

May 15, 2014



# HII Technologies, Inc. Announces First Quarter 2014 Results

## First Quarter 2014 Revenues Increased More Than 188% From Comparable 2013 and 57% Sequentially From 4th Quarter 2013

HOUSTON, TX -- (Marketwired) -- 05/15/14 -- [HII Technologies, Inc.](#) (OTCQB: HIIT) ("HII Technologies" or "the Company"), today announced financial results for the first quarter ended March 31, 2014.

### ***First Quarter 2014 Highlights:***

- Quarterly Revenues increased 188% to \$7.5 million compared to the first quarter 2013
- Gross profit increased by 299% from first quarter 2013
- Gross margin increased to 28.3% vs. 20.4% in the first quarter 2013
- Income from operations of \$134,763 vs. (\$18,439) in first quarter 2013
- EBITDAS of \$529,393 for the first quarter 2014
- Signed 7 Master Service Agreements ("MSAs") with new customers
- AES Safety Services generated more than \$1 million in revenues from new spill remediation service line.

HII Technologies, Inc. is a Houston, Texas based oilfield services company with operations in Texas, Oklahoma, Ohio and West Virginia focused on commercializing technologies and providing services in Water, Safety and Power oilfield services for exploration and production ("E&P") customers in the domestic United States.

The Company's frac water management services division does business through its wholly-owned subsidiary known as AES Water Solutions and AquaTex. This division provides total frac water management solutions associated with the needed millions of gallons of water typically used during hydraulic fracturing and completions of horizontally drilled oil and gas wells. AES Safety Services is the Company's oilfield safety consultancy that provides experienced trained safety personnel such as contract safety engineers during oilfield operation from site preparation "rigging up" to drilling and completion for E&P customers as well as dynamic outsourced safety solutions, training, inspection and spill response services. The Company's oilfield mobile power subsidiary does business as South Texas Power (STP) and operates a fleet of mobile generators, light towers and related equipment for in-field power rental where remote locations provide little or no existing power infrastructure.

## Summary Financials

### First Quarter 2014 Results (ending March 31)

	2014	2013	CHANGE
Revenues	\$7.5 million	\$2.6 million	+188%
Gross Profit	\$2.1 million	\$ 0.5 million	+299%
Gross Margin	28.3%	20.4%	+39%
Income (loss) from Operations	\$0.13 million	(\$0.02 million)	+831%
Adjusted EBITDAS <sup>(1)</sup>	\$0.53 million	\$0.1 million	+430%
Net Income (Loss)	(\$0.02 million)	(\$0.11 million)	+78%

*(1) A reconciliation table of the Adjusted EBITDAS for first quarter 2014 is provided below*

Revenues for the three months ended March 31, 2014 were \$7.5 million, up 188% from \$2.6 million in the same period a year ago. Revenues increased for the first quarter period in all three business segments of Water, Safety and Power as compared to the previous quarter and year ago period driven by increased demand from horizontal drilling, hydro-fracing and new spill remediation services offered by AES Safety Services. The Company signed 7 new MSAs awarded by E&P customers.

"Revenues generated from all three divisions increased significantly with AquaTex and Safety divisions doubling their revenue in the first quarter 2014 from the fourth quarter 2013." said Mr. Brent Mulliniks, President of AES Water Solutions. "A contributing factor to Safety's revenue growth was our ability to offer a fast response site cleanup and remediation service for E&P companies. AES Safety Services now also offers sophisticated site security surveillance systems to oilfield operators. Expanded service lines in safety, additional frac water transfer and flow back equipment utilization and added geographic expansion should continue to fuel our organic growth."

Cost of revenues increased approximately 159% to \$5.3 million in the first three months of 2014, or 71% of revenues, compared to cost of revenues of \$2.1 million, or 80% of revenues for the three months ended March 31, 2013. Gross profit and gross margin were \$2.1 million and 28.3% in the first quarter of 2014 compared to \$0.5 million and 20.4% in the first quarter of 2013, respectively. The improvement in gross profit and gross margin was a result of additional revenues from AquaTex, which was acquired in November 2013, and increasing positive operating leverage in the Safety and Power divisions.

Operating expenses were approximately \$2.0 million or 26.5% of revenues for the three months ended March 31, 2014 compared to \$0.55 million or 21.1% of revenues in the same period a year ago. The increase was primarily attributable to new employees, higher technology testing and development costs and public company expenses. The Company generated positive operating income of \$0.13 million in the first quarter of 2014 compared to a loss of \$0.02 million in the corresponding period a year ago.

Non-GAAP adjusted EBITDAS for the first three months of 2014 was approximately \$0.53 million. A reconciliation table of the Adjusted EBITDAS is provided below. Net loss for the first quarter of 2014 was \$24,851, a decrease of approximately 95% from a net loss of \$535,000 in the fourth quarter of 2013. The net loss for the first quarter included some of

the non-operational and one-time items listed in the reconciliation table below. HII Technologies had approximately 48.6 million shares outstanding at March 31, 2014.

Mr. Matt Flemming, CEO of HII Technologies stated, "The Company procured about \$1.1 million in additional flow-back systems, frac water transfer equipment and new generator sets during the first quarter. Additionally, key personnel were added in several operating segments in response to customer demand and expanding geographic footprint. Currently, we anticipate further growth in all three divisions going forward benefiting from activity levels in the US with domestic shale and unconventional resource plays."

Total assets increased from \$10.2 million at December 31, 2013 to \$13.7 million at March 31, 2014. The Company had \$3.7 million outstanding under its existing \$5 million revolving line of credit facility compared to \$2.7 million the previous quarter. Other term debt at March 31, 2014 was \$2.8 million compared to \$2.4 million at December 31, 2013.

Cash outflow for the first three months of 2014 was \$0.81 million compared to \$0.23 million in the first three months of 2013.

### ***Operational Updates***

#### AES Water Solutions & AquaTex

- Continued to expand its bundled services offering building a total frac water management services business.
- Geographic expansion of AES' operations further in Ft. Worth basin in North Texas and areas of the Barnett Shale.
- Increase in frac water transfer business in South Texas, Permian Basin and Oklahoma.
- Additional MSA's awarded by new customers due to the addition of experienced business development personnel.
- AquaTex added experienced personnel to expand the customer base in shale drilling areas including East Texas.
- Water Transfer operations currently expected to be very active in 2014.

#### AES Safety Services

- Activity and number of safety engineering job sites expanded in Ohio and West Virginia.
- New spill remediation business added more than \$1 million in revenues as new service line successfully launches.
- New safety programs added to service offering.
- Increase interest in AES Safety Services security surveillance for oilfield companies and land owners.

#### South Texas Power (STP)

- Expanded the Power operations activities into the Permian Basin area.
- Added new MSA's as a result of the expansion and hire of experienced business development personnel.

- Service and repair of customer equipment has increased with added service hub in South Texas' Eagle Ford Shale market.
- Procured additional generator equipment in response to increased business in South Texas and the Permian Basin.

### ***Annual Meeting***

HII Technologies' annual stockholders meeting is set for Monday, June 16, 2014 in Houston, Texas. The Company has commenced mailing a notice of meeting and proxy statement along with a copy of our annual report to all stockholders of record as of the record date April 22, 2014. A copy of the notice of meeting and proxy statement has been filed with the Securities and Exchange Commission. The Company will issue another press release at a later date with more details of this meeting.

### ***About HII Technologies, Inc.***

HII Technologies, Inc. is a Houston, Texas based oilfield services company with operations in Texas, Oklahoma, Ohio and West Virginia. The Company is positioned to take advantage of the significant anticipated growth in horizontal drilling and hydraulic fracturing within the United States' active shale and unconventional "tight oil" plays by deploying new oilfield related technologies to enhance the value of services it offers its customers. The Company's frac water management services division operates as AES Water Solutions and AquaTex, its onsite oilfield contract safety consultancy does business as AES Safety Services, and its mobile oilfield power subsidiary operates as South Texas Power (STP). The holding company, HII Technologies' objective is to bring proven technologies to these operating divisions to build a long-term competitive advantage. Read more at [www.HIITinc.com](http://www.HIITinc.com), [www.AESwatersolutions.com](http://www.AESwatersolutions.com), [www.AquaTexUSA.com](http://www.AquaTexUSA.com), [AESSafetyServices.com](http://AESSafetyServices.com) and [www.Oilfield-Generators.com](http://www.Oilfield-Generators.com).

### ***Non-GAAP Adjusted EBITDAS Reconciliation Table***

Following is a reconciliation of income from continuing operations attributable to the Company to non-GAAP adjusted EBITDAS;

<b>Q1 2014:</b>	Net Loss	(\$24,851)
	Add back:	
	Interest	\$139,810
	Taxes	\$19,804
	Depreciation	\$123,580
	Non-cash stock expense	\$54,440
	One-time non-operational items	\$216,610
	<b>Adjusted EBITDAS</b>	<b><u><u>\$529,393</u></u></b>

Please review to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2014 and the Company Annual Report on Form 10-K for the year ended December 31, 2013 for more information, management's analysis of its financial information and the Company's risk factors. Copies of these reports can be found on the Company's web site at [www.HIITinc.com](http://www.HIITinc.com) and on the SEC's web site at [www.SEC.gov](http://www.SEC.gov).

## **Forward-Looking Statements**

*This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements as to matters that are not of historic fact are forward-looking statements. These forward-looking statements are based on HII's current expectations, estimates and projections about HII, its industry, its management's beliefs and certain assumptions made by management, and include statements regarding estimated capital expenditures, future operational and activity expectations, international growth, and anticipated financial performance in 2014. No assurance can be given that such expectations, estimates or projections will prove to have been correct. Whenever possible, these "forward-looking statements" are identified by words such as "expects," "believes," "anticipates" and similar phrases.*

*Readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict, including, but not limited to: risks that HII will be unable to achieve its financial, capital expenditure and operational projections, including quarterly and annual projections of revenue and/or operating income and risks that HII's expectations regarding future activity levels, customer demand, and pricing stability may not materialize (whether for HII as a whole or for geographic regions and/or business segments individually); risks that fundamentals in the U.S. oil and gas markets may not yield anticipated future growth in HII's businesses, or could further deteriorate or worsen from the recent market declines, and/or that HII could experience further unexpected declines in activity and demand for its hydraulic frac related water transfer business, its safety consultancy business or its generator and related equipment rental service businesses; risks relating to HII's ability to implement technological developments and enhancements; risks relating to compliance with environmental, health and safety laws and regulations, as well as actions by governmental and regulatory authorities; risks that HII may be unable to achieve the benefits expected from acquisition and disposition transactions, and risks associated with integration of the acquired operations into HII's operations; risks, in responding to changing or declining market conditions, that HII may not be able to reduce, and could even experience increases in, the costs of labor, fuel, equipment and supplies employed and used in HII's businesses; risks relating to changes in the demand for or the price of oil and natural gas; risks that HII may not be able to execute its capital expenditure program and/or that any such capital expenditure investments, if made, will not generate adequate returns; and other risks affecting HII's ability to maintain or improve operations, including its ability to maintain prices for services under market pricing pressures, weather risks, and the impact of potential increases in general and administrative expenses.*

*Because such statements involve risks and uncertainties, many of which are outside of HII's control, HII's actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Other important risk factors that may affect HII's business, results of operations and financial position are discussed in its most recently filed Annual Report on Form 10-K, recent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and in other Securities and Exchange Commission filings. Unless otherwise required by law, HII also disclaims any obligation to update its view of any such risks or uncertainties*

*or to announce publicly the result of any revisions to the forward-looking statements made here. However, readers should review carefully reports and documents that HII files periodically with the Securities and Exchange Commission.*

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