



# Primoris Services Corporation

## Building Momentum

2Q 2022 Earnings  
August 9, 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 August 8, 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 August 8, 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.





Record Revenue of \$1,022.9 million

Record Backlog of \$4.6 billion, an increase of 59 percent over prior year

*Building momentum in higher-growth, higher-margin end markets with strong secular tailwinds:*

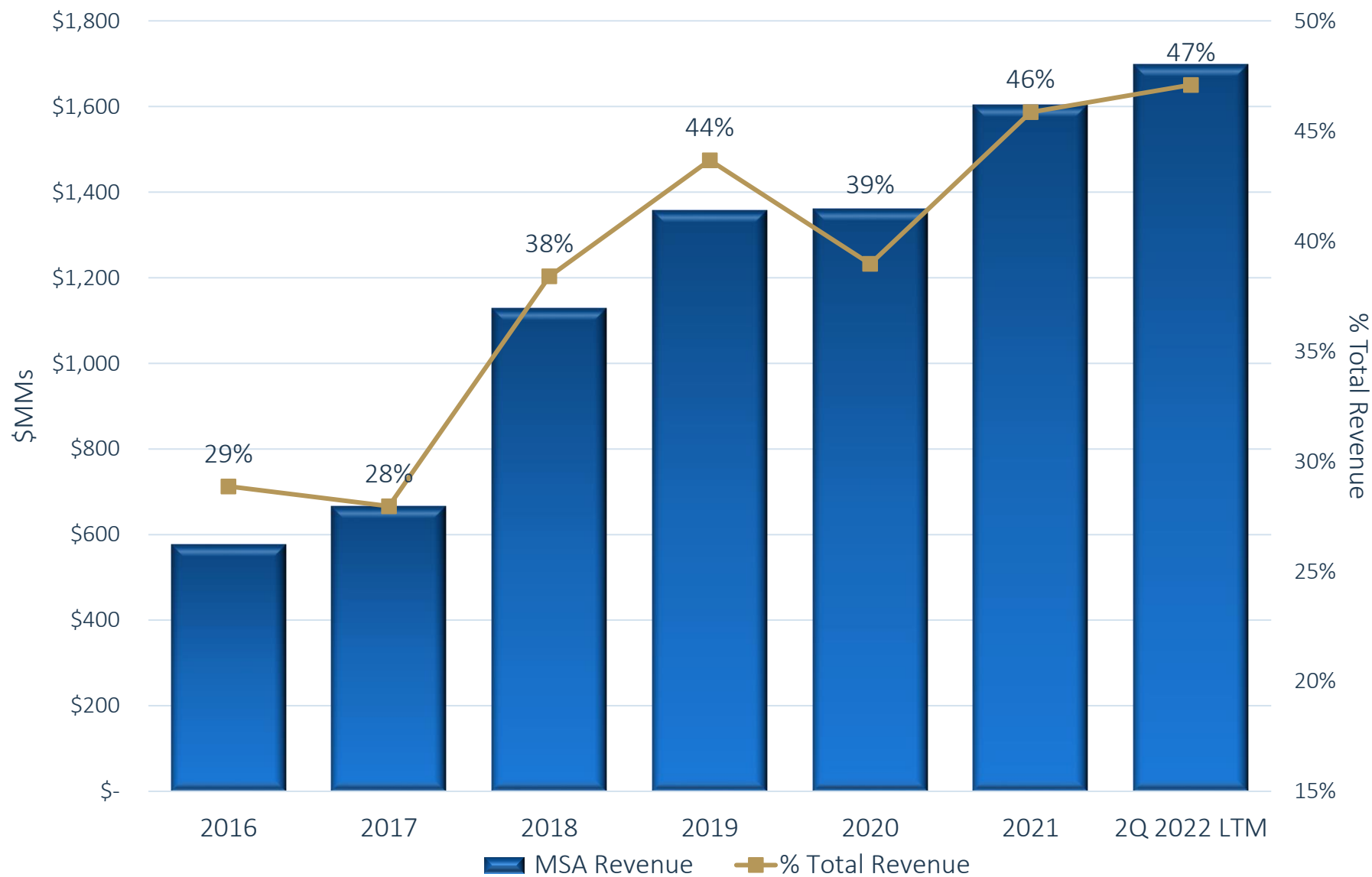
Utilities & Energy/Renewables Segments drove approximately 94% of 2Q 2022 revenue

# 2Q 2022 Summary



<i>(\$ thousands, except per share amounts)</i>	2Q 2022	2Q 2021
GAAP Metrics		
Revenue	\$ 1,022,948	\$ 881,610
Net Income	50,154	36,295
Diluted EPS	0.93	0.67
Non-GAAP Metrics		
Adjusted EBITDA	56,142	83,375
Adjusted Net Income	26,084	40,507
Adjusted EPS	0.48	0.75

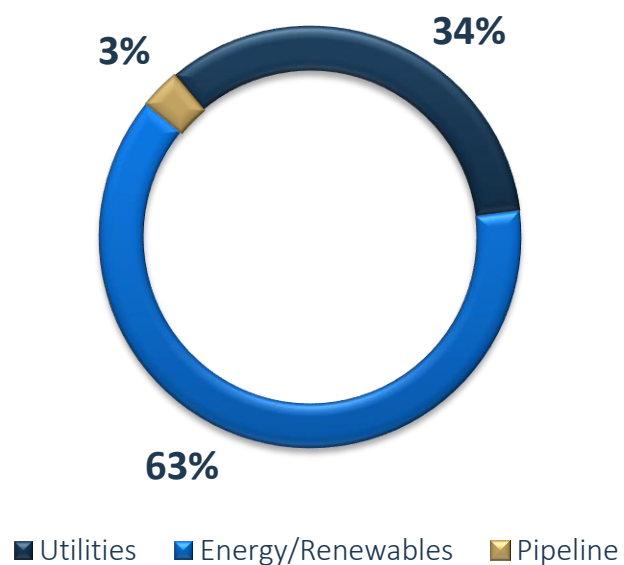
# MSA Revenue



# Backlog Summary at 6/30/2022

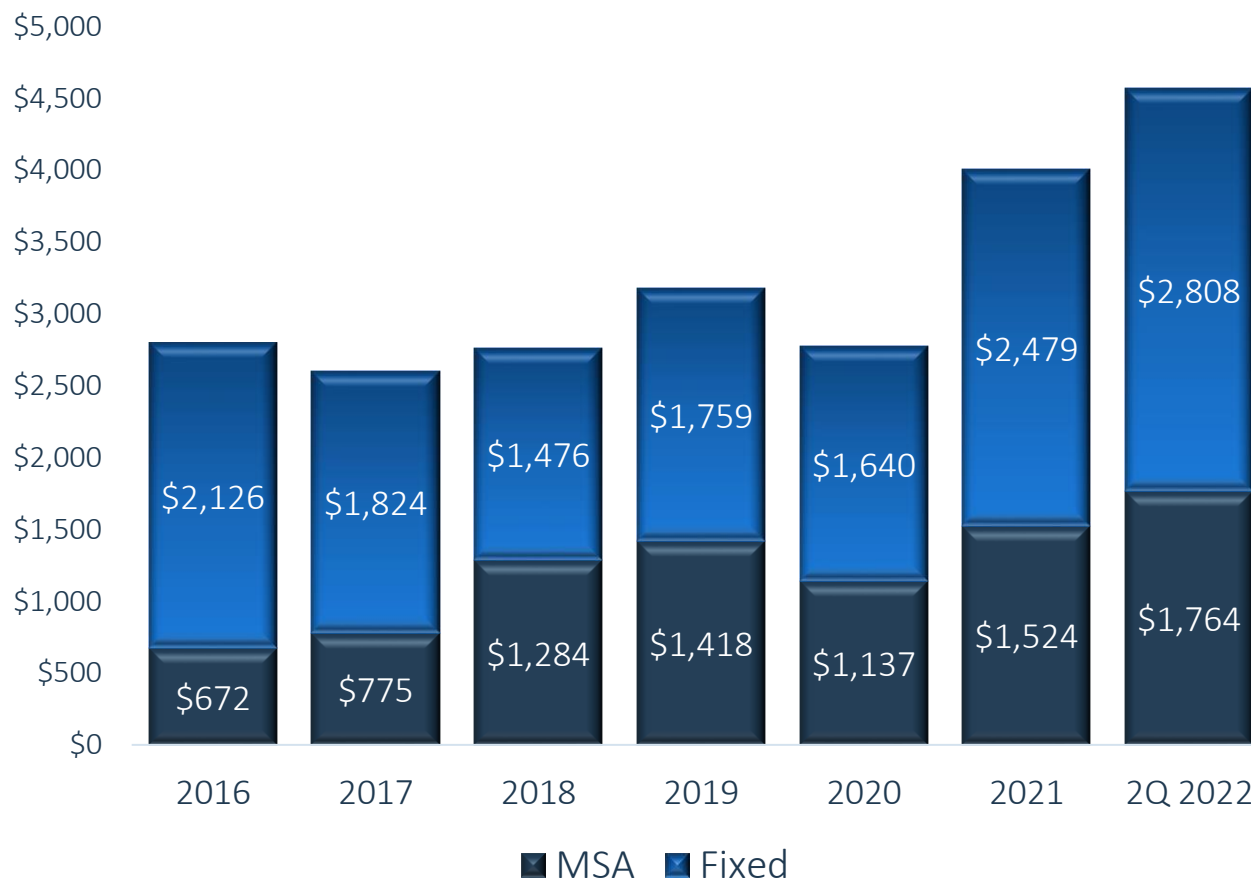
## Total Backlog\* Mix

\*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





# 2Q 2022 vs. 2Q 2021 Segment Results

\$ in thousands

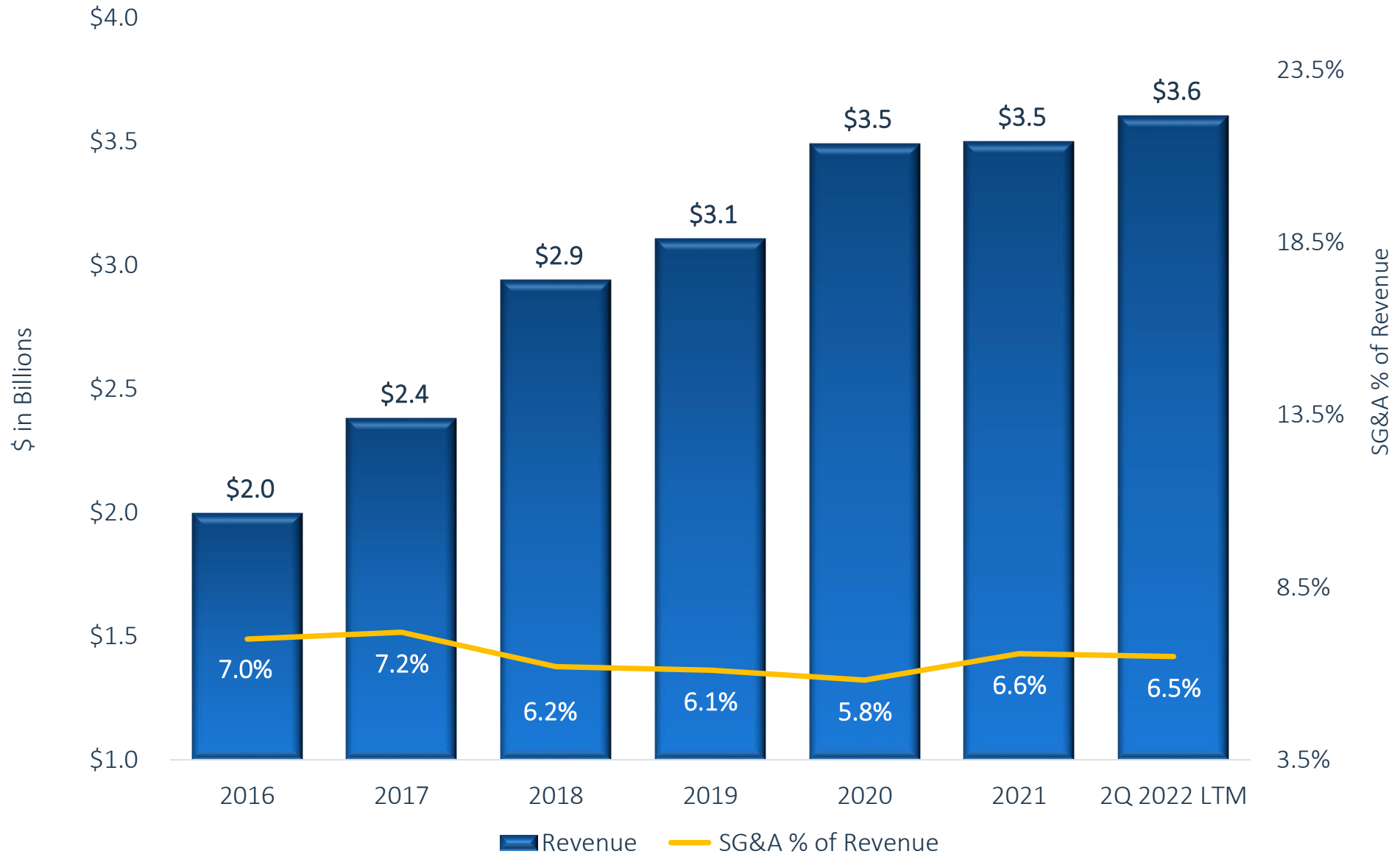


2Q 2022	Utilities	Energy/ Renewables	Pipeline	TOTAL
Revenue	\$ 476,121	\$ 486,349	\$ 60,478	\$ 1,022,948
Gross Profit	\$ 40,356	\$ 53,143	\$(1,390)	\$ 92,109
Gross Margins*	8.5%	10.9%	(2.3)%	9.0%

2Q 2021	Utilities	Energy/ Renewables	Pipeline	TOTAL
Revenue	\$ 425,421	\$ 335,010	\$ 121,179	\$ 881,610
Gross Profit	\$ 48,849	\$ 33,232	\$ 30,945	\$ 113,026
Gross Margins*	11.5%	9.9%	25.5%	12.8%

\*Gross Profit as a Percent of Revenue

# Controlling SG&A





# 2022 Guidance

As of August 9, 2022



- » Raised Earnings Per Share ("EPS")
  - » \$2.40 to \$2.60 per fully diluted share
- » Lowered Adjusted EPS:
  - » \$2.39 to \$2.59
- » 2022 SG&A as a percentage of revenue:
  - » low-to-mid mix 6%
- » Capital Expenditures for next 6 months of 2022:
  - » \$60 to \$70M;
  - » Includes \$30 to \$40M for construction equipment
- » Effective Tax rate: ~20.5 percent
- » Targeted Revenue Growth by segment: 2022
  - » Utilities: Increase of 40 - 45%
  - » Energy/Renewables: Increase of 15 - 20%
  - » Pipeline: Below 2021
- » Targeted Gross Margins by segment: 2022
  - » Utilities: 10% - 13%
  - » Energy/Renewables: 9% - 12%
  - » Pipeline Services: 1% - 3%

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).

# Primoris – *Why Invest?*

Our low-risk business model creates strong, consistent growth

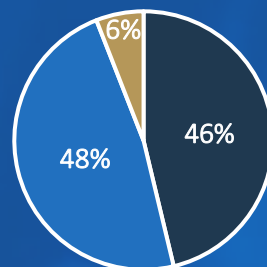
## Our Value Proposition

- » Comprehensive suite of critical infrastructure services
- » Business model limits risks & drives predictability
  - » Lower risk profile – smaller size contracts
  - » Driving predictability with increased multi-year revenue & margin visibility
  - » Deeper relationships with customers spanning decades provides cross-selling opportunities
- » Ongoing transition to higher growth, higher margin end markets with strong secular tailwind

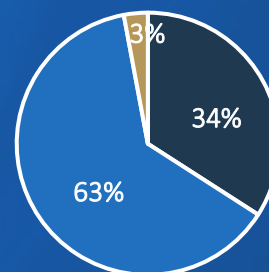


## Diverse Business Mix

2Q 2022 Revenue



2Q 2021 Backlog



- Utilities
- Energy/ Renewables
- Pipeline Services

**39%**

Master Service Agreement (MSA) Backlog <sup>(1)</sup>

**<\$3mm**

Average Project Size <sup>(1)</sup>

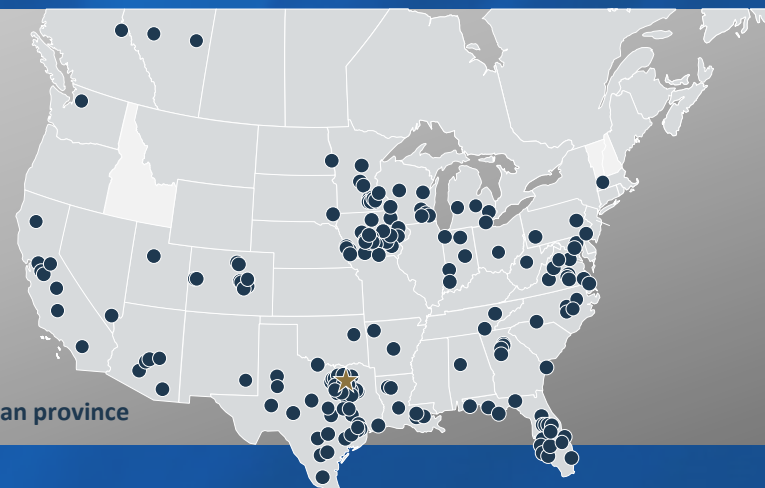
**78%**

Reimbursable Contracts <sup>(2)</sup>

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

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

Primoris has also worked in every Canadian province



(1) As of 30-June-2022 (2) As of 31-Dec-2021 (3) Represents states where Primoris has done business in the last 7.5 years.



# Reg G Reconciliation



# Reconciliation of Adjusted Net Income & Adjusted EPS

## 2Q 2022 vs. 2Q 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; (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.

<i>(\$ thousands, except per share amounts)</i>	2Q 2022	2Q 2021
<b>Net income as reported (GAAP)</b>	<b>\$ 50,154</b>	<b>\$ 36,295</b>
Non-cash stock-based compensation	2,442	1,333
Transaction/integration and related costs	5,199	480
Amortization of intangible assets	3,463	4,666
Amortization of debt issuance costs	283	283
Unrealized gain on interest rate swap	(1,675)	(972)
Gain on sale and leaseback transaction	(40,084)	-
Income tax impact of adjustments	6,302	(1,578)
<b>Adjusted net income</b>	<b>\$ 26,084</b>	<b>\$ 40,507</b>
Weighted average shares (diluted)	53,852	54,285
Diluted earning per share	\$ 0.93	\$ 0.67
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.48</b>	<b>\$ 0.75</b>

Schedule 2:  
**Reconciliation of EBITDA & Adjusted EBITDA**  
**2Q 2022 vs. 2Q 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; (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.

<b>(\$ thousands)</b>	<b>2Q 2022</b>	<b>2Q 2021</b>
<b>Net income as reported (GAAP)</b>	<b>\$ 50,154</b>	<b>\$ 36,295</b>
Interest expense, net	4,705	4,820
Provision for income taxes	13,120	13,597
Depreciation and amortization	20,606	26,850
<b>EBITDA</b>	<b>\$ 88,585</b>	<b>\$ 81,562</b>
Non-cash stock-based compensation	2,442	1,333
Transaction/integration and related costs	5,199	480
Gain on sale and leaseback transaction	(40,084)	-
<b>Adjusted EBITDA</b>	<b>\$ 56,142</b>	<b>\$ 83,375</b>

Schedule 3:  
**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>	<b>Estimated Range Full Year Ending December 31, 2022</b>	
<b>Net income as defined (GAAP)</b>	<b>\$ 129,600</b>	<b>\$ 140,400</b>
Non-cash stock-based compensation	7,500	7,500
Amortization of intangible assets	18,300	18,300
Amortization of debt issuance costs	2,200	2,200
Unrealized gain on interest rate swap	(4,600)	(4,600)
Transaction/integration and related costs	16,000	16,000
Gain on sale and leaseback transaction	(40,100)	(40,100)
Income tax impact of adjustments	144	144
<b>Adjusted net income</b>	<b>\$ 129,044</b>	<b>\$ 139,844</b>
Weighted average shares (diluted)	54,000	54,000
Diluted earning per share	\$ 2.40	\$ 2.60
<b>Adjusted diluted earnings per share</b>	<b>\$ 2.39</b>	<b>\$ 2.59</b>