



Quarter One 2017

April 27, 2017



EMCOR Participants

- Tony Guzzi President & Chief Executive Officer
- Mark Pompa EVP & Chief Financial Officer
- Maxine Mauricio SVP & General Counsel
- Mava Heffler VP, Marketing & Communications
- Kevin Matz EVP, Shared Services



2017 Qtr. 1 Executive Summary

- Strong start to 2017
 - Diluted EPS from continuing operations of \$0.88 vs. Proforma \$0.57 in Quarter 1 2016
 - Revenues increased 8.4% to \$1.89 Billion
 - Organic revenue growth of 4.0%
 - Operating income as a percentage of revenues was 4.4%
- U.S. Electrical Construction and Facilities Services segment revenues increased by \$94.7 million vs. Quarter 1 2016 and operating margin was 7.0%
- U.S. Mechanical Construction and Facilities Services segment revenues increased by \$62.7 million vs. Quarter 1 2016 and operating margin was 6.0%



2017 Qtr. 1 Executive Summary

- U.S. Building Services segment revenues decreased by \$3.1 million vs. Quarter 1 2016 and operating margin was 3.2%
- U.S. Industrial Services segment revenues increased by 0.4% vs. Quarter 1 2016; however, operating margin decreased to 6.6% vs. 7.3% in Quarter 1 2016

2017 Qtr. 1 Executive Summary

- Diverse backlog of \$3.97 billion, up 3.2% compared to Quarter 1 2016

- U.S. backlog UP \$130 million or 3.5%

- Domestic Construction UP

Mar. 2017

 \$197M ↑
 6.9%

- U.S. Building Services Segment DOW

\$(61M) ↓
 -7.9%

- U.S. Industrial Services Segment DOW

\$(6M) ↓
 -9.6%

- Private Sector UP (Commercial, Hospitality & Gaming, Industrial)

\$48M ↑
 2.5%

- Public Sector UP (Transportation, Water/Wastewater, Institutional, Healthcare)

\$73M ↑
 3.7%

- Balance sheet remains strong and liquid, including \$302.8 million of cash

2017 – Qtr. 1 Financial Results Highlights

- Revenues increased 8.4% quarter-over-quarter to \$1.89 billion

(\$ Millions) (Unaudited)	Qtr. 1 2017	Change from Qtr. 1 2016	
		\$	%
U.S. Electrical Construction & Facilities Services	\$ 443.0	\$ 94.7	27.2%
U.S. Mechanical Construction & Facilities Services	671.1	62.7	10.3%
Sub-Total	1,114.1	157.4	16.5%
U.S. Building Services	440.0	(3.1)	-0.7%
U.S. Industrial Services	258.6	1.1	0.4%
Total U.S. Operations	1,812.7	155.4	9.4%
U.K. Building Services	79.0	(8.6)	-9.8%
Total EMCOR	\$ 1,891.7	\$ 146.8	8.4%



2017 – Qtr. 1 Financial Results Highlights

- SG&A expenses increased to \$183.0 million or 9.7% of revenues vs. \$167.4 million or 9.6% of revenues for Qtr. 1 2016
- Operating income of \$82.8 million or 4.4% of revenues includes:

(Unaudited)

	For the Three Months Ended March 31,	
	<u>2017</u>	<u>2016</u>
– U.S. Electrical Construction and Facilities Services of \$31.0 million: \$14.3 million or 85.8% increase	7.0%	4.8%
– U.S. Mechanical Construction and Facilities Services of \$40.4 million: \$16.7 million or 70.0% increase	6.0%	3.9%
Total U.S. Construction	6.4%	4.2%
– U.S. Building Services of \$14.2 million: \$0.2 million or 1.5% increase	3.2%	3.2%
– U.S. Industrial Services of \$17.0 million: \$(1.8) million or 9.7% decrease	6.6%	7.3%
– U.K. Building Services of \$1.7 million: \$(1.6) million or 49.3% decrease	2.1%	3.8%
Total EMCOR Operating Margin	4.4%	3.2%

- Qtr. 1 2017 cash used in operations of \$5.2 million

Key Financial Data – Income Statement

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

	For the Three Months Ended March 31,		Variance	
	2017	2016	\$	%
Revenues	\$ 1,891,732	\$ 1,744,970	\$ 146,762	8.4%
Gross Profit	266,340	223,108	43,232	19.4%
Selling, General and Administrative Expenses	183,001	167,402	15,599	9.3%
Restructuring Expenses	565	91	474	N/M
Operating Income	\$ 82,774 4.4%	\$ 55,615 3.2%	\$ 27,159	48.8%
Diluted Earnings per Common Share from Continuing Operations	\$ 0.88	\$ 0.56	\$ 0.32	57.1%
Non-GAAP Operating Income Excluding:				
- Transaction Expenses in the 2016 Quarter Related to the Acquisition of Ardent	\$ 82,774 4.4%	\$ 56,696 3.2%	\$ 26,078	46.0%
Non-GAAP Diluted Earnings per Common Share from Continuing Operations Excluding:				
- Transaction Expenses in the 2016 Quarter Related to the Acquisition of Ardent	\$ 0.88	\$ 0.57	\$ 0.31	54.4%

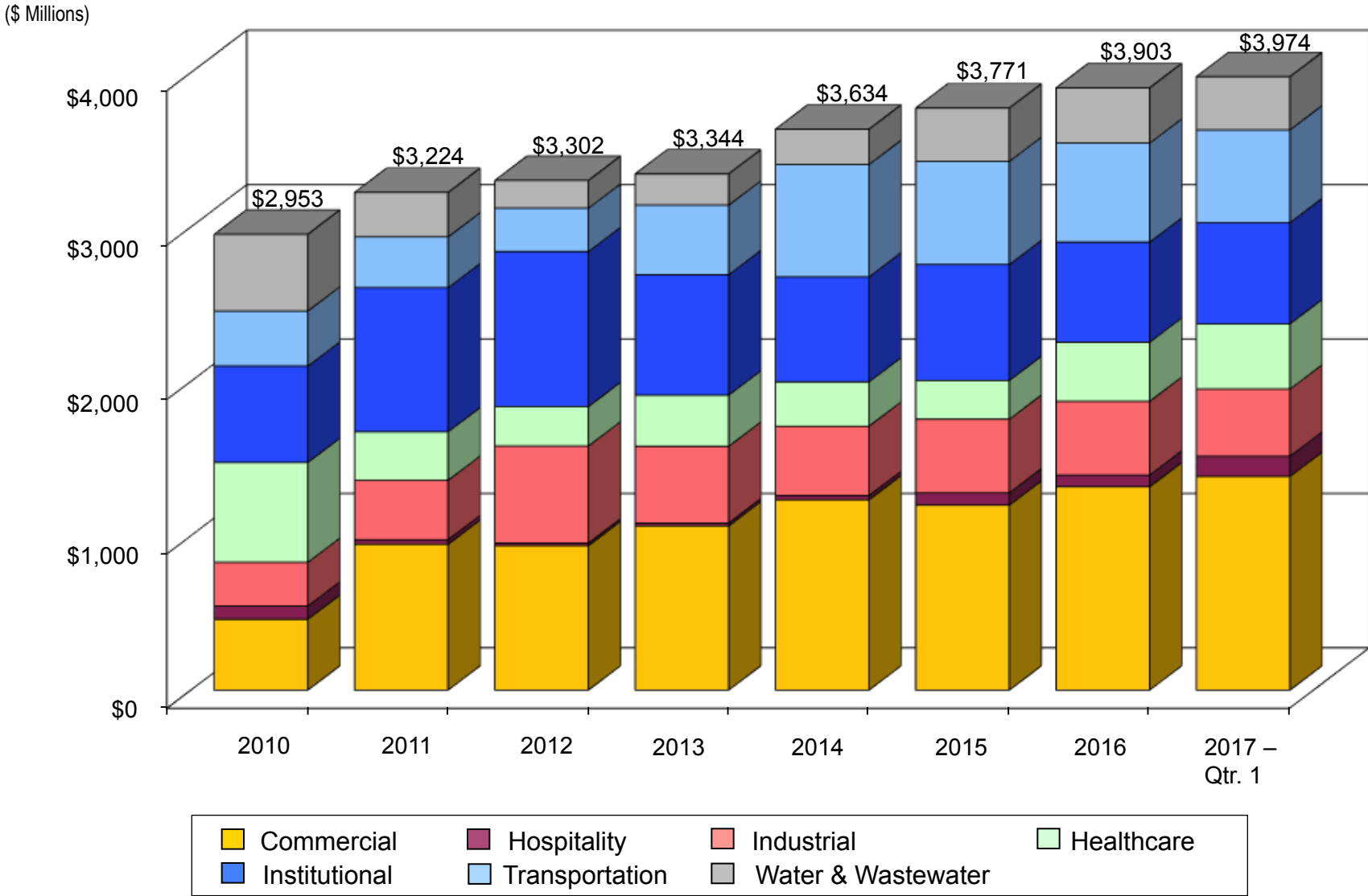
Key Financial Data – Balance Sheet

(\$ Thousands)

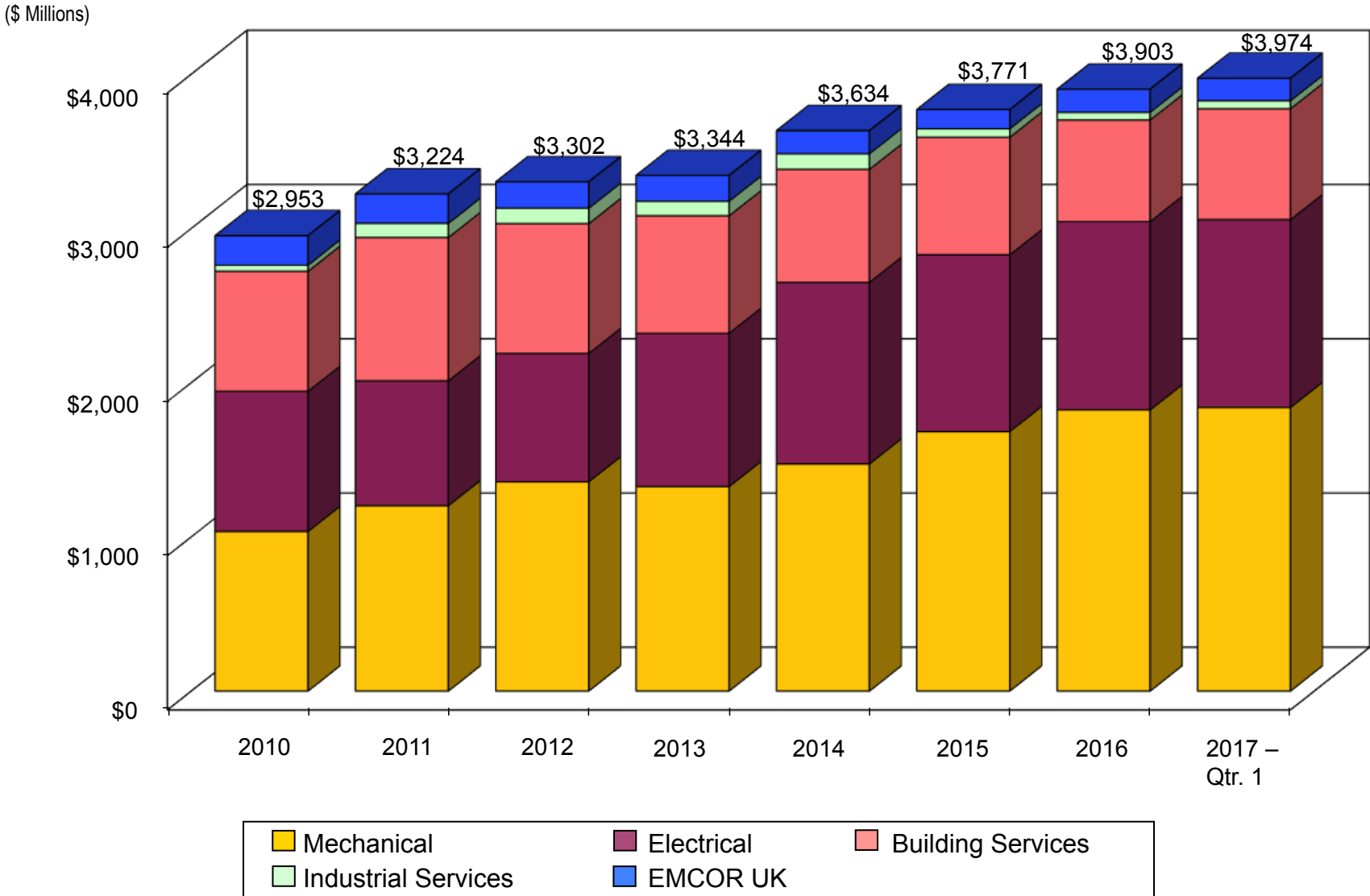
	(Unaudited) 03/31/17	12/31/16
Cash	\$ 302,754	\$ 464,617
Working Capital	\$ 568,932	\$ 657,341
Goodwill	\$ 1,010,399	\$ 979,628
Identifiable Intangible Assets, Net	\$ 521,417	\$ 487,398
Total Debt	\$ 420,694	\$ 423,326
Stockholders' Equity	\$ 1,534,141	\$ 1,537,942
Total Debt / Total Capitalization	21.5%	21.6%



Backlog by Market Sector



Backlog by Segment



2017 Outlook

- Non-residential construction market expected to grow mid-single digits
- Backlog growth positive for Domestic Construction
- Building Services will benefit from continued growth in retrofit and energy savings projects
- Industrial Services:
 - Solid Spring turnaround season
 - Continued headwinds in “new build” heat exchanger fabrication
- Strong and liquid balance sheet



2017 Guidance

Revenues \$7.5 Billion – \$7.6 Billion

Diluted EPS from
Continuing Operations \$3.20 – \$3.50





Build. Power. Service. Protect.