



# EMCOR Group, Inc.

May 26, 2020



# Forward-Looking Statements and Non-GAAP Financial Disclosures

## **Forward Looking Statements:**

*This material and related presentation contain certain forward-looking statements. Any such comments 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, 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 those anticipated (whether expressly or implied) by 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, mix of business, the impact of the 2020 ransomware attack, and the impact of the COVID-19 pandemic 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 2019 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 on-going 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
- Over 80+ Million Hours Worked in 2019
- Quarter 1 2020 RPOs of \$4.42B



# 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**
  - Operating cash flow  $\pm$  net income



# Leading Market Position Across all Businesses

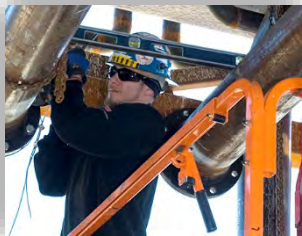
## EMCOR GROUP, INC.

2019 Revenue: \$9.2B

### CONSTRUCTION

#### U.S. MECHANICAL CONSTRUCTION

2019 Rev: \$3.4B



#### U.S. ELECTRICAL CONSTRUCTION

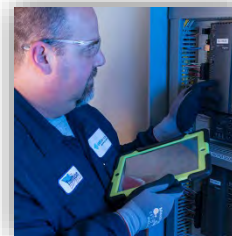
2019 Rev: \$2.2B



### SERVICES

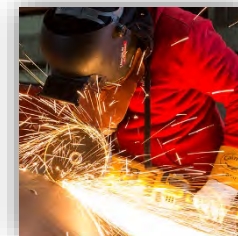
#### U.S. BUILDING SERVICES

2019 Rev: \$2.1B



#### U.S. INDUSTRIAL SERVICES

2019 Rev: \$1.1B

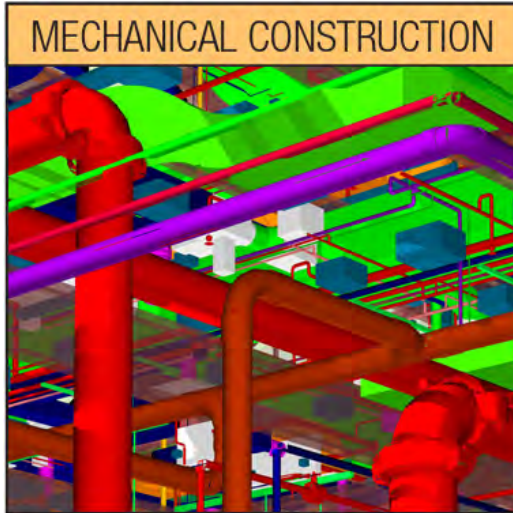


#### EMCOR UK

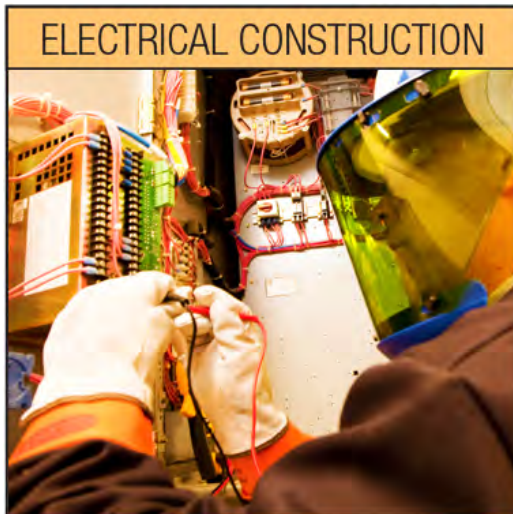
2019 Rev: \$0.4B



# CONSTRUCTION – U.S. Leading Specialty Construction Contractor



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

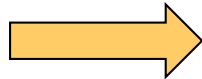
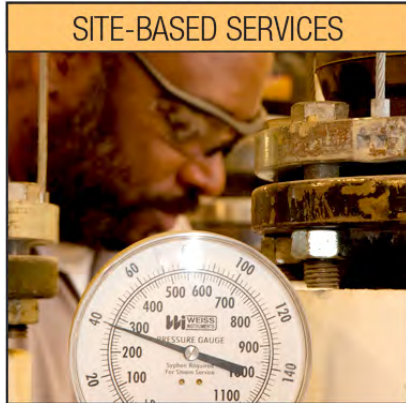


- Low Voltage
- Voice & Data
- Lighting
- Security / Alarm
- Transmission & Distribution
- High Voltage

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



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



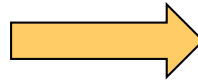
- Operations & Maintenance
- HVAC Services
- Retrofit Projects
- Preventative Maintenance
- Energy Efficiency Upgrades



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

# U.S. Industrial Services

## Leading Provider of Refinery / Petrochemical Turnaround Services

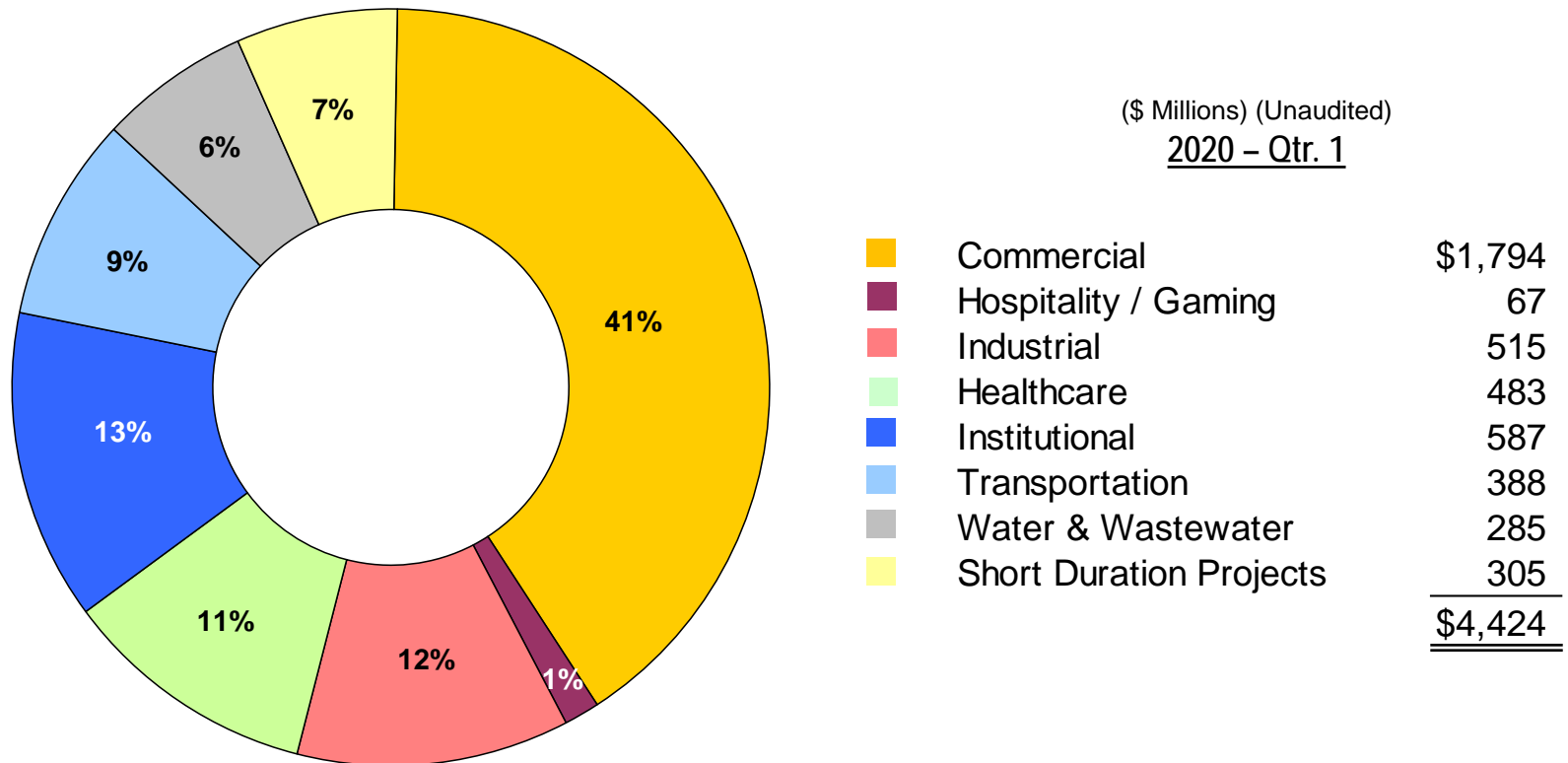


- Heat Exchanger Service / Fabrication
- Embedded Contracts
- Turnaround Services
  - Heat Exchangers, including HF Alky Units
  - Fluid Catalytic Cracking Units
  - Coking Units
- Specialized Welding
- Field Services
- Maintenance / Capital Projects



## RPOs by Market Sector – 3/31/20

- Diverse Remaining Performance Obligations (RPOs) of \$4.42 billion



# Key Financial Data – Income Statement

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

	For the Quarter Ended March 31,		Variance	
	2020	2019	\$	%
Revenues	\$ 2,299,832	\$ 2,158,728	\$ 141,104	6.5%
Gross Profit	333,061	308,754	24,307	7.9%
Selling, General and Administrative Expenses	226,997	206,169	20,828	10.1%
Restructuring Expenses	69	275	(206)	N/M
Operating Income	\$ 105,995 4.6%	\$ 102,310 4.7%	\$ 3,685	3.6%
Diluted Earnings per Common Share	\$ 1.35	\$ 1.28	\$ 0.07	5.5%



# Key Financial Data – Balance Sheet

(\$ Thousands)

	(Unaudited) <b>03/31/20</b>	<b>12/31/19</b>
Cash	\$ 347,092	\$ 358,818
Working Capital	\$ 899,006	\$ 721,273
Goodwill	\$ 1,064,853	\$ 1,063,911
Identifiable Intangible Assets, Net	\$ 597,897	\$ 611,444
Total Debt (excludes operating leases)	\$ 504,541	\$ 312,231
Stockholders' Equity	\$ 2,027,594	\$ 2,057,780
Total Debt / Total Capitalization	19.9%	13.2%



# Current Company-Wide Priorities and Actions

- **Protect Employee Health and Safety**
  - Instituted social distancing and other safety protocols
  - Providing PPE
- **Control Costs**
  - ~40% of salaried workforce furloughed or working reduced hours / pay
  - Named Executive Officers' annual salary temporarily reduced by 25%
  - Director compensation reduced by 22%
- **Frequent and Consistent Communication with Field Leadership**
- **Proactively Work with Suppliers**
- **Maintain Strong Balance Sheet and Liquidity Position**
- **Ready to Return to 100% Capacity / Utilization**



# EMCOR Credit Facility

- 2020 Credit Agreement – Executed March 2, 2020
  - \$300 million term loan
  - \$1.3 billion revolving credit facility
    - Ability to increase to \$1.9 billion
  - Matures on March 2, 2025

## Credit Facility

Term Loan Balance	<u>\$ 300,000,000</u>
<b>Total Revolving Credit Facility</b>	<b>\$ 1,300,000,000</b>
Outstanding Borrowings	200,000,000
Letters of Credit Issued	78,963,183
<b>Revolving Credit Available - 3/31/2020</b>	<u><u>\$ 1,021,036,817</u></u>





Build. Power. Service. Protect.