

## Appliance Recycling Centers of America Anticipates Continued Profitability Following Strategic Cost Reductions

Minneapolis, Minn. (August 25, 2017) -- Appliance Recycling Centers of America, Inc. (Nasdaq: ARCI) ("ARCA" or the "company"), a leading provider of utility appliance recycling programs, announces today that management anticipates increased profitability following recent corporate-wide efforts to reduce costs and streamline operations.

The company recently launched an initiative to increase productivity and streamline operations, which management believes will result in increased profitability. As part of this initiative, management conducted an extensive audit of current costs to determine areas where cuts could be enacted, which led to an 18 percent reduction in overhead costs (SGA), which the company recently reported for the quarter ending July 1, 2017. In addition, several areas were identified where systems could be streamlined. The result was a significant cost savings that management believes will garner continued profitability going forward. This initiative is expected to continue in the coming quarters.

"It is essential that we regularly evaluate our operations to maintain efficiency, making cuts that we anticipate streamlining our operations," said Tony Isaac, CEO of ARCA. "We believe that these strategic cost reductions will naturally result in efficient operations and potentially increased profitability, which, of course, translates to increased shareholder value."

### **About ARCA**

ARCA's two business components are uniquely positioned in the industry to work together to provide a full array of appliance-related services. ARCA's regional centers process appliances at end of life to remove environmentally damaging substances and produce material byproducts for recycling for utilities in the U.S. and Canada. Eighteen company-owned stores under the name ApplianceSmart, Inc.® sell new appliances directly to consumers and provide affordable ENERGY STAR® options for energy efficiency appliance replacement programs.

### **Forward Looking Statements**

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995, including statements regarding ARCA's future success. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made, including the risks associated with the general economic conditions, competition in the retain and recycling industries and regulatory risks. Other factors that could cause operating and financial results to differ are described in ARCA's periodic

reports filed with the Securities and Exchange Commission. Other risks may be detailed from time to time in reports to be filed with the SEC.

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