



Global Power Equipment Group Inc. Announces First Quarter Financial Results

IRVING, Texas, May 1, 2012 (GLOBE NEWSWIRE) -- Global Power Equipment Group Inc. (Nasdaq:GLPW) ("Global Power" or the "Company") today announced its financial results for the first quarter ended March 31, 2012. These results are available for review on the Company's website at www.globalpower.com.

For the three months ended March 31, 2012, the Company reported revenues of \$104.5 million and net income of \$0.8 million, or \$0.05 per diluted common share. Revenues for the quarter ended March 31, 2011 were \$104.3 million and net income was \$0.9 million, or \$0.05 per diluted share.

"Our first quarter 2012 financial results were negatively impacted by the delay in project shipments of \$12 million from contracts in our Products Division that were scheduled to ship during the quarter and will now ship later in 2012," said David Willis, Chief Financial Officer of Global Power. "While bookings for Services lagged in the quarter due to client budget constraints in an increasingly competitive environment, consolidated backlog remains healthy and margins for both Products and Services significantly exceeded prior year levels. We were pleased to secure a new \$100 million 5-year credit facility in the quarter which also triggered a one-time non-cash expense of \$1.1 million related to the early termination of our old credit facility. We are maintaining the full year directional guidance provided in March."

The Company generated EBITDA (earnings before interest, taxes, depreciation, and amortization) from continuing operations of approximately \$3.2 million for the three months ended March 31, 2012. EBITDA is a non-GAAP financial measure. A reconciliation of our income from continuing operations to EBITDA is included in the schedules attached to this press release.

In addition, the Company's consolidated backlog decreased \$9.3 million from December 31, 2011 to \$334.8 million as of March 31, 2012. Increased bookings activity within our Products division partially offset a decline in Services backlog during the first quarter. Products accounted for 40% of consolidated backlog at the end of the first quarter of 2012, compared to 38% at the end of the fourth quarter of 2011.

Backlog is not a measure defined by GAAP, and our methodology for determining backlog may vary from the methodology used by other companies in determining their backlog amounts. Backlog may not be indicative of future operating results and projects in our backlog may be cancelled, modified or otherwise altered by our customers.

As of March 31, 2012, the Company had unrestricted cash of \$95.4 million and there were no cash borrowings under the new credit facility.

The company has posted updates to its investor presentation including first quarter 2012 financial results. The presentation is accessible in the Investor Relations section of our website at www.globalpower.com.

The Company will host a conference call on Wednesday, May 2, 2012 at 10:30 a.m. Central Time (11:30 a.m. Eastern Time) to discuss these results. The call can be accessed live over the telephone by dialing (877) 407-3982, or for international callers, (201) 493-6780. A replay will be available shortly after the call and can be accessed by dialing (877) 870-5176, or for international callers, (858) 384-5517. The passcode for the replay is 393349. The replay will be available until May 16, 2012.

Interested parties may also listen to a simultaneous webcast of the conference call by logging onto Global Power's website at www.globalpower.com in the Investor Relations—Events & Presentations section. A replay of the webcast will also be available for approximately 30 days following the call.

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. Through its Services Division, the Company provides on-site specialty support and outage management services for commercial nuclear reactors in the United States and maintenance services to fossil and hydroelectric power plants and other industrial operations. Through its Products Division, the Company designs, engineers and manufactures a comprehensive portfolio of equipment for gas turbine power plants and power-related equipment for industrial operations, with over 40 years of power generation industry experience. With a strong competitive position in its product lines, the Company benefits from a large installed base of equipment in domestic and international markets. Additional information about Global Power Equipment Group Inc. may be found at 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, 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, including the section of our Annual Report on Form 10-K filed on March 14, 2012 with the SEC 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.

GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

	Three Months Ended	
	March 31,	
	2012	2011
	(Unaudited)	
Products revenue	\$ 32,104	\$ 20,473
Services revenue	72,358	83,822
Total revenue	104,462	104,295
Cost of products revenue	25,860	17,066
Cost of services revenue	62,110	73,988
Cost of revenue	87,970	91,054
Gross profit	16,492	13,241
Selling and administrative expenses	13,712	11,989
Reorganization expense	—	45
Operating income	2,780	1,207
Interest expense, net	1,181	260
Other (income) expense	(5)	78
Income from continuing operations before income tax	1,604	869
Income tax expense	712	19
Income from continuing operations	892	850
Discontinued operations:		
(Loss) income from discontinued operations, net of tax	(67)	36
Net income	\$ 825	\$ 886

Basic earnings per weighted average common share:		
Income from continuing operations	\$ 0.05	\$ 0.06
Income from discontinued operations	—	—
Income per common share - basic	<u>\$ 0.05</u>	<u>\$ 0.06</u>

Weighted average number of shares of common stock outstanding - basic	<u>16,375,734</u>	<u>15,562,759</u>
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Diluted earnings per weighted average common share:		
Income from continuing operations	\$ 0.05	\$ 0.05
Income from discontinued operations	—	—
Income per common share - diluted	<u>\$ 0.05</u>	<u>\$ 0.05</u>

Weighted average number of shares of common stock outstanding - diluted	<u>17,072,691</u>	<u>16,534,643</u>
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GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES
RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO EBITDA
(in thousands)

	<u>Three Months Ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
	(Unaudited)	
Income from continuing operations	\$ 892	\$ 850
Add back:		
Income tax provision	712	19
Interest expense, net	1,181	260
Depreciation and amortization	437	860
EBITDA from continuing operations ⁽¹⁾	<u>\$ 3,222</u>	<u>\$ 1,989</u>

⁽¹⁾ EBITDA from continuing operations represents income from continuing operations adjusted for income taxes, interest, depreciation and amortization. The Company believes EBITDA is an important supplemental measure of operating performance and uses it to assess performance and inform operating decisions. However, EBITDA is not a GAAP financial measure. The Company's calculation of EBITDA 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 EBITDA 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. AND SUBSIDIARIES
HIGHLIGHTS FROM CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>March 31,</u>	<u>December 31,</u>
	<u>2012</u>	<u>2011</u>
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 95,388	\$ 99,491
Restricted cash	3,100	3,100
Accounts receivable, net of allowance of \$1,208 and \$1,135	47,893	52,573

Inventories	5,504	5,354
Costs and estimated earnings in excess of billings	37,419	30,680
Deferred tax asset, current	3,424	3,424
Other current assets	<u>5,941</u>	<u>5,920</u>
Total current assets	198,669	200,542
Property, plant and equipment, net	10,487	9,492
Deferred tax asset, long-term	14,721	14,448
Other long-term assets	91,438	91,668
Total assets	<u>\$ 315,315</u>	<u>\$ 316,150</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 27,290	\$ 26,862
Billings in excess of costs and estimated earnings	9,018	12,859
Other current liabilities	<u>13,803</u>	<u>11,872</u>
Total current liabilities	50,111	51,593

Other long-term liabilities	<u>5,926</u>	<u>5,903</u>
Total liabilities	56,037	57,496

Stockholders' equity	259,278	258,654
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Total liabilities and stockholders' equity	<u>\$ 315,315</u>	<u>\$ 316,150</u>
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GLOBAL POWER EQUIPMENT GROUP INC. AND SUBSIDIARIES

HIGHLIGHTS FROM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	<u>Years Ended March 31,</u>	
	<u>2012</u>	<u>2011</u>
	(Unaudited)	
Net cash used in operating activities	\$ (1,821)	\$ (11,828)
Net cash used in investing activities	(1,087)	(909)
Net cash used in financing activities	(1,941)	(150)
Effect of exchange rate changes on cash	746	1,402
Net change in cash and cash equivalents	<u>\$ (4,103)</u>	<u>\$ (11,485)</u>

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