitability objectives with adjusted EBITDA margins expanding 310 basis points to 7.5%.
- Adjusted EBITDA grew 126.9% to \$10.9 million (*see adjusted EBITDA Reconciliation table below for important disclosures regarding the use of non-GAAP measures*).
- Continued strength in consolidated backlog. Backlog decreased 4% to \$417.0 million from last quarter on timing of orders and strength in 3Q revenues. Note that the company recorded an additional \$20.5 million of bookings in the Product Solutions segment in the week following September 30, 2014.

### Third Quarter 2014 Consolidated Results

Consolidated revenue climbed 32% over last year as all three business segments posted solid growth. Gross profit was \$24.7 million, or 17.0% of sales compared with 18.8% last year. Total operating expenses in the quarter were \$18.5 million, down 2.6% when compared with the prior-year period. As a percent of sales, operating expenses declined to 12.8% from 17.3% last year. Operating income was \$6.2 million, or 4.2% of sales, compared to \$1.7 million, or 1.6% of sales in the prior-year quarter. Adjusted EBITDA from continuing operations was \$10.9 million in the third quarter compared with \$4.8 million in the prior-year quarter. Adjusted EBITDA margin as a percent of sales improved by 310 basis points to 7.5%. Income from continuing operations improved 330.3% to \$4.4 million, or \$0.26 per diluted share, compared to \$1.0 million or \$0.06 in the prior year.

### *Product Solutions*

Product Solutions posted revenue of \$58.0 million, up 6.3% when compared with the prior-year period. The growth was driven by demand across the natural gas value chain including infrastructure, utility scale power generation, distributed power and the oil and gas sector. Gross margins came in at 20.4% in the quarter, down from 24.3% in the prior-year quarter. Excluding the 3Q'13 impact of favorable job close-outs from our then newly acquired IBI business, Product Solutions' gross margin increased 144 basis points in the quarter as compared to the prior-year quarter. The higher year-over-year margin was driven by increased inlet system margins, fewer sales discounts and a favorable mix of after-market sales.

### *Energy Services*

Energy Services' revenue was \$17.9 million, up 222.1% when compared with the prior-year quarter. The revenue increase was primarily the result of continued strong performance from the mid-stream natural gas infrastructure segment. Gross margins fell nearly 500 basis points to 13.9% in the quarter from 18.9% in the same period last year due primarily to lower margin project work booked late last year, coupled with \$0.4 million of losses related to the previously disclosed single, fixed price contract (due to scheduling and scope issues), which is in the final stages of completion.

### *Nuclear Services*

Nuclear Services had revenue of \$69.2 million, representing 38.8% growth when compared with the prior-year period. The increase in revenue was primarily attributable to the completion of a large fixed price project in the quarter, which contributed \$16.9 million of revenue. Further, the 210 basis points improvement in gross margin to 15.0% in the quarter from 12.9% in the prior-year quarter for the Nuclear Services segment was primarily driven by the execution on large, fixed-price contracts.

*Global Power believes that when used in conjunction with measures prepared in accordance with GAAP, adjusted EBITDA, which is a non-GAAP measure, helps in the understanding of its operating performance. See the attached tables for additional important disclosures regarding Global Power's use of adjusted EBITDA as well as a reconciliation of GAAP income from continuing operations to adjusted EBITDA from continuing operations.*

## **First Nine Months 2014 Consolidated Results**

Revenue for the first nine months of 2014 increased 6.4% to \$364.7 million when compared with the prior-year period. Gross profit was \$63.4 million, or 17.4% of sales. Higher gross profit resulted from improved margins in our Energy Services and Nuclear Services segments along with stable margin in our Product Solutions segment. Total operating expenses were \$55.2 million, up 2.8% when compared with the prior-year period. Operating income was \$8.2 million, or 2.3% of sales, compared to \$1.8 million, or 0.5% in the prior-year period.

Adjusted EBITDA from continuing operations was \$19.8 million in the first nine months compared with \$10.7 million in the prior-year period. Adjusted EBITDA margin as a percent of sales improved by 230 basis points to 5.4%.

*Global Power believes that when used in conjunction with measures prepared in accordance with GAAP, adjusted EBITDA, which is a non-GAAP measure, helps in the understanding of its operating performance. See the attached tables for additional important disclosures regarding Global Power's use of adjusted EBITDA as well as a reconciliation of GAAP income from continuing operations to adjusted EBITDA from continuing operations.*

### **Flexible Balance Sheet**

Cash and equivalents at quarter end was \$10.7 million. During the third quarter, cash used in operations was \$15.5 million and \$36.0 million was borrowed on the revolving credit line, of which \$22.0 million was repaid within the period.

Capital expenditures during the first nine months of 2014 were \$2.2 million or 0.6% of sales. For 2014, capital expenditures are expected to be approximately \$10.0 million, half of which is for general maintenance purposes and the remainder for organic growth initiatives and IT systems infrastructure.

### **Third Quarter Orders and Backlog**

Total backlog at the quarter end was \$417.0 million, down from \$434.6 million at the trailing quarter end, and up from \$408.4 million at the quarter end in the prior-year period.

Orders for Product Solutions were \$47.4 million. Backlog for Product Solutions at quarter end was \$158.0 million, down 9.7% from the prior-year period, and down from the trailing quarter due to the timing of closing new contracts in the quarter. Approximately 53% of Product Solutions' backlog is expected to ship in 2014.

Orders for Energy Services were \$13.1 million, and its backlog was \$46.9 million at quarter end. Approximately 39% of backlog is expected to convert to revenue in 2014.

Orders for Nuclear Services were \$63.4 million. Backlog was \$212.1 million at quarter end, with approximately 32% expected to convert to revenue in 2014. Backlog for Nuclear Services and Energy Services is comprised of expected maintenance work to be performed over the next twelve months as well as defined projects.

### **2014 Outlook Remains Unchanged**

- Consolidated revenue is expected to be in the range of \$525.0 million to \$550.0 million.
  - Product Solutions - expected to improve market penetration of power generation

- and oil and gas markets, and full year of acquisition revenue.
- Energy Services - expected to improve primarily due to a full year of acquisition revenue.
- Nuclear Services - expected to be down modestly, primarily due to fewer outages.
- Gross margin is expected to improve moderately as a percent of revenue (20 to 30 basis points from 17.6% in 2013).
- Operating expenses are expected to moderately decline as a percent of revenue (30 to 40 basis points from 15.1% in 2013).

Mr. Ramírez concluded, "We have made significant investments in our business over the past 18 months as we strive to build a world class energy technology company and create shareholder value. Our work continues and I am excited about the progress we are making. While our end markets can be volatile and will continue to create quarter to quarter challenges and opportunities, we remain focused on delivering our long-term objectives. As we approach 2015, I am excited about our opportunity to drive profitable top-line growth on the back of the energy value chain, expand our EBITDA margin and increase free cash flow."

### **Webcast and Conference Call**

Global Power Equipment Group will host a conference call and live webcast tomorrow at 9:00 a.m. Central Time (10:00 a.m. ET). A slide presentation that accompanies the discussion on the call will also be available on the Company's website at [www.globalpower.com](http://www.globalpower.com). Global Power's conference call can be accessed by dialing (201) 493-6780. Alternatively, the webcast can be monitored at <http://ir.globalpower.com/>.

A telephonic replay will be available from 12:00 p.m. CT (1:00 p.m. ET) the day of the teleconference until Friday, November 14, 2014. To listen to the archived call, dial (858) 384-5517, and enter conference ID number 13593576. Alternatively, an archive of the webcast will be available on the Company's website at <http://ir.globalpower.com/>. A transcript will also be posted to the website, once available.

### **About Global Power**

Texas-based Global Power Equipment Group Inc. is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global power infrastructure, energy and process industries. It is comprised of three segments. Product Solutions includes two primary product categories: Auxiliary Products designs, engineers and manufactures a comprehensive portfolio of equipment for utility-scale natural gas turbines while Electrical Solutions provides custom configured electrical houses and generator enclosures for the midstream oil & gas industry, the power generation market to include distributed and backup power as well as other industrial and commercial operations. Energy Services provides lifecycle maintenance, repair, construction and fabrication services for the industrial, chemical/petrochemical process, oil and gas and power generation industries. Nuclear Services provides on-site specialty support, outage management and maintenance services to domestic utilities' nuclear power facilities. The Company routinely provides information at its website: [www.globalpower.com](http://www.globalpower.com).

### **Forward-looking Statement Disclaimer**

This press release contains "forward-looking statements" within the meaning of that term set forth in the Private Securities Litigation Reform Act of 1995. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties. Our actual results, performance or achievements may differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, decreased demand for new gas turbine power plants, reduced demand for, or increased regulation of, nuclear power, loss of any of our major customers, cost increases and project cost overruns, unforeseen schedule delays, poor performance by our subcontractors, cancellation of projects, competition for the sale of our products and services, shortages in, or increases in prices for, energy and materials such as steel that we use to manufacture our products, damage to our reputation, warranty or product liability claims, increased exposure to environmental or other liabilities, failure to comply with various laws and regulations, failure to attract and retain highly-qualified personnel, loss of customer relationships with critical personnel, effective integration of acquisitions, modification of preliminary 2014 outlook, volatility of our stock price, deterioration or uncertainty of credit markets, and changes in the economic, social and political conditions in the United States and other countries in which we operate, including fluctuations in foreign currency exchange rates, the banking environment or monetary policy. Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the Securities and Exchange Commission (the "SEC"), including the section of our Annual Report on Form 10-K filed with the SEC on March 17, 2014 titled "Risk Factors." Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

### Financial Tables Follow.

**GLOBAL POWER EQUIPMENT GROUP INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(\$ in thousands, except share and per share amounts)*  
*(unaudited)*

|                                     | <b>Three Months Ended</b>          |              |                 |          |
|-------------------------------------|------------------------------------|--------------|-----------------|----------|
|                                     | <b>September 30<sup>(1)</sup>,</b> |              | <b>Variance</b> |          |
|                                     | <b>2014</b>                        | <b>2013</b>  | <b>\$</b>       | <b>%</b> |
| Product Solutions revenue           | \$58,010                           | \$54,577     | \$3,433         | 6.3%     |
| Nuclear Services revenue            | 69,188                             | 49,854       | 19,334          | 38.8%    |
| Energy Services revenue             | 17,930                             | 5,567        | 12,363          | 222.1%   |
| Total revenue                       | 145,128                            | 109,998      | 35,130          | 31.9%    |
| <br>                                |                                    |              |                 |          |
| Cost of revenue                     | 120,447                            | 89,272       | 31,175          | 34.9%    |
| <br>                                |                                    |              |                 |          |
| Gross profit                        | 24,681                             | 20,726       | 3,955           | 19.1%    |
| <i>Gross margin</i>                 | <i>17.0%</i>                       | <i>18.8%</i> |                 |          |
| <br>                                |                                    |              |                 |          |
| Operating expenses                  |                                    |              |                 |          |
| Selling and marketing expenses      | 3,008                              | 2,272        | 736             | 32.4%    |
| General and administrative expenses | 13,521                             | 14,806       | (1,285)         | -8.7%    |

|   |                   |                   |                |               |
|---|-------------------|-------------------|----------------|---------------|
| Depreciation and amortization expense <sup>(2)</sup>                    | 1,993             | 1,936             | 57             | 2.9%          |
| Total operating expenses  | 18,522            | 19,014            | (492)          | -2.6%         |
| Operating income  | 6,159             | 1,712             | 4,447          | 259.8%        |
| Operating margin  | 4.2%              | 1.6%              |                |               |
| Interest expense, net   | 421               | 207               | 214            | 103.4%        |
| Other (income) expense, net   | (1,200)           | 164               | (1,364)        | -831.7%       |
| Income from continuing operations before income tax                     | 6,938             | 1,341             | 5,597          | 417.4%        |
| Income tax expense  | 2,510             | 312               | 2,198          | 704.5%        |
| Income from continuing operations                                       | 4,428             | 1,029             | 3,399          | 330.3%        |
| Discontinued operations:  |                   |                   |                |               |
| Income from discontinued operations, net of tax                         | 96                | 273               | (177)          | -64.8%        |
| Net income  | <u>\$4,524</u>    | <u>\$1,302</u>    | <u>\$3,222</u> | <u>247.5%</u> |
| Basic income per weighted average common share:                         |                   |                   |                |               |
| Income from continuing operations                                       | \$0.26            | \$0.06            | \$0.20         | 333.3%        |
| Income from discontinued operations                                     | —                 | 0.02              | (0.02)         | -100.0%       |
| Income per common share - basic   | <u>\$0.26</u>     | <u>\$0.08</u>     | <u>\$0.18</u>  | <u>225.0%</u> |
| Weighted average number of shares of common stock outstanding - basic   | <u>17,072,317</u> | <u>16,958,138</u> | <u>114,179</u> | <u>0.7%</u>   |
| Diluted income per weighted average common share:                       |                   |                   |                |               |
| Income from continuing operations                                       | \$0.26            | \$0.06            | \$0.20         | 333.3%        |
| Income from discontinued operations                                     | —                 | 0.02              | (0.02)         | -100.0%       |
| Income per common share - diluted                                       | <u>\$0.26</u>     | <u>\$0.08</u>     | <u>\$0.18</u>  | <u>225.0%</u> |
| Weighted average number of shares of common stock outstanding - diluted | <u>17,078,990</u> | <u>16,995,373</u> | <u>83,617</u>  | <u>0.5%</u>   |

(1) The Company uses a 4-4-5 close methodology, which changes the accounting periods to month-end dates that could be different from the traditional last day of the month, but labels quarterly information using a calendar convention, that is, first quarter will be labeled as ending on March 31, second quarter as ending on June 30, and third quarter as ending on September 30.

(2) Excludes depreciation and amortization expense for the three months ended September 30, 2014 and 2013 of \$484 and \$399, respectively, included in cost of revenue.

**GLOBAL POWER EQUIPMENT GROUP INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(\$ in thousands, except share and per share amounts)  
(unaudited)

|                           | Nine Months Ended             |           |          |       |
|---------------------------|-------------------------------|-----------|----------|-------|
|                           | September 30 <sup>(1)</sup> , |           | Variance |       |
|                           | 2014                          | 2013      | \$       | %     |
| Product Solutions revenue | \$156,112                     | \$129,401 | \$26,711 | 20.6% |

|   |                   |                   |                |                |
|---|-------------------|-------------------|----------------|----------------|
| Nuclear Services revenue  | 167,680           | 181,302           | (13,622)       | -7.5%          |
| Energy Services revenue   | <u>40,957</u>     | <u>31,970</u>     | <u>8,987</u>   | <u>28.1%</u>   |
| Total revenue   | 364,749           | 342,673           | 22,076         | 6.4%           |
| Cost of revenue   | 301,328           | 287,178           | 14,150         | 4.9%           |
| Gross profit  | 63,421            | 55,495            | 7,926          | 14.3%          |
| <i>Gross margin</i>   | 17.4%             | 16.2%             |                |                |
| Operating expenses  |                   |                   |                |                |
| Selling and marketing expenses  | 7,305             | 6,957             | 348            | 5.0%           |
| General and administrative expenses                                     | 41,454            | 42,172            | (718)          | -1.7%          |
| Depreciation and amortization expense <sup>(2)</sup>                    | <u>6,448</u>      | <u>4,568</u>      | <u>1,880</u>   | <u>41.2%</u>   |
| Total operating expenses  | 55,207            | 53,697            | 1,510          | 2.8%           |
| Operating income  | 8,214             | 1,798             | 6,416          | 356.8%         |
| <i>Operating margin</i>   | 2.3%              | 0.5%              |                |                |
| Interest expense, net   | 1,174             | 483               | 691            | 143.1%         |
| Other (income) expense, net   | <u>(1,024)</u>    | <u>168</u>        | <u>(1,192)</u> | <u>-709.5%</u> |
| Income from continuing operations before income tax                     | 8,064             | 1,147             | 6,917          | 603.1%         |
| Income tax expense  | <u>2,844</u>      | <u>577</u>        | <u>2,267</u>   | <u>392.9%</u>  |
| Income from continuing operations                                       | 5,220             | 570               | 4,650          | 815.8%         |
| Discontinued operations:  |                   |                   |                |                |
| (Loss) Income from discontinued operations, net of tax                  | <u>(1)</u>        | <u>232</u>        | <u>(233)</u>   | <u>-100.4%</u> |
| Net income  | <u>\$5,219</u>    | <u>\$802</u>      | <u>\$4,417</u> | <u>550.7%</u>  |
| Basic income per weighted average common share:                         |                   |                   |                |                |
| Income from continuing operations                                       | \$0.31            | \$0.03            | \$0.28         | 933.3%         |
| Income from discontinued operations                                     | <u>—</u>          | <u>0.02</u>       | <u>(0.02)</u>  | <u>-100.0%</u> |
| Income per common share - basic   | <u>\$0.31</u>     | <u>\$0.05</u>     | <u>\$0.26</u>  | <u>520.0%</u>  |
| Weighted average number of shares of common stock outstanding - basic   | <u>16,982,990</u> | <u>16,896,434</u> | <u>86,556</u>  | <u>0.5%</u>    |
| Diluted income per weighted average common share:                       |                   |                   |                |                |
| Income from continuing operations                                       | \$0.31            | \$0.03            | \$0.28         | 933.3%         |
| Income from discontinued operations                                     | <u>—</u>          | <u>0.02</u>       | <u>(0.02)</u>  | <u>-100.0%</u> |
| Income per common share - diluted                                       | <u>\$0.31</u>     | <u>\$0.05</u>     | <u>\$0.26</u>  | <u>520.0%</u>  |
| Weighted average number of shares of common stock outstanding - diluted | <u>17,022,665</u> | <u>17,020,334</u> | <u>2,331</u>   | <u>0.0%</u>    |

(1) The Company uses a 4-4-5 close methodology, which changes the accounting periods to month-end dates that could be different from the traditional last day of the month, but labels quarterly information using a calendar convention, that is, first quarter will be labeled as ending on March 31, second quarter as ending on June 30, and third quarter as ending on September 30.

(2) Excludes depreciation and amortization expense for the nine months ended September 30, 2014 and 2013 of \$1,285 and \$1,048, respectively, included in cost of revenue.

**GLOBAL POWER EQUIPMENT GROUP INC.**  
**CONSOLIDATED BALANCE SHEETS**

(\$ in thousands, except share and per share amounts)

|  | <b>September<br/>30,<br/>2014</b> | <b>December<br/>31,<br/>2013</b> |
|--|-----------------------------------|----------------------------------|
|  | <i>(Unaudited)</i>                |                                  |
| <b>ASSETS</b>  |                                   |                                  |
| Current assets:  |                                   |                                  |
| Cash and cash equivalents  | \$10,733                          | \$13,942                         |
| Restricted cash  | 1                                 | 120                              |
| Accounts receivable, net of allowance of \$616 and \$557, respectively | 113,729                           | 93,484                           |
| Inventories  | 8,574                             | 6,476                            |
| Costs and estimated earnings in excess of billings                     | 62,948                            | 41,804                           |
| Deferred tax assets  | 3,301                             | 3,301                            |
| Other current assets   | <u>6,673</u>                      | <u>8,215</u>                     |
| Total current assets   | 205,959                           | 167,342                          |
| Property, plant and equipment, net                                     | 19,013                            | 20,644                           |
| Goodwill   | 106,884                           | 109,930                          |
| Intangible assets, net   | 60,433                            | 60,594                           |
| Deferred tax assets  | 5,722                             | 7,630                            |
| Other long-term assets   | <u>945</u>                        | <u>1,258</u>                     |
| Total assets   | <u><u>\$398,956</u></u>           | <u><u>\$367,398</u></u>          |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                            |                                   |                                  |
| Current liabilities:   |                                   |                                  |
| Accounts payable   | \$20,417                          | \$19,664                         |
| Accrued compensation and benefits                                      | 24,856                            | 14,798                           |
| Billings in excess of costs and estimated earnings                     | 15,441                            | 12,757                           |
| Accrued warranties   | 1,413                             | 3,261                            |
| Other current liabilities  | <u>6,466</u>                      | <u>8,483</u>                     |
| Total current liabilities  | 68,593                            | 58,963                           |
| Long-term debt   | 45,000                            | 23,000                           |
| Other long-term liabilities  | <u>6,151</u>                      | <u>5,844</u>                     |
| Total liabilities  | 119,744                           | 87,807                           |
| Commitments and contingencies  |                                   |                                  |
| Stockholders' equity:  |                                   |                                  |

|   |                  |                  |
|---|------------------|------------------|
| Common stock, \$0.01 par value, 170,000,000 shares authorized and 18,387,686 and 18,294,998 shares issued, respectively, and 17,123,608 and 17,059,943 shares outstanding, respectively | 184              | 183              |
| Paid-in capital   | 71,294           | 69,049           |
| Accumulated other comprehensive income  | 352              | 3,473            |
| Retained earnings   | 207,395          | 206,898          |
| Treasury stock, at par (1,264,078 and 1,235,055 common shares, respectively)  | <u>(13)</u>      | <u>(12)</u>      |
| Total stockholders' equity  | <u>279,212</u>   | <u>279,591</u>   |
| Total liabilities and stockholders' equity  | <u>\$398,956</u> | <u>\$367,398</u> |

**GLOBAL POWER EQUIPMENT GROUP INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(\$ in thousands)  
(unaudited)

|   | <b>Nine Months Ended<br/>September 30,</b> |                 |
|---|--|-----------------|
|   | <b>2014</b>                                | <b>2013</b>     |
| <b>Operating activities:</b>  |  |                 |
| Net income  | \$5,219                                    | \$802           |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities:     |  |                 |
| Deferred income tax expense (benefit) provision   | 778  | (900)           |
| Depreciation and amortization on plant, property and equipment and intangible assets            | 7,733                                      | 5,616           |
| Amortization of deferred financing costs  | 171  | 137             |
| Loss on disposals of equipment  | 161  | 13              |
| Stock-based compensation  | 2,816                                      | 3,429           |
| Changes in operating assets and liabilities, net of businesses acquired and sold                | <u>(33,504)</u>                            | <u>10,699</u>   |
| Net cash (used in) provided by operating activities   | (16,626)                                   | 19,796          |
| <b>Investing activities:</b>  |  |                 |
| Acquisitions, net of cash acquired  | —  | (50,328)        |
| Proceeds from sale of business, net of restricted cash and transaction costs                    | —  | 267             |
| Net transfers of restricted cash  | 120  | —               |
| Proceeds from sale of equipment   | 264  | 62              |
| Purchase of property, plant and equipment   | <u>(2,162)</u>                             | <u>(3,927)</u>  |
| Net cash used in investing activities   | (1,778)                                    | (53,926)        |
| <b>Financing activities:</b>  |  |                 |
| Repurchase of stock-based awards for payment of statutory taxes due on stock-based compensation | (571)                                      | (1,542)         |
| Dividends paid  | (4,722)                                    | (4,668)         |
| Proceeds from long-term debt  | 66,000                                     | 50,000          |
| Payments of long-term debt  | <u>(44,000)</u>                            | <u>(10,000)</u> |
| Net cash provided by financing activities   | 16,707                                     | 33,790          |
| Effect of exchange rate changes on cash   | <u>(1,512)</u>                             | <u>731</u>      |
| Net change in cash and cash equivalents   | (3,209)                                    | 391             |
| Cash and cash equivalents, beginning of period  | <u>13,942</u>                              | <u>31,951</u>   |
| Cash and cash equivalents, end of period  | <u>\$10,733</u>                            | <u>\$32,342</u> |

**GLOBAL POWER EQUIPMENT GROUP INC.**

**ADJUSTED EBITDA RECONCILIATION**

*(\$ in thousands)*

*(unaudited)*

|  | <b>Three Months Ended<br/>September 30,</b> |                 | <b>Nine Months Ended<br/>September 30,</b> |                  |
|--|---|-----------------|--|------------------|
|  | <b>2014</b>                                 | <b>2013</b>     | <b>2014</b>                                | <b>2013</b>      |
| GAAP income from continuing operations                             | \$ 4,428                                    | \$ 1,029        | \$ 5,220                                   | \$ 570           |
| Add back:  |   |                 |  |                  |
| Interest expense, net  | 421   | 207             | 1,174                                      | 483              |
| Income tax expense   | 2,510                                       | 312             | 2,844                                      | 577              |
| Depreciation and amortization                                      | 2,477                                       | 2,335           | 7,733                                      | 5,616            |
| Stock based compensation   | 1,072                                       | 925             | 2,816                                      | 3,429            |
|  |   |                 |  |                  |
| Non-GAAP adjusted EBITDA from continuing operations <sup>(1)</sup> | <u>\$ 10,908</u>                            | <u>\$ 4,808</u> | <u>\$ 19,787</u>                           | <u>\$ 10,675</u> |

(1) Adjusted EBITDA from continuing operations represents income from continuing operations adjusted for income taxes, interest, depreciation and amortization, and stock based compensation. The Company believes adjusted EBITDA from continuing operations is an important supplemental measure of operating performance and uses it to assess performance and inform operating decisions. However, adjusted EBITDA from continuing operations is not a GAAP financial measure. The Company's calculation of adjusted EBITDA from continuing operations should not be used as a substitute for GAAP measures of performance, including net cash provided by operations, operating income and net income. The Company's method of calculating adjusted EBITDA from continuing operations may vary substantially from the methods used by other companies and investors are cautioned not to rely unduly on it.

**GLOBAL POWER EQUIPMENT GROUP INC.**

**SEGMENT DATA**

(\$ in thousands)

(unaudited)

|                          | Three Months Ended |           | Nine Months Ended |           |
|--------------------------|--------------------|-----------|-------------------|-----------|
|                          | 9/30/2014          | 9/30/2013 | 9/30/2014         | 9/30/2013 |
| <b>Product Solutions</b> |                    |           |                   |           |
| Revenue                  | \$58,010           | \$54,577  | \$156,112         | \$129,401 |
| Gross Profit             | 11,835             | 13,259    | 33,289            | 27,778    |
| Gross Margin             | 20.4%              | 24.3%     | 21.3%             | 21.5%     |
| <b>Energy Services</b>   |                    |           |                   |           |
| Revenue                  | \$17,930           | \$5,567   | \$40,957          | \$31,970  |
| Gross Profit             | 2,498              | 1,052     | 7,019             | 4,451     |
| Gross Margin             | 13.9%              | 18.9%     | 17.1%             | 13.9%     |
| <b>Nuclear Services</b>  |                    |           |                   |           |
| Revenue                  | \$69,188           | \$49,854  | \$167,680         | \$181,302 |
| Gross Profit             | 10,348             | 6,415     | 23,113            | 23,266    |
| Gross Margin             | 15.0%              | 12.9%     | 13.8%             | 12.8%     |
| <b>Consolidated</b>      |                    |           |                   |           |
| Revenue                  | \$145,128          | \$109,998 | \$364,749         | \$342,673 |
| Gross Profit             | 24,681             | 20,726    | 63,421            | 55,495    |
| Gross Margin             | 17.0%              | 18.8%     | 17.4%             | 16.2%     |

**Shipping/Service Days by Quarter**

|             | Q1 | Q2 | Q3 | Q4 | Total |
|-------------|----|----|----|----|-------|
| <b>2014</b> | 62 | 64 | 63 | 66 | 255   |
| <b>2013</b> | 58 | 64 | 63 | 65 | 250   |

GLOBAL POWER EQUIPMENT GROUP INC.

**BACKLOG BY SEGMENT**

*(\$ in thousands) (unaudited)*

|                   | <b>September 30,</b> | <b>December 31,</b> | <b>March 31,</b> | <b>June 30,</b>  | <b>September 30,</b> |
|-------------------|----------------------|---------------------|------------------|------------------|----------------------|
|                   | <b>2013</b>          | <b>2013</b>         | <b>2014</b>      | <b>2014</b>      | <b>2014</b>          |
| Product Solutions | \$174,907            | \$176,621           | \$187,560        | \$164,963        | \$157,972            |
| Energy Services   | 18,105               | 17,028              | 20,890           | 51,768           | 46,942               |
| Nuclear Services  | 215,389              | 196,674             | 174,503          | 217,911          | 212,097              |
| <b>Total</b>      | <b>\$408,401</b>     | <b>\$390,323</b>    | <b>\$382,953</b> | <b>\$434,642</b> | <b>\$417,011</b>     |

**PRODUCT SOLUTIONS ORDERS**

*(\$ in thousands) (unaudited)*

|             | <b>Q1</b>       | <b>Q2</b>       | <b>Q3</b>       | <b>Q4</b>       | <b>Total</b>     |
|-------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <b>2014</b> | <b>\$49,776</b> | <b>\$35,588</b> | <b>\$47,433</b> |                 | <b>\$132,797</b> |
| <b>2013</b> | <b>\$55,899</b> | <b>\$51,039</b> | <b>\$64,277</b> | <b>\$80,506</b> | <b>\$251,721</b> |

CONTACT: Investor Relations Contact:  
Shawn Severson  
The Blueshirt Group  
(415) 489-2198  
shawn@blueshirtgroup.com

Source: Global Power Equipment Group Inc.