

# Primoris Services Corporation

Investor Presentation

September 2021



# Forward Looking Statements



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 "could," "will," "may," "assume," "forecast," "strategy," "guidance," "outlook," "target," "expect," "intend," "plan," "estimate," "anticipate," "believe," or "project" 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 industry environment, the Company's business strategies and potential growth opportunities; and the anticipated benefits of the Future Infrastructure acquisition.

Forward-looking statements can be affected by assumptions used or known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed, and actual results may differ materially and adversely from those reflected in the forward-looking statements. Factors that could cause actual results to differ materially from those indicated in the forward-looking statements include, among other things, (a) the risk and uncertainties disclosed in the Company's Annual Report on Form 10-K and other reports filed with the SEC from time to time.

Because 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, actual results could be materially different and any or all of the Company's forward-looking statements may turn out to be wrong. Forward-looking statements speak only as of the date made and can be affected by assumptions the Company might make or by known or unknown risk and uncertainties. Many factors mentioned in this presentation, the prospectus related to the Company's proposed equity offering and in the Company's reports filed with the SEC will be important in determining future results. Consequently, the Company cannot assure you that the Company's expectations or forecasts expressed in such forward-looking statements will be achieved.

## Primoris Services Corporation – Building America’s Infrastructure

### Our Vision

Be a leader in every market we serve and be a trusted service provider and partner to our clients

### Our Mission

Built on a foundation of trust, we provide our clients with unmatched value, our employees with a safe work environment and entrepreneurial culture, our shareholders with results, and the communities we serve with innovation and excellence

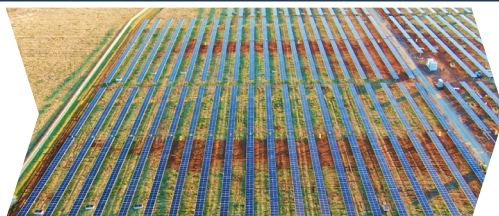
- » Leading scale player with \$3.5bn in 2020 revenue
- » Comprehensive suite of critical infrastructure services
  - Specialty Contractor
  - Maintenance
  - Engineering
  - Procurement
- » Company of choice for employees, customers and partners
- » Ongoing transition to higher growth, higher margin end markets with strong secular tailwinds

### Transition to Sustainability

### Keep the Lights On

### Accelerate Broadband Access

Primoris is Helping...



# Primoris at a Glance



## Primoris By the Numbers <sup>(1)</sup>

**\$3.5bn**

Revenue

**\$2.9bn**

Backlog <sup>(2)</sup>

**52%**

Master Service Agreement  
(MSA) Backlog <sup>(2)</sup>

**<\$2.5mm**

Average Contract Size

**78%**

Reimbursable Contracts

**\$14.4bn**

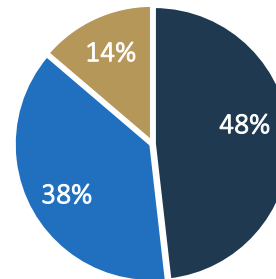
Total Addressable Market

**11,100+**

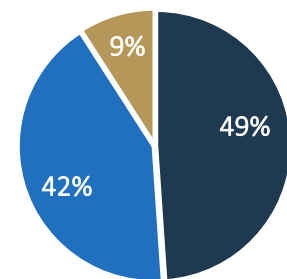
Employees

## Diverse Business Mix

2Q 2021 Revenue



2Q 2021 Backlog

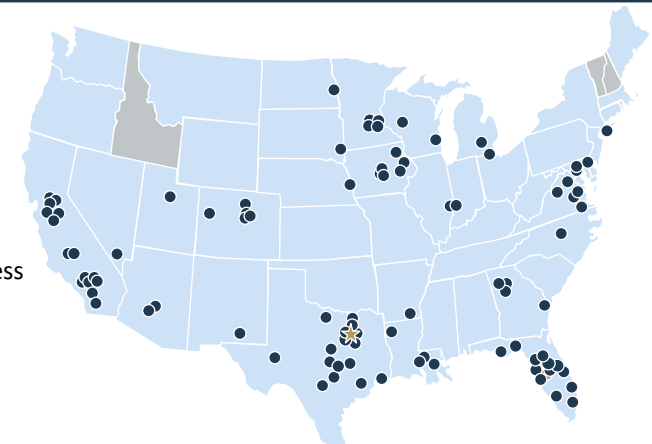


● Utilities ● Energy/ Renewables ● Pipeline Services

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

Primoris has also worked in every Canadian province














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



1) For FY2020 or as of 31-Dec-2020 unless otherwise noted. (2) As of 30-June-2021 (3) Represents states where Primoris has done business in the last 6.5 years.

# Our Reporting Segments and Markets We Serve



|                                  | Utilities  | Energy / Renewables  | Pipeline Services   |
|----------------------------------|--|--|---|
|                                  |   |    |    |
|                                  | <p><b>Regulated Electric</b>    <b>Telecommunications</b></p> <p>    </p> <p><b>Regulated Natural Gas</b></p> <p></p> | <p><b>Power Plants</b>    <b>Renewables</b></p> <p>    </p> <p><b>Highways, Bridges, and Airports</b>    <b>Petrochemicals</b></p> <p>    </p> | <p><b>Large Diameter</b>    <b>Small Diameter Gathering</b></p> <p>    </p> <p><b>Water / Drainage</b></p> <p></p> |
| <b>End Markets Served</b>        |  |  |   |
| <b>Select Services</b>           | <ul style="list-style-type: none"> <li>» Electric substation engineering design</li> <li>» Procurement of critical materials</li> <li>» Fiber optic installation</li> <li>» Electric distribution &amp; substation</li> <li>» Gas distribution</li> <li>» Telecom</li> </ul>   | <ul style="list-style-type: none"> <li>» Power generation services</li> <li>» Industrial engineering &amp; construction services</li> <li>» Renewable energy production facilities</li> </ul>  | <ul style="list-style-type: none"> <li>» Pipeline integrity</li> <li>» Maintenance</li> <li>» Road boring</li> <li>» Fabrication</li> <li>» Pipeline construction</li> <li>» Large / small diameter</li> <li>» Compressor stations</li> <li>» Pump stations</li> <li>» Terminals</li> </ul>   |
| <b>2020 Revenue Contribution</b> | <b>\$907mm + \$459mm</b><br>(Utilities)                      (Transmission)  | <b>\$795mm + \$434mm</b><br>(Power)                              (Civil)   | <b>\$897mm</b><br>(Pipeline)  |
| <b>2021 Target Gross Margins</b> | <b>12-14%</b>  | <b>9-12%</b>   | <b>9-13%</b>  |

Note: 2020 Revenue excludes Future Infrastructure.

# Consistent Execution Track Record Driving Long-Term Profitable Growth

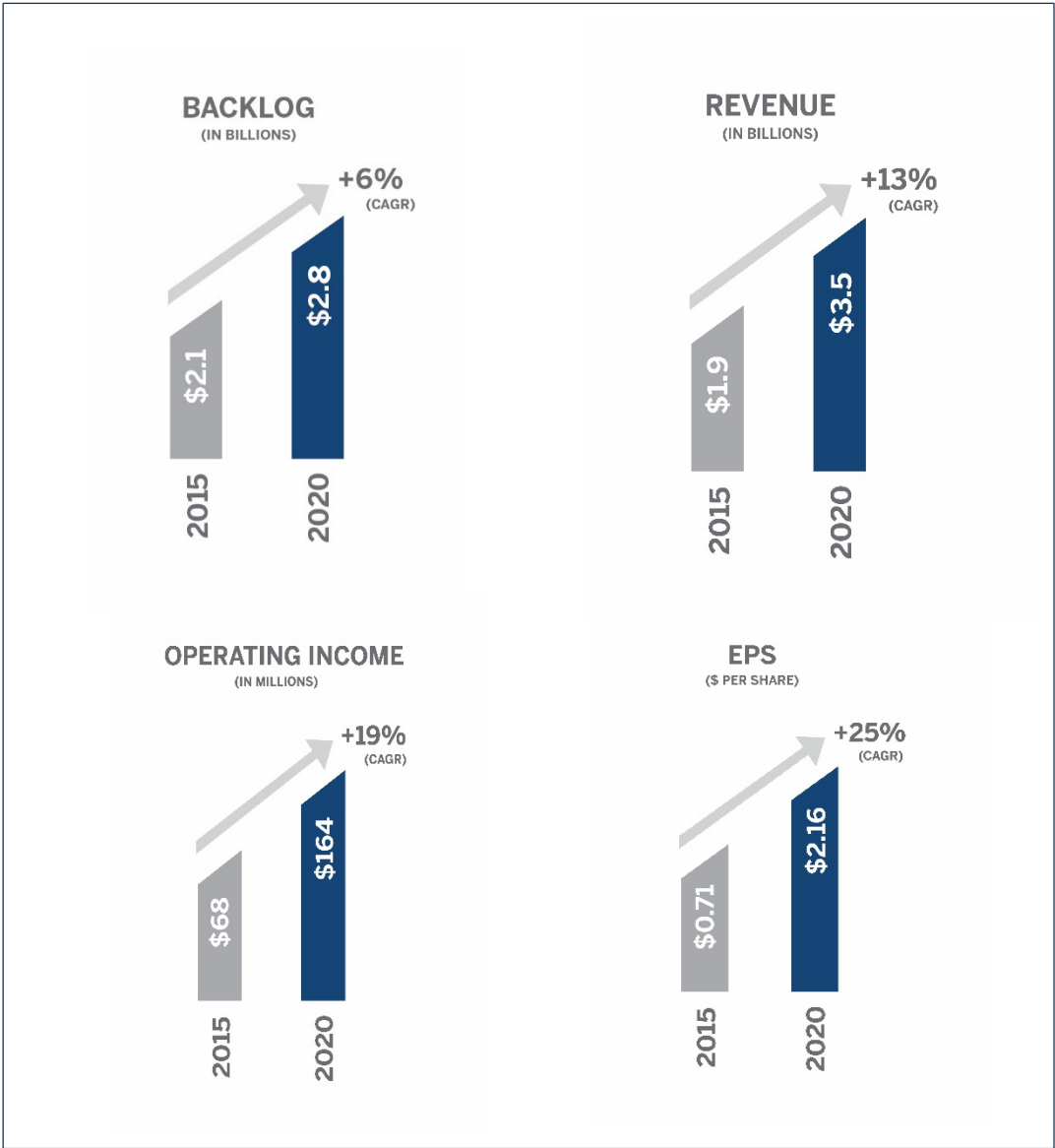


Leverage core platform to address large growing market opportunity

Expanding service mix to meet our customers' lifecycle needs

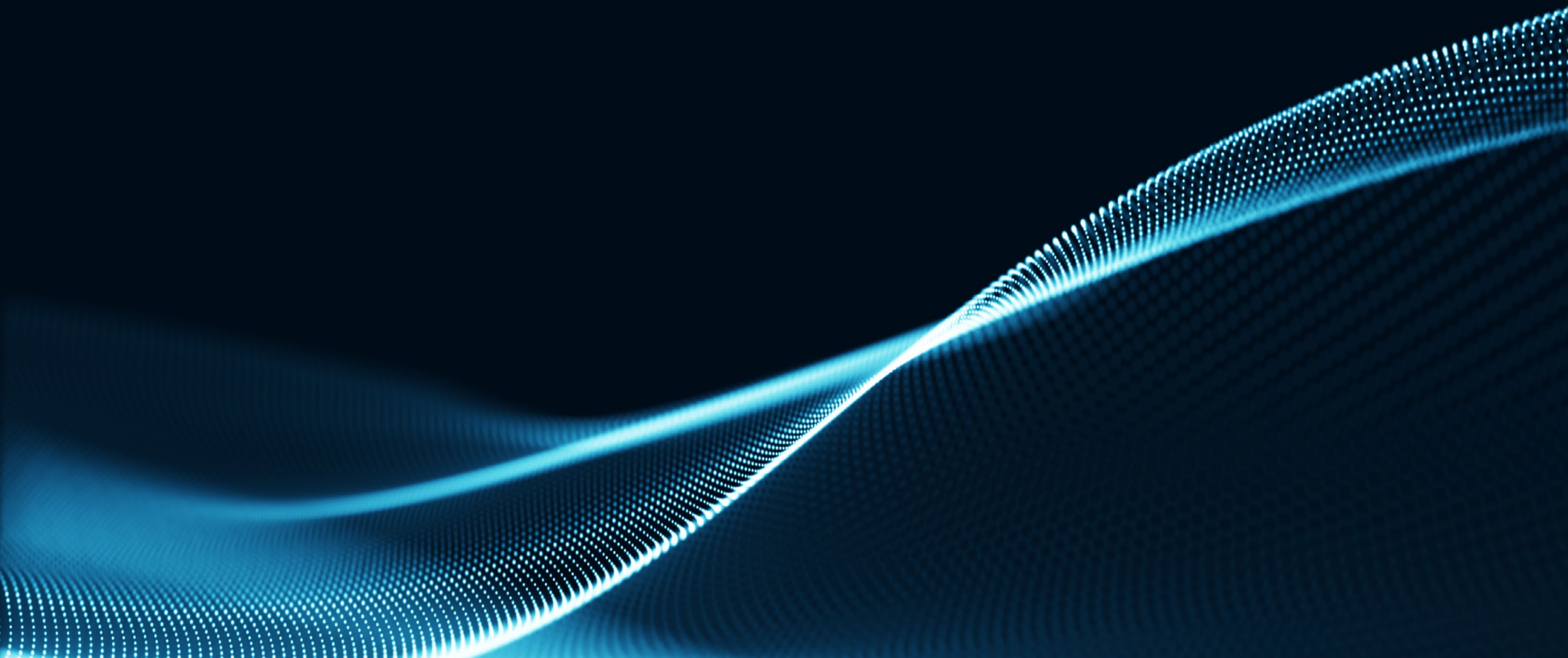
Disciplined risk management strategy

Thoughtful expansion into new end markets



Note: Excludes Future Infrastructure

# Why Invest in Primoris



# Key Investment Highlights

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**1** Leading Provider of Critical Infrastructure Services

**2** Multiple Secular Tailwinds Supporting Growth

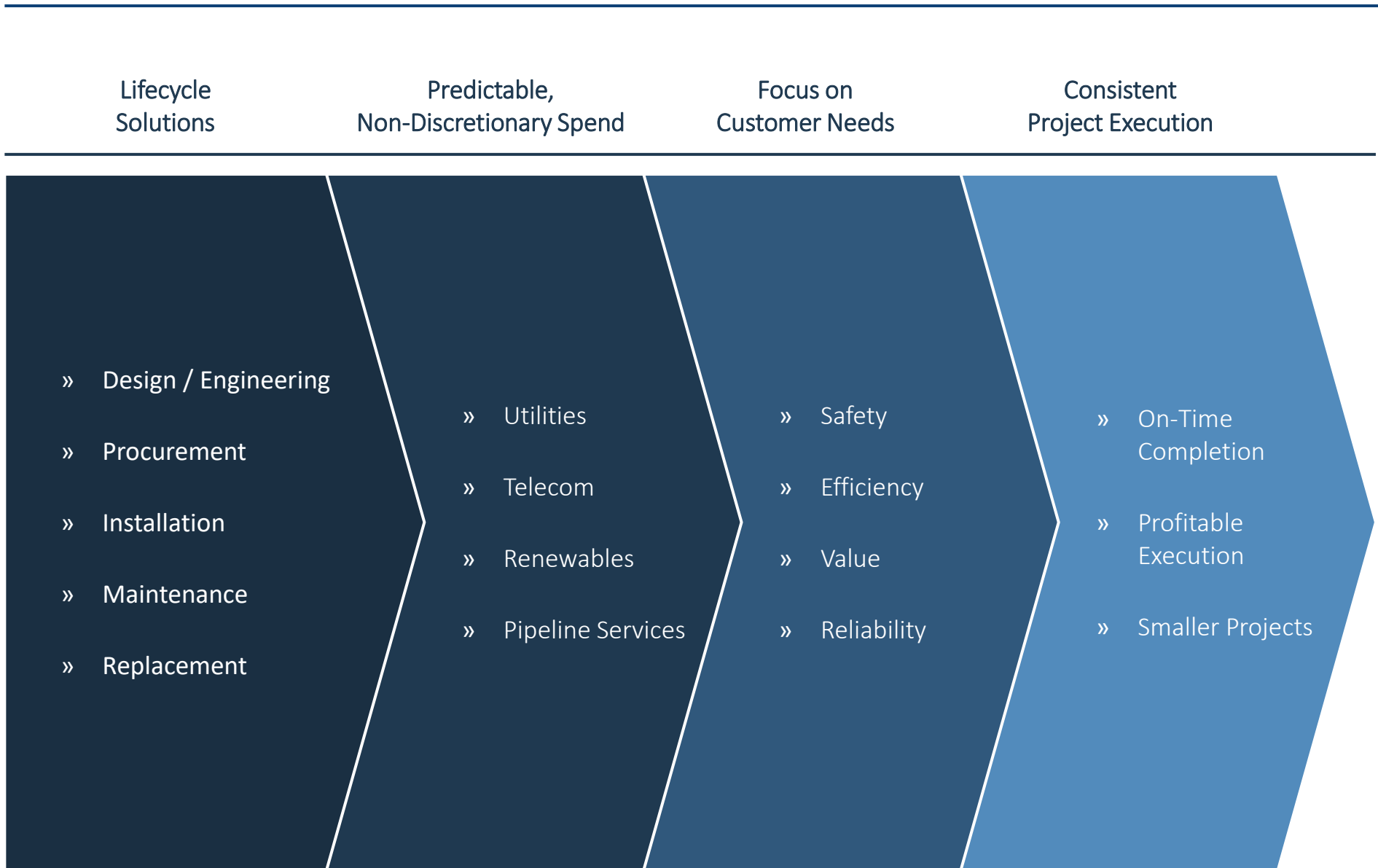
**3** Diversified and Well-Tenured Blue Chip Client Base

**4** Business Model Intentionally Designed to Limit Risk and Drive Predictability

**5** Differentiated Employee Base and Skilled Labor Advantage

**6** Multiple Strategies to Drive Disciplined Long-Term Growth

# 1 Leading Provider of Critical Infrastructure Services



## 2 Multiple Secular Tailwinds Supporting Growth

Multiple independent positive trends fueling infrastructure spend in both the near and long-term

### Market Opportunity

### Growth Drivers

#### Electric T&D



**\$70Bn**

- » Grid upgrade and maintenance requirements
- » System hardening
- » Weather hardening and preparedness

#### Regulated Natural Gas



**\$28Bn**

- » Large, government-mandated replacement cycle
- » 50% of pipeline infrastructure installed before 1980

#### Telecommunications



**\$140Bn<sup>(1)</sup>**

- » 5G, spectrum and fiber rollouts
- » 50%+ of mobile subscriptions using 5G by 2029

#### Renewables



**\$225Bn<sup>(2)</sup>**

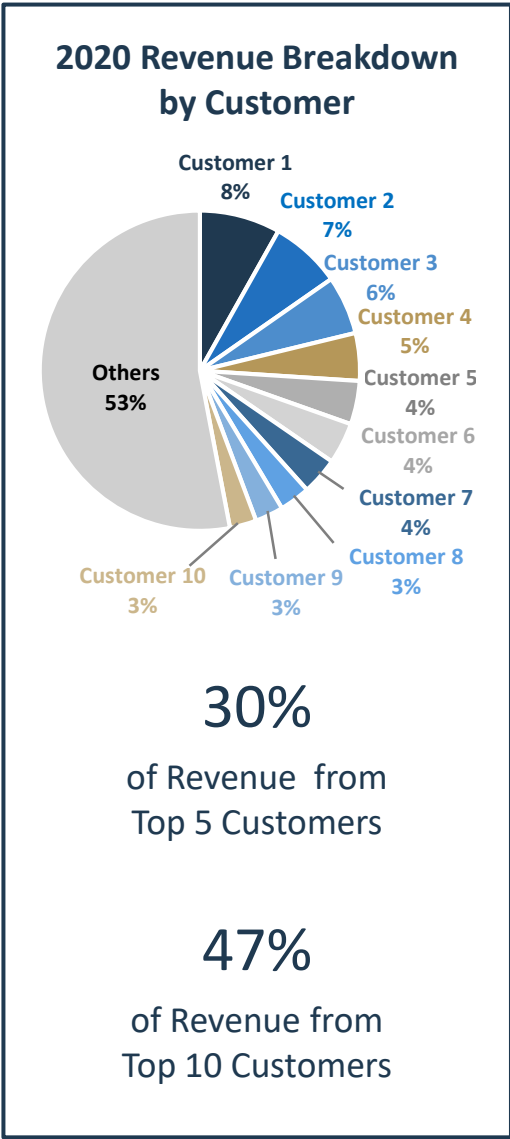
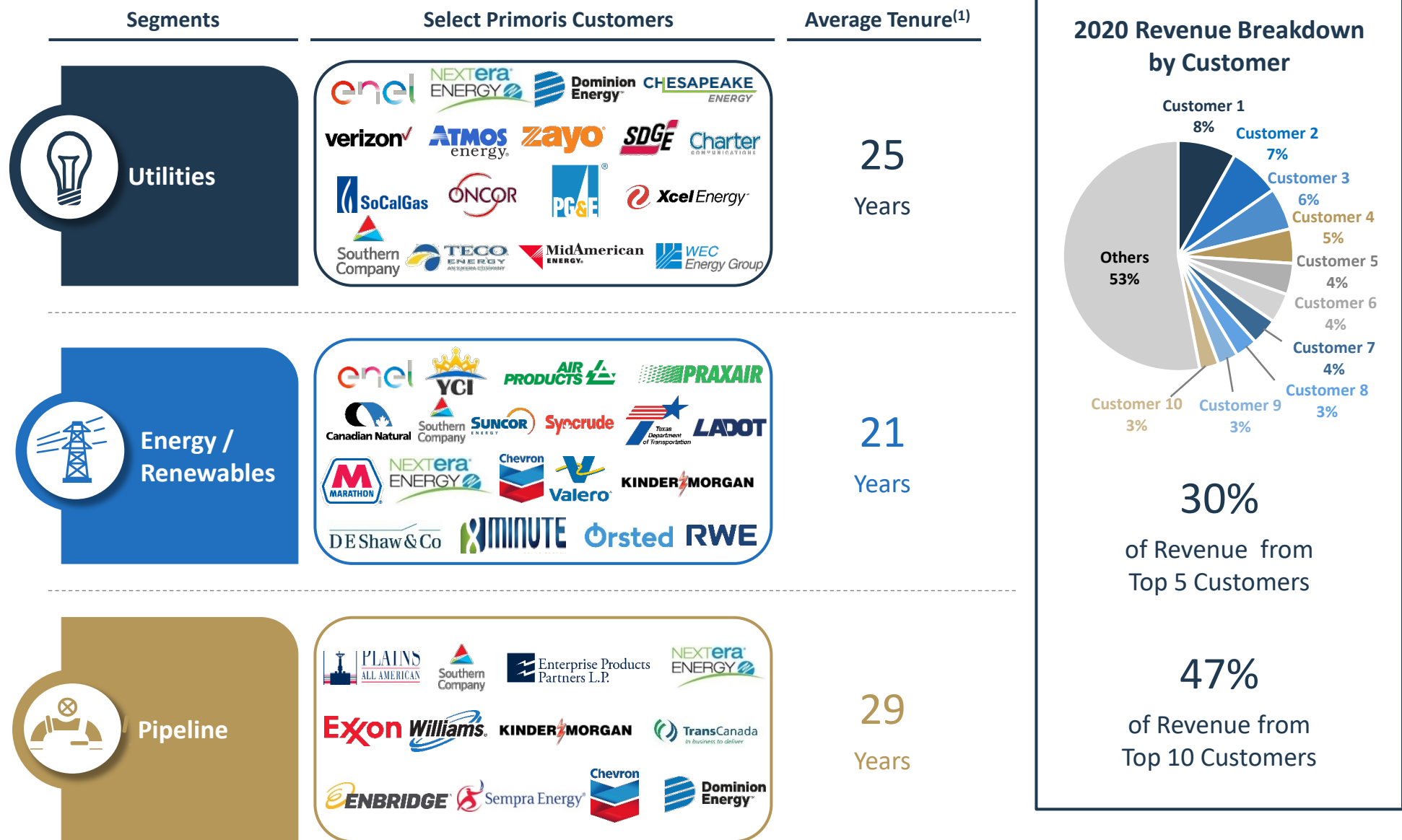
- » Renewables a federal and state priority
- » Continued cost declines making renewables economic without tax credits
- » ~47% of U.S. generation mix to come from renewables by 2050

Source: HIS EIA, S&P, Deloitte, Americas Water Infrastructure, Fitch Solutions

(1) Estimated fiber investment required in the US over the next 5 to 7 years.

(2) Estimated renewable asset investment in 2020.

# 3 Diversified and Well-Tenured Blue Chip Client Base



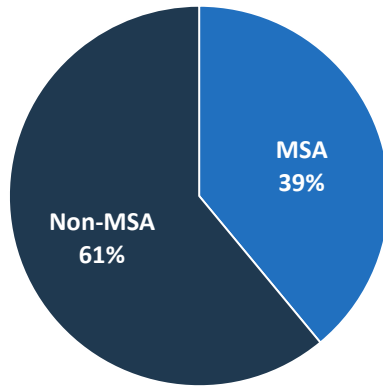
Source: Primoris management  
 Note: Revenue breakdown is not pro forma for Future Infrastructure.  
 (1) Represents average tenure of select customers shown.

# 4 Business Model Intentionally Designed to Limit Risk and Drive Predictability



## MSA Focused Service Offering...

Revenue Mix (2020)



### Improved Economics

- » Recurring MSA reduces sales and marketing expenses
- » Supports investments in scale / network density

### Resilient Profile

- » Increased revenue stability
- » Increased profit visibility
- » Multi-year visibility

### Deeper Relationships

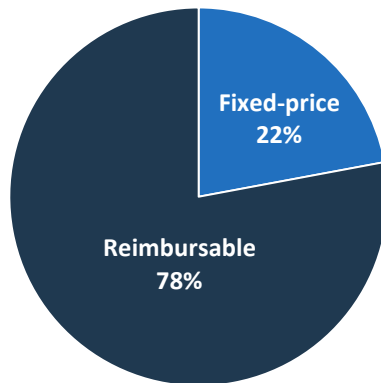
- » Relationship with customers can span decades
- » Vital partner in providing safe, reliable service
- » Cross-selling opportunities

### Lower Risk

- » Unit price
- » Average work order <\$1 MM, >3,000+ annual work orders
- » Lower earnings volatility

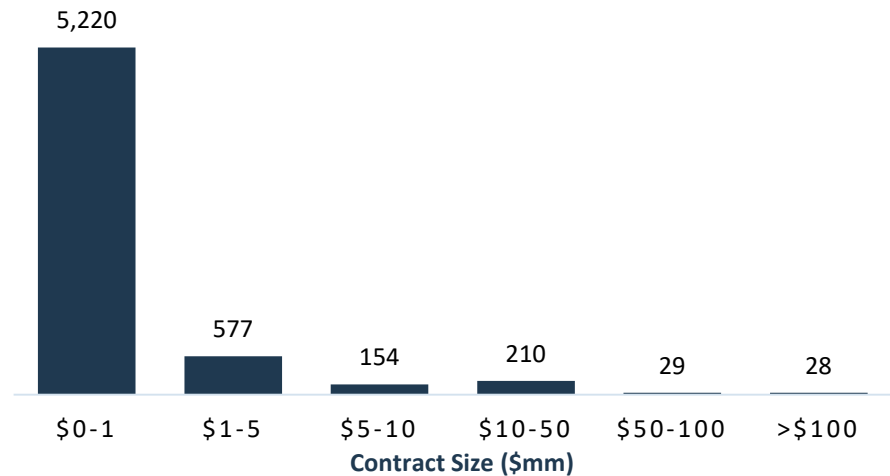
## With a De-Risked Contract Structure...

2020 Contract Mix



## ...and Small Project Size

Number of Ongoing Projects by Total Project Size



Average Project Size for Fixed-Price Contracts: \$2.6mm

Note: 2020 excludes Future Infrastructure.

# 5 Differentiated Employee Base and Skilled Labor Advantage



Primoris has more than 11,100 employees with opportunities for continued skill enhancements

## Project Management Training

Lays the foundation of skills and supports the uniformity of project execution across Primoris



## Skills Training

Primoris supports continuous skills training, both through on-site programs and off-site training, including several locations where we train apprentices to become journeymen

## Leadership Development Program

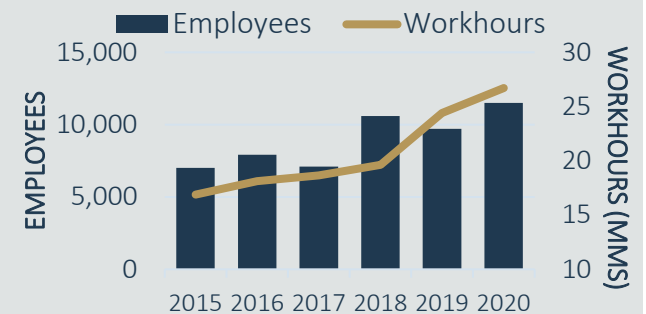
The Leadership Development Program is a year-long initiative designed to further develop each participant's leadership skills. The focused program requires participants to challenge themselves and their peers as they progress through the coursework.

## Company-Owned Training Facilities

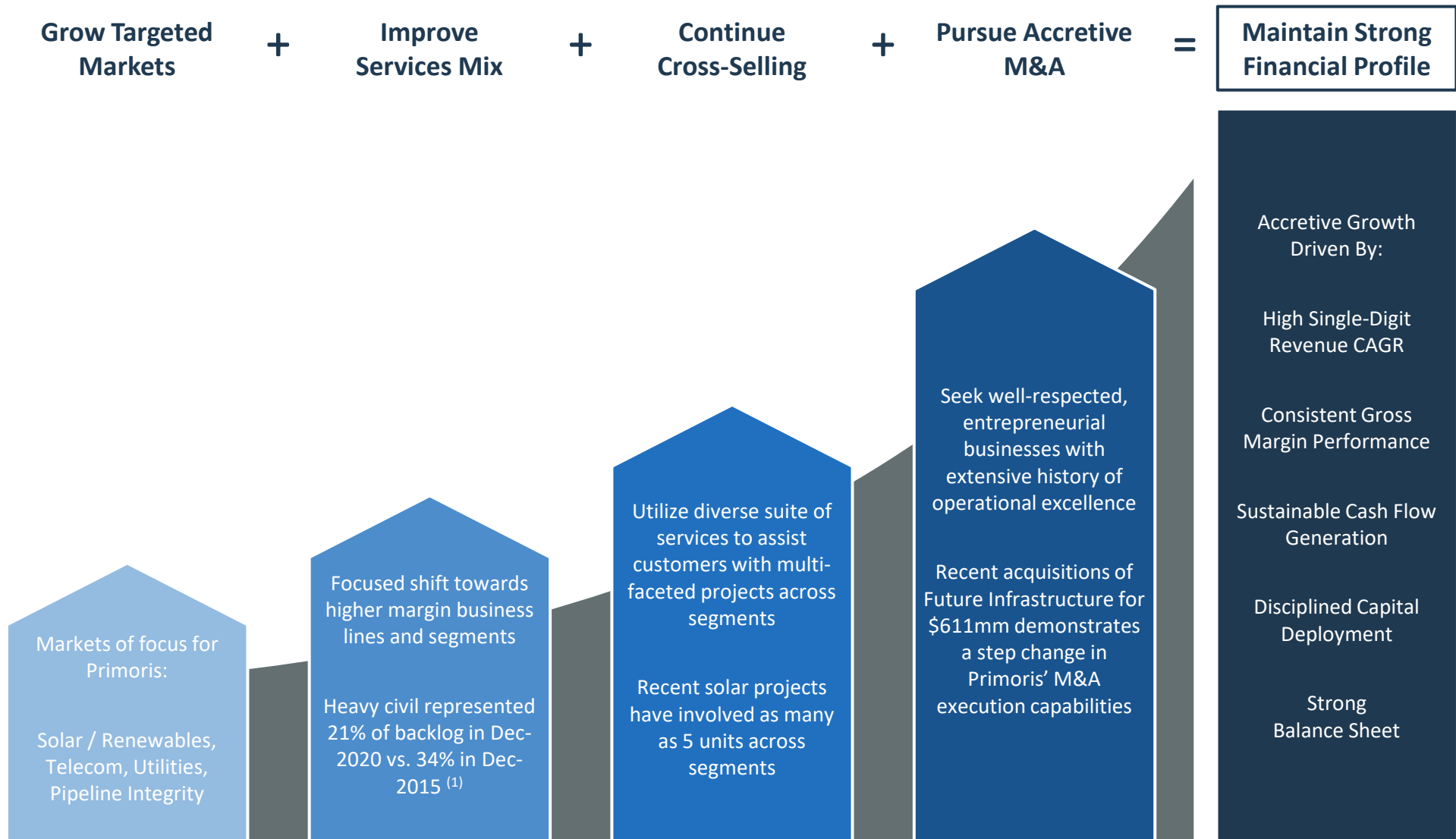


## Employee Count & Workhours

(As of Year-End, Workhours in Millions)

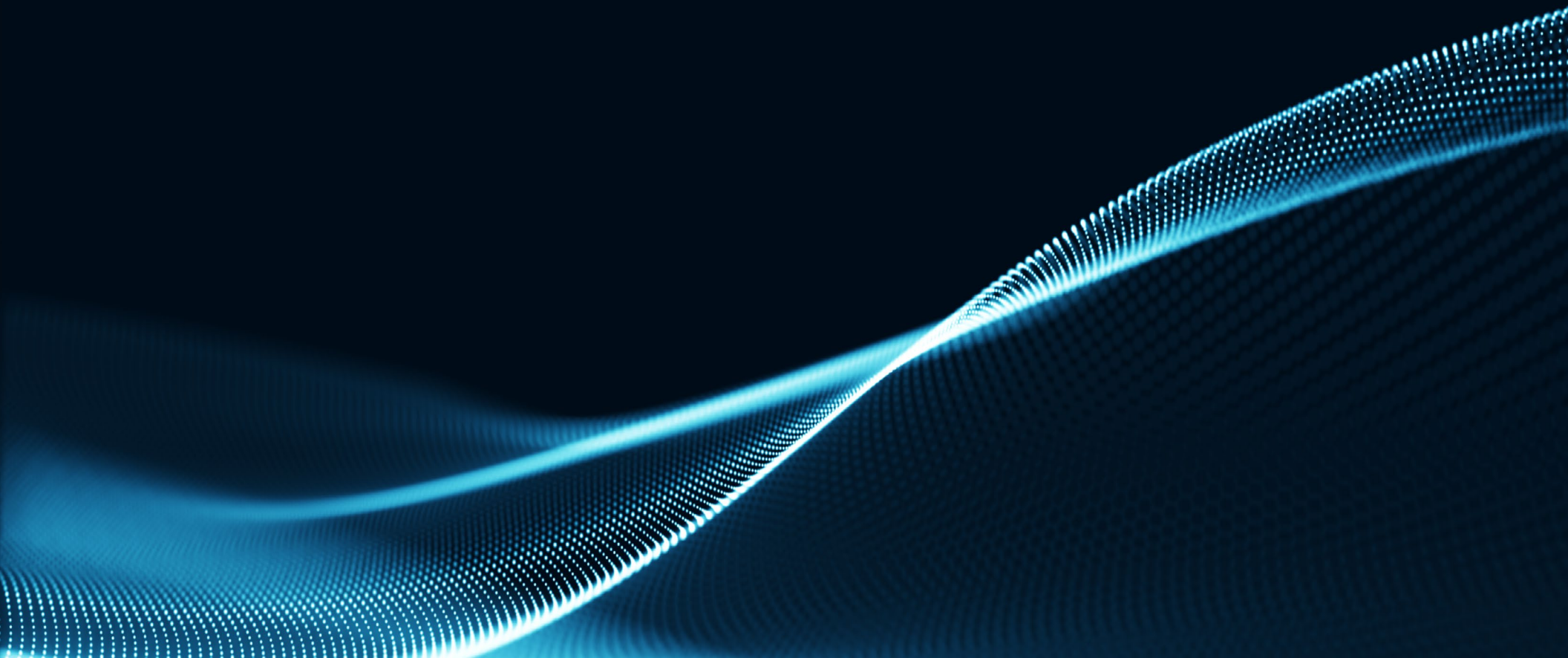


# 6 Multiple Strategies to Drive Disciplined Long-Term Growth

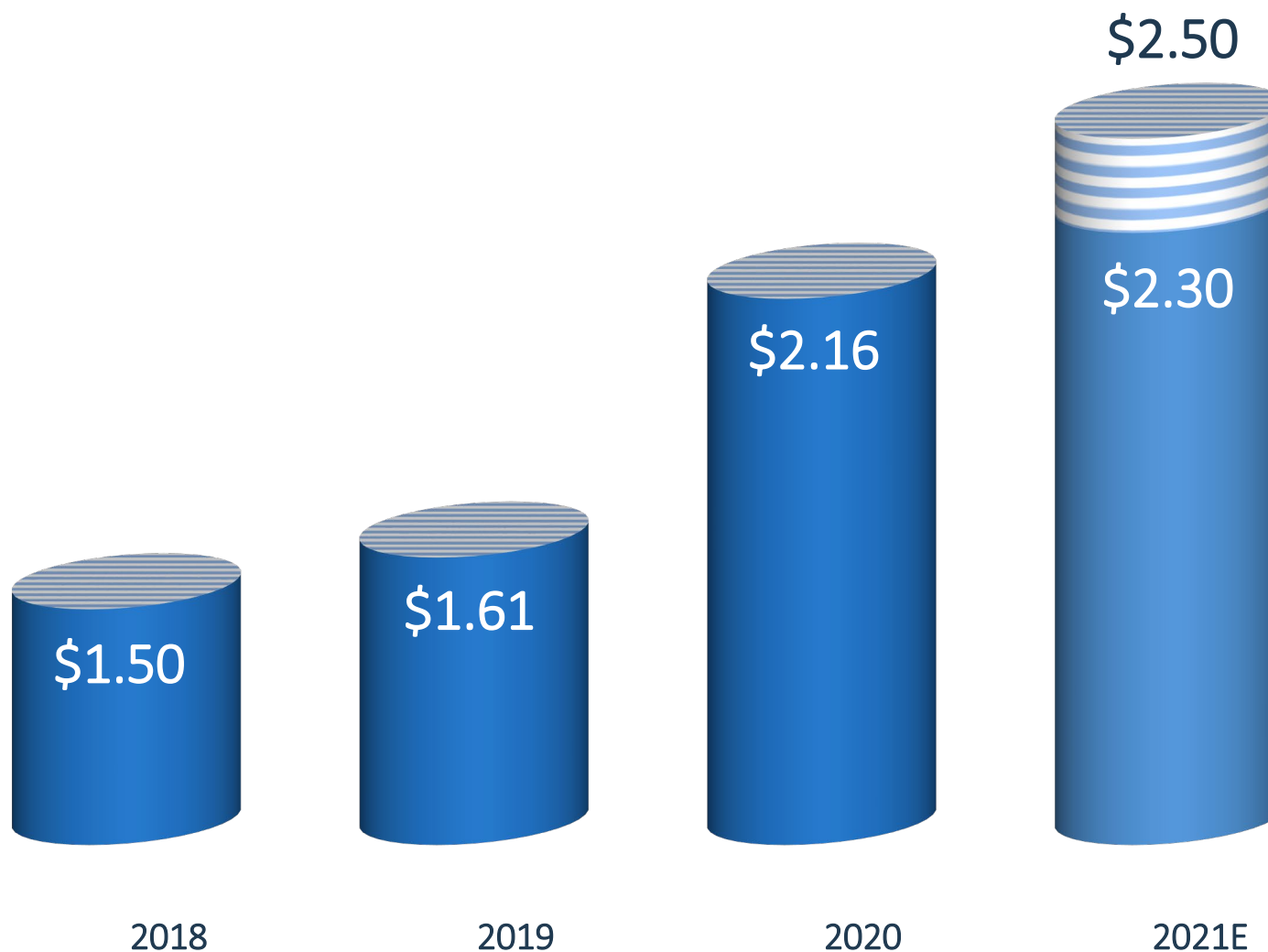


(1) Excludes Future Infrastructure.

# Financial Overview



## Consistent Earnings Per Share Growth



Note: 2018, 2019, and 2020 are actual earnings per fully diluted share. 2021E is guidance as of 8/04/2021

# Strategic Capital Allocation Priorities



**Focused on driving shareholder value and maintaining balance sheet flexibility**

## Organic Growth

Continuing to invest organically to drive growth with new services in attractive end markets

## M&A

Transforming the business through disciplined, accretive M&A in strategic, high growth end markets

## Balance Sheet Flexibility

De-leveraging through strategic transactions and strong cash flow generation to provide dry powder for future M&A

## Return of Capital

Selectively returning capital to shareholders