



Primoris Services Corporation Reports Second Quarter 2024 Results

Dallas, TX – August 5, 2024– Primoris Services Corporation (NYSE: PRIM) (“Primoris” or the “Company”) today announced financial results for its second quarter ended June 30, 2024 and provided comments on the Company’s operational performance and outlook for 2024.

For the second quarter of 2024, Primoris reported the following highlights ⁽¹⁾:

- Revenue of \$1,563.7 million, up \$150.3 million, or 10.6 percent, compared to the second quarter of 2023 driven by strong growth in the Energy segment;
- Net income of \$49.5 million, or \$0.91 per diluted share, an increase of \$10.5 million, or \$0.19 per diluted share, from the second quarter of 2023;
- Adjusted net income of \$57.1 million, or \$1.04 per diluted share, an increase of \$13.7 million, or \$0.24 per diluted share, from the second quarter of 2023;
- Adjusted earnings before interest, income taxes, depreciation, and amortization (“Adjusted EBITDA”) of \$117.1 million, up \$14.7 million, or 14.4 percent, from the second quarter of 2023.
- Raising EPS and Adjusted EPS guidance ranges to \$2.70 to \$2.90 and \$3.25 to \$3.45 per diluted share, respectively.

(1) Please refer to “Non-GAAP Measures” and Schedules 1, 2, 3 and 4 for the definitions and reconciliations of our Non-GAAP financial measures, including “Adjusted Net Income,” “Adjusted EPS” and “Adjusted EBITDA.”

“Primoris delivered another excellent quarter achieving solid revenue growth and improved profitability,” said Tom McCormick, President and Chief Executive Officer of Primoris. “The demand for our services remains strong across many of our end markets and we continue to win work with our customers, who value our partnership to provide safe and quality performance on their projects.”

“We are growing profitability and cash flow through focused capital allocation, and our second quarter results demonstrate early success toward achieving our objectives. We are capitalizing on the growing trend for additional solar and natural gas power generation sources while helping build and maintain our power delivery, gas, and communications infrastructure,” he added. “Primoris is well-positioned to grow and serve our customers in the years ahead as they invest to meet the infrastructure needs of North America that will support emerging technologies and drive economic growth.”

“As we progress through the second half of the year, I am confident we will stay focused on safely and efficiently serving our customers to exceed our goals for 2024 and move us further down the path toward our strategic goals.”

Second Quarter 2024 Results Overview

Revenue was \$1,563.7 million for the three months ended June 30, 2024, an increase of \$150.3 million, or 10.6 percent, compared to the same period in 2023. The increase was primarily due to strong growth across our renewables and industrial construction businesses, partially offset by lower activity in pipeline and gas utilities. Gross profit was \$186.7 million for the three months ended June 30, 2024, an increase of \$29.4 million, or 18.7 percent, compared to the same period in 2023. The increase was primarily due to an increase in Energy segment revenue and improved margins in both segments. Gross profit as a percentage of revenue increased to 11.9 percent for the three months ended June 30, 2024, compared to 11.1 percent for the same period in 2023. The increase was primarily as a result of a favorable mix of

higher margin renewable work, a strong performance in the industrial businesses, and improved execution in the Utilities segment.

During the second quarter of 2024, net income was \$49.5 million compared to net income of \$39.0 million in the prior year. Diluted earnings per share (“EPS”) was \$0.91 for the second quarter of 2024 compared to \$0.72 for the same period in 2023. The increase in net income and diluted earnings can be largely attributed to higher operating income from higher revenue and improved margins in both segments. Adjusted Net Income was \$57.1 million for the second quarter, compared to \$43.4 million for the same period in 2023. Adjusted diluted EPS was \$1.04 for the second quarter of 2024, compared to \$0.80 for the second quarter of 2023. The increase in adjusted net income and adjusted diluted EPS was due to higher net income and an unrealized gain on interest rate swap recognized in the second quarter of 2023. Adjusted EBITDA was \$117.1 million for the second quarter of 2024, compared to \$102.4 million for the same period in 2023.

The current reportable segments include the Utilities segment and the Energy segment. Revenue and gross profit for the segments for the three and six months ended June 30, 2024, and 2023 were as follows:

Segment Revenue
(in thousands, except %)
(unaudited)

Segment	For the three months ended June 30,	
	2024	2023
	Revenue	Revenue
Utilities	\$ 620,798	\$ 649,238
Energy	973,492	778,715
Intersegment Eliminations	(30,575)	(14,576)
Total	\$ 1,563,715	\$ 1,413,377

Segment	For the six months ended June 30,	
	2024	2023
	Revenue	Revenue
Utilities	\$ 1,108,722	\$ 1,183,001
Energy	1,921,070	1,506,371
Intersegment Eliminations	(53,370)	(19,099)
Total	\$ 2,976,422	\$ 2,670,273

Segment Gross Profit
(in thousands, except %)
(unaudited)

Segment	For the three months ended June 30,			
	2024		2023	
	Gross Profit	% of Segment Revenue	Gross Profit	% of Segment Revenue
Utilities	\$ 64,066	10.3%	\$ 66,510	10.2%
Energy	122,644	12.6%	90,754	11.7%
Total	\$ 186,710	11.9%	\$ 157,264	11.1%

Segment	For the six months ended June 30,			
	2024		2023	
	Gross Profit	% of Segment Revenue	Gross Profit	% of Segment Revenue
Utilities	\$ 93,545	8.4%	\$ 100,081	8.5%
Energy	226,541	11.8%	156,916	10.4%
Total	\$ 320,086	10.8%	\$ 256,997	9.6%

Utilities Segment (“Utilities”): Revenue decreased by \$28.4 million, or 4.4 percent, for the three months ended June 30, 2024, compared to the same period in 2023, primarily due to the substantial completion of a major substation in our power delivery business in 2023 and lower activity in gas operations. These impacts were partially offset by increased renewable energy transmission and substation projects and increased activity in communications. Gross profit for the three months ended June 30, 2024, was lower by \$2.4 million, or 3.7 percent compared to the same period in 2023 on lower revenue. Gross profit as a percentage of revenue was 10.3 percent for the three months ended June 30, 2024, up slightly from 10.2 percent for the same period in 2023.

Energy Segment (“Energy”): Revenue increased by \$194.8 million, or 25.0 percent, for the three months ended June 30, 2024, compared to the same period in 2023. The increase was primarily due to increased renewables and industrial construction activity, partially offset by lower pipeline activity. Gross profit for the three months ended June 30, 2024, increased by \$31.9 million, or 35.1 percent, compared to the same period in 2023, primarily due to higher revenue and margins. Gross profit as a percentage of revenue increased to 12.6 percent during the three months ended June 30, 2024, compared to 11.7 percent in the same period in 2023. The increase in gross margin is primarily due to strong execution on natural gas generation projects in the western U.S. and the increase in renewables revenue.

Other Income Statement Information

Selling, general and administrative (“SG&A”) expenses were \$100.1 million during the quarter ended June 30, 2024, an increase of \$14.5 million, or 17.0 percent, compared to 2023. The increase was primarily due to an increase in personnel costs to support revenue growth and higher technology costs associated with ongoing initiatives. SG&A expense as a percentage of revenue increased to 6.4 percent in the second quarter of 2024, compared to 6.1 percent in the second quarter 2023.

Interest expense, net for the quarter ended June 30, 2024, was \$17.1 million compared to \$16.9 million for the quarter ended June 30, 2023. The increase of \$0.2 million was primarily due to a \$0.4 million unrealized loss on our interest rate swap in 2024 compared to a \$3.2 million unrealized gain in 2023, mostly offset by lower average debt balances. Interest expense for the full year 2024 is expected to be \$71 to \$74 million due to lower average debt balances.

The effective tax rate on income for the six months ended June 30, 2024, of 29.0% differs from the U.S. federal statutory rate of 21.0% primarily due to state income taxes and nondeductible components of per diem expenses. We recorded income tax expense for the six months ended June 30, 2024, of \$28.0 million compared to \$16.5 million for the six months ended June 30, 2023. The \$11.5 million increase in income tax expense is driven by higher pre-tax income.

Outlook

The Company is raising its estimates for the year ending December 31, 2024. Net income is expected to be between \$148.5 million and \$159.5 million, or \$2.70 and \$2.90 per fully diluted share. Adjusted EPS is estimated in the range of \$3.25 to \$3.45 per fully diluted share. Adjusted EBITDA for full year 2024 is expected to range from \$400 million to \$420 million.

The Company is targeting SG&A expense as a percentage of revenue in the low six percent range for full year 2024. The Company's targeted gross margins by segment are as follows: Utilities in the range of 9 to 11 percent and Energy in the range of 10 to 12 percent. The Company expects its effective tax rate for 2024 to be approximately 29 percent, but it may vary depending on the mix of states in which the Company operates.

Adjusted EPS and Adjusted EBITDA are non-GAAP financial measures. Please refer to "Non-GAAP Measures" and Schedules 1 - 4 below for the definitions and reconciliations. 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.prim.com.

Backlog

(in millions)

	June 30, 2024		December 31, 2023	
	Next 12 Months	Total	Next 12 Months	Total
Utilities				
Fixed Backlog	\$ 68.7	\$ 68.7	\$ 96.3	\$ 96.3
MSA Backlog	1,821.4	5,171.9	1,776.5	5,093.6
Backlog	\$ 1,890.1	\$ 5,240.6	\$ 1,872.8	\$ 5,189.9
Energy				
Fixed Backlog	\$ 2,207.6	\$ 4,798.4	\$ 2,599.0	\$ 5,102.6
MSA Backlog	159.1	414.8	308.2	602.4
Backlog	\$ 2,366.7	\$ 5,213.2	\$ 2,907.2	\$ 5,705.0
Total				
Fixed Backlog	\$ 2,276.3	\$ 4,867.1	\$ 2,695.3	\$ 5,198.9
MSA Backlog	1,980.5	5,586.7	2,084.7	5,696.0
Backlog	\$ 4,256.8	\$ 10,453.8	\$ 4,780.0	\$ 10,894.9

At June 30, 2024, total Fixed Backlog was \$4.9 billion, flat compared to March 31, 2024, and a decrease of \$0.3 billion, or 6.4 percent compared to December 31, 2023. Total MSA Backlog was \$5.6 billion, a decrease of \$0.2 billion, or 3.4 percent, compared to March 31, 2024, and \$0.1 billion, or 1.9 percent, compared to December 31, 2023. Total Backlog as of June 30, 2024, was \$10.5 billion, including Utilities backlog of approximately \$5.3 billion and Energy backlog of \$5.2 billion. The decrease in backlog sequentially and from year end 2023 is primarily due to the timing of fixed backlog awards in the Energy segment.

Backlog, including estimated MSA revenue, should not be considered a comprehensive indicator of future revenue. Revenue from certain projects where scope, and therefore contract value, is not adequately defined, is not included in Fixed Backlog. At any time, any project may be cancelled at the convenience of the Company's customers.

Balance Sheet and Capital Allocation

At June 30, 2024, the Company had \$207.4 million of unrestricted cash and cash equivalents. In the second quarter of 2024, capital expenditures were \$24.2 million, including \$9.6 million in construction equipment purchases. Capital expenditures for the six months ended June 30, 2024, were \$34.6 million, including \$14.5 million in construction equipment purchases. For the remaining six months of 2024, capital expenditures are expected to total between \$45.0 million and \$65.0 million, which includes \$5.0 million to \$25.0 million for equipment.

The Company also announced that on July 31, 2024, its Board of Directors declared a \$0.06 per share cash dividend to stockholders of record on September 27, 2024, payable on approximately October 11, 2024. During the six months ended June 30, 2024 the Company did not purchase any shares of common stock under its share purchase program. As of June 30, 2024, the Company had \$25.0 million remaining for purchase under the share purchase program. The share purchase plan currently expires on December 31, 2024.

Conference Call and Webcast

As previously announced, management will host a conference call and webcast on Tuesday, August 6, 2024, at 9:00 a.m. U.S. Central Time (10:00 a.m. U.S. Eastern Time). Tom McCormick, President and Chief Executive Officer, and Ken Dodgen, Executive Vice President and Chief Financial Officer, will discuss the Company's results and business outlook.

Investors and analysts are invited to participate in the call by phone at 1-800-715-9871, or internationally at 1-646-307-1963 (access code: 1324356) or via the Internet at www.prim.com. A replay of the call will be available on the Company's website or by phone at 1-800-770-2030, or internationally at 1-609-800-9909 (access code: 1324356), for a seven-day period following the call.

Presentation slides to accompany the conference call are available for download under "Events & Presentations" in the "Investors" section of the Company's website at www.prim.com.

Non-GAAP Measures

This press release 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 press release 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 press release for reconciliations of the following non-GAAP financial measures for Primoris' current and historical results: EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS.

About Primoris

Primoris Services Corporation is a leading provider of critical infrastructure services to the utility, energy, and renewables markets throughout the United States and Canada. Built on a foundation of trust, we deliver a range of engineering, construction, and maintenance services that power, connect, and enhance society. On projects spanning utility-scale solar, renewables, power delivery, communications, and transportation infrastructure, we offer unmatched value to our clients, a safe and entrepreneurial culture to our employees, and innovation and excellence to our communities. To learn more, visit www.prim.com and follow us on social media at [@PrimorisServicesCorporation](https://twitter.com/PrimorisServicesCorporation).

Forward Looking Statements

This press release contains certain forward-looking statements, including the Company's outlook, that reflect, when made, the Company's expectations or beliefs concerning future events that involve risks and uncertainties, including with regard to the Company's future performance. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates", "believes", "could", "estimates", "expects", "intends", "may", "plans", "potential", "predicts", "projects", "should", "targets", "will", "would" or similar expressions. Forward-looking statements include information concerning the possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of regulation and the economy, generally. Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results may differ materially as a result of a number of factors, including, among other things, customer timing, project duration, weather, and general economic conditions; changes in the mix of customers, projects, contracts and business; regional or national and/or general economic conditions and demand for the Company's services; price, volatility, and expectations of future prices of oil, natural gas, and natural gas liquids; variations and changes in the margins of projects performed during any particular quarter; increases in the costs to perform services caused by changing conditions; the termination, or expiration of existing agreements or contracts; the budgetary spending patterns

of customers; inflation and other increases in construction costs that the Company may be unable to pass through to customers; cost or schedule overruns on fixed-price contracts; availability of qualified labor for specific projects; changes in bonding requirements and bonding availability for existing and new agreements; the need and availability of letters of credit; increases in interest rates and slowing economic growth or recession; the instability in the banking system; costs incurred to support growth, whether organic or through acquisitions; the timing and volume of work under contract; losses experienced in the Company's operations; the results of the review of prior period accounting on certain projects and the impact of adjustments to accounting estimates; developments in governmental investigations and/or inquiries; intense competition in the industries in which the Company operates; failure to obtain favorable results in existing or future litigation or regulatory proceedings, dispute resolution proceedings or claims, including claims for additional costs; failure of partners, suppliers or subcontractors to perform their obligations; cyber-security breaches; failure to maintain safe worksites; risks or uncertainties associated with events outside of the Company's control, including conflicts in the Middle East and between Russia and Ukraine, severe weather conditions, public health crises and pandemics, political crises or other catastrophic events; client delays or defaults in making payments; the cost and availability of credit and restrictions imposed by credit facilities; failure to implement strategic and operational initiatives; risks or uncertainties associated with acquisitions, dispositions and investments; possible information technology interruptions, cybersecurity threats or inability to protect intellectual property; the Company's failure, or the failure of the Company's agents or partners, to comply with laws; the Company's ability to secure appropriate insurance; new or changing political conditions and legal requirements, including those relating to environmental, health and safety matters; the loss of one or a few clients that account for a significant portion of the Company's revenues; asset impairments; and risks arising from the inability to successfully integrate acquired businesses. In addition to information included in this press release, additional information about these and other risks can be found in Part I, Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and the Company's other filings with the U.S. Securities and Exchange Commission ("SEC"). Such filings are available on the SEC's website at www.sec.gov. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements. Primoris does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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PRIMORIS SERVICES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 1,563,715	\$ 1,413,377	\$ 2,976,422	\$ 2,670,273
Cost of revenue	1,377,005	1,256,113	2,656,336	2,413,276
Gross profit	186,710	157,264	320,086	256,997
Selling, general and administrative expenses	100,118	85,571	188,706	163,581
Transaction and related costs	522	898	1,072	3,593
Operating income	86,070	70,795	130,308	89,823
Other income (expense):				
Foreign exchange gain, net	761	376	1,321	1,302
Other income (expense), net	81	713	(45)	1,044
Interest expense, net	(17,133)	(16,884)	(35,125)	(35,349)
Income before provision for income taxes	69,779	55,000	96,459	56,820
Provision for income taxes	(20,236)	(15,968)	(27,973)	(16,478)
Net income	49,543	39,032	68,486	40,342
Dividends per common share	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>
Earnings per share:				
Basic	\$ 0.92	\$ 0.73	\$ 1.28	\$ 0.76
Diluted	<u>\$ 0.91</u>	<u>\$ 0.72</u>	<u>\$ 1.26</u>	<u>\$ 0.75</u>
Weighted average common shares outstanding:				
Basic	53,640	53,301	53,565	53,243
Diluted	54,653	54,324	54,522	54,083

PRIMORIS SERVICES CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Thousands)
(Unaudited)

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 207,363	\$ 217,778
Accounts receivable, net	888,267	685,439
Contract assets	873,008	846,176
Prepaid expenses and other current assets	122,583	135,840
Total current assets	<u>2,091,221</u>	<u>1,885,233</u>
Property and equipment, net	446,314	475,929
Operating lease assets	421,024	360,507
Intangible assets, net	217,283	227,561
Goodwill	857,650	857,650
Other long-term assets	16,396	20,547
Total assets	<u>\$ 4,049,888</u>	<u>\$ 3,827,427</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 583,664	\$ 628,962
Contract liabilities	483,878	366,476
Accrued liabilities	324,732	263,492
Dividends payable	3,217	3,202
Current portion of long-term debt	89,270	72,903
Total current liabilities	<u>1,484,761</u>	<u>1,335,035</u>
Long-term debt, net of current portion	843,758	885,369
Noncurrent operating lease liabilities, net of current portion	308,114	263,454
Deferred tax liabilities	59,444	59,565
Other long-term liabilities	54,580	47,912
Total liabilities	<u>2,750,657</u>	<u>2,591,335</u>
Commitments and contingencies		
Stockholders' equity		
Common stock	6	6
Additional paid-in capital	278,830	275,846
Retained earnings	1,023,075	961,028
Accumulated other comprehensive income	(2,680)	(788)
Total stockholders' equity	<u>1,299,231</u>	<u>1,236,092</u>
Total liabilities and stockholders' equity	<u>\$ 4,049,888</u>	<u>\$ 3,827,427</u>

PRIMORIS SERVICES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 68,486	\$ 40,342
Adjustments to reconcile net income to net cash used in operating activities (net of effect of acquisitions):		
Depreciation and amortization	50,274	54,754
Stock-based compensation expense	6,360	5,388
Gain on sale of property and equipment	(26,237)	(14,735)
Unrealized gain on interest rate swap	(231)	(2,745)
Other non-cash items	2,749	982
Changes in assets and liabilities:		
Accounts receivable	(208,407)	(154,016)
Contract assets	(27,953)	(170,479)
Other current assets	(5,183)	27,291
Other long-term assets	(2,240)	(1,230)
Accounts payable	(44,520)	(21,959)
Contract liabilities	117,410	136,202
Operating lease assets and liabilities, net	(4,788)	2,354
Accrued liabilities	52,521	16,037
Other long-term liabilities	9,362	982
Net cash used in operating activities	<u>(12,397)</u>	<u>(80,832)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(34,637)	(42,392)
Proceeds from sale of assets	73,930	23,465
Cash paid for acquisitions, net of cash and restricted cash acquired	—	9,300
Net cash provided by (used in) investing activities	<u>39,293</u>	<u>(9,627)</u>
Cash flows from financing activities:		
Borrowings under revolving lines of credit	—	390,000
Payments on revolving lines of credit	—	(370,000)
Payments on long-term debt	(26,148)	(51,234)
Payments related to tax withholding for stock-based compensation	(4,772)	(1,391)
Dividends paid	(6,424)	(6,383)
Other	(1,760)	(2,106)
Net cash used in financing activities	<u>(39,104)</u>	<u>(41,114)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,654	946
Net change in cash, cash equivalents and restricted cash	(10,554)	(130,627)
Cash, cash equivalents and restricted cash at beginning of the period	<u>223,542</u>	<u>258,991</u>
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 212,988</u>	<u>\$ 128,364</u>

Non-GAAP Measures

Schedule 1
Primoris Services Corporation
Reconciliation of Non-GAAP Financial Measures
Adjusted Net Income and Adjusted EPS
(In Thousands, Except Per Share Amounts)
(Unaudited)

Adjusted Net Income and 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income as reported (GAAP)	\$ 49,543	\$ 39,032	\$ 68,486	\$ 40,342
Non-cash stock-based compensation	3,954	3,009	6,360	5,388
Transaction/integration and related costs	522	898	1,072	3,593
Amortization of intangible assets	5,086	5,363	10,278	11,437
Amortization of debt issuance costs	600	491	1,200	982
Unrealized loss (gain) on interest rate swap	431	(3,213)	(231)	(2,745)
Change in fair value of contingent consideration	—	(449)	—	(694)
Impairment of fixed assets	—	—	1,549	—
Income tax impact of adjustments	(3,072)	(1,769)	(5,866)	(5,209)
Adjusted net income	\$ 57,064	\$ 43,362	\$ 82,848	\$ 53,094
Weighted average shares (diluted)	54,653	54,324	54,522	54,083
Diluted earnings per share	\$ 0.91	\$ 0.72	\$ 1.26	\$ 0.75
Adjusted diluted earnings per share	\$ 1.04	\$ 0.80	\$ 1.52	\$ 0.98

Schedule 2
Primoris Services Corporation
Reconciliation of Non-GAAP Financial Measures
EBITDA and Adjusted EBITDA
(In Thousands)
(Unaudited)

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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income as reported (GAAP)	\$ 49,543	\$ 39,032	\$ 68,486	\$ 40,342
Interest expense, net	17,133	16,884	35,125	35,349
Provision for income taxes	20,236	15,968	27,973	16,478
Depreciation and amortization	25,693	27,021	50,274	54,754
EBITDA	112,605	98,905	181,858	146,923
Non-cash stock-based compensation	3,954	3,009	6,360	5,388
Transaction/integration and related costs	522	898	1,072	3,593
Change in fair value of contingent consideration	—	(449)	—	(694)
Impairment of fixed assets	—	—	1,549	—
Adjusted EBITDA	\$ 117,081	\$ 102,363	\$ 190,839	\$ 155,210

Schedule 3
Primoris Services Corporation
Reconciliation of Non-GAAP Financial Measures
Forecasted Adjusted Net Income and Adjusted Diluted Earnings Per Share for Full Year 2024
(In Thousands, Except Per Share Amounts)
(Unaudited)

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.

	Estimated Range	
	Full Year Ending	
	December 31, 2024	
Net income as defined (GAAP)	\$ 148,500	\$ 159,500
Non-cash stock-based compensation	15,500	15,500
Transaction/integration and related costs	3,000	3,000
Amortization of intangible assets	19,500	19,500
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	<u>\$ 178,500</u>	<u>\$ 189,500</u>
Weighted average shares (diluted)	55,000	55,000
Diluted earnings per share	\$ 2.70	\$ 2.90
Adjusted diluted earnings per share	\$ 3.25	\$ 3.45

- (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
Primoris Services Corporation
Reconciliation of Non-GAAP Financial Measures
Forecasted EBITDA and Adjusted EBITDA for Full Year 2024
(In Thousands, Except Per Share Amounts)
(Unaudited)

The following table sets forth a reconciliation of the forecasted GAAP net income to EBITDA and Adjusted EBITDA for the year ending December 31, 2024.

	Estimated Range	
	Full Year Ending	
	December 31, 2024	
Net income as defined (GAAP)	\$ 148,500	\$ 159,500
Interest expense, net	71,000	74,000
Provision for income taxes	60,500	66,500
Depreciation and amortization	100,000	100,000
EBITDA	380,000	400,000
Non-cash stock-based compensation	15,500	15,500
Transaction/integration and related costs	3,000	3,000
Impairment of fixed assets	1,500	1,500
Adjusted EBITDA	\$ 400,000	\$ 420,000