



Primoris Services Corporation 3Q 2024 Earnings

November 5, 2024

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PRIMORIS

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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.

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All information in this presentation reflects management's views as of November 5, 2024. 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.

3Q 2024 Highlights

Record quarterly revenue, earnings and total backlog

Strong Utilities segment margins driven by increased communications activity, power delivery productivity, and storm response work

Renewables total backlog of \$2.9 billion including over \$250 million in Premier PV, Battery Storage and O&M backlog

Natural gas power project opportunities in non-union industrial business beginning to materialize

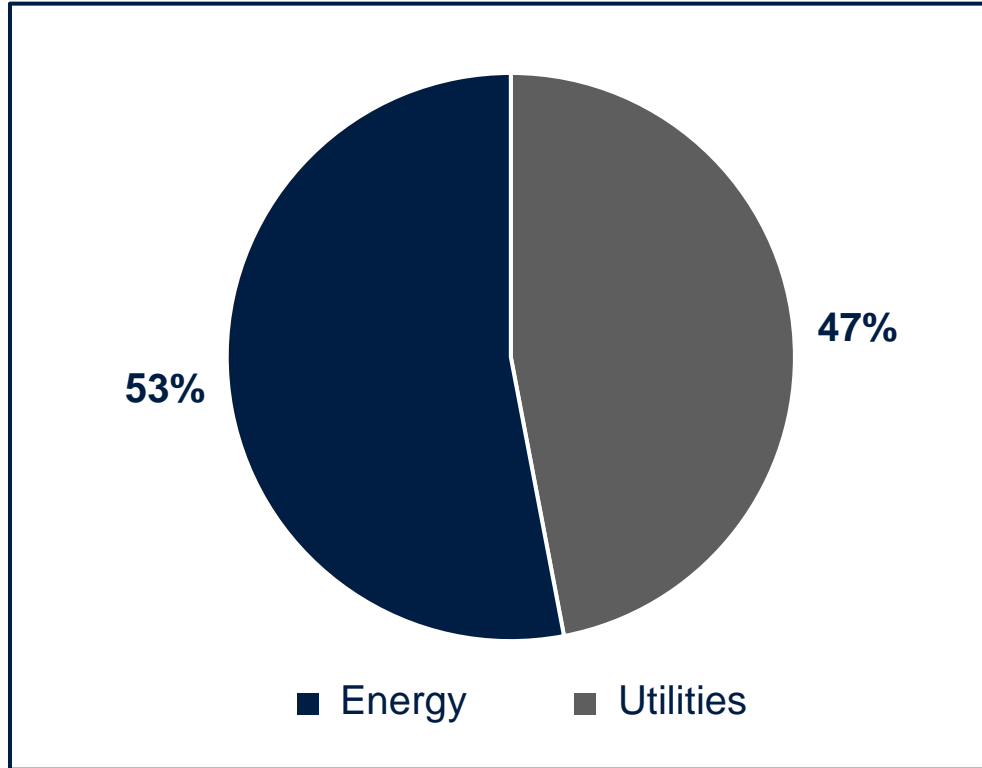
Increasing full year guidance for 2024

3Q 2024 Financial Summary

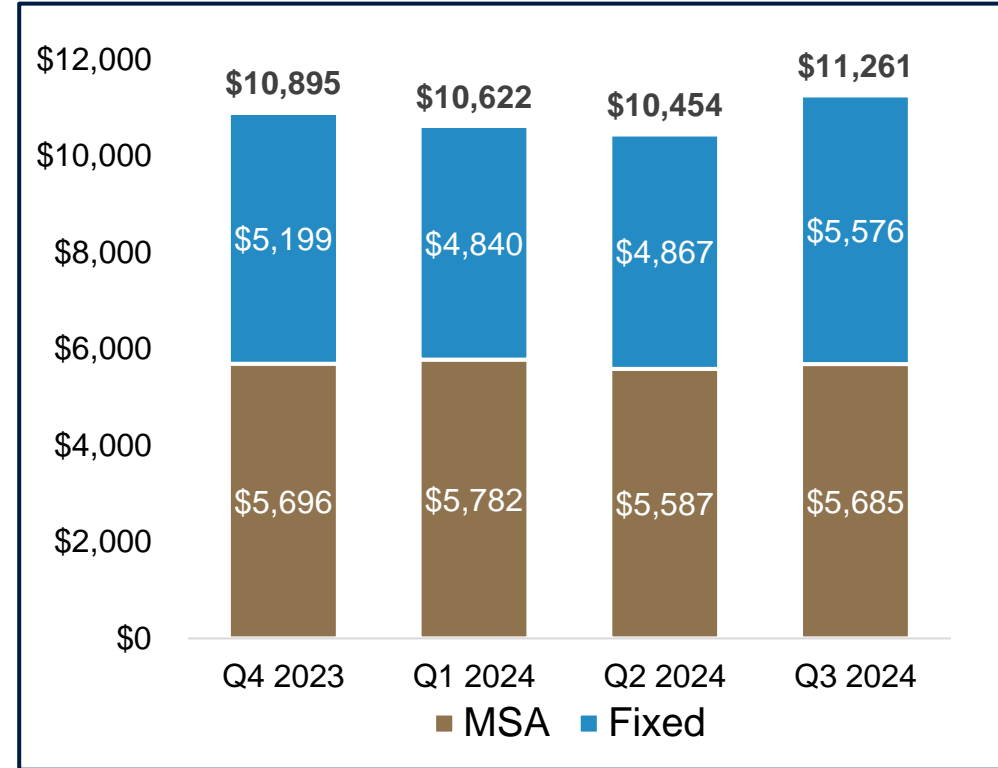
(\$ thousands, except per share amounts)	3Q 2024	3Q 2023
GAAP Metrics		
Revenue	\$ 1,649,086	\$ 1,529,486
Net Income	\$ 58,436	\$ 48,144
Diluted EPS	\$ 1.07	\$ 0.89
Non-GAAP Metrics		
Adjusted EBITDA	\$ 127,731	\$ 120,043
Adjusted Net Income	\$ 66,669	\$ 55,223
Adjusted EPS	\$ 1.22	\$ 1.02

Backlog Summary at 9/30/2024

Total Backlog by Segment



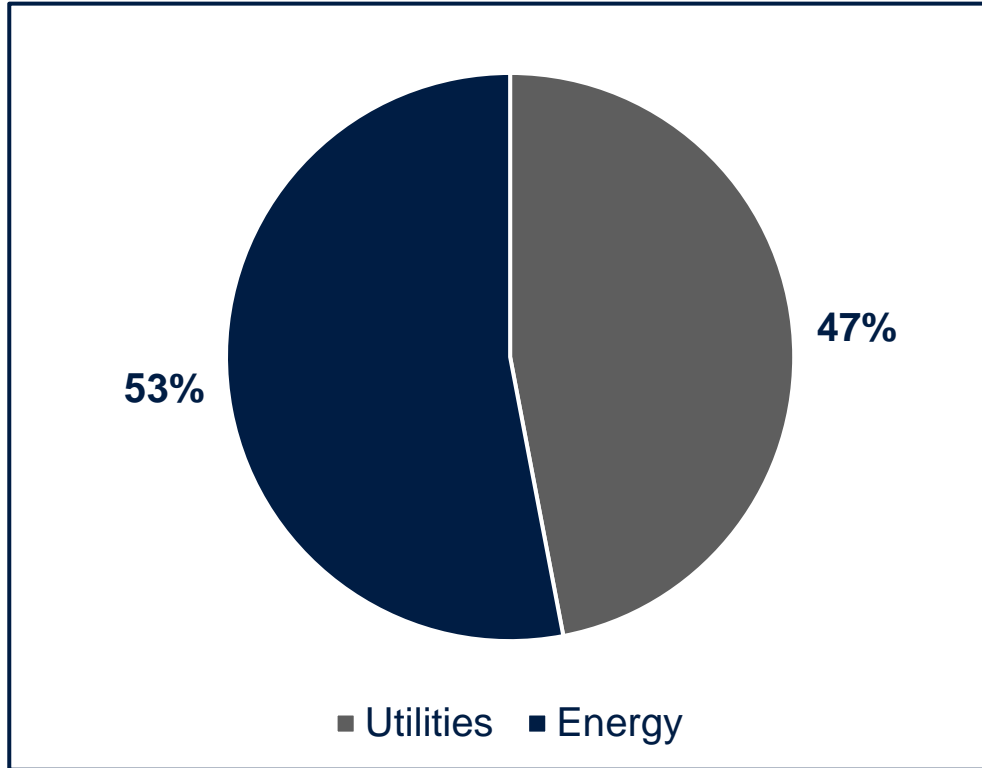
Total Backlog (\$MM)



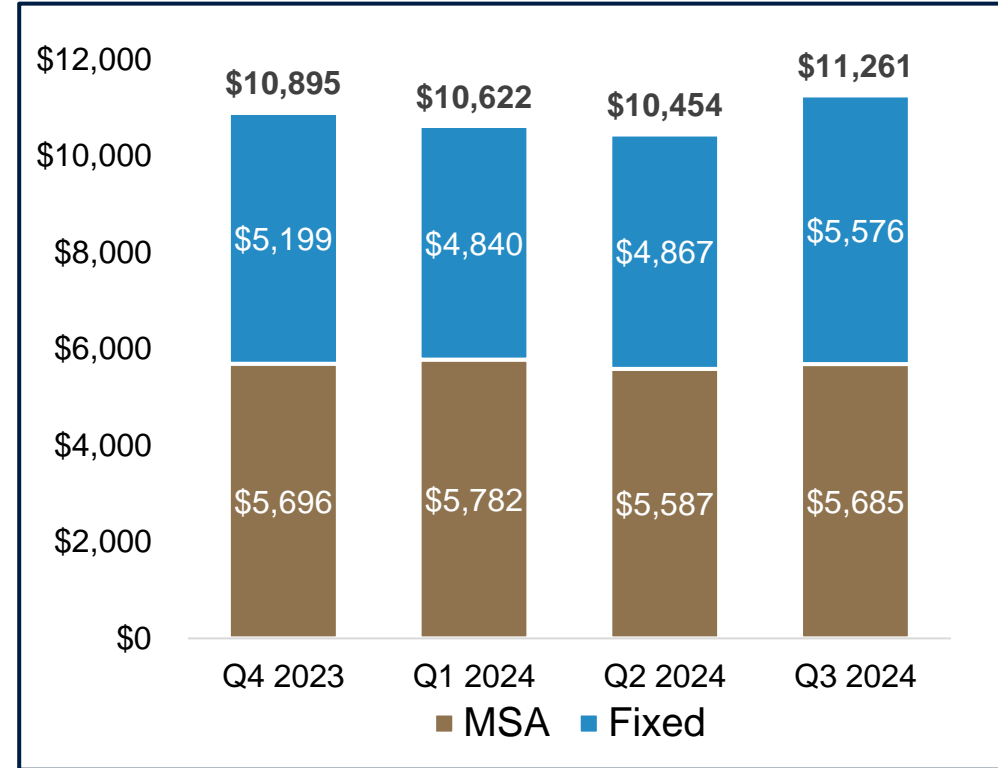
- Balanced backlog between Fixed and MSA contracts
- Total backlog up from year end and sequentially driven by strong Energy bookings in Q3

Backlog Summary at 9/30/2024

Total Backlog by Segment



Total Backlog (\$MM)



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- Total backlog up from year end and sequentially driven by strong Energy bookings in Q3

3Q 2024 vs. 3Q 2023 Segment Results

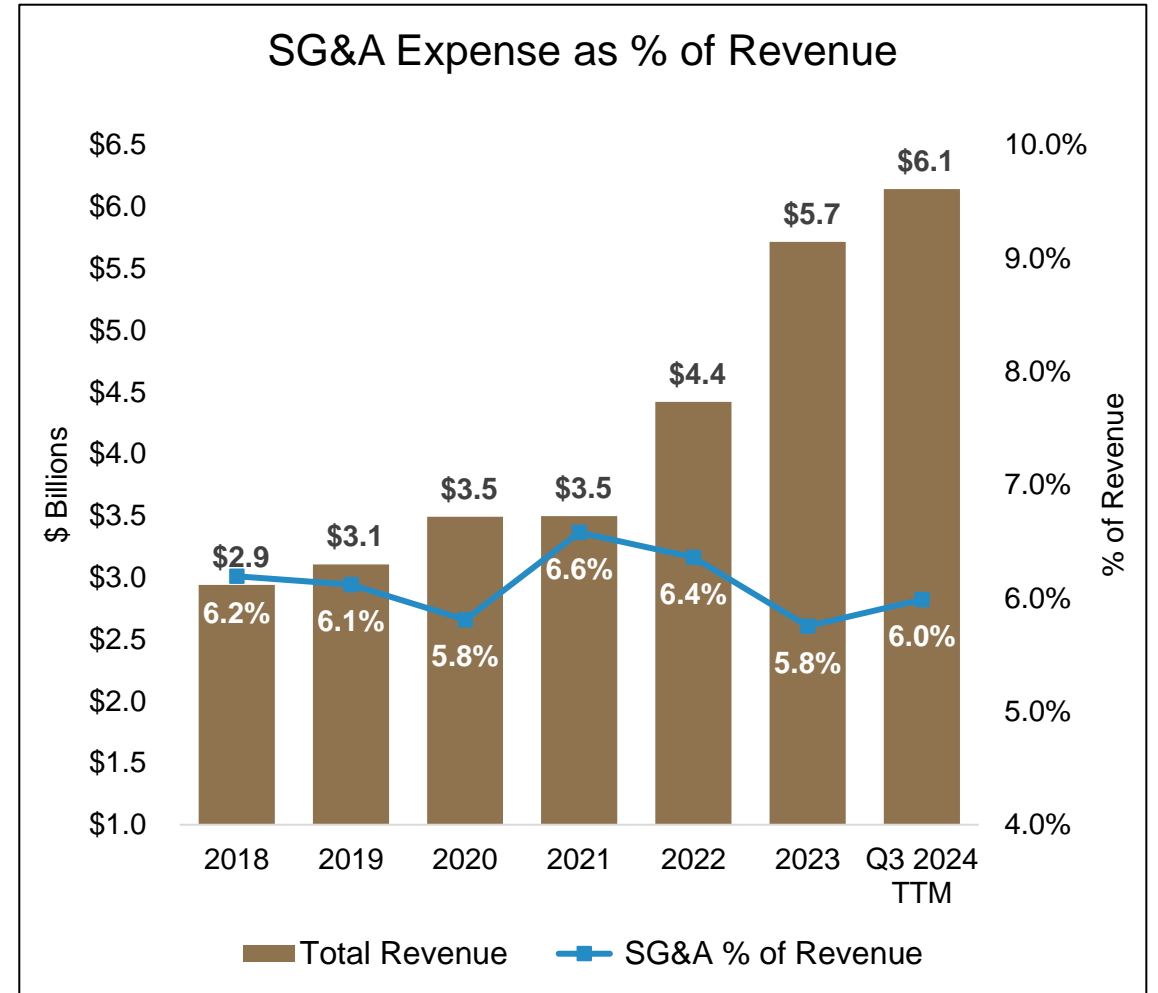
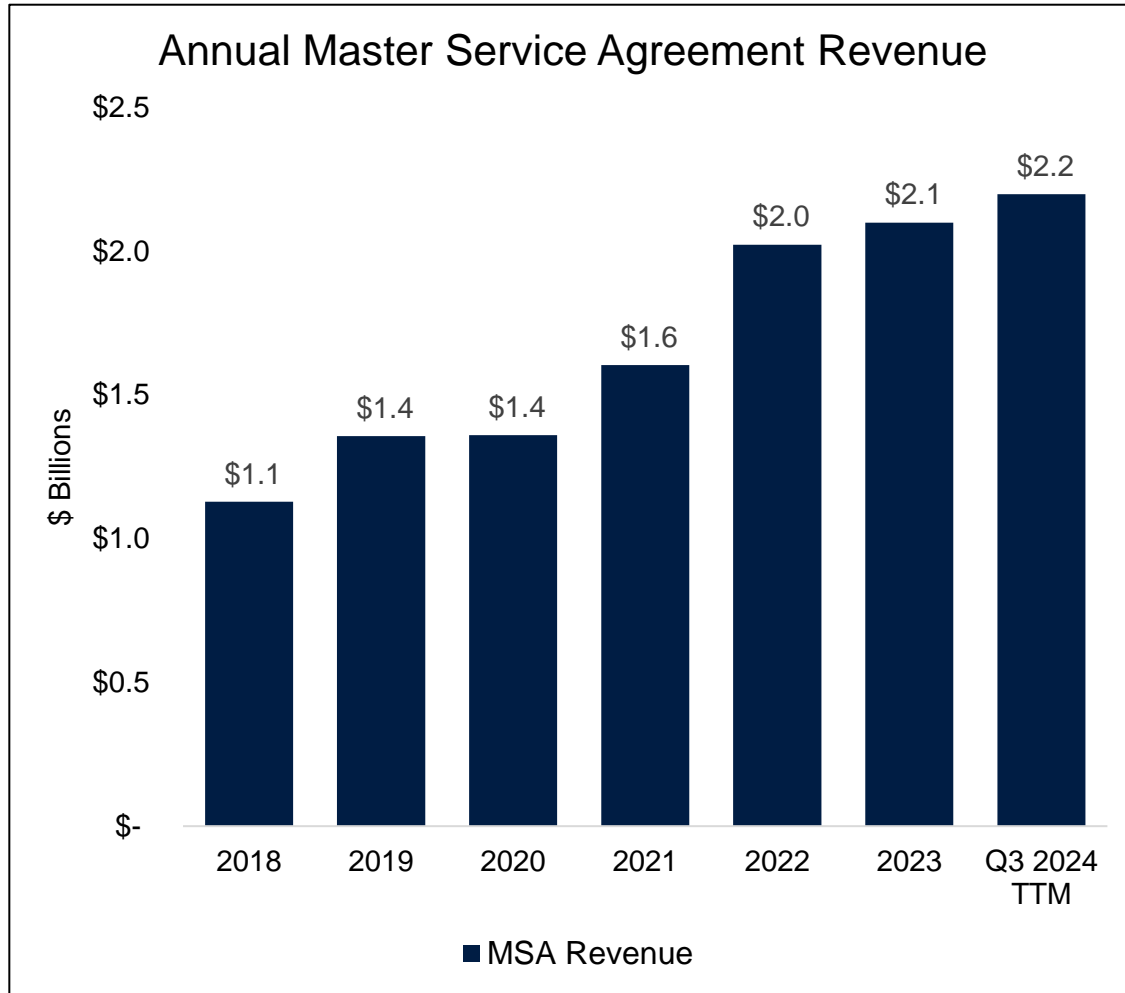
\$ in thousands

3Q 2024	Utilities	Energy	Intersegment Eliminations	TOTAL
Revenue	\$ 666,240	\$ 1,010,858	\$ (28,012)	\$ 1,649,086
Gross Profit	\$ 87,026	\$ 111,535		\$ 198,561
Gross Margin*	13.1%	11.0%		12.0%

3Q 2023	Utilities	Energy	Intersegment Eliminations	TOTAL
Revenue	\$ 650,664	\$ 887,743	\$ (8,921)	\$ 1,529,486
Gross Profit	\$ 64,564	\$ 109,241		\$ 173,895
Gross Margin*	9.9%	12.3%		11.4%

* Gross Profit as a percent of Revenue

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

2024 Guidance

As of November 5, 2024

- **Increased Full Year 2024 Earnings Per Share (“EPS”):**
 - \$2.85 to \$3.00 per diluted share
- **Increased Full Year 2024 Adjusted EPS:**
 - \$3.40 to \$3.55 per diluted share
- **Increased Full Year 2024 Adjusted EBITDA:**
 - \$405 million to \$420 million
- **Full Year 2024 SG&A as a percentage of revenue:**
 - Low 6 percent range
- **Full Year Effective Tax Rate:**
 - Approximately 29%
- **Q4 2024 Capital Expenditures:**
 - \$10 million to \$20 million
 - Including \$5 million to \$15 million for construction equipment
- **Decreased Full Year 2024 Interest Expense:**
 - \$68 million to \$71 million
- **Targeted Gross Margins by segment 2024:**
 - Utilities: 9% - 11%
 - Energy: 10% - 12%

Reg G Reconciliation

Schedule 1:
Reconciliation of Adjusted Net Income & Adjusted EPS
3Q 2024 vs. 3Q 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 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 2024	3Q 2023
Net income as reported (GAAP)	\$ 58,436	\$ 48,144
Non-cash stock-based compensation	3,988	3,568
Transaction/integration and related costs	905	1,084
Amortization of intangible assets	4,732	5,193
Amortization of debt issuance costs	538	563
Unrealized loss (gain) on interest rate swap	1,433	(256)
Change in fair value of contingent consideration	-	(182)
Income tax impact of adjustments	(3,363)	(2,891)
Adjusted net income	\$ 66,669	\$ 55,223
Weighted average shares (diluted)	54,675	54,351
Diluted earnings per share	\$ 1.07	\$ 0.89
Adjusted diluted earnings per share	\$ 1.22	\$ 1.02

Schedule 2:
Reconciliation of EBITDA & Adjusted EBITDA
3Q 2024 vs. 3Q 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)	3Q 2024	3Q 2023
Net income as reported (GAAP)	\$ 58,436	\$ 48,144
Interest expense, net	17,859	21,065
Provision for income taxes	23,869	19,664
Depreciation and amortization	22,674	26,700
EBITDA	\$ 122,838	\$ 115,573
Non-cash stock-based compensation	3,988	3,568
Transaction/integration and related costs	905	1,084
Change in fair value of contingent consideration	-	(182)
Adjusted EBITDA	\$ 127,731	\$ 120,043

Schedule 3: Reconciliation of Non-GAAP Forecasted Guidance Full Year 2024

Adjusted Net Income Forecast & EPS to Adjusted EPS for the year ending December 31, 2024

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, 2024.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2024	
Net income as reported (GAAP)	\$ 156,000	\$ 164,000
Non-cash stock-based compensation	14,500	14,500
Transaction/integration and related costs	3,500	3,500
Amortization of intangible assets	20,000	20,000
Amortization of debt issuance costs	2,500	2,500
Impairment of fixed assets	1,500	1,500
Income tax impact of adjustments ¹	(12,000)	(12,000)
Adjusted net income	\$ 186,000	\$ 194,000
Weighted average shares (diluted)	54,700	54,700
Diluted earnings per share	\$ 2.85	\$ 3.00
Adjusted diluted earnings per share	\$ 3.40	\$ 3.55

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 2024

Adjusted EBITDA Forecast for the year ending December 31, 2024

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, 2024.

(\$ thousands, except per share amounts)	Estimated Range Full Year Ending December 31, 2024	
Net income as reported (GAAP)	\$ 156,000	\$ 164,000
Interest expense, net	68,000	71,000
Provision for income taxes	64,500	68,500
Depreciation and amortization	97,000	97,000
EBITDA	\$ 385,500	\$ 400,500
Non-cash stock-based compensation	14,500	14,500
Transaction/integration and related costs	3,500	3,500
Impairment of fixed assets	1,500	1,500
Adjusted EBITDA	\$ 405,000	\$ 420,000