



# Primoris Services Corporation

## Building Momentum

1Q 2022 Earnings  
May 9, 2022

# Notice to Investors



This presentation contains forward-looking statements within the meaning of the federal securities laws. These statements give the current expectations of the Company's management. Words such as "anticipates", "believes", "could", "estimates", "expects", "intends", "may", "plans", "potential", "predicts", "projects", "should", "will", "would" and similar expressions are used to identify forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation include the Company's expectations regarding the possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, projections, effects of regulation and the economy, generally.

Forward-looking statements can be affected by the assumptions used or known or unknown risks or uncertainties. The Company's forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change. Consequently, no forward-looking statement can be guaranteed, and actual results may differ materially and adversely from those reflected in the forward-looking statements. In addition to the factors described in this presentation, other factors that could cause actual results to differ materially from those indicated in the forward-looking statements include, among other things, those set forth in the Company's earnings release dated May 9, 2022, which is included as an exhibit to the Company's Form 8-K furnished to the U.S. Securities and Exchange Commission ("SEC") on such date, and in the Company's SEC filings, including the Company's most recent reports on Forms 10-K and 10-Q. Copies of the Company's SEC filings may be obtained by visiting our Investor Relations website at [www.primoriscorp.com](http://www.primoriscorp.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

All information in this presentation reflects management's views as of May 9, 2022. The Company does not undertake, and expressly disclaims any duty, to update any statement made in this presentation, whether as a result of new information, new developments, or otherwise, except as may be required by law.

## Non-GAAP Measures

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States ("GAAP"). Primoris uses earnings before interest, income taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS as important supplemental measures of the Company's operating performance. The Company believes these measures enable investors, analysts, and management to evaluate Primoris' performance excluding the effects of certain items that management believes impact the comparability of operating results between reporting periods. In addition, management believes these measures are useful in comparing the Company's operating results with those of its competitors. The non-GAAP measures presented in this presentation are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, Primoris' method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similarly titled measures as calculated by other companies that do not use the same methodology as Primoris. Please see the accompanying tables to this presentation for reconciliations of the following non-GAAP financial measures for Primoris' current and historical results: EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS.



Strong Revenue of \$784.4 million

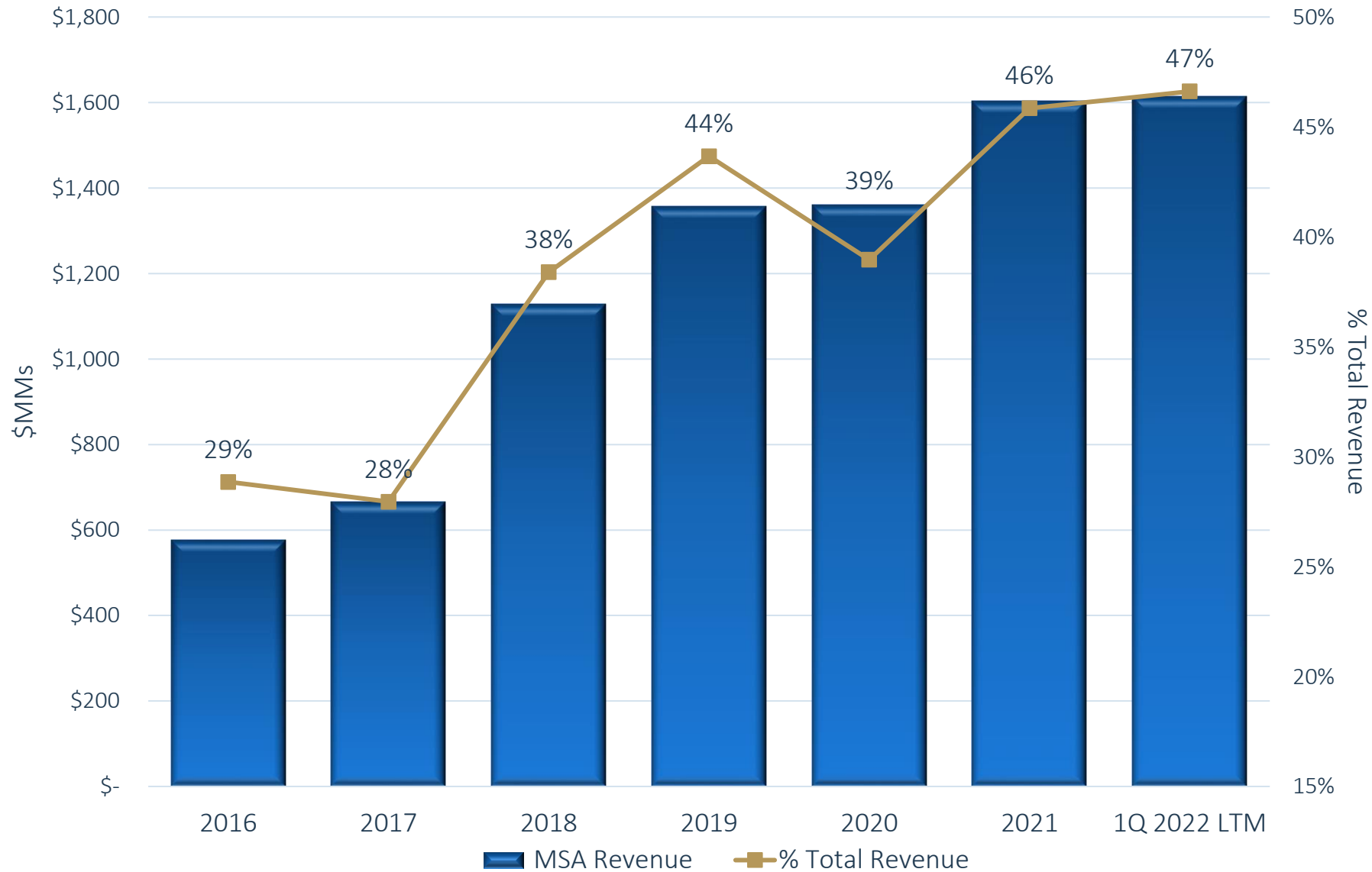
Record Backlog of \$4.025 billion, an increase of 30 percent over prior year

*Building momentum in higher-growth, higher-margin end markets with strong secular tailwinds:*

- Utilities & Energy/Renewables Segments drove over 90% of 1Q 2022 revenue

| <i>(\$ thousands, except per share amounts)</i> | 1Q 2022    | 1Q 2021    |
|---|------------|------------|
| GAAP Metrics                                    |            |            |
| Revenue   | \$ 784,384 | \$ 818,329 |
| Net (Loss) Income                               | (1,674)    | 5,848      |
| Diluted (Loss) EPS                              | (0.03)     | 0.12       |
| Non-GAAP Metrics                                |            |            |
| Adjusted EBITDA                                 | 22,631     | 37,723     |
| Adjusted Net Income                             | 423        | 18,709     |
| Adjusted EPS                                    | 0.01       | 0.37       |

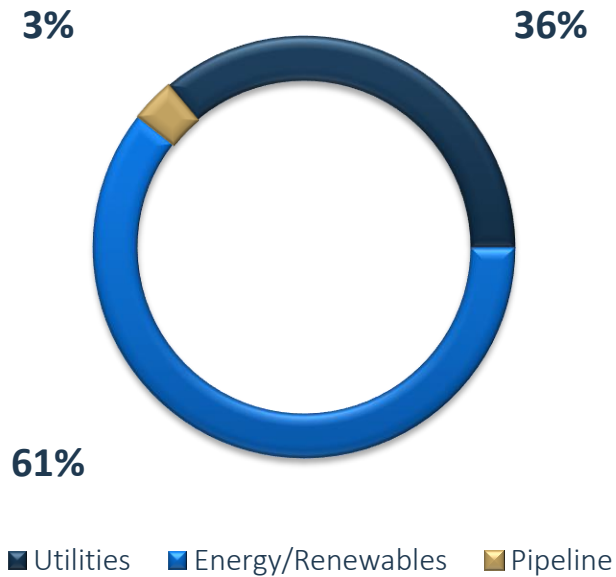
# MSA Revenue



# Backlog Summary at 3/31/2022

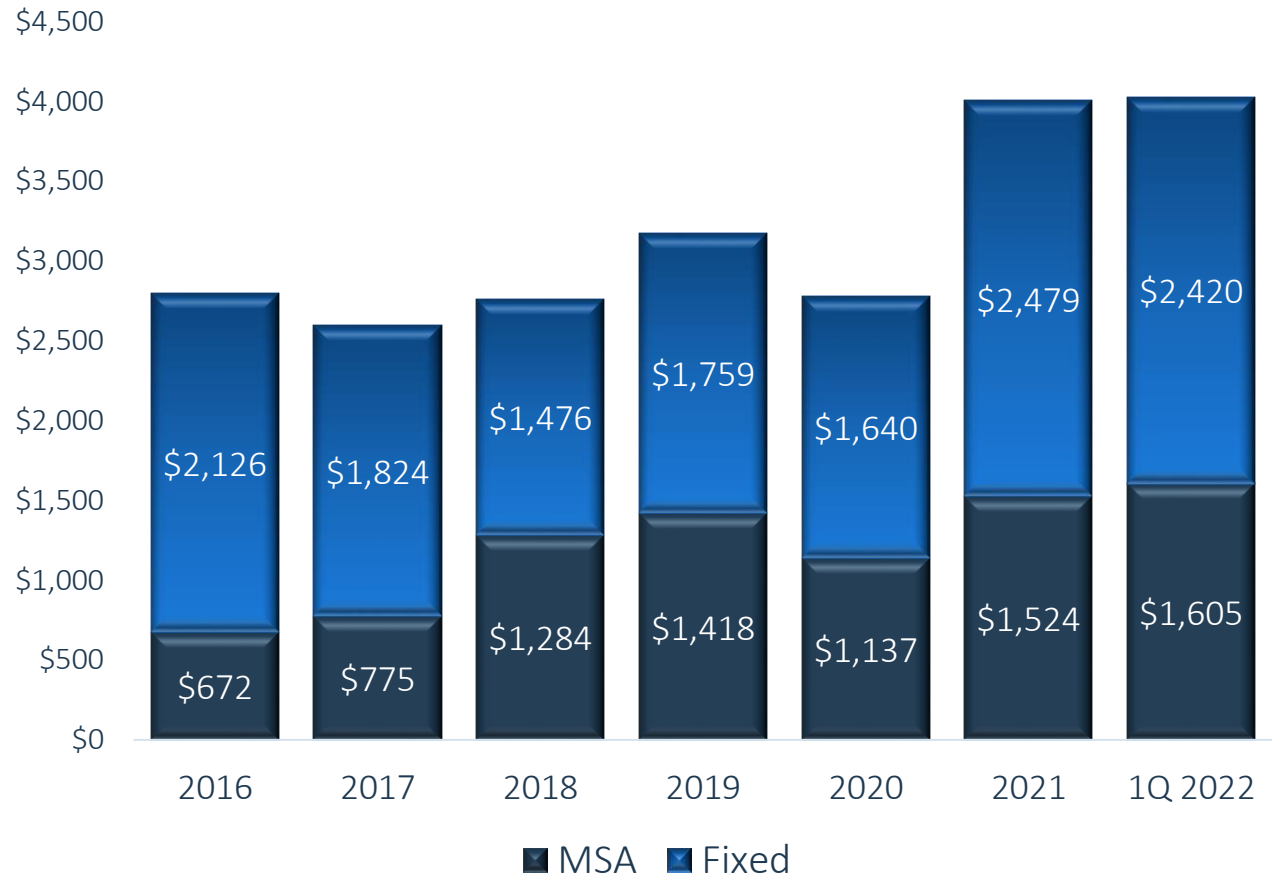
## Total Backlog\* Mix

\*MSA Backlog includes anticipated MSA revenue for the next 12 months



## Total Backlog\* (\$MMs)

\*MSA Backlog includes anticipated MSA revenue for the next 12 months



# 1Q 2022 vs. 1Q 2021 Segment Results

\$ in thousands

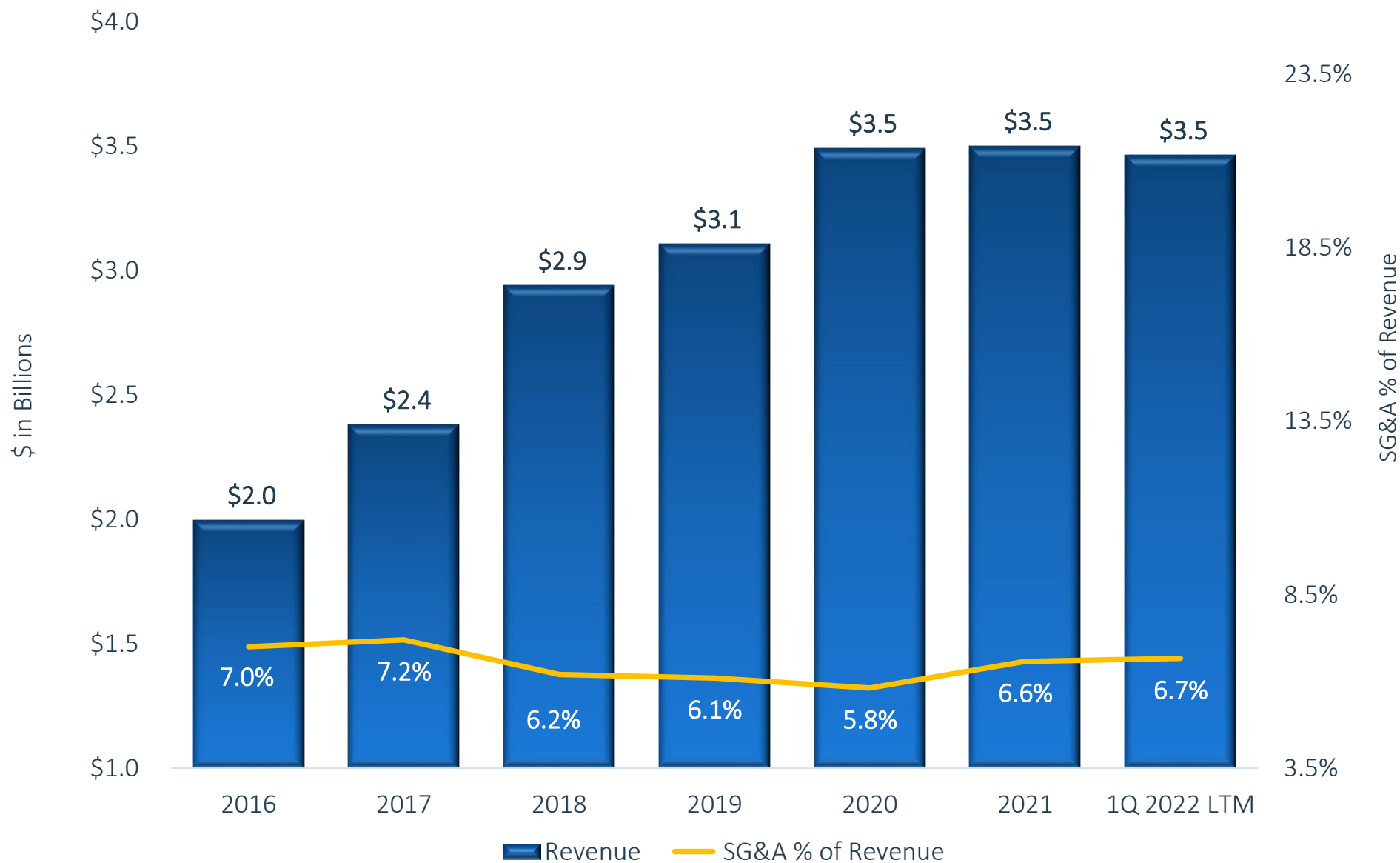


| 1Q 2022        | Utilities  | Energy/<br>Renewables | Pipeline  | TOTAL      |
|----------------|------------|-----------------------|-----------|------------|
| Revenue        | \$ 358,728 | \$ 359,050            | \$ 66,606 | \$ 784,384 |
| Gross Profit   | \$ 22,354  | \$ 39,931             | \$(5,799) | \$ 56,486  |
| Gross Margins* | 6.2%       | 11.1%                 | (8.7)%    | 7.2%       |

| 1Q 2021        | Utilities  | Energy/<br>Renewables | Pipeline   | TOTAL      |
|----------------|------------|-----------------------|------------|------------|
| Revenue        | \$ 335,012 | \$ 352,864            | \$ 130,453 | \$ 818,329 |
| Gross Profit   | \$ 21,716  | \$ 42,672             | \$ 15,793  | \$ 80,181  |
| Gross Margins* | 6.5%       | 12.1%                 | 12.1%      | 9.8%       |

\*Gross Profit as a Percent of Revenue

# Controlling SG&A



# 2022 Guidance

As of May 9, 2022



- » Raised Earnings Per Share (“EPS”)
  - » \$2.20 to \$2.40 per fully diluted share
- » Raised Adjusted EPS:
  - » \$2.49 to \$2.69
- » 2022 SG&A as a percentage of revenue:
  - » low-to-mid mix 6%
- » Capital Expenditures for next 9 months of 2022:
  - » \$90 to \$110M;
  - » Includes \$55 to \$75M for construction equipment
- » Effective Tax rate: ~27 percent
- » Targeted Revenue Growth by segment:
  - » Utilities: Increase of 8 – 10%
  - » Energy/Renewables: Increase of ~20%
  - » Pipeline: Below 2021
- » Targeted Gross Margins by segment:
  - » Utilities: 10% - 13%
  - » Energy/Renewables: 9% - 12%
  - » Pipeline: 9% -11%

The guidance provided above constitutes forward-looking statements, which are based on current economic conditions and estimates, and the Company does not include other potential impacts, such as changes in accounting or unusual items. Supplemental information relating to the Company’s financial outlook is posted in the Investor Relations section of the Company’s website at [www.primoriscorp.com](http://www.primoriscorp.com).

# Primoris – Why Invest?

Our low-risk business model creates strong, consistent growth

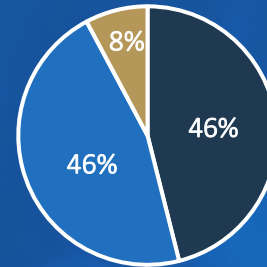


## Our Value Proposition

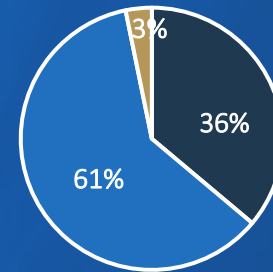
- » Comprehensive suite of critical infrastructure services
- » Business model limits risks & drives predictability
  - » Lower risk profile – smaller size contracts
  - » Driving predictability with increased multi-year revenue & margin visibility
  - » Deeper relationships with customers spanning decades provides cross-selling opportunities
- » Ongoing transition to higher growth, higher margin end markets with strong secular tailwind

## Diverse Business Mix

1Q 2022 Revenue



1Q 2021 Backlog



- Utilities
- Energy/ Renewables
- Pipeline Services

**40%**

Master Service Agreement (MSA) Backlog <sup>(1)</sup>

**<\$5mm**

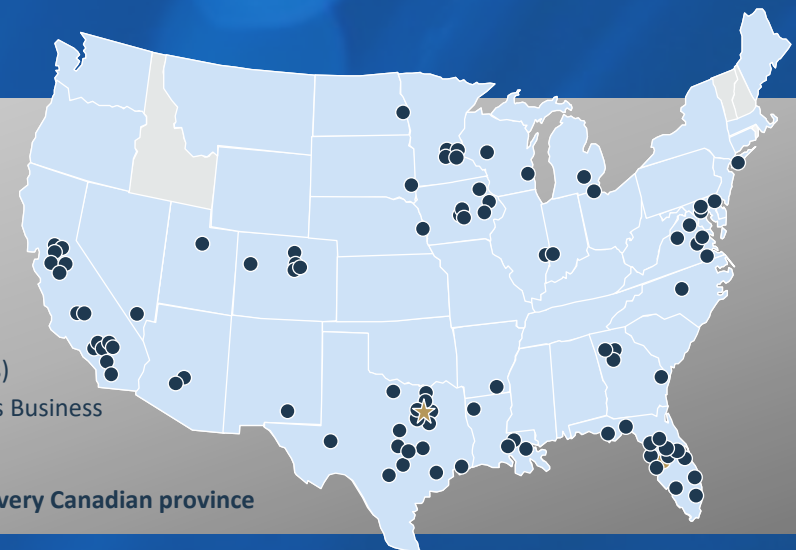
Average Project Size <sup>(2)</sup>

**78%**

Reimbursable Contracts <sup>(2)</sup>

## Coast-to-Coast Operational Footprint <sup>(3)</sup>

- Primoris Existing Locations
- ★ Headquarters (Dallas, Texas)
- States Where Primoris Does Business



Primoris has also worked in every Canadian province

(1) As of 31-Mar-2022 (2) As of 31-Dec-2021 (3) Represents states where Primoris has done business in the last 7.5 years.

# Reg G Reconciliation

Schedule 1:  
**Reconciliation of Adjusted Net Income & Adjusted EPS**  
**1Q 2022 vs. 1Q 2021**



**Adjusted Net Income & Adjusted EPS**

Primoris defines Adjusted Net Income as net income (loss) adjusted for certain items including, (i) non-cash stock-based compensation expense; (ii) transaction/integration and related costs; (iii) asset impairment charges; (iv) changes in fair value of the Company's interest rate swap; (v) change in fair value of contingent consideration liabilities; (vi) amortization of intangible assets; (vii) amortization of debt discounts and debt issuance costs; (viii) losses on extinguishment of debt; (ix) severance and restructuring changes; and (x) impact of changes in statutory tax rates. The Company defines Adjusted EPS as Adjusted Net Income divided by the diluted weighted average shares outstanding. Management believes these adjustments are helpful for comparing the Company's operating performance with prior periods. Because Adjusted Net Income and Adjusted EPS, as defined, exclude some, but not all, items that affect net income and diluted earnings per share, they may not be comparable to similarly titled measures of other companies. The most comparable GAAP financial measures, net income and diluted earnings per share, and information reconciling the GAAP and non-GAAP financial measures, are included in the table below.

| <i>(\$ thousands, except per share amounts)</i>          | <b>1Q 2022</b>    | <b>1Q 2021</b>   |
|--|-------------------|------------------|
| <b>Net (loss) income as reported (GAAP)</b>              | <b>\$ (1,674)</b> | <b>\$ 5,848</b>  |
| Non-cash stock-based compensation                        | 1,553             | 1,055            |
| Transaction/integration and related costs <sup>(1)</sup> | 323               | 13,896           |
| Amortization of intangible assets                        | 3,610             | 4,163            |
| Amortization of debt issuance costs                      | 283               | 283              |
| Unrealized gain on interest rate swap                    | (2,896)           | (1,283)          |
| Income tax impact of adjustments                         | (776)             | (5,253)          |
| <b>Adjusted net income</b>                               | <b>\$ 423</b>     | <b>\$ 18,709</b> |
| Weighted average shares (diluted) <sup>(2)</sup>         | 53,792            | 50,026           |
| Diluted earning per share                                | \$ (0.03)         | \$ 0.12          |
| <b>Adjusted diluted earnings per share</b>               | <b>\$ 0.01</b>    | <b>\$ 0.37</b>   |

(1) The period ended March 31, 2021, includes \$5.1 million in stock compensation expense related to the acquisition Future Infrastructure Holdings, LLC ("FIH").

(2) Includes the dilutive effect of shares issued to independent directors and restricted stock units of 6 and 546, respectively, for the three months ended March 31, 2022. However, these amounts were excluded from the weighted average diluted shares outstanding when calculating diluted earnings per share for the three months ended March 31, 2022, as their inclusion would be anti-dilutive.

Schedule 2:  
**Reconciliation of EBITDA & Adjusted EBITDA**  
 1Q 2022 vs. 1Q 2021



**EBITDA and Adjusted EBITDA**

Primoris defines EBITDA as net income (loss) before interest, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for certain items including, (i) non-cash stock-based compensation expense; (ii) transaction/integration and related costs; (iii) asset impairment charges; (iv) severance and restructuring changes; and (v) change in fair value of contingent consideration liabilities. The Company believes the EBITDA and Adjusted EBITDA financial measures assist in providing a more complete understanding of the Company's underlying operational measures to manage its business, to evaluate its performance compared to prior periods and the marketplace, and to establish operational goals. EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. These non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies. The most comparable GAAP financial measure, net income, and information reconciling the GAAP and non-GAAP financial measures are included in the table below.

| <i>(\$ thousands)</i>                                    | 1Q 2022           | 1Q 2021          |
|--|-------------------|------------------|
| <b>Net (loss) income as reported (GAAP)</b>              | <b>\$ (1,674)</b> | <b>\$ 5,848</b>  |
| Interest expense, net                                    | 2,876             | 4,636            |
| (Benefit) provision for income taxes                     | (619)             | 2,387            |
| Depreciation and amortization                            | 20,172            | 24,852           |
| <b>EBITDA</b>  | <b>20,755</b>     | <b>37,723</b>    |
| Non-cash stock-based compensation                        | 1,553             | 1,055            |
| Transaction/integration and related costs <sup>(1)</sup> | 323               | 13,896           |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 22,631</b>  | <b>\$ 52,674</b> |

(1) The period ended March 31, 2021, includes \$5.1 million in stock compensation expense related to the acquisition of FIH.

Schedule 3:  
**Reconciliation of Non-GAAP Forecasted Guidance**  
 FY 2022



**Adjusted Net Income & EPS to Adjusted EPS for the year ending December 31, 2022**

The following table sets forth a reconciliation of the forecasted GAAP net income attributable to Primoris to Adjusted Net Income and EPS to Adjusted EPS for the year ending December 31, 2022.

| <i>(\$ thousands, except per share amounts)</i> | <b>Estimated Range Full Year Ending<br/>December 31, 2022</b> |                   |
|---|---|-------------------|
| <b>Net income as defined (GAAP)</b>             | <b>\$ 121,000</b>   | <b>\$ 132,000</b> |
| Non-cash stock-based compensation               | 7,100   | 7,100             |
| Amortization of intangible assets               | 13,400  | 13,400            |
| Amortization of debt issuance costs             | 1,200   | 1,200             |
| Transaction/integration and related costs       | 300   | 300               |
| Income tax impact of adjustments                | (5,940)   | (5,940)           |
| <b>Adjusted net income</b>                      | <b>\$ 137,060</b>   | <b>\$ 148,060</b> |
| Weighted average shares (diluted)               | 55,000  | 55,000            |
| Diluted earning per share                       | \$ 2.20   | \$ 2.40           |
| <b>Adjusted diluted earnings per share</b>      | <b>\$ 2.49</b>  | <b>\$ 2.69</b>    |