



MISTRAS Provides Update on Products & Systems' Segment and Project Phoenix; Appoints Gennaro (Jerry) D'Alterio as Executive Vice President and Chief Commercial Officer

Oct 2, 2023

Transformation of Products & Systems' Segment to Refocus on Core Acoustic Emission (AE) Technology

Implementation of First Project Phoenix Initiative of the Products and Systems' Segment Expected to Increase Adjusted EBITDA by Approximately \$4.0 Million in Fiscal 2024

Appointment of Gennaro "Jerry" D'Alterio as Executive Vice President and Chief Commercial Officer to accelerate development of new revenue growth strategies

PRINCETON JUNCTION, N.J., Oct. 02, 2023 (GLOBE NEWSWIRE) -- MISTRAS Group, Inc. (MG: NYSE), a leading "one source" multinational provider of integrated technology-enabled asset protection solutions, today announced the implementation of the first Project Phoenix initiative - a reorganization of the Company's Products & Systems segment that is expected to increase Adjusted EBITDA by \$4.0 Million in Fiscal 2024. In addition, the Company announced the hiring of Gennaro (Jerry) D'Alterio and his appointment as Executive Vice President and Chief Commercial Officer responsible for accelerating the development and adoption of new revenue growth strategies. The implementation of these initiatives is a significant step signaling MISTRAS Group's commitment to delivering increased value to its customers and shareholders. There are a number of additional, similarly impactful initiatives expected to be rolled out in the near future under Project Phoenix. The Company expects to be able to report on the implementation of additional initiatives on its third quarter 2023 conference call.

These initiatives are part of the Company's overall, proactive strategy to accelerate the transition into faster growing markets while stabilizing and improving the performance of its traditional energy-related market operations.

The transformation of the Products & Systems Segment leverages its historical strength in acoustic emission (AE) technology. This strategic refocus is designed to reinvigorate innovation and reassert the Company's global industry leadership in AE. This transformation is an integral part of the Company's ongoing Project Phoenix initiative, a comprehensive plan to accelerate profitable growth and EBITDA by specifically identifying meaningful margin improvement opportunities and steps to achieve sustained cost savings. The refocused effort will continue to provide avenues for employees to make innovative contributions, furthering the technological legacy established by the Company's founder and Executive Chairman, Dr. Sotirios J. Vahaviolos. Leveraging a team of top-tier AE experts, this strategic pivot will enable the Products and Systems' Segment to continue the creative energy that has driven some of MISTRAS Group's most groundbreaking AE applications. This renewed focus will also position the Company to discover new commercially-viable markets while continuing to provide existing customers with premium AE solutions. "MISTRAS Group became an industry leader due to our pioneering spirit and engineering ingenuity," said Dr. Sotirios J. Vahaviolos, Founder and Executive Chairman. "I am confident that the Products & Systems Segment's re-focusing on our core AE business will ignite the innovation and profitability we know we can achieve."

Project Phoenix is specifically focused on a goal of creating sustainable, profitable growth via a fundamental, commercial transformation. As such, all business development, sales activities, and strategic marketing will be centralized under the direction of this newly-established position, Chief Commercial Officer. Gennaro (Jerry) D'Alterio, an accomplished executive with an extensive track record of growing businesses, has joined MISTRAS Group in this very exciting role as Executive Vice President and Chief Commercial Officer. In establishing and centralizing this function, Jerry will be leading the efforts to identify opportunities in fast-growing markets and more rapidly develop and introduce new and better products and services, leveraging our extensive resources across the entire Company.

Reporting directly to Ed Prajzner, Senior Executive Vice President and Chief Financial Officer, Mr. D'Alterio will focus on accelerating profitability, defining go-to-market sales strategies, and implementing best-in-class commercial operating models to enhance growth and profitability across the organization. Additionally, Mr. D'Alterio will spearhead a newly-established commercial finance function. This function is strategically aligned with MISTRAS Group's Project Phoenix and aims to serve as a catalyst for the company's sustainable commercial transformation.

Manny Stamatakis, Lead Director of MISTRAS Group and Chairman of the Project Phoenix initiative focusing on accelerating profitable growth and EBITDA improvement, added, "Jerry is the ideal candidate for fueling our growth ambitions. His demonstrated ability to drive both revenue growth and profitability reinforces our Board's confidence in him."

On his appointment, Mr. D'Alterio said, "I am thrilled to join MISTRAS Group at this critical juncture. As a sales engineer by training across a wide range of industries, specializing in corrosion resistance solutions for mission-critical industrial assets, I see vast opportunities for both current and future customers."

With over 20 years of proven executive leadership, Mr. D'Alterio excels at driving commercial transformations. An impactful leader with a consistent track record for fostering success-oriented cultures, he most recently served as the Vice President of Product Management and Director, Global Business Development at CECO Environmental's Fluid Handling & Filtration segment, where he also held the positions of President and Global President. In these roles, Mr. D'Alterio led initiatives that resulted in exponential revenue growth and significant margin improvements. He also launched multiple new products and assembled a global sales team that successfully expanded international revenue across Europe, the Middle East, Africa, and Asia. Beyond his expertise in sales, Mr. D'Alterio is certified in LEAN enterprise and manufacturing, bringing a unique perspective and set of benefits to MISTRAS' customers. Mr. D'Alterio holds an MBA and a Bachelor of Science in Mechanical Engineering from Villanova University. He is also a member of the Hydraulic Institute and the International Desalination Association, and serves on the Board of the Aquatic Animal Life Support Operators organization.

Mr. D'Alterio was appointed Executive Vice President and Chief Commercial Officer (EVP/CCO) in September 2023. This strategic hire supports MISTRAS' ongoing commitment to commercial transformation and builds on the foundational work of Project Phoenix.

About MISTRAS Group, Inc. - One Source for Asset Protection Solutions®

MISTRAS Group, Inc. (NYSE: MG) is a leading "one source" multinational provider of integrated technology-enabled asset protection solutions, helping to maximize the safety and operational uptime for civilization's most critical industrial and civil assets.

Backed by an innovative, data-driven asset protection portfolio, proprietary technologies, strong commitment to Environmental, Social, and Governance (ESG) initiatives, and a decades-long legacy of industry leadership, MISTRAS leads clients in the oil and gas, aerospace and defense, renewable and nonrenewable power, civil infrastructure, and manufacturing industries towards achieving operational and environmental excellence. By supporting these organizations that help fuel our vehicles and power our society; inspecting components that are trusted for commercial, defense, and space craft; building real-time monitoring equipment to enable safe travel across bridges; and helping to propel sustainability, MISTRAS helps the world at large.

MISTRAS enhances value for its clients by integrating asset protection throughout supply chains and centralizing integrity data through a suite of Industrial IoT-connected digital software and monitoring solutions. The company's core capabilities also include non-destructive testing field and in-line inspections enhanced by advanced robotics, laboratory quality control and assurance testing, sensing technologies and NDT equipment, asset and mechanical integrity engineering services, and light mechanical maintenance and access services.

For more information about how MISTRAS helps protect civilization's critical infrastructure and the environment, visit www.mistrasgroup.com or contact Nestor S. Makarigakis, Group Vice President of Marketing at marcom@mistrasgroup.com.

Forward-Looking and Cautionary Statements

Certain statements made in this press release are "forward-looking statements" about MISTRAS' financial results and estimates, products and services, business model, strategy, growth opportunities, profitability and competitive position, and other matters. These forward-looking statements generally use words such as "future," "possible," "potential," "targeted," "anticipate," "believe," "estimate," "expect," "intend," "plan," "predict," "project," "will," "may," "should," "could," "would" and other similar words and phrases. Such statements are not guarantees of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved, if at all. These statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in these statements. A list, description and discussion of these and other risks and uncertainties can be found in the "Risk Factors" section of the Company's 2022 Annual Report on Form 10-K dated March 15, 2023, as updated by our reports on Form 10-Q and Form 8-K. The forward-looking statements are made as of the date hereof, and MISTRAS undertakes no obligation to update such statements as a result of new information, future events or otherwise.

Use of Non-GAAP Measures

In addition to financial information prepared in accordance with generally accepted accounting principles in the U.S. (GAAP), this press release also contains adjusted financial measures that we believe provide investors and management with supplemental information relating to operating performance and trends that facilitate comparisons between periods and with respect to projected information. The term "Adjusted EBITDA" used in this release is a financial measurement not calculated in accordance with GAAP and is defined as net income attributable to MISTRAS Group, Inc. plus: interest expense, provision for income taxes, depreciation and amortization, share-based compensation expense, certain acquisition related costs (including transaction due diligence costs and adjustments to the fair value of contingent consideration), foreign exchange (gain) loss, non-cash impairment charges, reorganization and related charges and, if applicable, certain additional special items which are noted. A reconciliation of Adjusted EBITDA to a financial measurement under GAAP is set forth in a table attached to this press release. The Company also uses the term "net debt", a non-GAAP measurement defined as the sum of the current and long-term portions of long-term debt, less cash and cash equivalents and the term "free cash flow", a non-GAAP measurement the Company defines as cash provided by operating activities less capital expenditures (which is classified as an investing activity). A reconciliation of these non-GAAP financial measurements to GAAP are also set forth in tables attached to this press release. In the tables attached is also a table reconciling "Segment and Total Company Income (Loss) from Operations (GAAP) to Income (Loss) from Operations before Special Items (non-GAAP)", "Net Loss (GAAP) and Diluted EPS (GAAP) to Net Loss Excluding Special Items (non-GAAP) and Diluted EPS Excluding Special Items (non-GAAP)" which reconciles the non-GAAP amounts to GAAP measurements.



Source: MISTRAS Group, Inc.