



# Stifel Nicolaus 2019 Cross Sector Insight Conference One-on-Ones Handout

June 11, 2019



# Forward-Looking Statements and Non-GAAP Financial Disclosures

## **Forward Looking Statements:**

*This material and related presentation contain certain forward-looking statements within the meaning of the Private Securities Reform Act of 1995. Any such comments speak only as of this date and EMCOR assumes no obligation to update any such forward-looking statements. These forward-looking statements may include statements regarding anticipated future operating and financial performance, 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, and customer trends. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Accordingly, these statements are no guarantee of future performance. Such risks and uncertainties include, but are not limited to, adverse effects of general economic conditions, changes in the political environment, changes in the specific markets for EMCOR's services, adverse business conditions, availability of adequate levels of surety bonding, increased competition, unfavorable labor productivity and mix of business. Certain of the risk factors associated with EMCOR's business are also discussed in Part I, Item 1A "Risk Factors," of the Company's 2018 Form 10-K and in other reports filed from time to time with the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov) and [www.emcorgroup.com](http://www.emcorgroup.com). Such risk factors should be taken into account in evaluating 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). 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 historical 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 Group

- Leading specialty construction, building and industrial services provider
- 2019 estimated revenues \$8.5B – \$8.6B
- 38,000+ employees



# Why EMCOR

- **Significant expertise in project execution and service delivery**
  - Excellence in managing skilled labor
- **Disciplined and effective cost management**
- **Broad array of services delivered into growing end markets**
  - Platform for earnings growth
- **Strong and liquid balance sheet**
  - Flexibility for organic growth, acquisitions and share repurchases
- **History of consistent cash generation**
  - Cash flow  $\pm$  net income



# Leading Market Position Across all Businesses

## EMCOR GROUP, INC.

2018 Revenue: \$8.1B

### CONSTRUCTION

#### U.S. MECHANICAL CONSTRUCTION

2018 Rev: \$3.0B



#### U.S. ELECTRICAL CONSTRUCTION

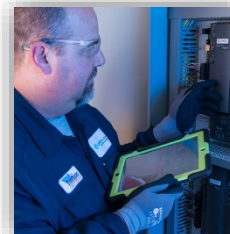
2018 Rev: \$1.9B



### SERVICES

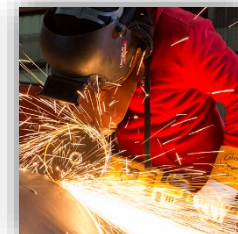
#### U.S. BUILDING SERVICES

2018 Rev: \$1.9B



#### U.S. INDUSTRIAL SERVICES

2018 Rev: \$0.9B

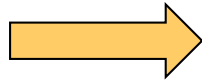
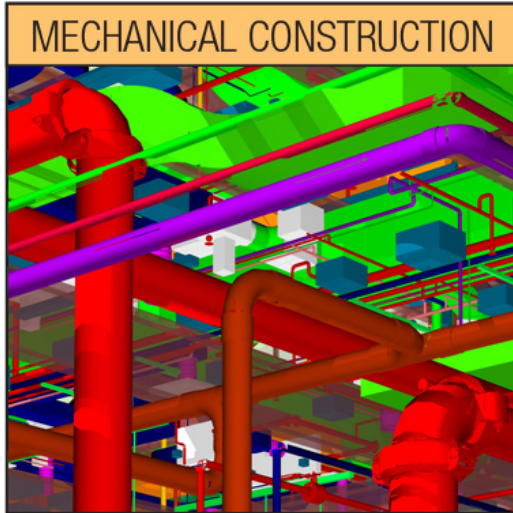


#### EMCOR UK

2018 Rev: \$0.4B



# CONSTRUCTION – U.S. Leading Specialty Construction Contractor



- Sheet Metal
- HVAC
- Process Piping
- Fire Protection
- High Purity Piping
- Plumbing



- Low Voltage
- Voice & Data
- Lighting
- Security / Alarm
- Transmission & Distribution
- High Voltage

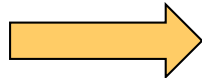
# BUILDING SERVICES – U.S. Leading National Provider of Building Services

## MOBILE MECHANICAL SERVICES



- National HVAC Services
- Building Control Systems
- Retrofit Projects
- Repair Services
- Service Agreements

## SITE-BASED SERVICES



- Operations & Maintenance
- HVAC Services
- Retrofit Projects
- Preventative Maintenance
- Energy Efficiency Upgrades

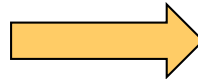
## GOVERNMENT SERVICES



- Base Operations
- Facilities Management
- IDIQ Projects
- Operations & Maintenance
- Supplier Management

# U.S. Industrial Services

## Leading Provider of Refinery / Petrochemical Turnaround Services

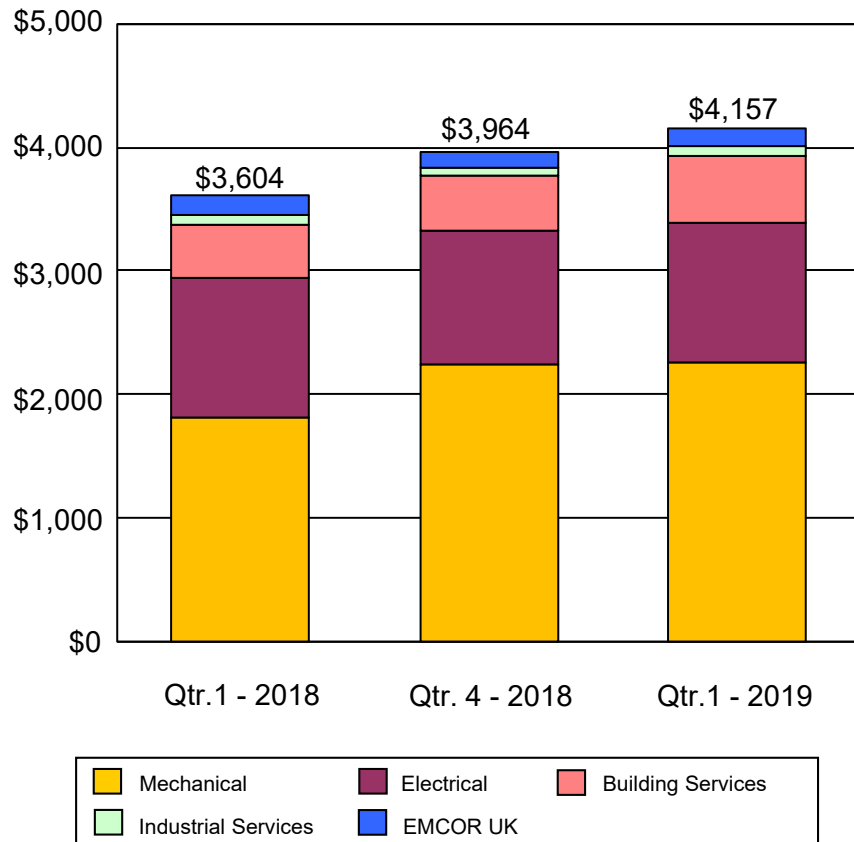


- Heat Exchanger Service / Fabrication
- Embedded Contracts
- Turnaround Services
  - Heat Exchangers, including HF Alky Units
  - Fluid Catalytic Cracking Units
  - Coking Units
- Specialized Welding
- Field Services
- Maintenance Capital Projects

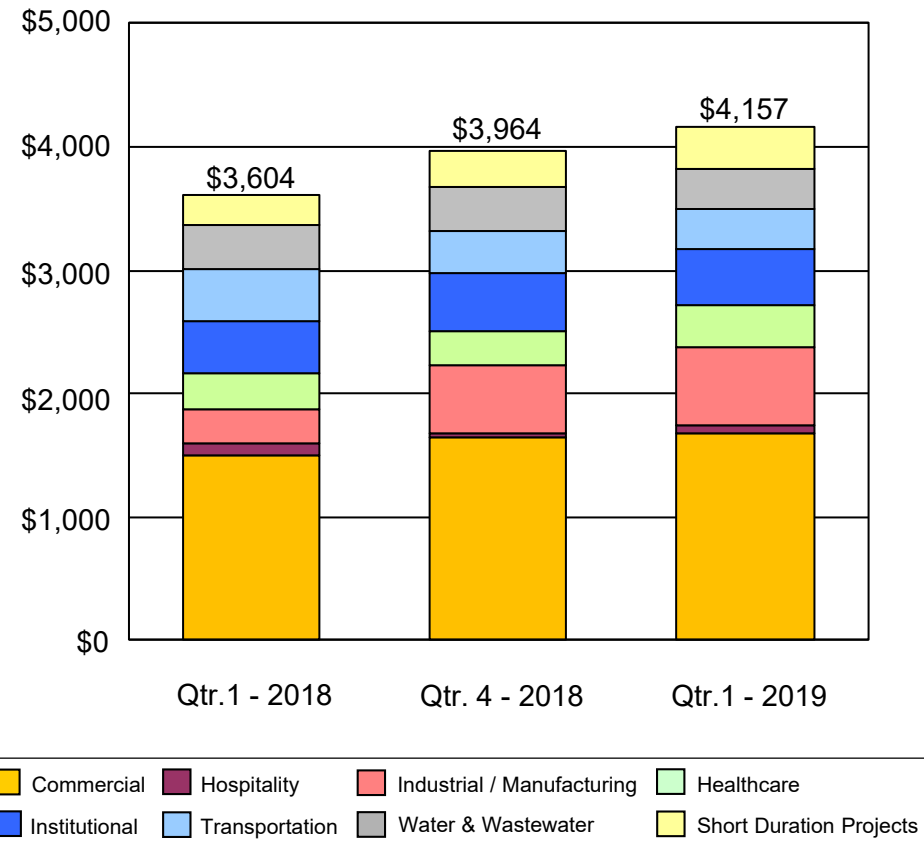
# Remaining Performance Obligations

- Diverse RPO of \$4.16 billion

**By Segment** (\$ Millions) (Unaudited)



**By Market Sector** (\$ Millions) (Unaudited)



# Key Financial Data – Income Statement

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

	For the Quarter Ended March 31,		Variance	
	2019	2018	\$	%
Revenues	\$ 2,158,728	\$ 1,900,388	\$ 258,340	13.6%
Gross Profit	308,754	269,119	39,635	14.7%
Selling, General and Administrative Expenses	206,169	191,025	15,144	7.9%
Restructuring Expenses	275	90	185	N/M
Operating Income	\$ 102,310 4.7%	\$ 78,004 4.1%	\$ 24,306	31.2%
Diluted Earnings per Common Share from Continuing Operations	\$ 1.28	\$ 0.94	\$ 0.34	36.2%



# Key Financial Data – Balance Sheet

(\$ Thousands)

	(Unaudited) <b>03/31/19</b>	<b>12/31/18</b>
Cash	\$ 252,031	\$ 363,907
Working Capital	\$ 640,678	\$ 651,809
Goodwill	\$ 1,004,710	\$ 990,887
Identifiable Intangible Assets, Net	\$ 491,175	\$ 488,286
Total Debt (excludes operating leases)	\$ 298,970	\$ 295,777
Stockholders' Equity	\$ 1,811,622	\$ 1,741,441
Total Debt / Total Capitalization	14.2%	14.5%



## 2019 Outlook

- Non-residential construction market expected to grow mid-single digits
  - Expect continued strength in large data infrastructure projects
- Building Services benefiting from continued growth in retrofit and energy savings projects, as well as favorable mix of work
- Industrial Services:
  - Customer spending patterns continue to return to normal trends as downstream market continues to improve
  - Expect greater visibility as year progresses
- U.K. will continue to respond to customers' maintenance and project needs
- Strong and liquid balance sheet



## 2019 Revised Guidance

Revenues \$8.5 Billion – \$8.6 Billion

Diluted EPS from  
Continuing Operations \$5.00 – \$5.50





Build. Power. Service. Protect.