

## CVD Reports Third Quarter 2018 Results

CENTRAL ISLIP, N.Y., (Business Wire) – November 14, 2018 - CVD Equipment Corporation (NASDAQ: **CVV**), a leading provider of chemical vapor deposition systems, today announced its third quarter 2018 financial results.

“As highlighted in our pre-announcement, the third quarter saw a confluence of events that drove lower-than-anticipated results. These included delays in orders from a number of customers and an exceptionally long permitting process for the build-out of our new CVD Materials production facility,” said Leonard A. Rosenbaum, President and Chief Executive Officer. “From our current vantage point, these conditions may continue to weigh on revenue and earnings over the next two quarters.

“Despite these setbacks, knowledge of our markets and conversations with current and potential customers continue to make us optimistic about our overall business and the materials segment’s potential to contribute to our long-term success in high-growth areas such as biomedical materials, aerospace, and corrosion resistant applications. Our new Central Islip facility will be the backbone of our materials future, where our R&D investments are beginning to bear fruit. Recently we filed key provisional patents for corrosion resistant coatings and a family of novel Fluid Reactors that allows the efficient transfer of gases into and out of liquids. One potential application is for use in oxygenation cartridges used during cardio pulmonary bypass surgery.”

Revenue for the third quarter was \$4.0 million, compared to \$6.4 million in the prior quarter and \$10.8 million from the same period last year. Net loss for the third quarter was \$2.5 million compared to a net loss of \$1.3 million in the prior quarter and income of \$1.4 million a year ago. This loss is primarily a result of costs associated with maintaining a production staff in anticipation of receiving additional equipment orders (which to date have not materialized), existing contract adjustments, and the ongoing costs related to the CVD Materials business. Net loss per share was \$0.39 compared to a net loss of \$0.21 in the second quarter of 2018 and income of \$0.22 a year ago. Backlog as of September 30, 2018 was \$6.5 million compared to \$6.4 million on June 30, 2018. In light of our results for this quarter Management and the Board will continue to evaluate the Company's business strategy, including cost structure, needed capital, and capital infrastructure investments.

The timing of the CVD’s return to profitability will depend upon, among other things, the receipt of new orders, obtaining the necessary building permits for the new CVD Materials facility, and the ramp up of the materials business following the completion of this facility, which is expected late in the second quarter of 2019. The Company has retained a new architect and has met local government officials, with the aim of expediting the permitting process, in order for construction of the facility to proceed and be completed as soon as practicable.

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 13682176. A live and archived webcast of the call is also available on the Company's website at: <https://www.cvdequipment.com/event/third-quarter-2018-earnings-conference-call/>.

### 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 its 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 its application laboratory, the Company provides process development support and process startup assistance with the focus on enabling *tomorrow's technologies™*. It's 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.

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### 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		
	2018	2017		2018	2017	
Revenue	\$ 4,028	10,832	\$	19,617	31,312	
Gross (loss)/profit	(56)	4,603		4,821	13,184	
Operating expenses	<u>2,797</u>	<u>2,712</u>		<u>8,144</u>	<u>7,746</u>	
Operating (loss)/income	(2,853)	1,890		(3,323)	5,438	
Net (loss)/income	<u>(2,503)</u>	<u>1,396</u>		<u>(3,275)</u>	<u>3,677</u>	

Net (loss)/income per Diluted earnings per share		(\$0.39)		\$0.22		(\$0.51)		\$0.58
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**CVD Equipment Corporation and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(In thousands)

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 14,192	\$14,211
Accounts Receivable, net	2,587	2,059
Contract assets	2,551	8,397
Inventories	2,752	2,966
Other current assets	<u>538</u>	<u>167</u>
Total current assets	22,620	27,800
Property, plant and equipment, net	30,273	28,839
Deferred taxes	1,925	1,609
Other assets	72	68
Intangible assets	520	662
<b>Total assets</b>	<b><u>\$55,410</u></b>	<b><u>\$58,978</u></b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$1,261	\$1,175
Accrued expenses and other current liabilities	1,778	2,738
Current portion of long-term debt	658	647
Current portion acquisition related contingent payments	100	100
Contract liabilities	229	466
Deferred revenue	<u>891</u>	<u>292</u>
Total current liabilities	4,917	5,418
Long-term debt	12,411	12,906
<b>Total liabilities</b>	<b>17,328</b>	<b>18,324</b>
<b>Total stockholders' equity</b>	<b><u>38,082</u></b>	<b><u>40,654</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$55,410</u></b>	<b><u>\$58,978</u></b>

Earnings release should be read in conjunction with Company's Annual Report on Form 10-K for fiscal year ended December 31, 2017