



Quarter One 2021 Financial Results

April 29, 2021



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, 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 2020 Form 10-K, and in other reports filed 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 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 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

2021 Qtr. 1 Executive Summary

- Strong Qtr. 1 performance

- Record Qtr. 1 for revenues, gross profit, gross profit margin, operating income, operating income margin, net income, and diluted earnings per share

– Total revenues of \$2.30 billion	<u>2021</u>	<u>2020</u>	<u>\$ Δ</u>
– Operating Income	\$117.0M	\$106.0M	\$11.0M ↑
➤ OI as a % of Revenue	5.1%	4.6%	
– Diluted EPS	\$1.54	\$1.35	\$0.19 ↑

- Total Remaining Performance Obligations (RPOs) increased by \$351 million or 7.9% from 3/31/20

2021 Qtr. 1 Executive Summary

- U.S. Electrical Construction and Facilities Services segment revenues decreased by \$5.6 million vs. Qtr. 1 2020 with an operating margin of 8.8%
- U.S. Mechanical Construction and Facilities Services segment revenues increased by \$69.8 million vs. Qtr. 1 2020 with an operating margin of 7.2%
- U.S. Building Services segment revenues increased by \$54.2 million vs. Qtr. 1 2020 with an operating margin of 5.0%
- U.S. Industrial Services segment revenues decreased by \$128.5 million vs. Qtr. 1 2020 with an operating margin of -1.0%
- U.K. Building Services segment revenues increased by \$14.3 million vs. Qtr. 1 2020 with an operating margin of 7.4%

2021 Qtr. 1 Executive Summary

- RPOs now total \$4.8 billion, up 7.9% compared to 3/31/20

	Mar. 2021 vs. Mar. 2020
– U.S. RPOs UP \$336 million or 7.8%	
➤ Combined U.S. Construction Segments UP	\$219M ↑ 6.1%
➤ U.S. Building Services Segment UP	\$121M ↑ 21.8%
➤ U.S. Industrial Services Segment DOWN	\$(4)M ↓ -2.9%
<hr/>	
– UK Building Services Segment UP	\$15M ↑ 10.9%

- Balance sheet remains strong and liquid, including \$758.8 million of cash

2021 – Qtr. 1 Financial Results Highlights

- Consolidated quarterly revenues of \$2.30 billion

(\$ Millions) (Unaudited)	Qtr. 1 2021	Change from Qtr. 1 2020	
		\$	%
U.S. Electrical Construction & Facilities Services	\$ 456.2	\$ (5.6)	-1.2%
U.S. Mechanical Construction & Facilities Services	903.9	69.8	8.4%
Total U.S. Construction	1,360.1	64.2	5.0%
U.S. Building Services	581.8	54.2	10.3%
U.S. Industrial Services	235.4	(128.5)	-35.3%
Total U.S. Operations	2,177.3	(10.1)	-0.5%
U.K. Building Services	126.7	14.3	12.8%
Total EMCOR	\$ 2,304.0	\$ 4.2	0.2%



2021 – Qtr. 1 Financial Results Highlights

- SG&A expenses decreased to \$224.1 million or 9.7% of revenues vs. \$227.0 million or 9.9% of revenues for Qtr. 1 2020
- Operating income increased to \$117.0 million or 5.1% of revenues

Operating Income (Loss) For the Quarter Ended March 31, 2021:
(Unaudited)

	Operating Margin For the Quarter Ended March 31,	
	<u>2021</u>	<u>2020</u>
– U.S. Electrical Construction and Facilities Services of \$40.3 million: Consistent with Qtr. 1 2020	8.8%	8.7%
– U.S. Mechanical Construction and Facilities Services of \$65.0 million: \$19.8 million or 43.8% increase	7.2%	5.4%
Total U.S. Construction	7.7%	6.6%
– U.S. Building Services of \$29.3 million: \$8.1 million or 38.0% increase	5.0%	4.0%
– U.S. Industrial Services of \$(2.4) million: \$17.9 million decrease	-1.0%	4.2%
– U.K. Building Services of \$9.4 million: \$3.6 million or 63.3% increase	7.4%	5.1%
Total EMCOR	5.1%	4.6%

Key Financial Data – Income Statement

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

	For the Quarter Ended March 31,		Variance	
	2021	2020	\$	%
Revenues	\$ 2,304,049	\$ 2,299,832	\$ 4,217	0.2%
Gross Profit	341,073	333,061	8,012	2.4%
Selling, General and Administrative Expenses	224,069	226,997	(2,928)	-1.3%
Restructuring Expenses	-	69	(69)	N/M
Operating Income	\$ 117,004 5.1%	\$ 105,995 4.6%	\$ 11,009	10.4%
Diluted Earnings per Common Share	\$ 1.54	\$ 1.35	\$ 0.19	14.1%

Key Financial Data – Balance Sheet

(\$ Thousands)

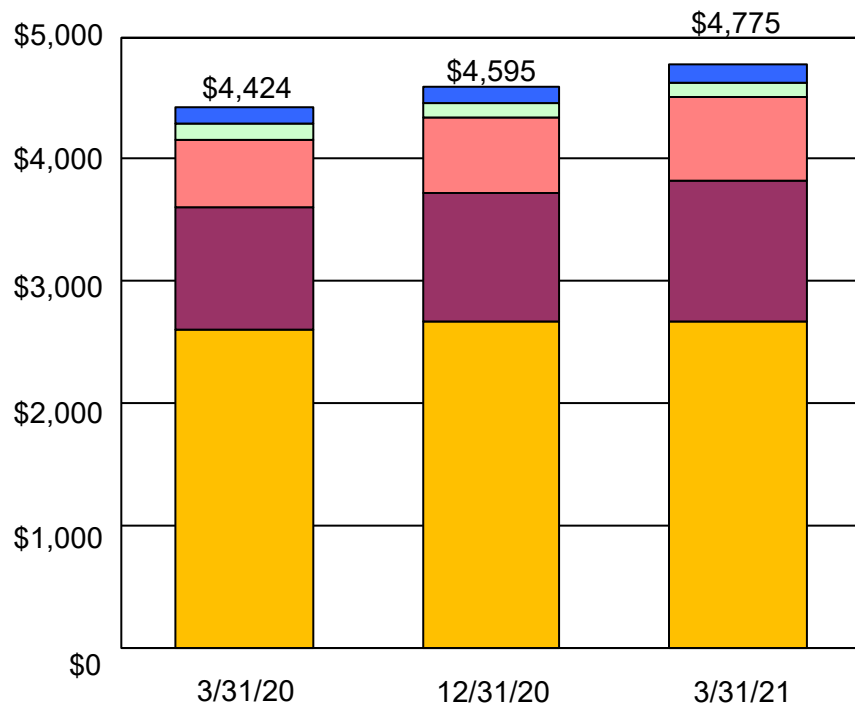
	(Unaudited) 03/31/21	12/31/20
Cash	\$ 758,833	\$ 902,867
Working Capital	\$ 1,012,224	\$ 957,704
Goodwill	\$ 862,323	\$ 851,783
Identifiable Intangible Assets, Net	\$ 580,555	\$ 582,893
Total Debt (excludes operating leases)	\$ 276,427	\$ 276,529
Stockholders' Equity	\$ 2,120,672	\$ 2,053,244
Total Debt / Total Capitalization	11.5%	11.9%



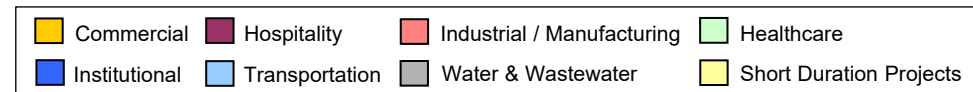
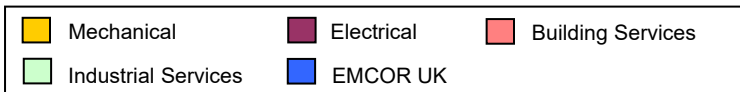
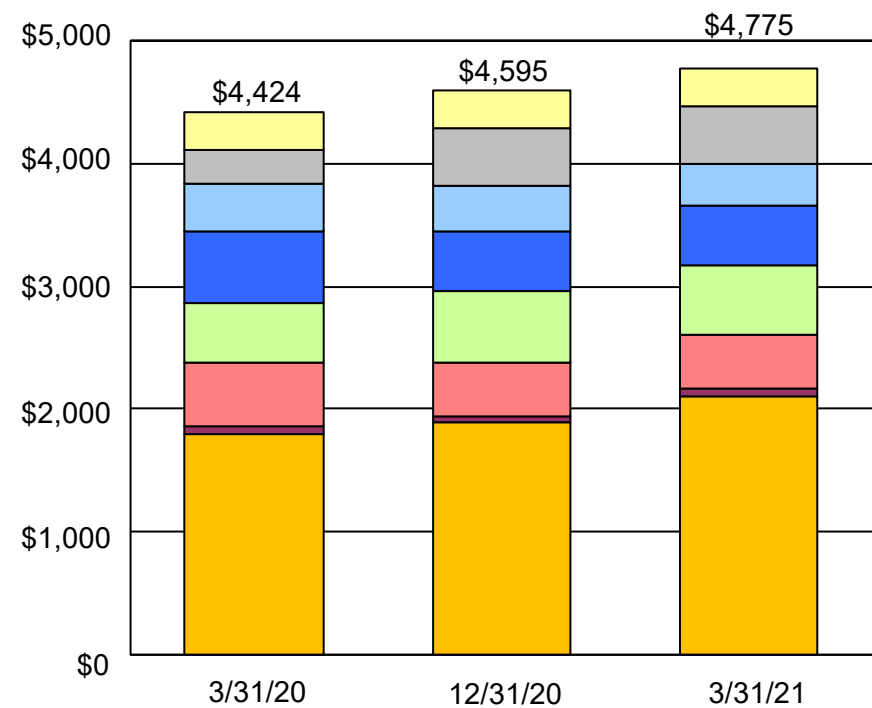
Remaining Performance Obligations

- Diverse RPOs of \$4.8 billion

By Segment (\$ Millions) (Unaudited)



By Market Sector (\$ Millions) (Unaudited)



Future Effects on Markets

Multiple pockets of resilience despite wider non-residential uncertainty:

- **Data Centers**
 - Strong Electrical / Mechanical / Fire Protection demand across Mid-Atlantic, Pacific Northwest, Midwest and Southeast
- **Warehouses**
 - Continued buildout of e-commerce supply chain driving strong Fire Protection demand
- **Industrial / Manufacturing**
 - Well positioned for Electrical / Mechanical opportunities driven by continued re-shoring of supply chain to Southeast and relocations from higher-cost states
 - Additional food processing opportunities
- **Healthcare**
 - Electrical / Mechanical system retrofits growing as hospitals upgrade, seek more flexibility in their existing facilities and build new facilities
- **Water & Wastewater**
 - Demand for comprehensive construction services, especially Florida
- **Mechanical Services**
 - Growing Mechanical service demand stemming from maintenance deferrals, retrofit opportunities and efficiency upgrades
- **Indoor Air Quality**
 - Nationwide Mechanical Systems HVAC retrofit upgrades and tenant fit-out projects to improve building wellness with significant opportunities developing in the Institutional and Education sectors

2021 Outlook

- First priority – continued focus on employee health and safety
- Remain essential service – continued improvement in U.S. COVID outlook and a return to more normal operations
- Bidding / bookings activity remains strong for both fast-paced and technically complex projects
- Small project work largely recovered as bookings continue to strengthen
- Oil & gas market remains challenged but outlook strengthens as year progresses
- U.K. strong and stable
- Maintain the flexibility provided by our strong and liquid balance sheet



2021 Guidance

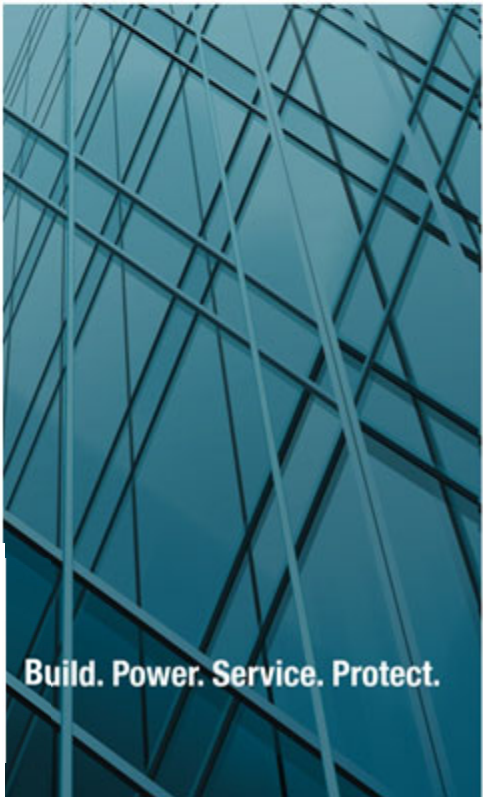
- Assuming the impact of the COVID-19 pandemic does not worsen, no major disruptions (e.g. stay-at-home orders or closures)

Revenues ~ \$9.2 – \$9.4 Billion

Diluted EPS * \$6.35 – \$6.75

* Assumes 27% - 28% effective tax rate





Build. Power. Service. Protect.