



Primoris Services Corporation 4Q 2024 Earnings

February 25, 2025

THE POWER OF
PRIMORIS

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 February 24, 2025, 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 February 25, 2025. 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.

Full Year 2024 Highlights

Record revenue, earnings, operating cash flow and total backlog

Improved Utilities margins driven by increased productivity and storm response work

Renewables revenue of nearly \$2.0 billion and year-end backlog of \$3.1 billion

Full year cash flow from operations of over \$508 million and trailing twelve-month net debt to EBITDA ratio of 0.7x

Executed business exits during 2024 with revenue of approximately \$160 million

4Q 2024 Financial Summary

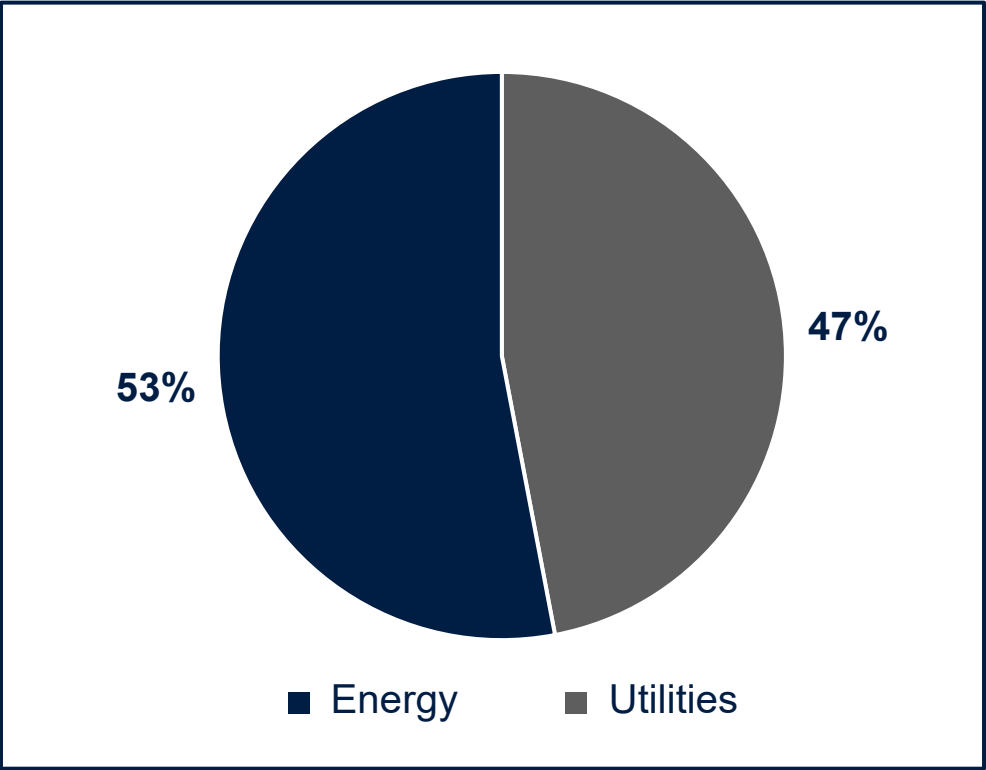
(\$ thousands, except per share amounts)	4Q 2024	4Q 2023
GAAP Metrics		
Revenue	\$ 1,741,330	\$ 1,515,550
Net Income	\$ 53,966	\$ 37,659
Diluted EPS	\$ 0.99	\$ 0.69
Non-GAAP Metrics		
Adjusted EBITDA	\$ 116,611	\$ 104,181
Adjusted Net Income	\$ 61,847	\$ 46,360
Adjusted EPS	\$ 1.13	\$ 0.85

Full Year 2024 Financial Summary

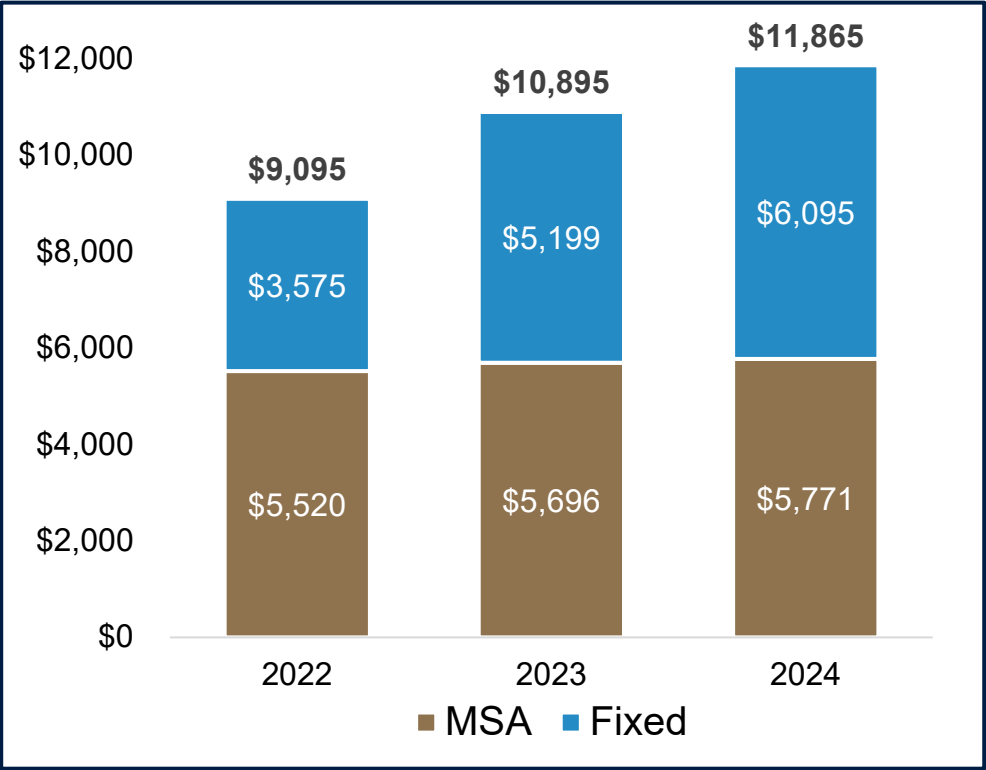
(\$ thousands, except per share amounts)	2024	2023
GAAP Metrics		
Revenue	\$ 6,366,838	\$ 5,715,309
Net Income	\$ 180,888	\$ 126,145
Diluted EPS	\$ 3.31	\$ 2.33
Non-GAAP Metrics		
Adjusted EBITDA	\$ 435,181	\$ 379,463
Adjusted Net Income	\$ 211,375	\$ 154,677
Adjusted EPS	\$ 3.87	\$ 2.85

Backlog Summary at 12/31/2024

Total Backlog by Segment



Total Backlog (\$M)



- Balanced backlog between segments and contract type
- Total backlog increase driven by Fixed backlog in Energy segment and MSA backlog in Utilities segment

4Q 2024 vs. 4Q 2023 Segment Results

\$ in thousands

4Q 2024	Utilities	% of Segment Revenue	Energy	% of Segment Revenue	Corporate and non-allocated costs	Consolidated	% of Consolidated Revenue
Revenue	\$ 664,067		\$ 1,100,107		\$ (22,844)	\$ 1,741,300	
Gross Profit	\$ 80,295	12.1%	\$ 104,303	9.5%		\$ 184,598	10.6%
Operating Income	\$ 50,513	7.6%	\$ 66,637	6.1%	\$ (29,555)	\$ 87,595	5.0%

4Q 2023	Utilities	% of Segment Revenue	Energy	% of Segment Revenue	Corporate and non-allocated costs	Consolidated	% of Consolidated Revenue
Revenue	\$ 576,509		\$ 952,056		\$ (13,015)	\$ 1,515,550	
Gross Profit	\$ 42,748	7.4%	\$ 113,852	12.0%		\$ 156,600	10.3%
Operating Income	\$ 15,381	2.7%	\$ 80,828	8.5%	\$ (21,366)	\$ 74,843	4.9%

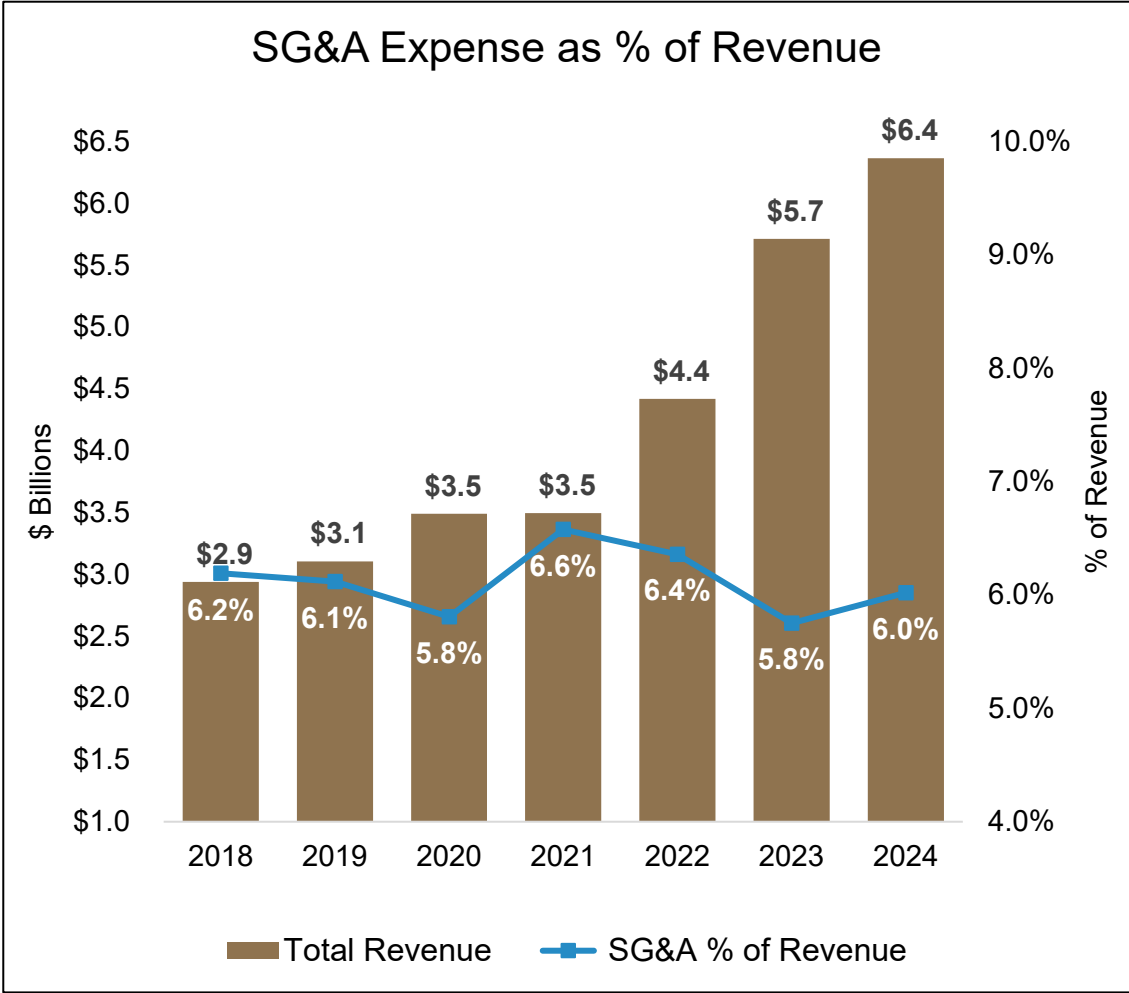
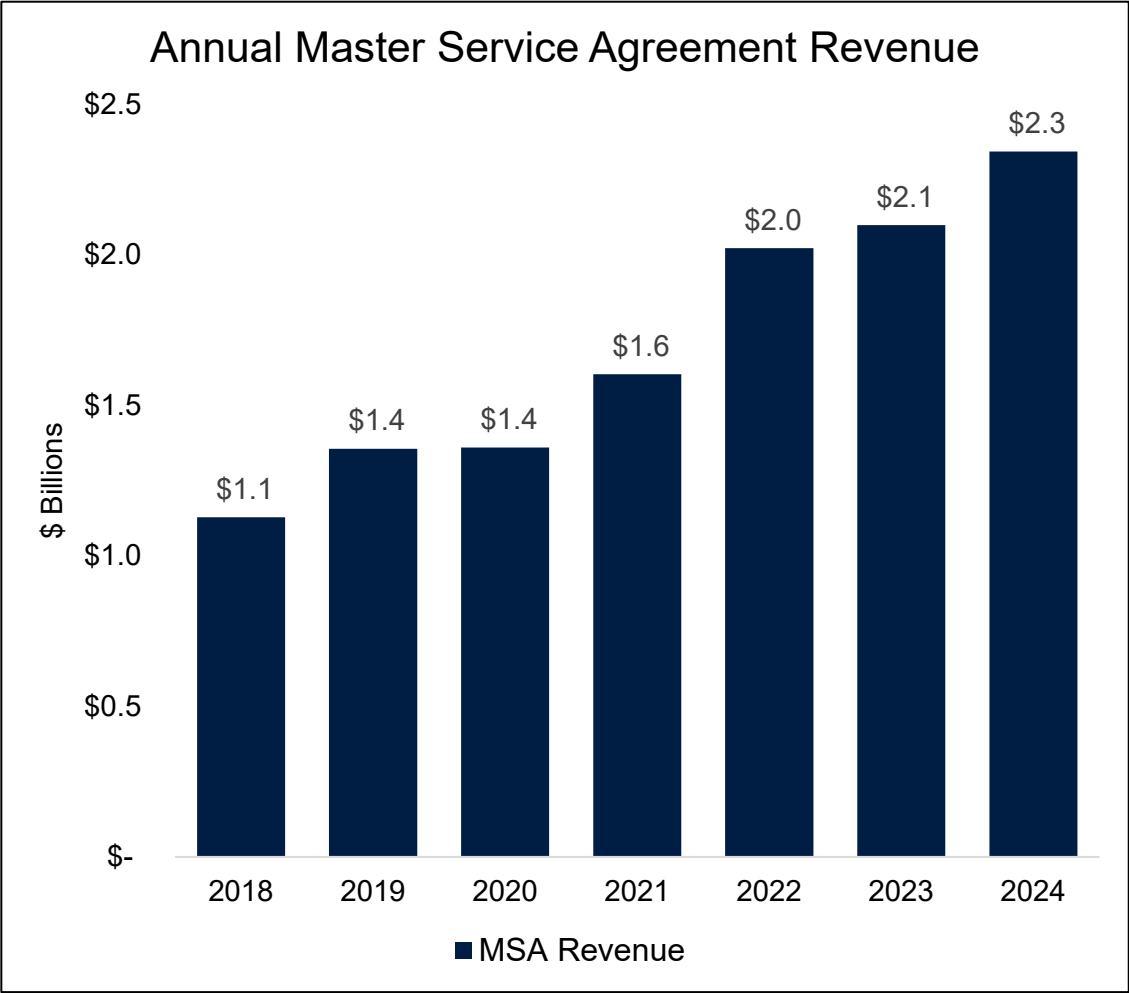
Full Year 2024 vs. 2023 Segment Results

\$ in thousands

2024	Utilities	% of Segment Revenue	Energy	% of Segment Revenue	Corporate and non-allocated costs	Consolidated	% of Consolidated Revenue
Revenue	\$ 2,439,029		\$ 4,032,035		\$ (104,226)	\$ 6,366,838	
Gross Profit	\$ 257,961	10.6%	\$ 445,284	11.0%		\$ 703,245	11.0%
Operating Income	\$ 139,708	5.7%	\$ 295,098	7.3%	\$ (117,354)	\$ 317,452	5.0%

2023	Utilities	% of Segment Revenue	Energy	% of Segment Revenue	Corporate and non-allocated costs	Consolidated	% of Consolidated Revenue
Revenue	\$ 2,410,174		\$ 3,646,170		\$ (41,035)	\$ 5,715,309	
Gross Profit	\$ 206,992	8.6%	\$ 380,499	11.4%		\$ 587,491	10.3%
Operating Income	\$ 89,193	3.7%	\$ 247,923	7.4%	\$ (84,043)	\$ 253,073	4.4%

Driving Revenue Predictability and Monitoring SG&A



- Steadily growing MSA revenue to improve stability and predictability
- Support structure costs trending down as a percentage of revenue

Investor Day Targets and 2024 Performance

2024 to 2026 Targets		2024 Results	On / Off Track
4% to 6% Revenue Growth (Compound Annual Growth Rate)	➡	~11% Revenue Growth	+
9% to 12% Gross Profit Growth (Compound Annual Growth Rate)	➡	~20% Gross Profit Growth	+
9% to 12% Adjusted EBITDA Growth (Compound Annual Growth Rate)	➡	~15% Adjusted EBITDA Growth	+
Operating Cash Flow Margin 4% to 5% by 2026	➡	Operating Cash Flow Margin of 8.0%	+
Net Debt / Adjusted EBITDA Target of 1.5x by 2026	➡	Net Debt / Adjusted EBITDA of 0.7x	+

2025 Guidance

As of February 25, 2025

➤ **Full Year 2025 Earnings Per Share (“EPS”):**

- \$3.70 to \$3.90 per diluted share

➤ **Full Year 2025 Adjusted EPS:**

- \$4.20 to \$4.40 per diluted share

➤ **Full Year 2025 Adjusted EBITDA:**

- \$440 million to \$460 million

➤ **2025 SG&A as a percentage of revenue:**

- Approximately 6 percent

➤ **Full Year Effective Tax Rate:**

- Approximately 29%

➤ **2025 Capital Expenditures:**

- \$90 million to \$110 million
- Including \$60 million to \$80 million for construction equipment

➤ **Full Year 2025 Interest Expense:**

- \$44 million to \$48 million

➤ **Targeted Gross Margins by segment 2025:**

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



Reg G Reconciliation

Schedule 1: Reconciliation of Adjusted Net Income & Adjusted EPS 4Q 2024 vs. 4Q 2023

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 charges; (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)	4Q 2024	4Q 2023
Net income as reported (GAAP)	\$ 53,966	\$ 37,659
Non-cash stock-based compensation	4,783	2,878
Transaction/integration and related costs	465	1,008
Amortization of intangible assets	4,658	5,190
Amortization of debt issuance costs	541	636
Unrealized loss on interest rate swap	363	2,604
Change in fair value of contingent consideration	-	(61)
Impairment of assets	305	-
Income tax impact of adjustments	(3,234)	(3,554)
Adjusted net income	\$ 61,847	\$ 46,360
Weighted average shares (diluted)	54,662	54,385
Diluted earnings per share	\$ 0.99	\$ 0.69
Adjusted diluted earnings per share	\$ 1.13	\$ 0.85

Schedule 1: Reconciliation of Adjusted Net Income & Adjusted EPS 2024 vs. 2023

Adjusted Net Income & Adjusted EPS

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(\$ thousands, except per share amounts)	2024	2023
Net income as reported (GAAP)	\$ 180,888	\$ 126,145
Non-cash stock-based compensation	15,131	11,833
Transaction/integration and related costs	2,442	5,685
Amortization of intangible assets	19,669	21,820
Amortization of debt issuance costs	2,278	2,181
Unrealized loss (gain) on interest rate swap	1,565	(397)
Change in fair value of contingent consideration	-	(936)
Impairment of assets	1,854	-
Income tax impact of adjustments	(12,452)	(11,654)
Adjusted net income	\$ 211,375	\$ 154,677
Weighted average shares (diluted)	54,576	54,223
Diluted earnings per share	\$ 3.31	\$ 2.33
Adjusted diluted earnings per share	\$ 3.87	\$ 2.85

Schedule 2: Reconciliation of EBITDA & Adjusted EBITDA 4Q 2024 vs. 4Q 2023

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)	4Q 2024	4Q 2023
Net income as reported (GAAP)	\$ 53,966	\$ 37,659
Interest expense, net	12,331	21,728
Provision for income taxes	22,187	15,382
Depreciation and amortization	22,574	25,587
EBITDA	\$ 111,058	\$ 100,356
Non-cash stock-based compensation	4,783	2,878
Transaction/integration and related costs	465	1,008
Change in fair value of contingent consideration	-	(61)
Impairment of assets	305	-
Adjusted EBITDA	\$ 116,611	\$ 104,181

Schedule 2: Reconciliation of EBITDA & Adjusted EBITDA 2024 vs. 2023

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)	2024	2023
Net income as reported (GAAP)	\$ 180,888	\$ 126,145
Interest expense, net	65,315	78,171
Provision for income taxes	74,029	51,524
Depreciation and amortization	95,522	107,041
EBITDA	\$ 415,754	\$ 362,881
Non-cash stock-based compensation	15,131	11,833
Transaction/integration and related costs	2,442	5,685
Change in fair value of contingent consideration	-	(936)
Impairment of assets	1,854	-
Adjusted EBITDA	\$ 435,181	\$ 379,463

Schedule 3:

Reconciliation of Non-GAAP Forecasted Guidance

Full Year 2025

Adjusted Net Income Forecast & EPS to Adjusted EPS for the year ending December 31, 2025

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, 2025.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2025	
Net income as reported (GAAP)	\$ 203,250	\$ 214,250
Non-cash stock-based compensation	18,000	18,000
Amortization of intangible assets	17,500	17,500
Amortization of debt issuance costs	2,000	2,000
Transaction/integration and related costs	2,000	2,000
Income tax impact of adjustments ¹	(11,500)	(11,500)
Adjusted net income	\$ 231,250	\$ 242,250
Weighted average shares (diluted)	55,000	55,000
Diluted earnings per share	\$ 3.70	\$ 3.90
Adjusted diluted earnings per share	\$ 4.20	\$ 4.40

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.

Schedule 4: Reconciliation of Non-GAAP Forecasted Guidance Full Year 2025

Adjusted EBITDA Forecast for the year ending December 31, 2025

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, 2025.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2025	
Net income as reported (GAAP)	\$ 203,250	\$ 214,250
Interest expense, net	44,000	48,000
Provision for income taxes	81,750	86,750
Depreciation and amortization	91,000	91,000
EBITDA	\$ 420,000	\$ 440,000
Non-cash stock-based compensation	18,000	18,000
Transaction/integration and related costs	2,000	2,000
Adjusted EBITDA	\$ 440,000	\$ 460,000