

CVD Reports Third Quarter 2017 Results

CENTRAL ISLIP, N.Y., (Business Wire) – November 14, 2017 - CVD Equipment Corporation (NASDAQ: **CVV**), a leading provider of chemical vapor deposition systems, today announced its third quarter 2017 financial results.

Revenue for the third quarter was \$10.8 million, slightly above the prior quarter and an increase of 121.8% from the same period last year. During the quarter, the Company received approximately \$6.4 million in new orders. Backlog as of September 30, 2017 was \$20.3 million, a decrease of 18.1% compared to the backlog on June 30, 2017 and a decrease of 36.2% compared with the balance at September 30, 2016.

“Building on the last two quarters, CVD delivered an exceptional quarter with record revenue and earnings,” said Leonard Rosenbaum, President and Chief Executive Officer. “Our focus on successfully meeting customer demand while maintaining operational excellence is fueling our growth and opening up new opportunities in adjacent markets. The recent addition of MesoScribe’s Direct Write™ plasma spray technology to our coating portfolio, together with the agreement to purchase an additional 180,000 sq. ft. manufacturing facility to accommodate future materials growth, is laying the foundation for CVD’s further expansion.”

Net income for the third quarter was \$1.4 million compared to \$1.3 million in the prior quarter and a loss of (\$85,000) a year ago. Net earnings per diluted share increased to \$0.22 from \$0.20 in the second quarter and a net loss of (\$0.01) in the third quarter of 2016.

The Company will hold a conference call to discuss its results today at 4:30 pm (Eastern Time). To participate in the live conference call, please dial toll free (877) 407-0784 or International (201) 689-8560. A telephone replay will be available for 7 days following the call. To access the replay, dial (844) 512-2921 or (412) 317-6671. The replay passcode is 13672852. A live and archived webcast of the call is also available on the Company’s website at <https://www.cvdequipment.com/event/third-quarter-2017-earnings-conference-call/>

CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands except per share information)

	Three Months Ended September 30		Nine months Ended September 30	
	2017	2016	2017	2016
Revenue	\$10,832	4,884	\$31,312	13,631
Gross profit	4,603	1,691	13,184	3,719
Operating expenses	<u>2,712</u>	<u>2,086</u>	<u>7,746</u>	<u>5,627</u>
Operating income/(loss)	1,890	(395)	5,438	(1,826)
Net income/(loss)	<u>1,396</u>	<u>(85)</u>	<u>3,677</u>	<u>(919)</u>
Diluted earnings per share	\$0.22	\$(0.01)	\$0.58	\$(0.15)

CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$17,181	\$21,677
Accounts Receivable, net	4,057	608
Costs and estimated earnings in excess of billings on contracts in progress	4,458	2,597
Inventories	3,023	3,287
Other current assets	<u>438</u>	<u>235</u>
Total current assets	29,157	28,404
Property, plant and equipment, net	14,124	14,439
Deferred taxes	1,881	2,440
Other assets	416	68
Intangible assets	<u>225</u>	<u>254</u>
Total assets	<u>\$45,803</u>	<u>\$45,605</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$751	\$743
Accrued expenses and other current liabilities	2,607	1,943
Current portion of long-term debt	300	300
Billings in excess of costs and estimated earnings on contracts in progress	216	5,262
Deferred revenue	<u>499</u>	<u>78</u>
Total current liabilities	4,373	8,326
Long-term debt	<u>2,740</u>	<u>2,966</u>
Total liabilities	7,113	11,292
Total stockholders' equity	<u>38,690</u>	<u>34,313</u>
Total liabilities and stockholders' equity	<u>\$45,803</u>	<u>\$45,605</u>

Earnings release should be read in conjunction with Company's Annual Report on Form 10-K for fiscal year ended December 31, 2016

About CVD Equipment Corporation

CVD Equipment Corporation (NASDAQ: CVV) designs, develops, and manufactures a broad range of chemical vapor deposition, gas control, and other state-of-the-art equipment and process solutions used to develop and manufacture materials and coatings for research and industrial applications. This equipment is used by our customers to research, design, and manufacture these materials or coatings for aerospace engine components, medical implants, semiconductors, solar cells, smart glass, carbon nanotubes, nanowires, LEDs, MEMS, and other applications. Through our application laboratory, we provide process development support and process startup assistance with the focus on enabling tomorrow's technologies™. Its wholly owned subsidiary CVD Materials Corporation provides advanced materials and metal surface treatments and coatings to serve demanding applications in the electronic, biomedical, petroleum, pharmaceutical, and many other industrial markets.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by CVD Equipment Corporation) contains statements that are forward-looking. All statements other than statements of historical fact are hereby identified as "forward-looking statements," as such term is defined in Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward looking information involves a number of known and unknown risks and uncertainties that could cause actual results to differ materially from those discussed or anticipated by management. Potential risks and uncertainties include, among other factors, conditions, success of CVD Equipment Corporation's growth and sales strategies, the possibility of customer changes in delivery schedules, cancellation of orders, potential delays in product shipments, delays in obtaining inventory parts from suppliers and failure to satisfy customer acceptance requirements.

For further information about CVD Equipment Corporation please contact:

Gina Franco

Phone: (631) 981-7081

Fax: (631) 981-7095

Email: investorrelations@cvdequipment.com