



# Primoris Services Corporation

## Building Momentum

June 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.

## Primoris Services Corporation – Building America’s Infrastructure

### Our Vision

To be a leader in every market we serve and to be a trusted service provider and partner to our clients

### Our Mission

Built on a foundation of trust, we provide our clients with unmatched value, our employees with a safe work environment and entrepreneurial culture, our shareholders with results, and the communities we serve with innovation and excellence

- » Leading scale player with \$3.5bn in 2021 revenue
- » Comprehensive suite of critical infrastructure services
  - Specialty Contractor
  - Maintenance
  - Engineering
  - Procurement
- » Company of choice for employees, customers and partners
- » Ongoing transition to higher growth, higher margin end markets with strong secular tailwinds



### Transition to Sustainability



### Keep the Lights On



### Accelerate Broadband Access



**Primoris is  
Helping...**

# Primoris at a Glance

## Primoris By the Numbers <sup>(1)</sup>

**\$3.5bn**

Revenue

**\$4.025 bn**

Backlog <sup>(2)</sup>

**40%**

Master Service Agreement  
(MSA) Backlog <sup>(2)</sup>

**<\$5mm**

Average Contract Size

**78%**

Reimbursable Contracts

**\$26.6bn**

Total Addressable Market

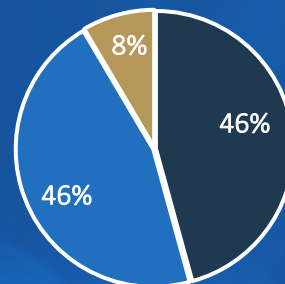
**10,800+**

Employees

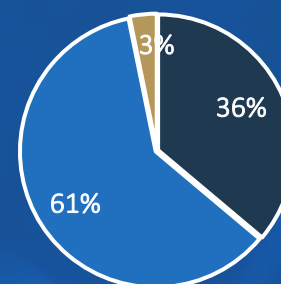


## Diverse Business Mix

1Q 2022 Revenue



1Q 2022 Backlog

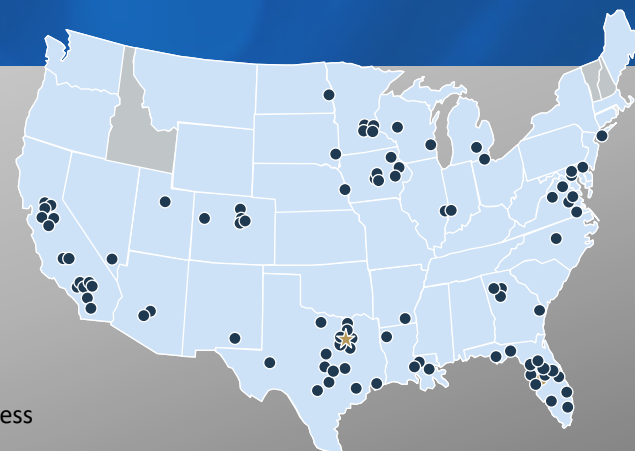


● Utilities ● Energy/ Renewables ● Pipeline Services

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

Primoris has also  
worked in every  
Canadian province














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



(1) For FY2021 or as of 31-Dec-2021 unless otherwise noted.

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

# Our Reporting Segments and Markets We Serve

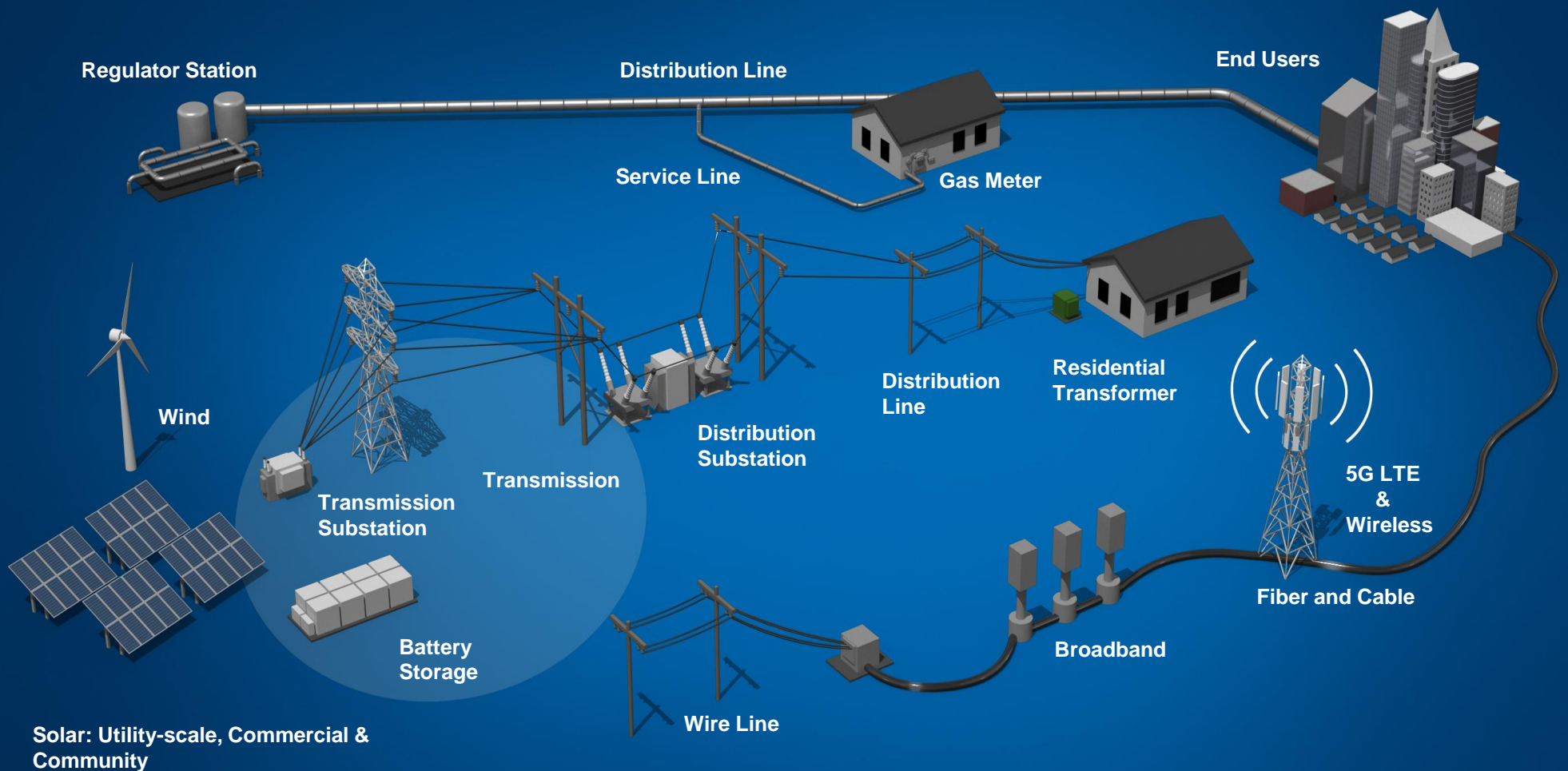
	Utilities	Energy / Renewables	Pipeline Services
2022 Target Gross Margins			
	<div> <div>Power Delivery</div>  </div> <div> <div>Communications</div>  </div> <div> <div>Regulated Natural Gas</div>  </div>	<div> <div>Power Plants</div>  </div> <div> <div>Renewables</div>  </div> <div> <div>Refining Petrochemicals</div>  </div> <div> <div>Highways, Bridges, and Airports</div>  </div>	<div> <div>Large Diameter</div>  </div> <div> <div>Small Diameter Gathering</div>  </div> <div> <div>Water / Drainage</div>  </div>
	<div> <div>» Electric substation engineering design</div> <div>» Procurement of critical materials</div> </div> <div> <div>» Fiber optic installation</div> <div>» Electric distribution &amp; substation</div> <div>» Gas distribution</div> <div>» Communications</div> </div>	<div> <div>» Power generation services</div> <div>» Industrial engineering &amp; construction services</div> </div> <div> <div>» Renewable energy production facilities</div> </div>	<div> <div>» Pipeline integrity</div> <div>» Maintenance</div> <div>» Road boring</div> <div>» Fabrication</div> <div>» Pipeline construction</div> </div> <div> <div>» Large / small diameter</div> <div>» Compressor stations</div> <div>» Pump stations</div> <div>» Terminals</div> </div>
2021 Revenue Contribution	\$1.7 Billion	\$1.4 Billion	\$431 Million (Pipeline)

10-13%

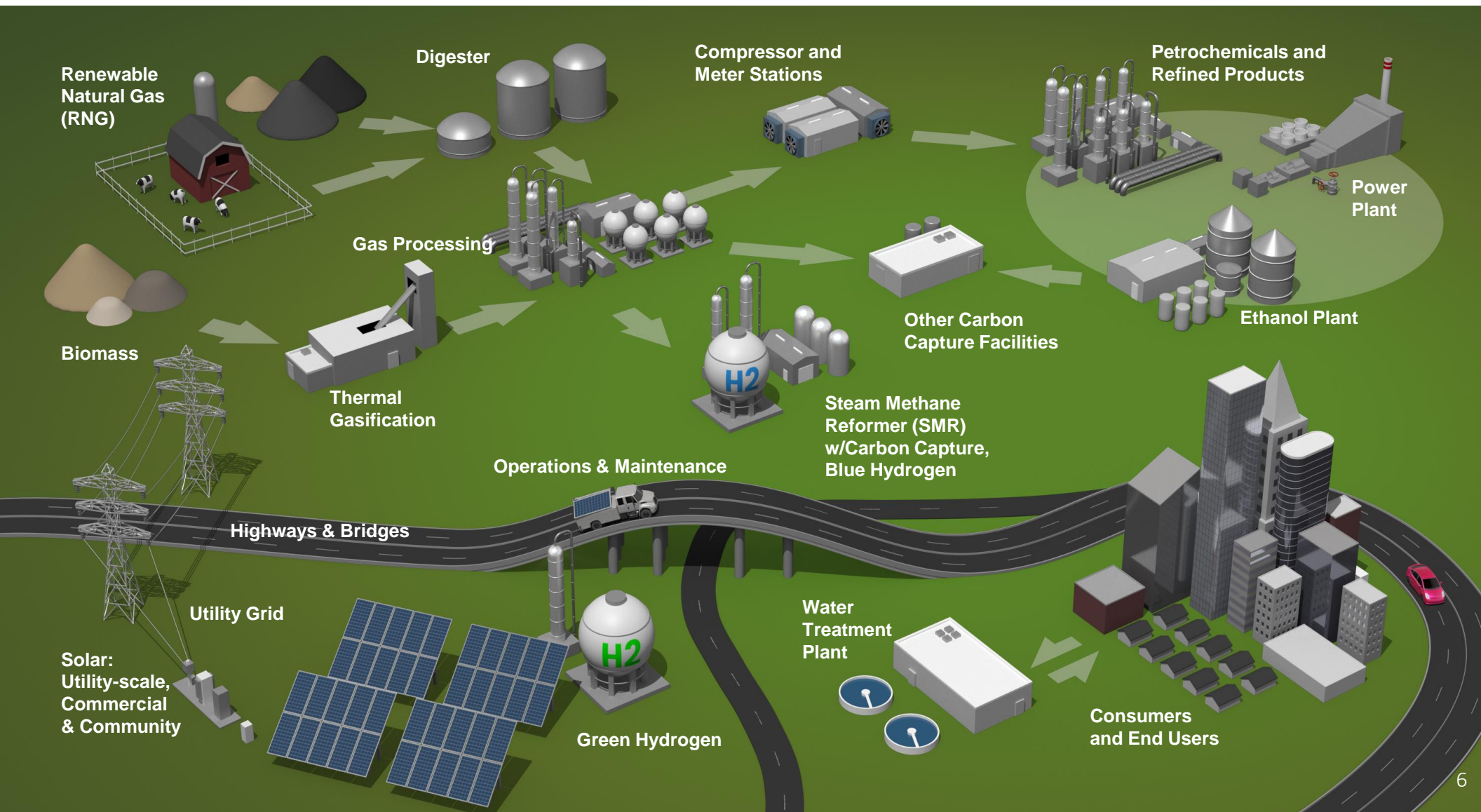
9-12%

9-11%

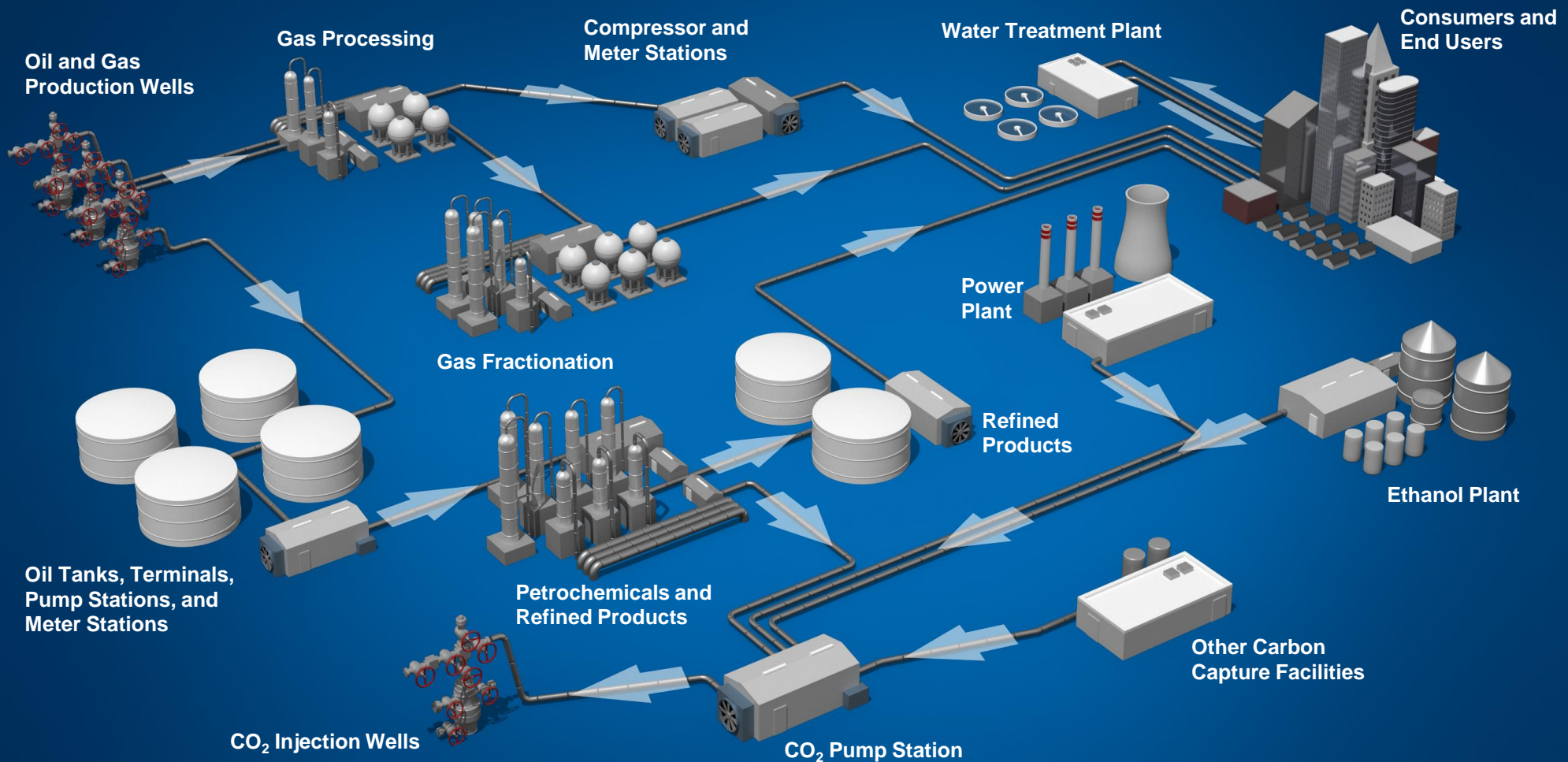
## Utilities Segment



## Energy and Renewables Segment



## Pipeline Services Segment



# Consistent Execution Track Record Driving Long-Term Profitable Growth

Leverage core platform to address large growing market opportunity

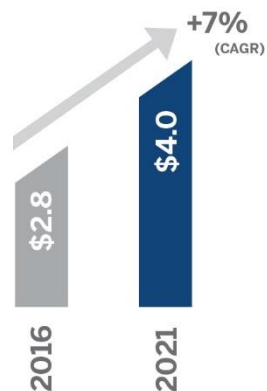
Expanding service mix to meet our customers' lifecycle needs

Disciplined risk management strategy

Thoughtful expansion into new end markets

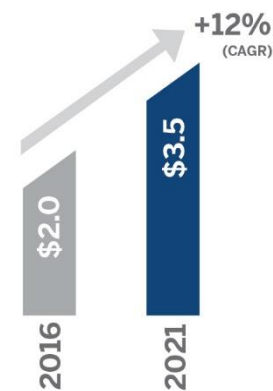
## BACKLOG

(IN BILLIONS)



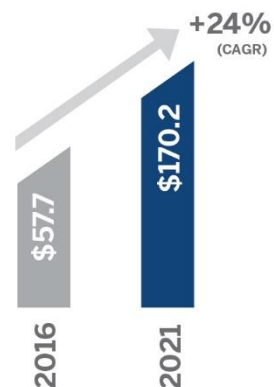
## REVENUE

(IN BILLIONS)



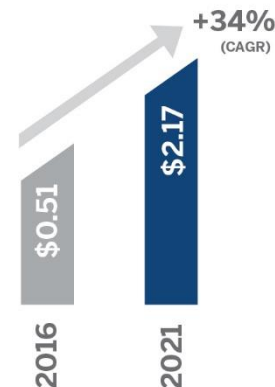
## OPERATING INCOME

(IN MILLIONS)



## EPS

(\$ PER SHARE)



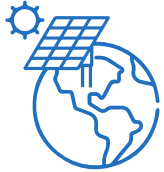
# Our Commitment



Our commitment to excellence includes:

- » Our impact on the **ENVIRONMENT**
- » Our contribution to **SOCIETY**
- » Our high standards of corporate **GOVERNANCE**

- ✓ Established Environmental, Social & Corporate Governance (ESG) Committee in 2020.
- ✓ Achieved MSCI ESG Rating of “A” in 2022



## ENVIRONMENT

### Actively managing environmental impacts of our operations

- ✓ Implementing energy-efficient technology in many of our own facilities
- ✓ Working with clients to reduce and offset their carbon footprint through solar energy construction, carbon capture and biofuels projects

### Supporting broader environmental goals by focusing on sustainable solutions for our clients

- ✓ Utility-scale solar projects
- ✓ Biofuels/green fuels retrofitting projects
- ✓ Water reuse projects
- ✓ Carbon capture, use and storage (CCUS) projects
- ✓ Recycled Asphalt Pavement
- ✓ Hydrogen Home Pilot Project



## SOCIETY

Fostering a workplace that is reflective of, and contributes to, our diverse society

### Employees:

- ✓ 45% of our overall workforce identify as culturally diverse
- ✓ Continuous safety and career training
- ✓ Leadership development program

### Vendors/Communities:

- ✓ Proactive mentorship with DBE suppliers, including investing in, sharing assets with, leasing to and creating strategic alliances
- ✓ Actively participating as a Corporate Citizen in the communities we serve



## GOVERNANCE

Following good corporate governance practices to support financial, operational and strategic objectives

- ✓ Code of Conduct updated in 2021
- ✓ 78% of Board is independent
- ✓ 100% of Committees are chaired by independent directors
- ✓ 44% of board diverse by ethnicity or gender
- ✓ Mandatory Board retirement age of 75
- ✓ Stock ownership guidelines for directors and officers

# Why Invest in Primoris

# Key Investment Highlights

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- 1** **Leading Provider of Critical Infrastructure Services**
- 2** **Multiple Secular Tailwinds Supporting Growth**
- 3** **Diversified and Well-Tenured Blue Chip Client Base**
- 4** **Business Model Intentionally Designed to Limit Risk and Drive Predictability**
- 5** **Differentiated Employee Base and Skilled Labor Advantage**
- 6** **Multiple Strategies to Drive Disciplined Long-Term Growth**



## Lifecycle Solutions

- » Design / Engineering
- » Procurement
- » Installation
- » Maintenance
- » Replacement

## Predictable, Non-Discretionary Spend

- » Utilities
- » Telecom
- » Renewables
- » Pipeline Services

## Focus on Customer Needs

- » Safety
- » Efficiency
- » Value
- » Reliability

## Consistent Project Execution

- » On-Time Completion
- » Profitable Execution
- » Smaller Projects

Multiple independent positive trends fueling infrastructure spend in both the near and long-term

## Market Opportunity

## Growth Drivers

### Electric T&D



**\$70 Bn**

- » Grid upgrade and maintenance requirements
- » System hardening
- » Weather hardening and preparedness

### Regulated Natural Gas



**\$28 Bn**

- » Large, government-mandated replacement cycle
- » 50% of pipeline infrastructure installed before 1980

### Telecommunications



**\$140 Bn<sup>(1)</sup>**

- » 5G, spectrum and fiber rollouts
- » 50%+ of mobile subscriptions using 5G by 2029

### Renewables



**\$225 Bn<sup>(2)</sup>**

- » Renewables a federal and state priority
- » Continued cost declines making renewables economic without tax credits
- » ~47% of U.S. generation mix to come from renewables by 2050

• Source: HIS EIA, S&P, Deloitte, Americas Water Infrastructure, Fitch Solutions  
 (1) Estimated fiber investment required in the US over the next 5 to 7 years.  
 (2) Estimated renewable asset investment in 2020.

## Segments

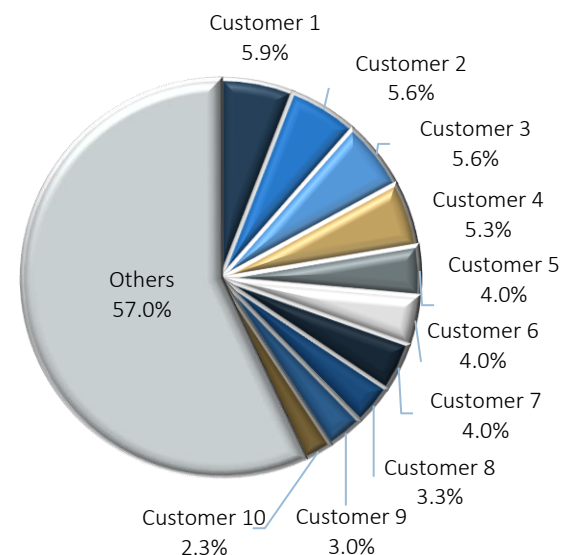
## Select Primoris Customers

Average Tenure<sup>(1)</sup>

Utilities

25  
YearsEnergy /  
Renewables21  
Years

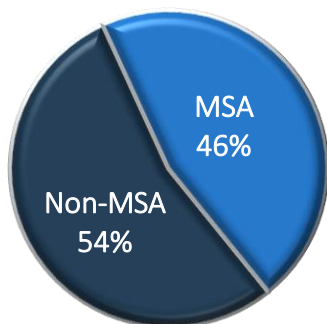
Pipeline

29  
Years2021 Revenue Breakdown  
by Customer26%  
of Revenue from  
Top 5 Customers43%  
of Revenue from  
Top 10 Customers

# Business Model Intentionally Designed to Limit Risk & Drive Predictability

## MSA Focused Service Offering...

Revenue Mix (2021)



### Improved Economics

- » Recurring MSA reduces sales and marketing expenses
- » Supports investments in scale / network density

### Resilient Profile

- » Increased revenue stability
- » Increased profit visibility
- » Multi-year visibility

### Deeper Relationships

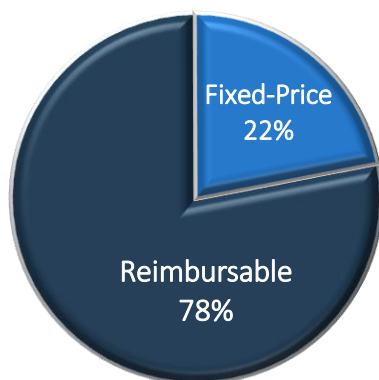
- » Relationship with customers can span decades
- » Vital partner in providing safe, reliable service
- » Cross-selling opportunities

### Lower Risk

- » Unit price
- » Average work order <\$1 MM, >3,000+ annual work orders
- » Lower earnings volatility

## With a De-Risked Contract Structure...

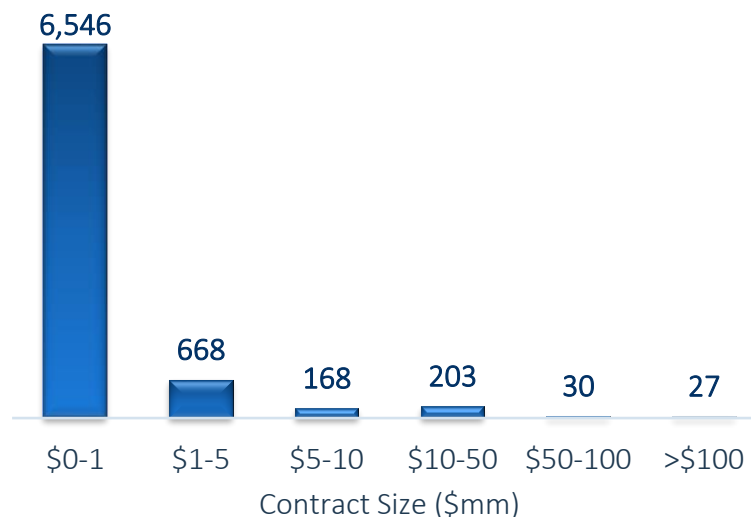
2021 Contract Mix



Average Project Size Less Than \$5 million

## ...and Small Project Size

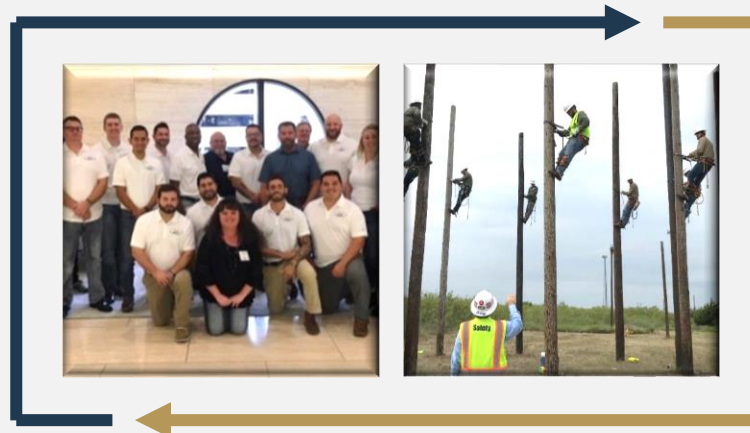
Number of Ongoing Projects by Total Project Size



Primoris has more than 10,800 employees with opportunities for continued skill enhancements

## Project Management Training

Lays the foundation of skills and supports the uniformity of project execution across Primoris



## Skills Training

Primoris supports continuous skills training, both through on-site programs and off-site training, including several locations where we train apprentices to become journeymen

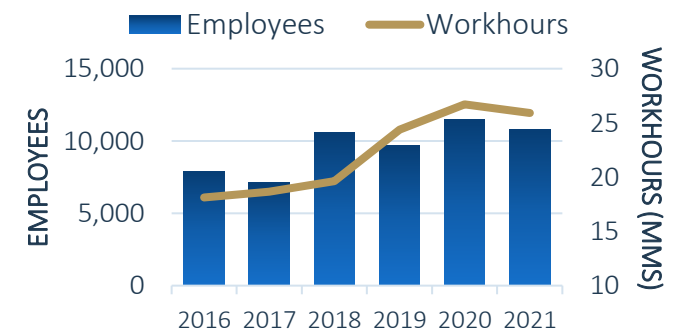
## Leadership Development Program

The Leadership Development Program is a year-long initiative designed to further develop each participant's leadership skills. The focused program requires participants to challenge themselves and their peers as they progress through the coursework.

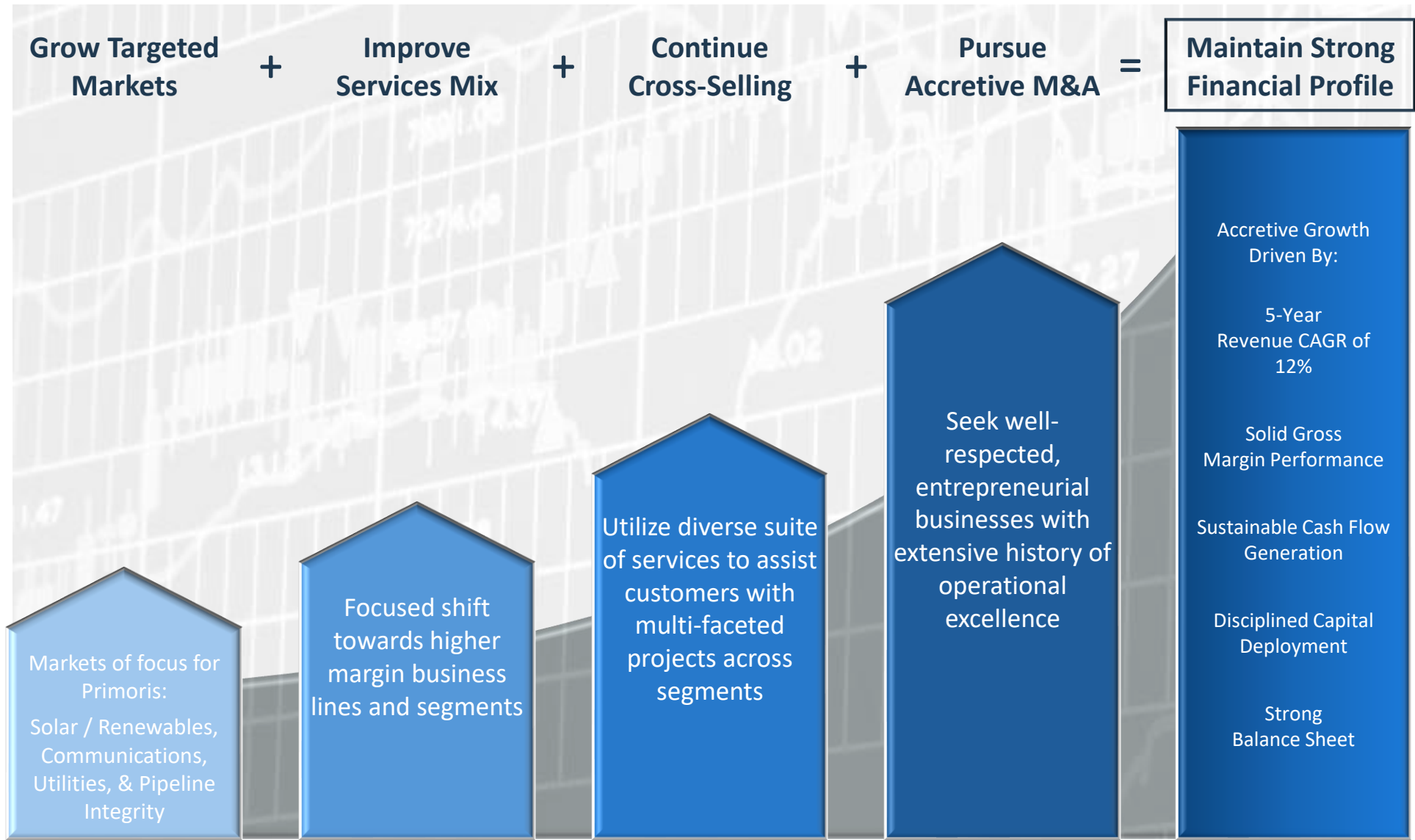
## Company-Owned Training Facilities



## Employee Count & Workhours (As of Year-End, Workhours in Millions)

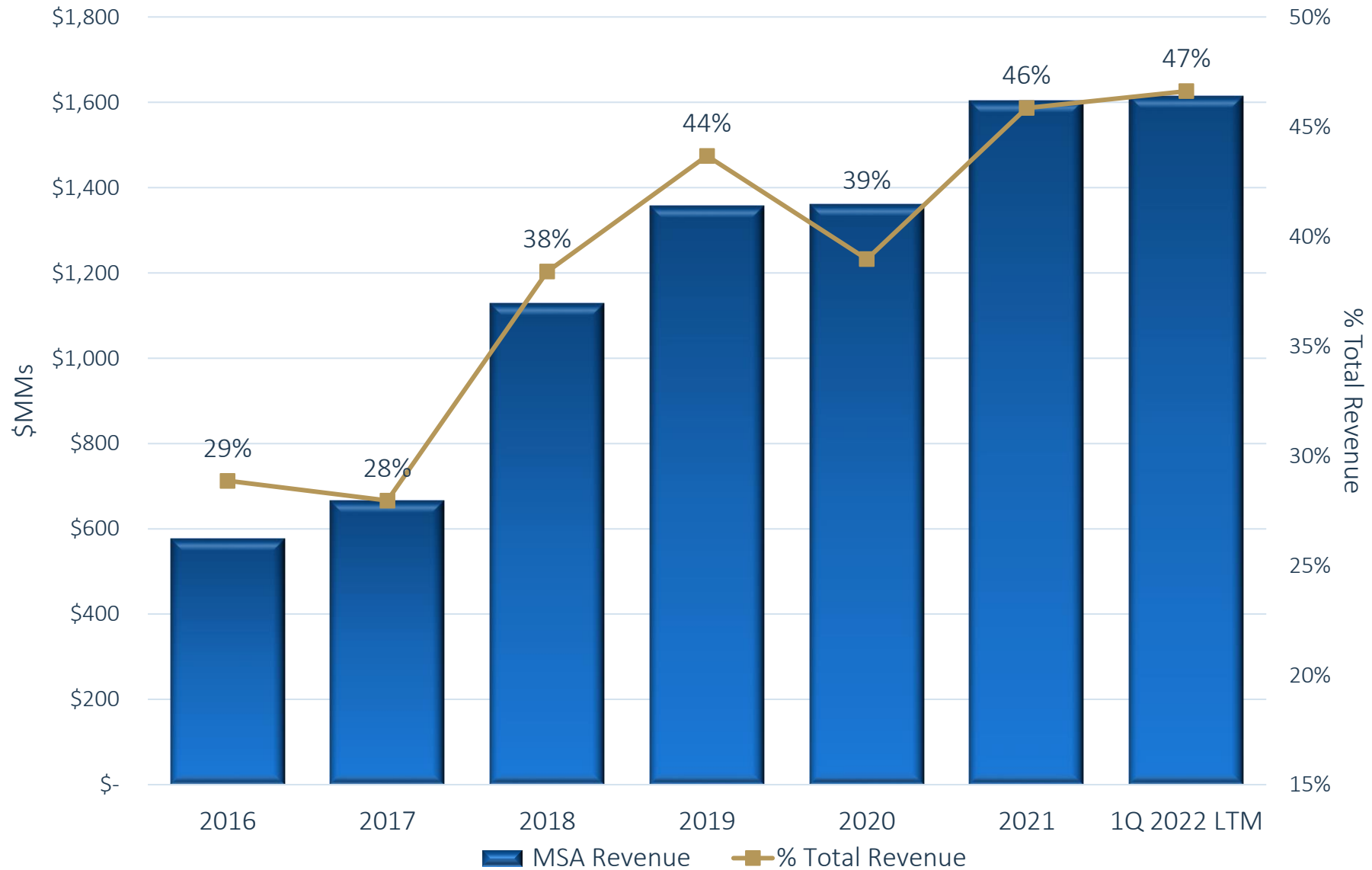


# Multiple Strategies to Drive Disciplined Long-Term Growth



# Financial Overview

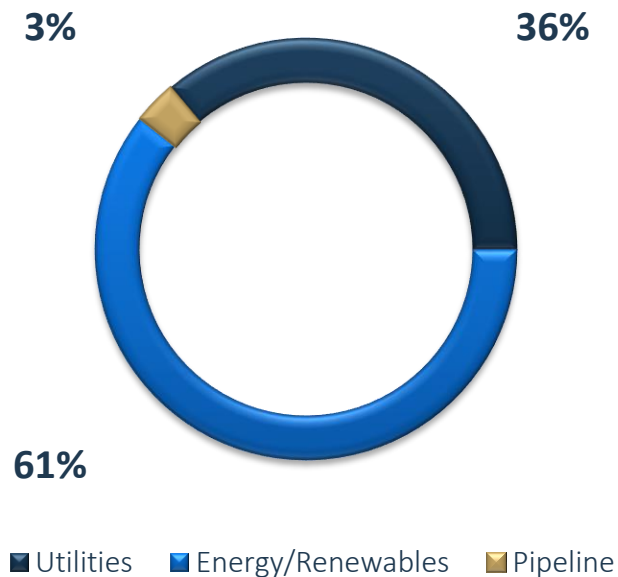
# MSA Revenue



# Backlog Summary at 3/31/2022

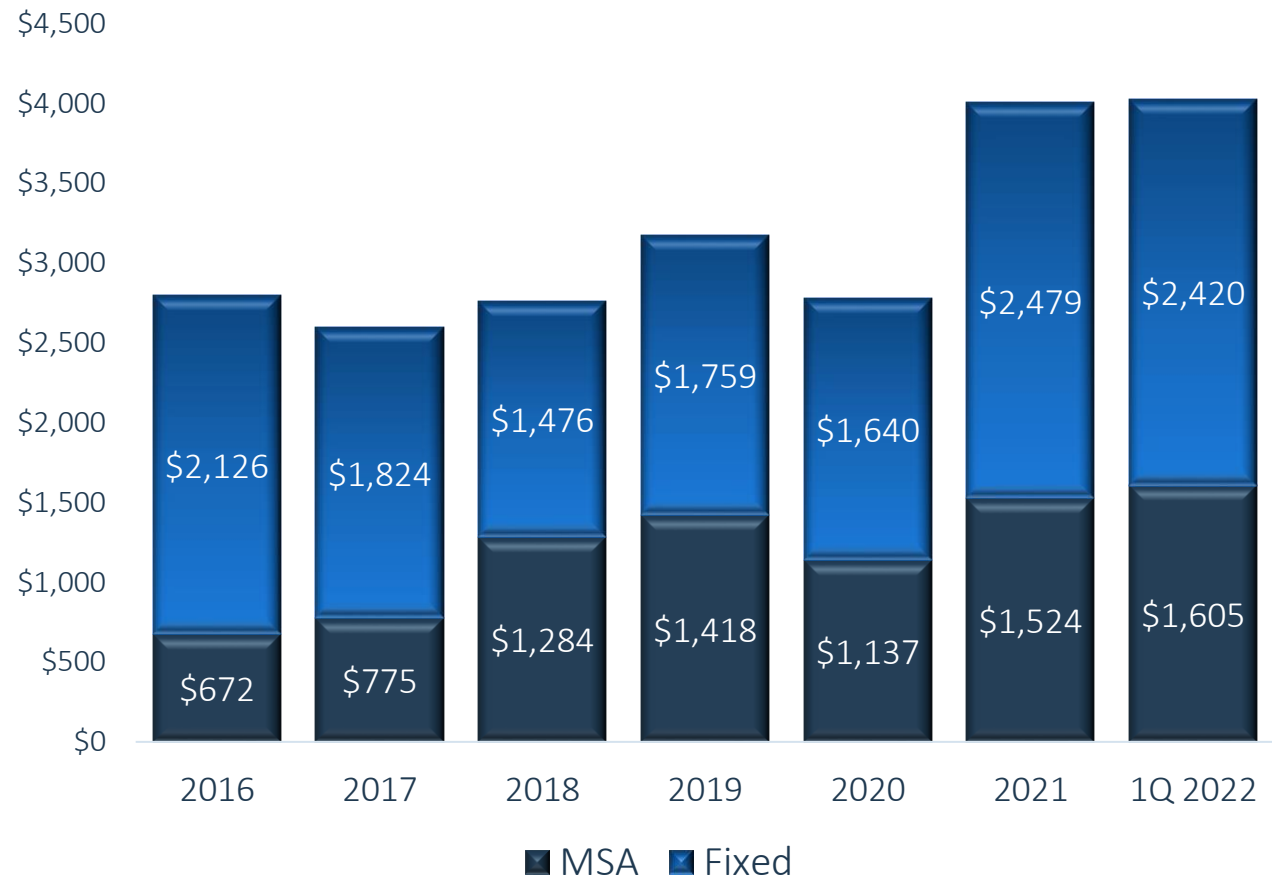
## Total Backlog\* Mix

\*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



# 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).

# Strategic Capital Allocation Priorities

Focused on driving shareholder value and maintaining balance sheet flexibility

## Organic Growth

Continuing to invest organically to drive growth with new services in attractive end markets

## M&A

Transforming the business through disciplined, accretive M&A in strategic, high growth end markets

## Balance Sheet Flexibility

De-leveraging through strategic transactions and strong cash flow generation to provide dry powder for future M&A

## Return of Capital

Selectively returning capital to shareholders

# Reg G Reconciliation

# 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>	1Q 2022	1Q 2021
<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.

# 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
Net (loss) income as reported (GAAP)	\$ (1,674)	\$ 5,848
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.

# 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>	Estimated Range Full Year Ending December 31, 2022	
<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>