

March 30, 2016



# CES Synergies Reports 2015 Financial Results and Provides Business Update

## 2015 Revenue \$18.7 Million; 4th Quarter Revenue up 17% Over Prior Quarter

CRYSTAL SPRINGS, FL -- (Marketwired) -- 03/30/16 -- **CES Synergies, Inc.** (OTC PINK: CESX) ("**CES**" or the "**Company**"), a full service environmental, asbestos abatement and demolition company, today announced financial results for the year ending December 31, 2015 and provided a general business update.

John Tostanoski, CEO of CES Synergies, commented, "Falling short of the targeted levels for the year as a whole, both revenue and profitability showed considerable, positive movement in the fourth quarter of 2015, and revenue for the company exceeded \$18 million for 2015. The Company's renewed focus on profitability in the fourth quarter, coupled with some large contract wins, resulted in a 17% increase in overall revenue in comparison to the third quarter. In addition, gross margins increased dramatically to 30% in the fourth quarter, versus previous periods with margins below 15%.

"Based on the positive gross and net margins seen in the fourth quarter of 2015 and the beginning of 2016, together with the company's reduced fixed cost structure, we are very encouraged about the company's position going forward. In addition to an organizational emphasis on profitability, the gross profit margin has benefited from the estimating/project management system implement during the 3<sup>rd</sup> quarter of 2015; we expect our margins to continue to improve with its use. With the increased gross profit margin being driven internally, rather than by the market, we expect them to be sustainable.

"As previously stated, the 38 contracts secured in the third quarter of 2015, valued at \$1.4 million, did commence in the fourth quarter of 2015, and helped the company realize over 8% EBITA on almost \$5.5 million for the quarter. At the end of 2015, we had a backlog of demolition contracts valued at \$3.96 million, and are currently carrying a \$4.75 million backlog in progress. The company was recently awarded a term contract by a Florida DOT district comprising 12 counties, which we believe will continue to expand our revenues moving forward.

"With the strength of our current markets and a leaner, more focused CES, excellent prospects exist for continued profitability. We are excited for 2016 to fully demonstrate the net result of the improvements that have been made."

## **2015 Year End Financial Results**

Revenue for the year ended December 31, 2015 decreased 10% to \$18.728 million versus \$20.900 million for the year ended December 31, 2014. The decrease in revenue was consistent for both remediation (down 10%) and demolition (down 11%) segments. The remediation segment sales decreased in 2015, primarily because of lower revenues in Florida and with the completion of the DTE Power Plant in Michigan. The decrease in the demolition revenues for the same period was primarily attributable to the near completion of the larger St. Bernard Parish projects in Louisiana, and the completion of two major projects in Florida.

### **About CES Synergies Inc.**

CES Synergies, Inc., through its subsidiary, Cross Environmental Services, Inc., is a specialty environmental services company providing quality environmental contracting solutions, demolition and remediation services to commercial and industrial customers, as well as federal, state and municipal entities. More information may be found at the Company's website: [www.crossenv.com](http://www.crossenv.com).

SAFE HARBOR STATEMENT: This press release may contain "forward-looking statements" that are made pursuant to the "safe harbor" provisions as defined within the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words including "anticipates," "believes," "intends," "estimates," and similar expressions. These statements are based upon management's current expectations as of the date of this press release. Such forward-looking statements may include statements regarding the Company's future financial performance or results of operations, including expected revenue growth, cash flow growth, future expenses and other future or expected performances. The Company cautions readers there may be events in the future that the Company is not able to accurately predict or control and the information contained in the forward-looking statements is inherently uncertain and subject to a number of risks that could cause actual results to differ materially from those indicated in the forward-looking statements. Further information on these and other potential factors that could affect the Company's financial results is included in the Company's filings with the SEC.

(tables follow)

### **CES SYNERGIES, INC. CONSOLIDATED BALANCE SHEET**

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 229,882	\$ 149,455
Advances to employees	13,770	14,006
Contracts receivable (net of allow. for bad debt)	4,599,131	6,365,274
Inventory	133,715	152,772

Deferred tax asset- current	86,098	-
Cost and estimated earnings in excess of billings on uncompleted contracts	690,553	229,437
Total current assets	\$ 5,753,149	\$ 6,910,944
Property and equipment, net	1,998,158	2,117,217
Goodwill	1,446,855	1,446,855
Deferred tax asset- non-current	632,882	-
Other assets	4,731	6,531
<b>TOTAL ASSETS</b>	<b>\$ 9,835,775</b>	<b>\$ 10,481,547</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,911,780	\$ 2,570,259
Accrued payroll	47,819	82,391
Billings in excess of costs and estimated earnings on uncompleted contracts	301,398	598,645
Notes payable	1,750,300	1,750,300
Current portion long-term debt	-	-
Related party	-	-
Non-related party	457,950	595,757
Total current liabilities	5,469,247	5,597,352
<b>Long-term debt, net of current portion</b>		
Related party	3,419,098	2,808,605
Non-related party	446,066	528,561
Total long-term liabilities	3,865,164	3,337,166
<b>Stockholders' equity</b>		
Common stock, authorized: \$0.001 par value, 250,000,000 shares, at December 31, 2015; issued: 46,880,500 shares, at December 31, 2015; 46,730,500 shares, at December 31, 2014	46,881	46,730
Additional paid in capital	1,299,018	1,281,048
Retained earnings	(844,535)	219,251
Total stockholders' equity	501,364	1,547,029
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 9,835,775</b>	<b>\$ 10,481,547</b>

### **CONSOLIDATED STATEMENT OF OPERATIONS**

	Years ended December 31,	
	2015	2014
Revenues	\$ 18,728,148	\$ 20,846,119
Cost of sales	15,167,887	16,142,507
Gross profit	3,560,261	4,703,612
General & administrative expenses	5,152,941	5,020,556
Net operating profit/ (loss)	(1,592,680)	(316,944)

Other expenses, net	<u>(190,086)</u>	<u>(104,728)</u>
Net profit/(loss) before income taxes	\$ (1,782,766)	\$ (421,672)
Income taxes	<u>718,980</u>	<u>(81,339)</u>
Net profit/(loss) after income taxes	\$ (1,063,786)	\$ (503,011)
Earnings per share		
Basic and diluted	\$ (0.023)	\$ (0.011)
Shares used in computing earnings per share		
Basic and diluted	46,843,514	46,730,500
Cash distributions declared per common share	\$ -	\$ -

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