

QUARTER FOUR 2022 FINANCIAL RESULTS

FEBRUARY 23, 2023



FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL DISCLOSURES

Forward-Looking Statements

This material and related presentation contain certain forward-looking statements. Such statements speak only as of the date on the cover of this slide deck, and EMCOR assumes no obligation to update any such forward-looking statements, unless required by law. These forward-looking statements may include statements regarding anticipated future operating and financial performance, including financial guidance and projections underlying that guidance; the nature and impact of our remaining performance obligations; our ability to pursue acquisitions; our ability to return capital to shareholders; market opportunities; market growth prospects; and customer trends. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated (whether expressly or implied) by the forward-looking statements. Accordingly, these statements do not guarantee future performance or events. Applicable risks and uncertainties include, but are not limited to, adverse effects of general economic conditions; changes in interest rates; domestic and international political developments; changes in the specific markets for EMCOR's services; adverse business conditions, including labor market tightness, productivity challenges, the nature and extent of supply chain disruptions impacting availability and pricing of materials, and inflationary trends more generally, including fluctuations in energy costs; the impact of legislation and/or government regulations; the availability of adequate levels of surety bonding; increased competition; unfavorable developments in the mix of our business; and the continuing impact of the COVID-19 pandemic, including the nature, extent, and impact of future variant surges, as well as other health emergencies, and government orders and mandates related thereto, on our revenue and operations. Certain of the risk factors associated with EMCOR's business are also discussed in Part I, Item 1A "Risk Factors," of the Company's 2022 Form 10-K, and in other reports we file from time to time with the Securities and Exchange Commission and available at www.sec.gov and www.emcorgroup.com. Such risk factors should be taken into account in evaluating our business, including any forward-looking statements.

Non-GAAP Measures

This material and related presentation may include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the press release that accompanies this presentation. The Company uses these non-GAAP measures as key performance indicators for the purpose of evaluating performance internally. We also believe that these non-GAAP measures provide investors with useful information with respect to our ongoing operations. Any non-GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by GAAP, have no standardized meaning prescribed by GAAP, and may not be comparable to the calculation of similar measures of other companies.

EMCOR PARTICIPANTS

- » Tony Guzzi Chairman, President & Chief Executive Officer
- » Mark Pompa EVP & Chief Financial Officer
- » Maxine Mauricio EVP & General Counsel
- » Kevin Matz EVP, Shared Services

2022 EXECUTIVE SUMMARY

- Strong operating performance in 2022; well-positioned for 2023
 - Record annual revenues of \$11.08 billion / Solid operating margin at 5.1%

	<u>2022</u>	<u>2021</u>	<u>\$ Δ</u>
– Operating Income	\$564.9M	\$530.8M	\$34.1M
➤ OI as a % of Revenue	5.1%	5.4%	
– Diluted EPS	\$8.10	\$7.06	\$1.04
- Total Remaining Performance Obligations increased by \$1.86 billion or 33% from 12/31/21; strong mix of work / projects

2022 EXECUTIVE SUMMARY (Full Year Results)

- » U.S. Electrical Construction and Facilities Services segment revenues increased by \$403.2 million vs. 2021 with an operating margin of 6.1%
- » U.S. Mechanical Construction and Facilities Services segment revenues increased by \$374.1 million vs. 2021 with an operating margin of 7.7%
- » U.S. Building Services segment revenues increased by \$295.7 million vs. 2021 with an operating margin of 5.3%
- » U.S. Industrial Services segment revenues increased by \$132.4 million vs. 2021 with an operating margin of 1.8%
- » U.K. Building Services segment revenues decreased by \$32.9 million vs. 2021 with an operating margin of 6.3%; impacted by unfavorable foreign exchange rate movements, which reduced reported revenue by \$53.5 million

2022 EXECUTIVE SUMMARY

» RPOs at an all-time record of \$7.46 billion, up 33% compared to 12/31/21

▪ U.S. RPOs UP \$1.82 billion or 33%

- Combined U.S. Construction Segments UP
- U.S. Building Services Segment UP
- U.S. Industrial Services Segment UP

**Dec. 2022
vs.
Dec. 2021**

\$1,526M ↑
33.9%

\$278M ↑
31.9%

\$13M ↑
11.5%

▪ U.K. Building Services Segment UP

\$42M ↑
35.9%

» Balance sheet remains strong and liquid

2022 QTR. 4 FINANCIAL RESULTS HIGHLIGHTS

» Consolidated quarterly revenues of \$2.95 billion

(\$ Millions) (Unaudited)	Qtr. 4 2022	Change from Qtr. 4 2021	
		\$	%
U.S. Electrical Construction & Facilities Services	\$ 713.6	\$ 166.2	30.4%
U.S. Mechanical Construction & Facilities Services	1,142.5	77.4	7.3%
Total U.S. Construction	1,856.1	243.6	15.1%
U.S. Building Services	704.2	83.9	13.5%
U.S. Industrial Services	276.2	(7.4)	-2.6%
Total U.S. Operations	2,836.5	320.1	12.7%
U.K. Building Services	113.3	(10.5)	-8.5%
Total EMCOR	\$ 2,949.8	\$ 309.6	11.7%

2022 QTR. 4 FINANCIAL RESULTS HIGHLIGHTS

- » SG&A expenses of \$277.6 million or 9.4% of revenues vs. \$260.0 million or 9.8% of revenues for Qtr. 4 2021
- » Operating income of \$177.2 million or 6.0% of revenues

Operating Income For the Quarter Ended December 31, 2022: (Unaudited)	Operating Margin For the Quarter Ended December 31,	
	2022	2021
<ul style="list-style-type: none"> ▪ U.S. Electrical Construction and Facilities Services of \$58.1 million: \$16.3 million or 38.9% increase ▪ U.S. Mechanical Construction and Facilities Services of \$105.7 million: \$12.0 million or 12.8% increase 	8.1%	7.6%
Total U.S. Construction	8.8%	8.4%
<ul style="list-style-type: none"> ▪ U.S. Building Services of \$37.0 million: \$10.8 million or 41.2% increase ▪ U.S. Industrial Services of \$1.5 million: \$(2.5) million or 63.4% decrease ▪ U.K. Building Services of \$4.5 million: \$(0.5) million or 9.9% decrease 	5.3%	4.2%
Total EMCOR	6.0%	5.4%

KEY FINANCIAL DATA – INCOME STATEMENT

(\$ Thousands, except per share information) (Unaudited)

	For the Quarter Ended December 31,		Variance	
	2022	2021	\$	%
Revenues	\$ 2,949,822	\$ 2,640,193	\$ 309,629	11.7%
Gross Profit	454,800 15.4%	403,042 15.3%	51,758	12.8%
Selling, General and Administrative Expenses	277,618	260,025	17,593	6.8%
Operating Income	\$ 177,182 6.0%	\$ 143,017 5.4%	\$ 34,165	23.9%
Diluted Earnings per Common Share	\$ 2.63	\$ 1.89	\$ 0.74	39.2%

KEY FINANCIAL DATA – INCOME STATEMENT

(\$ Thousands, except per share information)

	For the Year Ended December 31,		Variance	
	2022	2021	\$	%
Revenues	\$ 11,076,120	\$ 9,903,580	\$ 1,172,540	11.8%
Gross Profit	1,603,594 14.5%	1,501,737 15.2%	101,857	6.8%
Selling, General and Administrative Expenses	1,038,717	970,937	67,780	7.0%
Operating Income	\$ 564,877 5.1%	\$ 530,800 5.4%	\$ 34,077	6.4%
Diluted Earnings per Common Share	\$ 8.10	\$ 7.06	\$ 1.04	14.7%

KEY FINANCIAL DATA – BALANCE SHEET

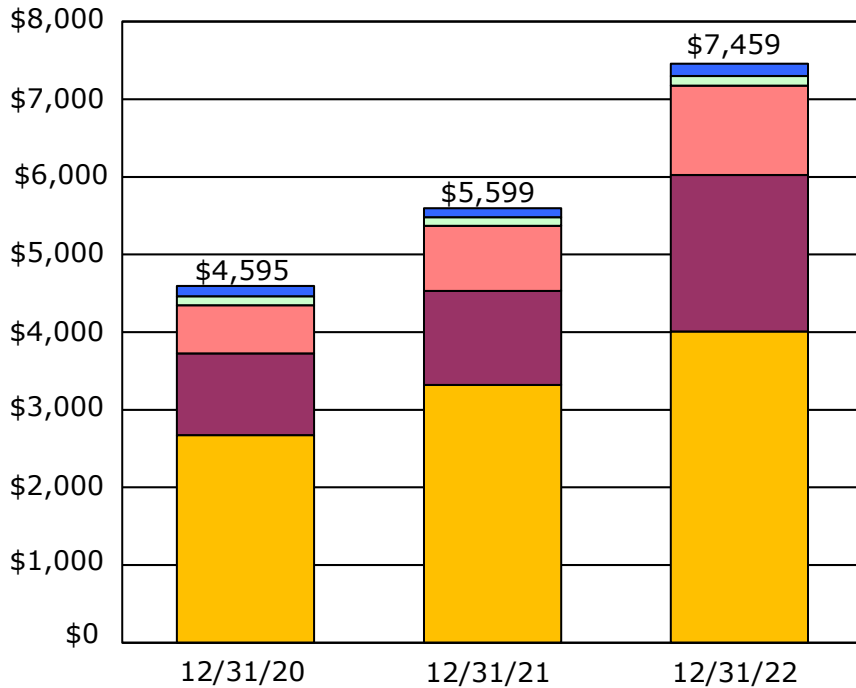
(\$ Thousands)

	<u>12/31/22</u>	<u>12/31/21</u>
Cash	\$ 456,439	\$ 821,345
Working Capital	\$ 708,451	\$ 1,029,263
Goodwill	\$ 919,151	\$ 890,268
Identifiable Intangible Assets, Net	\$ 593,975	\$ 589,365
Total Debt (excludes operating leases)	\$ 247,192	\$ 261,685
Stockholders' Equity	\$ 1,974,291	\$ 2,253,089
Total Debt / Total Capitalization	11.1%	10.4%

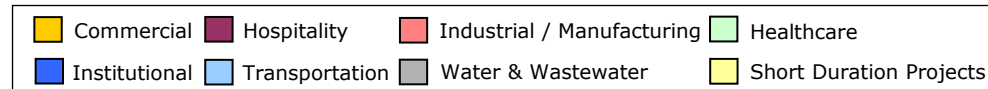
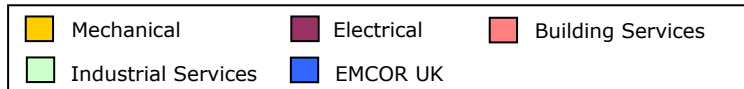
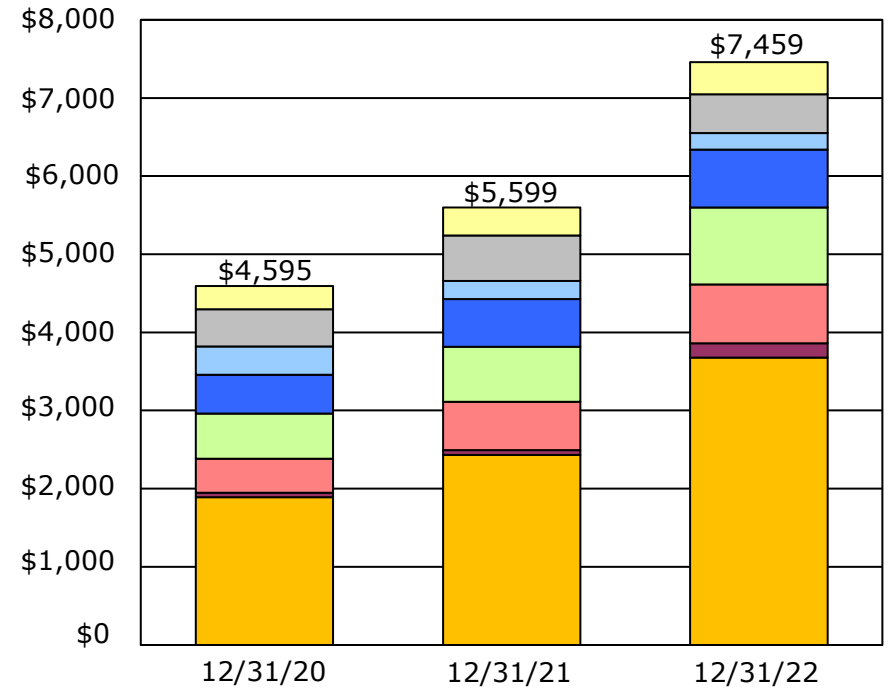
REMAINING PERFORMANCE OBLIGATIONS

» Diverse RPOs of \$7.46 billion

By Segment (\$ Millions)



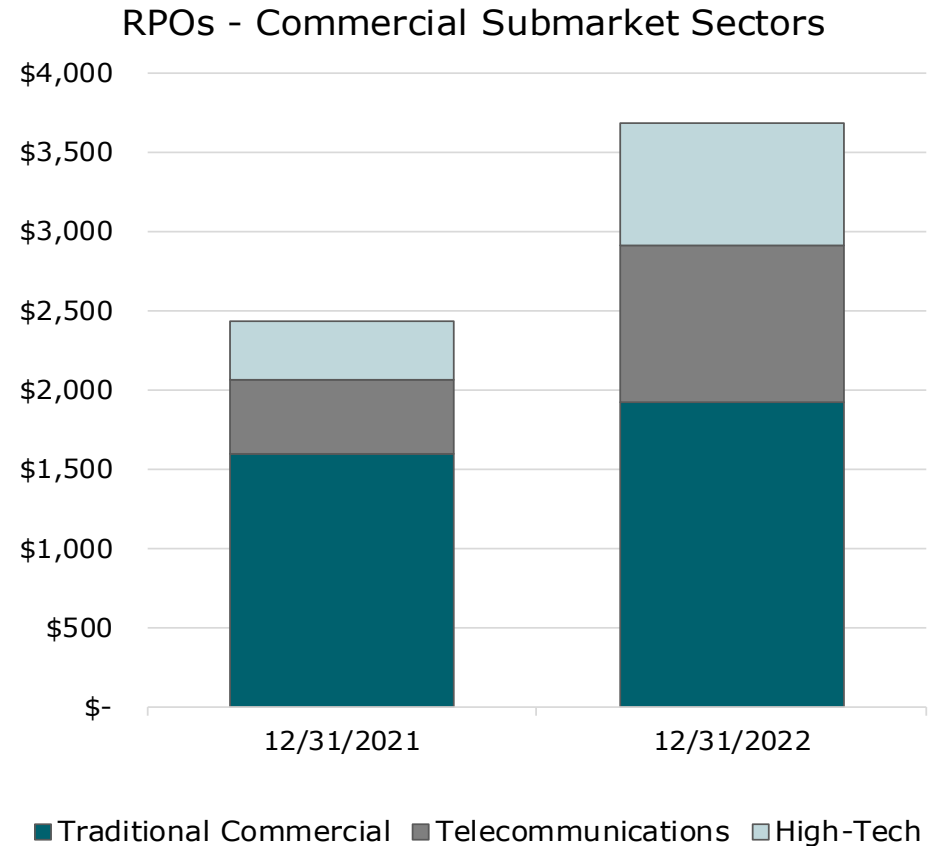
By Market Sector (\$ Millions) (Unaudited)



RPOs – COMMERCIAL SUBMARKETS

(\$ Millions) (Unaudited)

<u>Commercial Submarket Sectors</u>	<u>Dec. 2022 vs. Dec. 2021</u>
<p>» Traditional Commercial</p> <ul style="list-style-type: none"> ▪ Includes office, retail, restaurants, and warehouses 	21%
<p>» Telecommunications</p> <ul style="list-style-type: none"> ▪ Network & communications infrastructure ▪ Includes data centers, data and fiber projects, cabling, etc. 	111%
<p>» High-Tech</p> <ul style="list-style-type: none"> ▪ R&D & high-tech manufacturing ▪ Includes semiconductor, biotech, life-sciences, pharmaceutical, and EV/battery plants 	108%



- » Nearly 75% of the year-over-year growth in our commercial market sector RPOs is driven by the “Telecommunications” and the “High-Tech” submarket sectors
- » Given continued growth, EMCOR will expand RPO and revenue disclosures in 2023 to provide greater insight into these submarket sectors

GROWTH OPPORTUNITIES

Data Centers / Semiconductor Fabs

- » Strong electrical / mechanical / fire protection demand across numerous geographic regions; RPOs continue to grow

Industrial / Manufacturing

- » Growing electrical / mechanical opportunities driven by continued re-shoring of supply chain and relocations from higher-cost states

Healthcare

- » Electrical / mechanical system retrofits as hospitals upgrade their existing facilities and build new facilities

Energy Transition / Transportation

- » Growing demand for EV transition across entire value chain; EV and EV battery manufacturing facilities; electrical charging stations on industrial scale; renewable buildout, natural gas backup facilities

Water & Wastewater

- » Demand for comprehensive construction services, especially Florida

Mechanical Services

- » Growing mechanical service and repair demand stemming from pandemic maintenance deferrals, retrofit opportunities, energy efficiency upgrades, customer decarbonization initiatives, and delays in receipt of new HVAC equipment

Indoor Air Quality

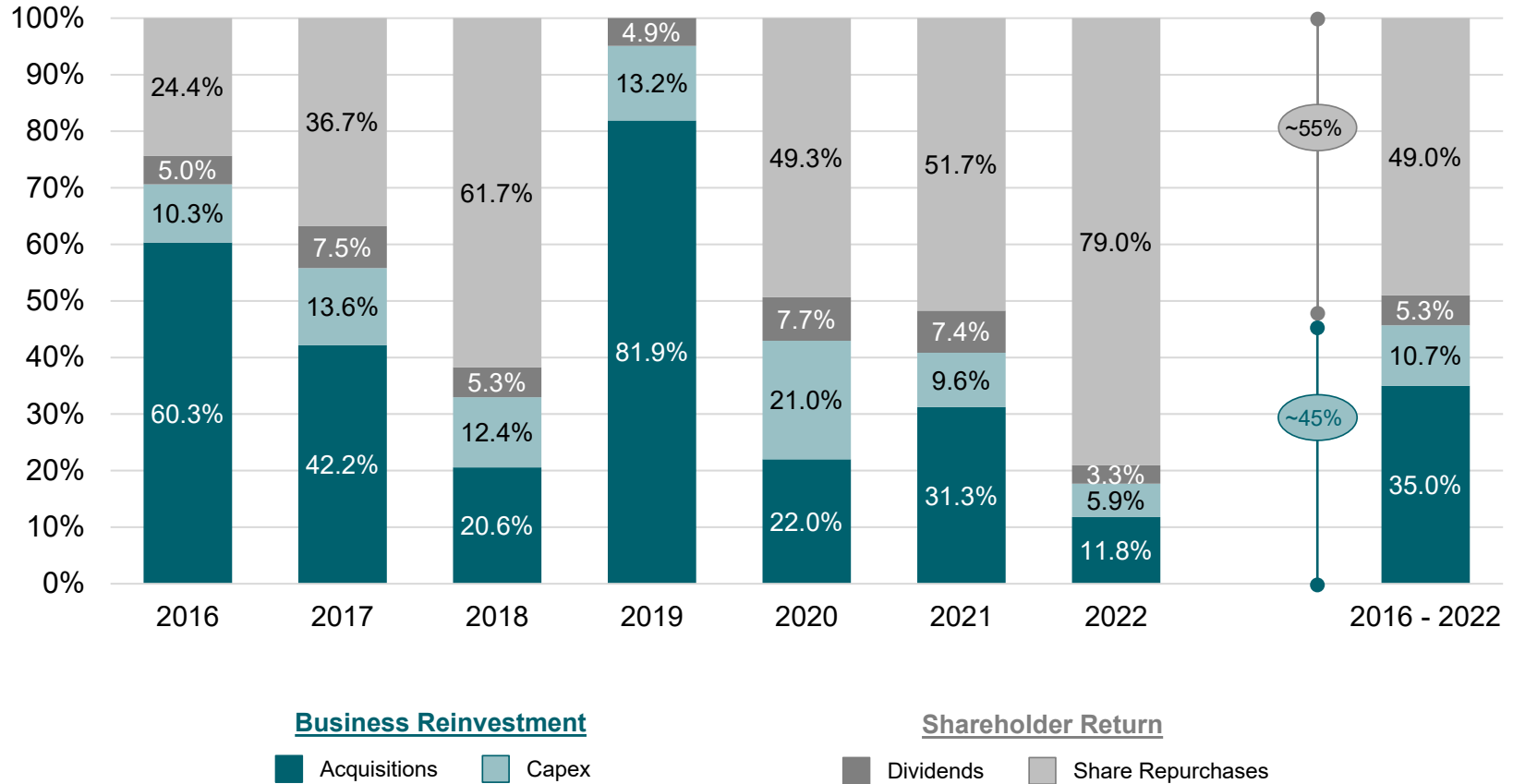
- » Nationwide mechanical systems retrofit projects to improve building wellness with significant opportunities in the Institutional and Education sectors

Fire Protection / Life Safety

- » Nationwide fire sprinkler installation capability / substantial cost efficiencies via prefabrication / strong demand from industrial and technology clients / growing aftermarket

EMCOR CAPITAL ALLOCATION TRENDS

EMCOR Capital Allocation by Year (%)



2023 OUTLOOK

- » Non-residential market is projected to grow in 2023
 - RPOs ~ \$7.5 billion as of December 31, 2022
- » Energy efficiency upgrades driving repair service and HVAC replacement projects
- » Continued steady pace of improvement from Industrial Services
- » Macro uncertainties of supply chain disruption, energy markets, inflation, and rising interest rates could impact year
- » Maintain the flexibility provided by our strong and liquid balance sheet

2023 GUIDANCE

Revenues \$12.0 - \$12.5 Billion

Diluted EPS* \$8.75 - \$9.50

* Assumes ~28.0% effective tax rate



BUILD POWER SERVICE PROTECT