



Quarter Three 2016

October 27, 2016



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

2016 Qtr. 3 Executive Summary

- Continue to see steady non-residential environment
 - Diluted EPS from continuing operations of \$0.85 vs. \$0.66 in Quarter 3 2015
 - Revenues increased 13.2% to \$1.92 Billion
 - Organic revenue increased 7.8%
 - Operating income as a percentage of revenues was 4.5%
- U.S. Electrical construction and facilities services segment revenues increased by \$114.2 million vs. Quarter 3 2015 and operating margin was 6.7%; despite losses incurred on a transportation construction project
- U.S. Mechanical construction and facilities services segment revenues increased by \$110.2 million vs. Quarter 3 2015 and operating margin was 5.7%



2016 Qtr. 3 Executive Summary

- U.S. Building Services segment revenues increased by \$26.5 million vs. Quarter 3 2015 and operating margin was 5.0%
- U.S. Industrial Services segment revenues decreased by 1.2% to \$239.1 million and operating margin was 6.1%
- U.K. Building Services segment revenues decreased by \$24.0 million to \$73.0 million and operating margin was 3.5%

2016 Qtr. 3 Executive Summary

- Diverse backlog of \$3.90 billion, up 3.7% compared to Quarter 3 2015

- U.S. backlog up \$131 million or 3.6%

	<u>Sept. 2016</u>
➤ Domestic Construction UP	\$179M ↑ 6.3%
➤ U.S. Building Services Segment DOWN	\$(26M) ↓ -3.6%
➤ U.S. Industrial Services Segment DOWN	\$(21M) ↓ -29.6%
➤ Private Sector UP (Commercial, Hospitality & Gaming, Industrial)	\$98M ↑ 5.4%
➤ Public Sector UP (Transportation, Water/Wastewater, Institutional, Healthcare)	\$40M ↑ 2.1%

- Balance sheet remains strong and liquid, including \$504.6 million of cash

2016 – Qtr. 3 Financial Results Highlights

- Revenues increased 13.2% quarter-over-quarter to \$1.92 billion

(\$ Millions) (Unaudited)	Qtr. 3 2016	Change from Qtr. 3 2015	
		\$	%
U.S. Electrical Construction & Facilities Services	\$ 458.6	\$ 114.2	33.1%
U.S. Mechanical Construction & Facilities Services	697.7	110.2	18.8%
Sub-Total	1,156.3	224.4	24.1%
U.S. Building Services	454.8	26.5	6.2%
U.S. Industrial Services	239.1	(2.9)	-1.2%
Total U.S. Operations	1,850.2	248.0	15.5%
UK Building Services	73.0	(24.0)	-24.7%
Total EMCOR	\$ 1,923.2	\$ 224.0	13.2%



2016 – Qtr. 3 Financial Results Highlights

- SG&A expenses increased to \$181.4 million or 9.4% of revenues vs. \$165.1 million or 9.7% of revenues for Qtr. 3 2015

- Operating income of \$86.1 million or 4.5% of revenues includes:

	For the Three Months Ended Sept. 30,	
	<u>2016</u>	<u>2015</u>
– U.S. Electrical Construction and Facilities Services: \$5.4 million or 21.1% increase	6.7%	7.4%
– U.S. Mechanical Construction and Facilities Services: \$12.5 million or 46.5% increase	5.7%	4.6%
Total U.S. Construction	6.1%	5.6%
– U.S. Building Services: \$6.5 million or 40.8% increase	5.0%	3.7%
– U.S. Industrial Services: \$0.2 million or 1.7% increase	6.1%	5.9%
– UK Building Services: \$(0.8) million or 22.8% decrease	3.5%	3.5%
Total EMCOR Operating Margin	4.5%	4.1%

- Qtr. 3 cash provided by operations of \$81.1 million

Key Financial Data – Income Statement

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

	For the Three Months Ended September 30,		Variance	
	2016	2015	\$	%
Revenues	\$ 1,923,174	\$ 1,699,128	\$ 224,046	13.2%
Gross Profit	268,044 13.9%	235,402 13.9%	32,642	13.9%
Selling, General and Administrative Expenses	181,441	165,135	16,306	9.9%
Restructuring Expenses	539	301	238	N/M
Operating Income	\$ 86,064 4.5%	\$ 69,966 4.1%	\$ 16,098	23.0%
Diluted Earnings per Common Share from Continuing Operations	\$ 0.85	\$ 0.66	\$ 0.19	28.8%

Key Financial Data – Income Statement

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

	For the Nine Months Ended September 30,		Variance	
	2016	2015	\$	%
Revenues	\$ 5,601,560	\$ 4,940,900	\$ 660,660	13.4%
Gross Profit	765,893 13.7%	691,858 14.0%	74,035	10.7%
Selling, General and Administrative Expenses	530,654	488,117	42,537	8.7%
Restructuring Expenses	1,271	742	529	N/M
Operating Income	\$ 233,968 4.2%	\$ 202,999 4.1%	\$ 30,969	15.3%
Diluted Earnings per Common Share from Continuing Operations	\$ 2.33	\$ 1.92	\$ 0.41	21.4%
Non-GAAP Operating Income Excluding:				
- Transaction Expenses Related to the Acquisition of Ardent	\$ 237,806 4.2%	\$ 202,999 4.1%	\$ 34,807	17.1%
Non-GAAP Diluted Earnings per Common Share from Continuing Operations Excluding:				
- Transaction Expenses Related to the Acquisition of Ardent	\$ 2.37	\$ 1.92	\$ 0.45	23.4%

Key Financial Data – Balance Sheet

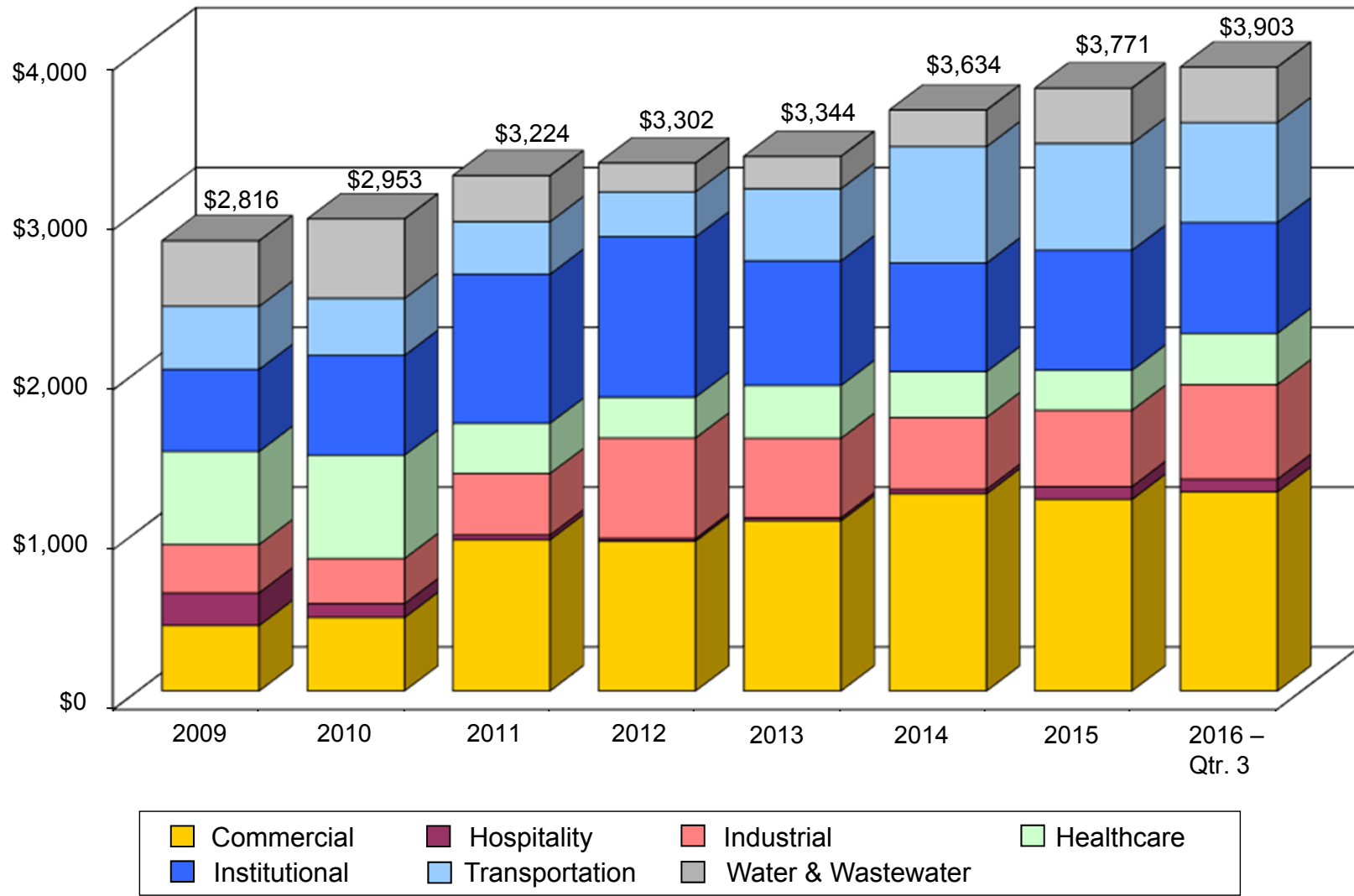
(\$ Thousands)

	(Unaudited) 09/30/16	12/31/15
Cash	\$ 504,558	\$ 486,831
Working Capital	\$ 800,280	\$ 653,691
Goodwill	\$ 979,339	\$ 843,170
Identifiable Intangible Assets, Net	\$ 500,056	\$ 472,834
Total Debt	\$ 523,277	\$ 315,100
Stockholders' Equity	\$ 1,583,892	\$ 1,480,056
Total Debt / Total Capitalization	24.8%	17.6%



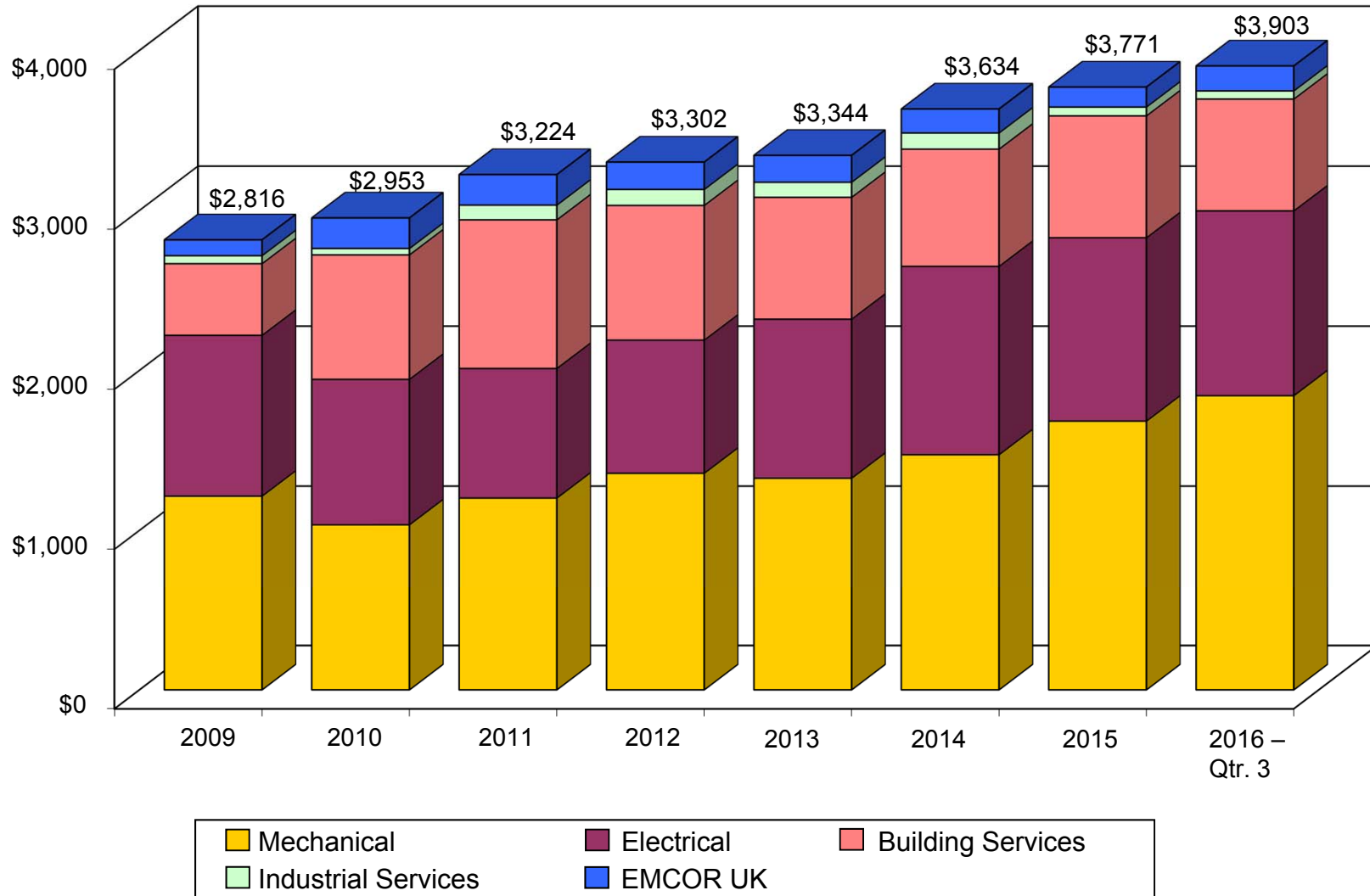
Backlog by Market Sector

(\$ Millions)



Backlog by Segment

(\$ Millions)



Year End 2016 Outlook

- Non-residential construction market expected to grow mid-single digits in 2016
- Domestic Construction backlog growth of 6.3% since September 2015
- U.S. Building Services will benefit from both technician productivity and continued growth in retrofit and energy savings projects
- Industrial Services:
 - Good fall turnaround season in process
 - Headwind continues in “new build” heat exchanger fabrication
- Strong and liquid balance sheet



2016 Guidance

Revenues	~\$7.5 Billion
Diluted EPS from Continuing Operations *	\$3.10 – \$3.20

* Excluding transaction expenses related to the Ardent and Rabalais acquisition





Build. Power. Service. Protect.