



The Power of Primoris

3Q 2023 Earnings

November 8, 2023

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 November 7, 2023, 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.prim.com or the SEC's website at www.sec.gov.

All information in this presentation reflects management's views as of November 8, 2023. 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.

Record quarterly backlog for the 8th consecutive quarter to approximately \$6.7 billion

Utilities year-to-date project revenue more than doubled compared to 2022

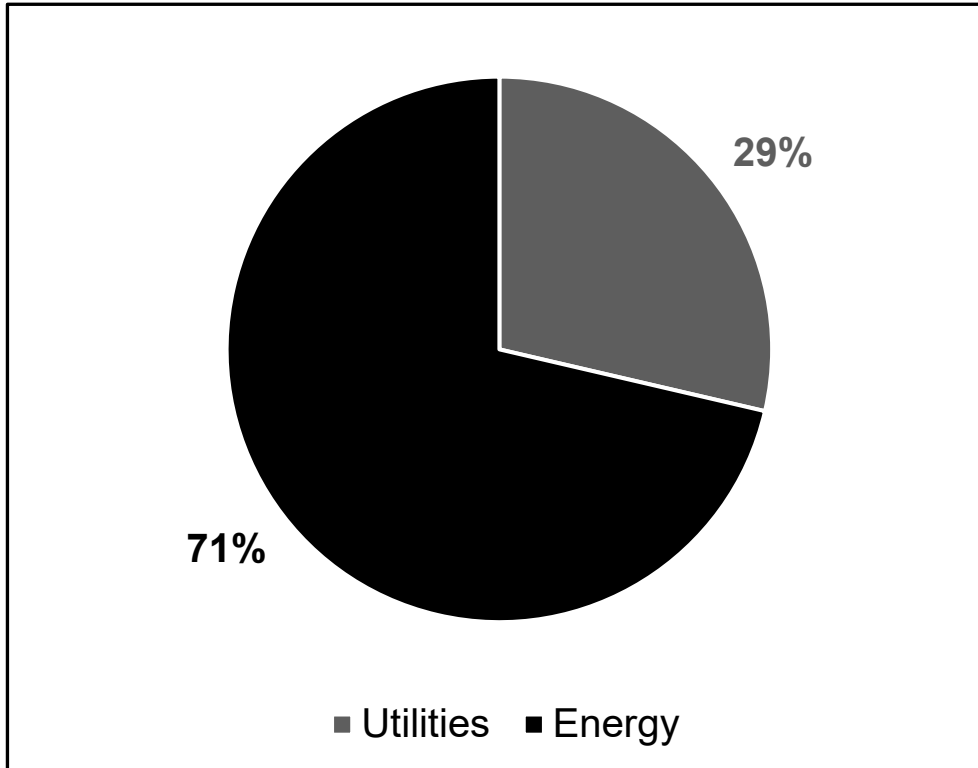
Renewables effectively managing industry-wide challenges and risk while growing profitably

Cash flow from operations showing improvement while growing revenue

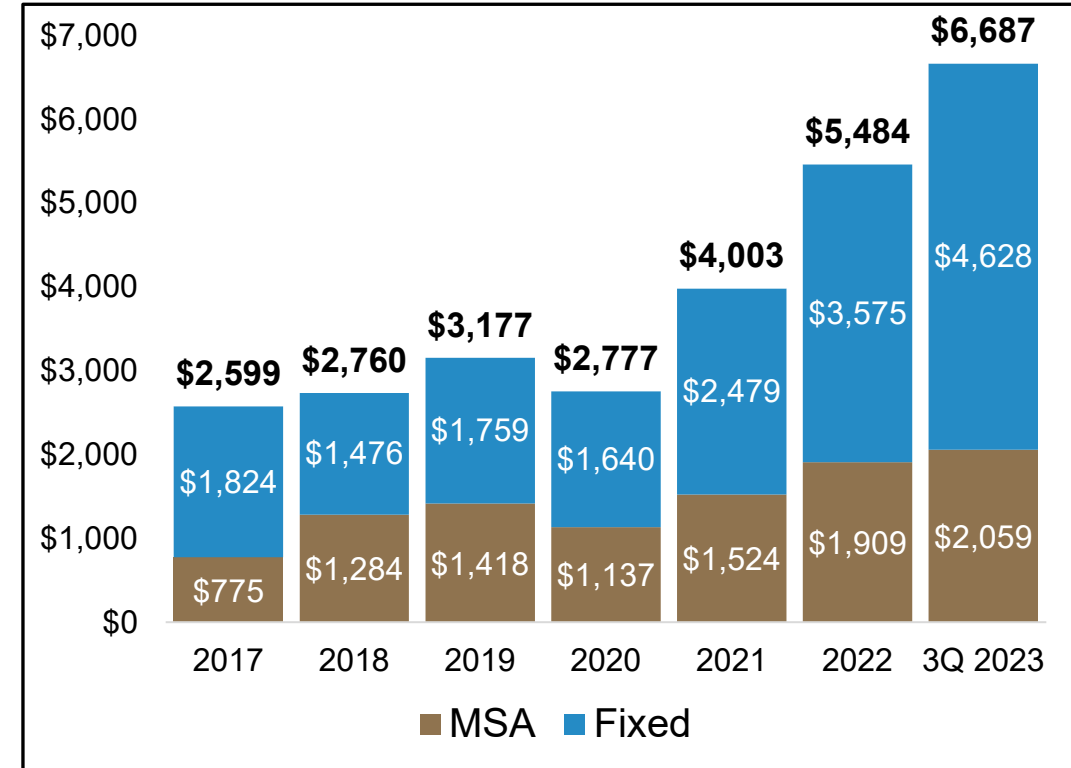
Maintaining full year earnings guidance for 2023

(\$ thousands, except per share amounts)	3Q 2023	3Q 2022
GAAP Metrics		
Revenue	\$ 1,529,486	\$ 1,284,128
Net Income	\$ 48,144	\$ 43,040
Diluted EPS	\$ 0.89	\$ 0.80
Non-GAAP Metrics		
Adjusted EBITDA	\$ 120,043	\$ 108,954
Adjusted Net Income	\$ 55,223	\$ 60,392
Adjusted EPS	\$ 1.02	\$ 1.12

Total Backlog¹ by Segment



Total Backlog¹ (\$MM)



- Backlog up nearly \$100 million sequentially and up \$1.2 billion from Q3 2022
- Fixed and Energy backlog growth driven higher by solar, heavy civil and industrial demand and multi-year projects

¹ Master Service Agreement “MSA” Backlog includes anticipated MSA revenue for the next 12 months

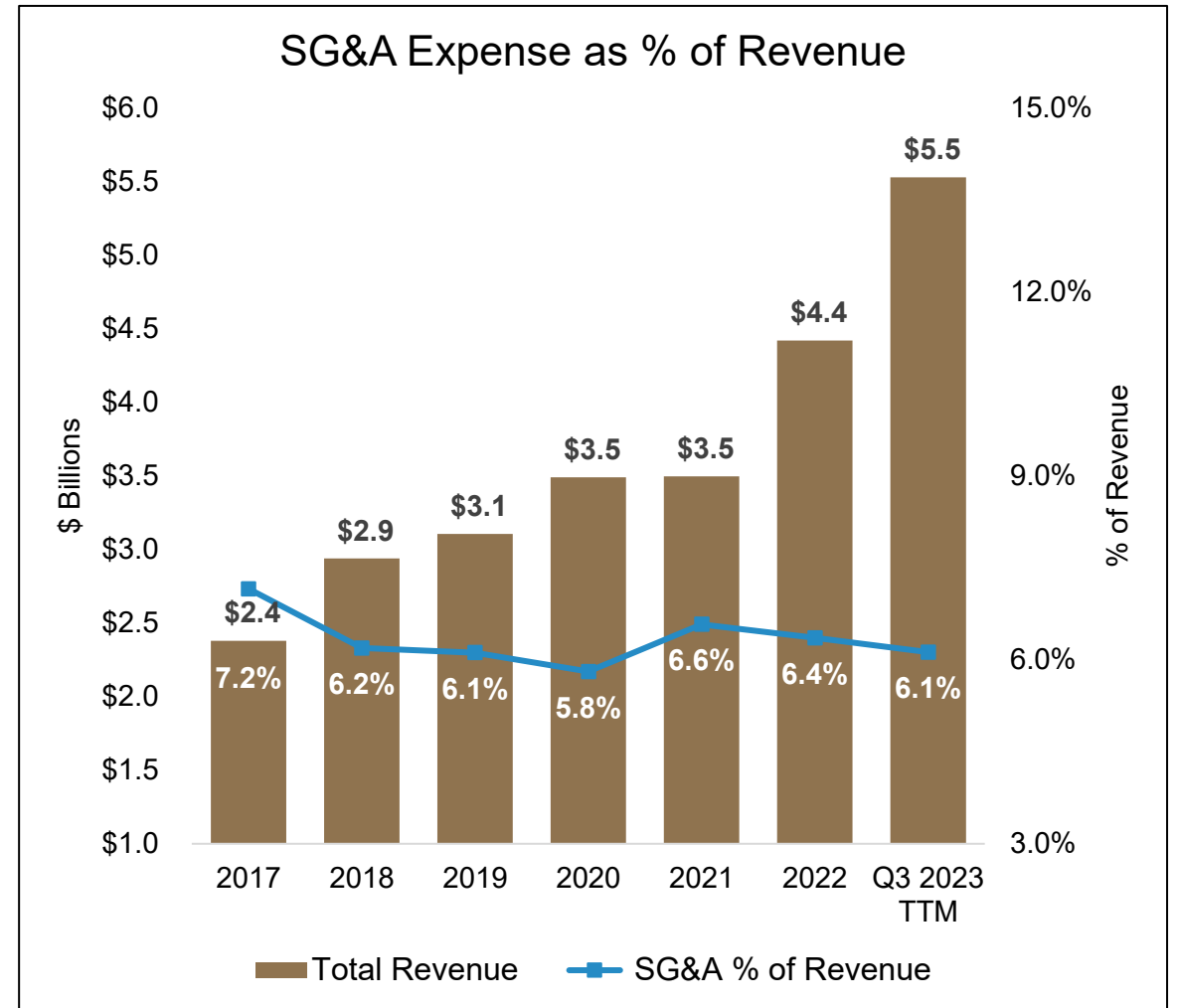
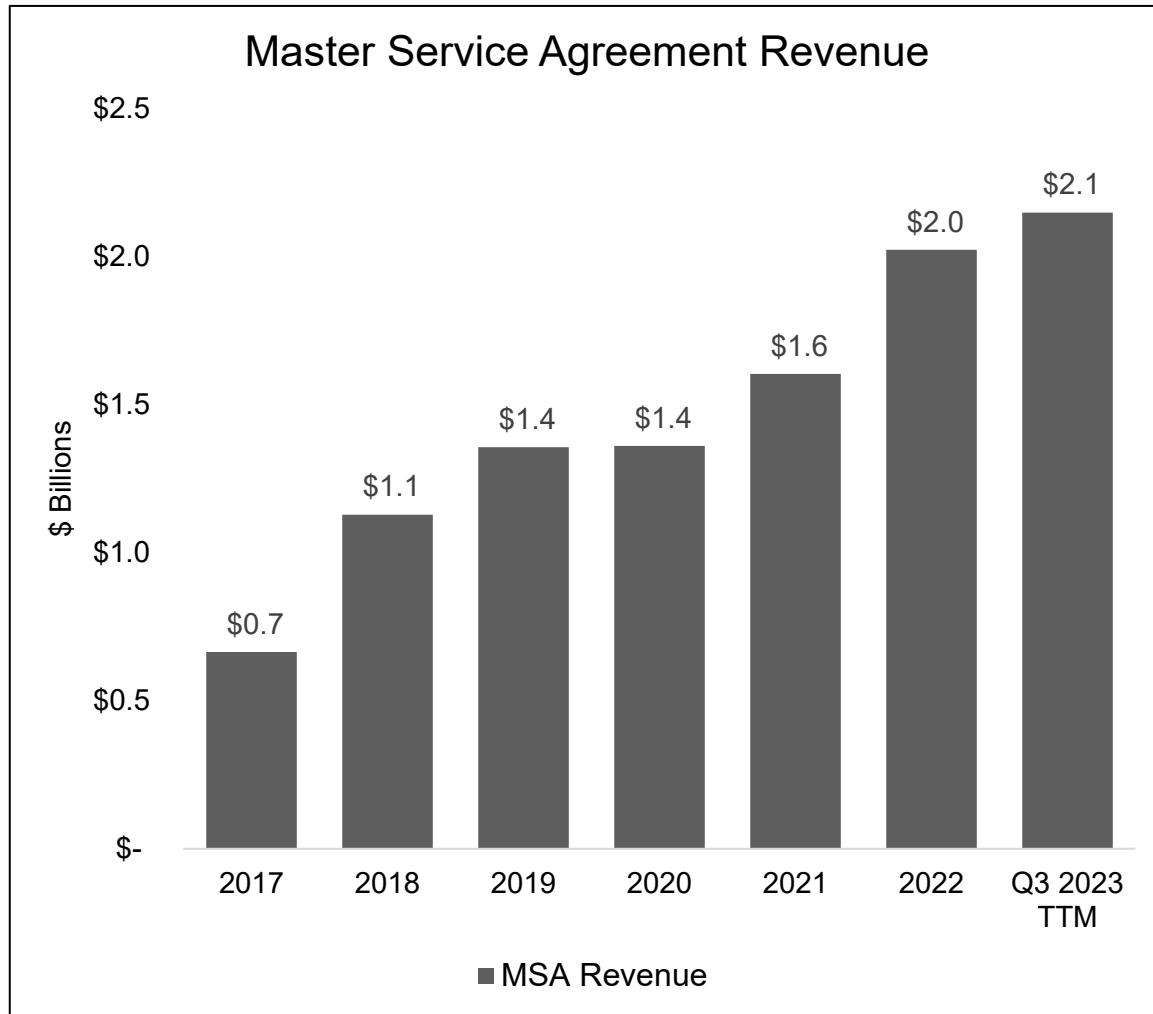
3Q 2023 vs. 3Q 2022 Segment Results

\$ in thousands

3Q 2023	Utilities	Energy	TOTAL
Revenue	\$ 644,639	\$ 884,847	\$ 1,529,486
Gross Profit	\$ 64,654	\$ 109,241	\$ 173,895
Gross Margins*	10.0%	12.3%	11.4%

3Q 2022	Utilities	Energy	TOTAL
Revenue	\$ 613,008	\$ 671,120	\$ 1,284,128
Gross Profit	\$ 78,046	\$ 76,861	\$ 154,907
Gross Margins*	12.7%	11.5%	12.1%

* Gross Profit as a percent of revenue



- Growing MSA revenue improves stability and predictability
- Support structure costs trending down with revenue growth

2023 Guidance

As of November 8, 2023

➤ **Full Year 2023 Earnings Per Share (“EPS”):**

- \$2.15 to \$2.35 per diluted share

➤ **Full Year 2023 Adjusted EPS:**

- \$2.60 to \$2.80 per diluted share

➤ **Full Year 2023 Adjusted EBITDA:**

- \$360 million to \$380 million

➤ **Full Year 2023 SG&A as a percentage of revenue:**

- High five to low 6 percent range

➤ **Full Year Effective Tax Rate:**

- Approximately 29%

➤ **Q4 2023 Capital Expenditures:**

- \$10 million to \$20 million
- Including \$5 million to \$10 million for construction equipment

➤ **Full Year 2023 Interest Expense:**

- \$73 to \$77 million

➤ **Targeted Gross Margins by segment 2023:**

- Utilities: 9% - 11%
- Energy: 10% - 12%

Reg G Reconciliation



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; (x) selected (gains) charges that are unusual or non-recurring; and (xi) 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.

(\$ thousands, except per share amounts)	3Q 2023	3Q 2022
Net income as reported (GAAP)	\$ 48,144	\$ 43,040
Non-cash stock-based compensation	3,568	1,753
Transaction/integration and related costs	1,084	12,706
Amortization of intangible assets	5,193	6,711
Amortization of debt issuance costs	563	422
Loss on extinguishment of debt	-	759
Unrealized gain on interest rate swap	(256)	(1,045)
Change in fair value of contingent consideration	(182)	-
Income tax impact of adjustments	(2,891)	(3,954)
Adjusted net income	\$ 55,223	\$ 60,392
Weighted average shares (diluted)	54,351	53,748
Diluted earnings per share	\$ 0.89	\$ 0.80
Adjusted diluted earnings per share	\$ 1.02	\$ 1.12

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; (v) change in fair value of contingent consideration liabilities; and (vi) selected (gains) charges that are unusual or non-recurring. 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.

(\$ thousands)	3Q 2023	3Q 2022
Net income as reported (GAAP)	\$ 48,144	\$ 43,040
Interest expense, net	21,065	13,075
Provision for income taxes	19,664	9,810
Depreciation and amortization	26,700	28,570
EBITDA	\$ 115,573	\$ 94,495
Non-cash stock-based compensation	3,568	1,753
Transaction/integration and related costs	1,084	12,706
Change in fair value of contingent consideration	(182)	-
Adjusted EBITDA	\$ 120,043	\$ 108,954

Adjusted Net Income Forecast & EPS to Adjusted EPS for the year ending December 31, 2023

The following table sets forth a reconciliation of the forecasted GAAP net income to Adjusted Net Income and EPS to Adjusted EPS for the year ending December 31, 2023.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2023	
Net income as defined (GAAP)	\$ 116,500	\$ 127,500
Non-cash stock-based compensation	11,000	11,000
Amortization of intangible assets	21,500	21,500
Amortization of debt issuance costs	1,900	1,900
Unrealized gain on interest rate swap	(3,000)	(3,000)
Transaction/integration and related costs	4,600	4,600
Change in fair value of contingent consideration	(900)	(900)
Income tax impact of adjustments ¹	(10,300)	(10,300)
Adjusted net income	\$ 141,300	\$ 152,300
Weighted average shares (diluted)	54,300	54,300
Diluted earnings per share	\$ 2.15	\$ 2.35
Adjusted diluted earnings per share	\$ 2.60	\$ 2.80

¹ Adjustments above are reported on a pre-tax basis before the income tax impact of adjustments. The income tax impact for each adjustment is determined by calculating the tax impact of the adjustment on the Company's quarterly and annual effective tax rate, as applicable, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Adjusted EBITDA Forecast for the year ending December 31, 2023

The following table sets forth a reconciliation of the forecasted GAAP net income to Adjusted Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) for the year ending December 31, 2023.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2023	
Net income as defined (GAAP)	\$ 116,500	\$ 127,500
Interest expense, net	73,000	77,000
Provision for income taxes	47,800	52,800
Depreciation and amortization	108,000	108,000
EBITDA	\$ 345,300	\$ 365,300
Non-cash stock-based compensation	11,000	11,000
Transaction/integration and related costs	4,600	4,600
Change in fair value of contingent considerations	(900)	(900)
Adjusted EBITDA	\$ 360,000	\$ 380,000