

Appliance Recycling Centers of America Announces Fiscal Year 2017 Financial Results

Minneapolis, MN (June 14, 2018) -- Appliance Recycling Centers of America, Inc. (Nasdaq: ARCI) (“ARCA” or the “company”), a leading provider of utility appliance recycling programs, announces its financial results for the fiscal year ended December 30, 2017.

Highlights include (in thousands):

- Revenues of continuing operations of \$41,544
- Gross profit of \$13,145
- Net income from continuing operations attributed to ARCA of \$5,893
- Net income of \$118 as compared to a prior year loss of \$1,451
- Total liabilities decreased to \$20,653 from \$30,647 the prior year
- Cash on hand increased to \$3,313 from \$968

“Fiscal 2017 was a year of many accomplishments for ARCA. We sold the Compton facility for a gain of \$5,163, we sold our 50% interest in AAP for a gain of \$81, and we exited the ApplianceSmart business for a loss on sale and operations of \$5,775, net of tax. Revenues were up 2.7% versus the prior period. Our gross profit margin increased to 31.6% versus 30.5% for the prior period. Operating expenses were up primarily due to our new GeoTraq subsidiary and the amortization expense associated with the intangibles acquired of \$1,397. Cash on hand increased \$2,345 and debt decreased by \$9,375. We believe the company is now poised for further growth in both of its key businesses. We are excited about our prospects with GeoTraq and expected continued growth and profitability with ARCA Recycling!”, said Virland Johnson, CFO of ARCA.

About ARCA

Appliance Recycling Centers of America, Inc. and subsidiaries (“ARCA”) are in the business of recycling major household appliances in North America by providing turnkey appliance recycling and replacement services for utilities and other sponsors of energy efficiency programs. In addition, through its GeoTraq Inc. subsidiary, a development stage company, ARCA is engaged in the development, design and ultimately ARCA expects the sale of cellular transceiver modules, also known as Cell-ID modules.

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 growth in ARCA’s key businesses and continued growth and profitability of ARCA Recycling. 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 (the “SEC”). Other risks may be detailed from time to time in reports to be filed with the SEC.

###

Contact:

Rachel Holmes

Executive Vice President

Appliance Recycling Centers of America, Inc.

Tel: 952-930-9000

Email: rholmes@arcainc.com