

November 10, 2017



Perma-Fix Reports Financial Results and Provides Business Update for the Third Quarter of 2017

ATLANTA, GA -- (Marketwired) -- 11/10/17 -- **Perma-Fix Environmental Services, Inc.** (NASDAQ: PESI) today announced results for the third quarter and nine months ended September 30, 2017.

Mark Duff, Chief Executive Officer, stated, "We achieved adjusted EBITDA (as defined below, together with reconciliation to GAAP) of \$654,000 versus \$152,000 for the same period last year. We attribute this improvement to our Treatment Segment, where revenue increased 22% versus the same period last year. The growth in our Treatment Segment was partially offset by weakness in our Services Segment due to the completion of a large commercial project in December 2016 and the delay of a certain nuclear services project that has since resumed. Heading into the fourth quarter, we believe our Treatment Segment remains strong and we are seeing steady improvement in our Services Segment."

"The closure of our East Tennessee Materials and Energy Corporation ("M&EC") facility is proceeding on schedule. We have impaired the remaining assets at M&EC and adjusted the closure reserve to reflect our revised estimates to complete this closure. The impairment of the remaining assets will eliminate approximately \$672,000 in depreciation expenses in the upcoming quarters. Upon final closure of M&EC, we believe that we will eliminate approximately \$4 million of annual expenses."

"I am positive in the growth potential within both our segments. Within the Treatment Segment, we are attempting to expand our lines of business, including both complex mixed-waste streams and new commercial waste opportunities to further diversify our revenue streams and drive growth. Within the Services Segment, we are beginning to benefit from the restructuring of our sales and bidding organization."

Financial Results

Revenue for the third quarter of 2017 was \$11.8 million versus \$12.9 million for the same period last year. Revenue from the Services Segment was \$2.4 million versus \$5.3 million for the same period in 2016. The decrease in Services Segment revenue was primarily due to the completion of a large commercial project in December 2016. The decrease was also attributed to delays in a nuclear services project in May 2017 due to government funding uncertainties. This project commenced in late August 2017. Revenue for the Treatment Segment was \$9.4 million compared to \$7.6 million for the same period in 2016. The increase in revenue in the Treatment Segment was due to both higher waste volume and higher averaged price waste resulting from waste mix.

Gross profit for the third quarter of 2017 was \$1.7 million versus \$1.8 million for the third quarter of 2016. Gross profit for the third quarter of 2017 included \$550,000 of additional closure costs recorded for our M&EC facility in connection with the pending closure of the facility. Excluding the additional closure costs, gross profit for the third quarter of 2017 was \$2.3 million, an increase of \$488,000 or 27.0% from the corresponding period of 2016, which was primarily due to increased revenue in the Treatment Segment and the reduction in our fixed costs. Excluding the additional closure costs recorded, gross margin increased to 19.5% from 14.0%.

Operating loss for the third quarter of 2017 was \$1.9 million versus an operating loss of \$1.4 million for the third quarter of 2016. Operating loss for the third quarter of 2017 included a non-cash tangible asset impairment charge of approximately \$672,000 resulting from the impairment of the remaining tangible assets at our M&EC facility, in addition to the closure costs of \$550,000 as discussed above. Net loss attributable to common stockholders for the third quarter of 2017 was \$2.0 million or (\$0.17) per share, versus net loss of \$1.6 million or (\$0.13) per share for the same period in 2016.

The Company recorded Adjusted EBITDA of \$654,000 from continuing operations during the quarter ended September 30, 2017, as compared to Adjusted EBITDA of \$152,000 for the same period of 2016. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before research and development costs related to the Medical Isotope project, impairment charges on tangible and intangible assets, write-off of prepaid fees resulting from tangible asset impairment loss, and closure costs accrued for M&EC subsidiary. Both EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), and should not be considered in isolation of, or as a substitute for, earnings as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. The Company believes the presentation of EBITDA and Adjusted EBITDA is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. The Company's management utilizes EBITDA and Adjusted EBITDA as a means to measure performance. The Company's measurements of EBITDA and Adjusted EBITDA may not be comparable to similar titled measures reported by other companies. The table below reconciles EBITDA and Adjusted EBITDA, both non-GAAP measures, to GAAP numbers for loss from continuing operations for the three and nine months ended September 30, 2017 and 2016.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2017	2016	2017	2016
Loss from continuing operations	\$ (1,977)	\$ (1,500)	\$ (3,878)	\$ (13,480)

Adjustments:

Depreciation & amortization	1,107	1,189	3,394	2,986
Interest income	(34)	(31)	(105)	(78)
Interest expense	59	101	249	377
Interest expense - financing fees	9	14	27	99

Income tax expense (benefit)	71	37	218	(3,093)
EBITDA	(765)	(190)	(95)	(13,189)
Research and development costs related to Medical Isotope project	197	342	947	1,196
Closure costs accrued for M&EC subsidiary	550	-	550	-
Impairment loss on tangible assets	672	-	672	1,816
Impairment loss on intangible assets	-	-	-	8,288
Write-off of prepaid fees resulting from impairment loss on tangible asset	-	-	-	587
Adjusted EBITDA	<u>\$ 654</u>	<u>\$ 152</u>	<u>\$ 2,074</u>	<u>\$ (1,302)</u>

The tables below present certain unaudited financial information for the business segments, excluding allocation of corporate expenses:

(In thousands)	Three Months Ended September 30, 2017 (Unaudited)			Nine Months Ended September 30, 2017 (Unaudited)		
	Treatment	Services	Medical	Treatment	Services	Medical
Net revenues	\$ 9,355	\$ 2,403	\$ -	\$ 29,019	\$ 8,160	\$ -
Gross profit	1,613	132	-	6,474	343	-
Segment (loss) profit	(30)	(478)	(197)	2,665	(1,738)	(947)

(In thousands)	Three Months Ended September 30, 2016 (Unaudited)			Nine Months Ended September 30, 2016 (Unaudited)		
	Treatment	Services	Medical	Treatment	Services	Medical
Net revenues	\$ 7,643	\$ 5,278	\$ -	\$ 22,832	\$ 14,936	\$ -
Gross profit	837	970	-	1,280	2,377	-
Segment (loss) profit	(125)	360	(342)	(8,800)	682	(1,196)

Conference Call

Perma-Fix will host a conference call at 10:00 a.m. ET on Friday, November 10, 2017. The call will be available on the Company's website at www.perma-fix.com, or by calling 877-407-0778 for U.S. callers, or +1 201-689-8565 for international callers. The conference call will be led by Mark Duff, President and Chief Executive Officer, Dr. Louis Centofanti, Executive Vice President of Strategic Initiatives, and Ben Naccarato, Vice President and Chief Financial Officer of Perma-Fix Environmental Services, Inc.

A webcast will also be archived on the Company's website and a telephone replay of the call will be available approximately one hour following the call, through midnight November 17, 2017, and can be accessed by calling: 877-481-4010 (U.S. callers) or +1 919-882-2331 (international callers) and entering conference ID: 22555.

About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc. is a nuclear services company and leading provider of nuclear and mixed waste management services. The Company's nuclear waste services include management and treatment of radioactive and mixed waste for hospitals, research labs and institutions, federal agencies, including the Department of Energy ("DOE"), the Department of Defense ("DOD"), and the commercial nuclear industry. The Company's nuclear services group provides project management, waste management, environmental restoration, decontamination and decommissioning, and radiological protection, safety and industrial hygiene capability to our clients. The Company operates four nuclear waste treatment facilities and provides nuclear services at DOE, DOD, and commercial facilities, nationwide.

Please visit us on the World Wide Web at <http://www.perma-fix.com>.

This press release contains "forward-looking statements" which are based largely on the Company's expectations and are subject to various business risks and uncertainties, certain of which are beyond the Company's control. Forward-looking statements generally are identifiable by use of the words such as "believe", "expects", "intends", "anticipate", "plans to", "estimates", "projects", and similar expressions. Forward-looking statements include, but are not limited to: Treatment Services remains strong; closure of M&EC; elimination of annual expenses upon closure of M&EC; steady improvement in our Services Segment; closure of M&EC facility on schedule; growth potential within both our segments; and diversify our revenue streams and drive growth within our Treatment Segment. These forward-looking statements are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. While the Company believes the expectations reflected in this news release are reasonable, it can give no assurance such expectations will prove to be correct. There are a variety of factors which could cause future outcomes to differ materially from those described in this release, including, without limitation, future economic conditions; industry conditions; competitive pressures; our ability to apply and market our new technologies; the government or such other party to a contract granted to us fails to abide by or comply with the contract or to deliver waste as anticipated under the contract; inability to win bid projects; that Congress fails to provides continuing funding for the DOD's and DOE's remediation projects; ability to obtain new foreign and domestic remediation contracts; inability to meet financial covenants; and the "Risk Factors" discussed in, and the additional factors referred to under "Special Note Regarding Forward-Looking Statements" of, our 2016 Form 10-K and Forms 10-Q for quarters ended March 31, 2017, June 30, 2017 and September 30, 2017. The Company makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that bear upon forward-looking statements.

Please visit us on the World Wide Web at <http://www.perma-fix.com>.

FINANCIAL TABLES FOLLOW

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net revenues	\$ 11,758	\$ 12,921	\$ 37,179	\$ 37,768
Cost of goods sold	10,013	11,114	30,362	34,111
Gross profit	1,745	1,807	6,817	3,657
Selling, general and administrative expenses	2,653	2,732	8,337	8,162
Research and development	293	441	1,300	1,570
Loss (gain) on disposal of property and equipment	-	12	(1)	16
Impairment loss on tangible assets	672	-	672	1,816
Impairment loss on intangible assets	-	-	-	8,288
Loss from operations	(1,873)	(1,378)	(3,491)	(16,195)
Other income (expense):				
Interest income	34	31	105	78
Interest expense	(59)	(101)	(249)	(377)
Interest expense-financing fees	(9)	(14)	(27)	(99)
Other	1	(1)	2	20
Loss from continuing operations before taxes	(1,906)	(1,463)	(3,660)	(16,573)
Income tax expense (benefit)	71	37	218	(3,093)
Loss from continuing operations, net of taxes	(1,977)	(1,500)	(3,878)	(13,480)
Loss from discontinued operations, net of taxes	(145)	(191)	(436)	(622)
Net loss	(2,122)	(1,691)	(4,314)	(14,102)
Net loss attributable to non- controlling interest	(78)	(135)	(374)	(472)
Net loss attributable to Perma-Fix Environmental Services, Inc. common stockholders	<u>\$ (2,044)</u>	<u>\$ (1,556)</u>	<u>\$ (3,940)</u>	<u>\$ (13,630)</u>

Net loss per common share
attributable to Perma-Fix
Environmental Services, Inc.
stockholders - basic and diluted:

Continuing operations	\$	(.16)	\$	(.12)	\$	(.30)	\$	(1.12)
Discontinued operations		<u>(.01)</u>		<u>(.01)</u>		<u>(.04)</u>		<u>(.06)</u>
Net loss per common share	\$	<u>(.17)</u>	\$	<u>(.13)</u>	\$	<u>(.34)</u>	\$	<u>(1.18)</u>

Number of common shares used in
computing net loss per share:

Basic	11,714	11,632	11,698	11,588
Diluted	11,714	11,632	11,698	11,588

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED BALANCE SHEET

	(Unaudited) September 30,	(Audited) December 31,
(Amounts in Thousands, Except for Share and Per Share Amounts)	2017	2016
ASSETS		
Current assets:		
Cash and equivalents	\$ 1,055	\$ 163
Account receivable, net of allowance for doubtful accounts of \$356 and \$272, respectively	8,791	8,705
Unbilled receivables	4,529	2,926
Other current assets	3,668	2,728
Assets of discontinued operations included in current assets, net of allowance for doubtful accounts of \$0 for each period presented	<u>96</u>	<u>85</u>
Total current assets	18,139	14,607
Net property and equipment	13,507	17,115
Property and equipment of discontinued operations, net of accumulated depreciation of \$10 for each period presented	81	81
Intangibles and other assets	26,763	33,264
Other assets related to discontinued operations	214	268
Total assets	<u>\$ 58,704</u>	<u>\$ 65,335</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 18,565	\$ 15,780
Current liabilities related to discontinued operations	<u>594</u>	<u>958</u>
Total current liabilities	19,159	16,738

Long-term liabilities	10,702	16,080
Long-term liabilities related to discontinued operations	705	361
Total liabilities	30,566	33,179
Commitments and Contingencies		
Series B Preferred Stock of subsidiary, \$1.00 par value; 1,467,396 shares authorized, 1,284,730 shares issued and outstanding, liquidation value \$1.00 per share plus accrued and unpaid dividends of \$979 and \$931, respectively	1,285	1,285
Stockholders' equity:		
Preferred Stock, \$.001 par value; 2,000,000 shares authorized, no shares issued and outstanding	-	-
Common Stock, \$.001 par value; 30,000,000 shares authorized, 11,721,570 and 11,677,025 shares issued, respectively; 11,713,928 and 11,669,383 shares outstanding, respectively	11	11
Additional paid-in capital	106,305	106,048
Accumulated deficit	(78,153)	(74,213)
Accumulated other comprehensive loss	(123)	(162)
Less Common Stock held in treasury, at cost: 7,642 shares	(88)	(88)
Total Perma-Fix Environmental Services, Inc. stockholders' equity	27,952	31,596
Non-controlling interest in subsidiary	(1,099)	(725)
Total stockholders' equity	26,853	30,871
Total liabilities and stockholders' equity	\$ 58,704	\$ 65,335

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