STERLING

INNOVATION IN INFRASTRUCTURE



Q3 2021 Earnings Call

November 3, 2021

We build and service the infrastructure that enables our economy to run, our people to move and our country to grow.

DISCLOSURE: Forward-Looking Statements

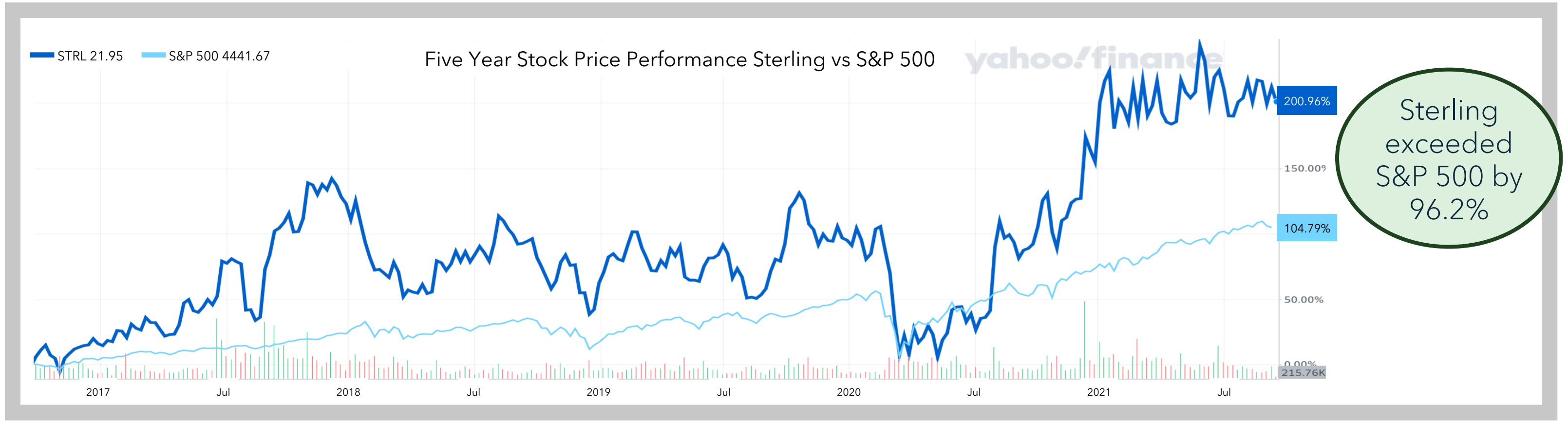
This presentation contains, and the officers and directors of the Company may from time to time make, statements that are considered forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which may include statements about: potential risks and uncertainties relating to the ongoing COVID-19 pandemic; our business strategy; our financial strategy; our industry outlook; and our plans, objectives, expectations, forecasts, outlook and intentions. All of these types of statements, other than statements of historical fact included in this presentation, are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. The forward-looking statements contained in this presentation are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this presentation are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the "Risk Factors" section in our filings with the U.S. Securities and Exchange Commission and elsewhere in those filings. Additional factors or risks that we currently deem immaterial, that are not presently known to us or that arise in the future could also cause our actual results to differ materially from our expected results. Given these uncertainties, investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the date the forward-looking statements are made. The forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise, notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

This presentation may contain the financial measures: adjusted net income, EBITDA, adjusted EBITDA, and adjusted EPS, which are not calculated in accordance with U.S. GAAP. If presented, a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measure will be provided in the Appendix to this presentation.

WHY STERLING?

We build and service the infrastructure that enables our economy to run, our people to move and our country to grow.

Sterling is a market-leading infrastructure service provider of e-infrastructure, building and transportation solutions. We build **value** for investors seeking high margins, healthy cash flow, proven performance and strong operational execution. Sterling presents an excellent opportunity for solid returns due to our sound management, entrepreneurial spirit, customer-centric culture, solid growth and diversification strategies, and, most notably, our highly respected and profitable stable of subsidiary companies.



DIVERSIFIED

Diversified portfolio of service offerings and end markets

STRONG GROWTH

- Platform for strong growth of higher-margin lower-risk work
- Executed growth strategy resulting in 5-year Revenue CAGR of 17%

PROVEN RESULTS

Strong management executing consistent track record that meets or beats estimates

EFFICIENT

Executed growth strategy resulting in 5-year EBITDA CAGR of 66%

WHO WE ARE

Sterling offers a customer-centric, market-focused portfolio of goods and services.

- Continued execution and sustainability of strategy of solidifying the base, growing high-margin products, and expanding into adjacent markets
- Geographically positioned in the southern & southwestern U.S., the Rocky Mountain States, Nevada, California and Hawaii

NASDAQ:	STRL	Shares out:	28.8M
HQ	The Woodlands, TX	Market cap:	$717.4M
Employees:	~3,000	TTM Revenues:	$1,527.7M
Projects underway:	~200	TTM EBITDA*:	$139.8M
		Backlog:	$1,411M

E-Infrastructure Solutions

Specialty Services

- Site development
- Commercial building

Building Solutions

Residential Services

- Concrete foundations for single family homes

Transportation Solutions

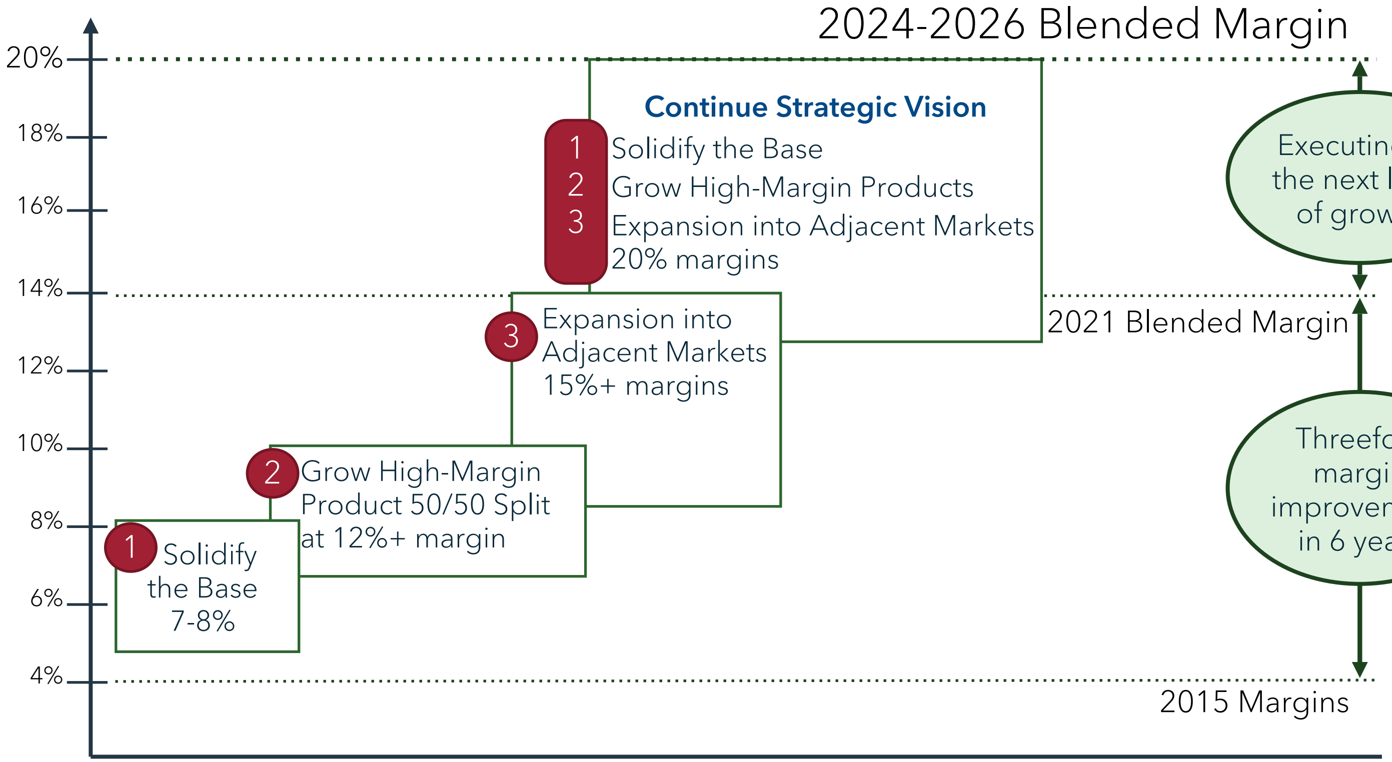
Heavy Civil Services

- Highway
- Aviation
- Rail

TTM Revenues, TTM EBITDA and Backlog as of 9/30/2021; Market cap as of 11/1/2021. *See EBITDA Reconciliation on page 19

Focused & Executing Strategic Vision

Key Objectives:
Bottom-Line Growth, Risk Reduction, Exceed Peer Performance



Year	Strategy Detail	Result
2015	95% of business was Heavy Civil	
2016	Introduced Sterling's 3-Year Strategic Vision 1. Focused on solidifying base 2. Began to grow high-margin products	Margins increased to 6.4%
2017	Continued 3-Year Strategy: 1. Solidify the base 2. Grow high-margin products & 3. Began expansion into adjacent markets with Tealstone acquisition	Margins increased to 9.3%
2018	Continued 3-Year Strategy: 1, 2 & 3 & began expansion of Tealstone	Margins increased to 10.6%
2019 - 2021	Continued 3-Year Strategy: 1, 2 & 3 with focus on adding next adjacent market	Blended margins increased to 13.4% with Plateau acquisition Oct. 2019
2022 & Beyond	Continued accretive acquisitions Strong stock returns Net income growth Strong cash flow	Blended margins increase to 20%

We've Evolved Beyond Roads & Bridges

Sterling has the vision, insight and growing roster of companies to meet the future demands of infrastructure head on

Tomorrow's Solutions =	E-Infrastructure Solutions	+ Building Solutions	+ Transportation Solutions
Today's Services =	**Specialty**	**Residential**	**Heavy Civil**
Solid Service Offerings =	• Site development • Commercial building	• Concrete foundations for single family homes	• Highway • Aviation • Rail
2020 Revenue =	$508.9M	$164.7M	$753.8M
3-Year Revenue Growth Expectations =	5% - 7%	7% - 9%	3% - 5%
Significant Growth Potential =	• 2nd fastest growing segment • Highest margins in our portfolio • Quick turn lower risk projects	• Highest growth segment • Accretive margins • Low risk • Low CAPEX • Fast cash cycles	• Recurring revenue • Moderate CAPEX • Steady consistent growth • Strong cash flow
2020 % of Revenue & % of Operating Income =	36% 73%	12% 22%	52% 5%

STERLING
INNOVATION IN INFRASTRUCTURE

Infrastructure Service Provider

- Diversified portfolio
- Entry into adjacent markets
- 95% Operating Income from outside of Heavy Civil

2020 Gross Margin 13.4%

- Accretive future growth
- Bottom line focused
- Customer-centric culture
- Lower execution, economic cycle & geographic risk

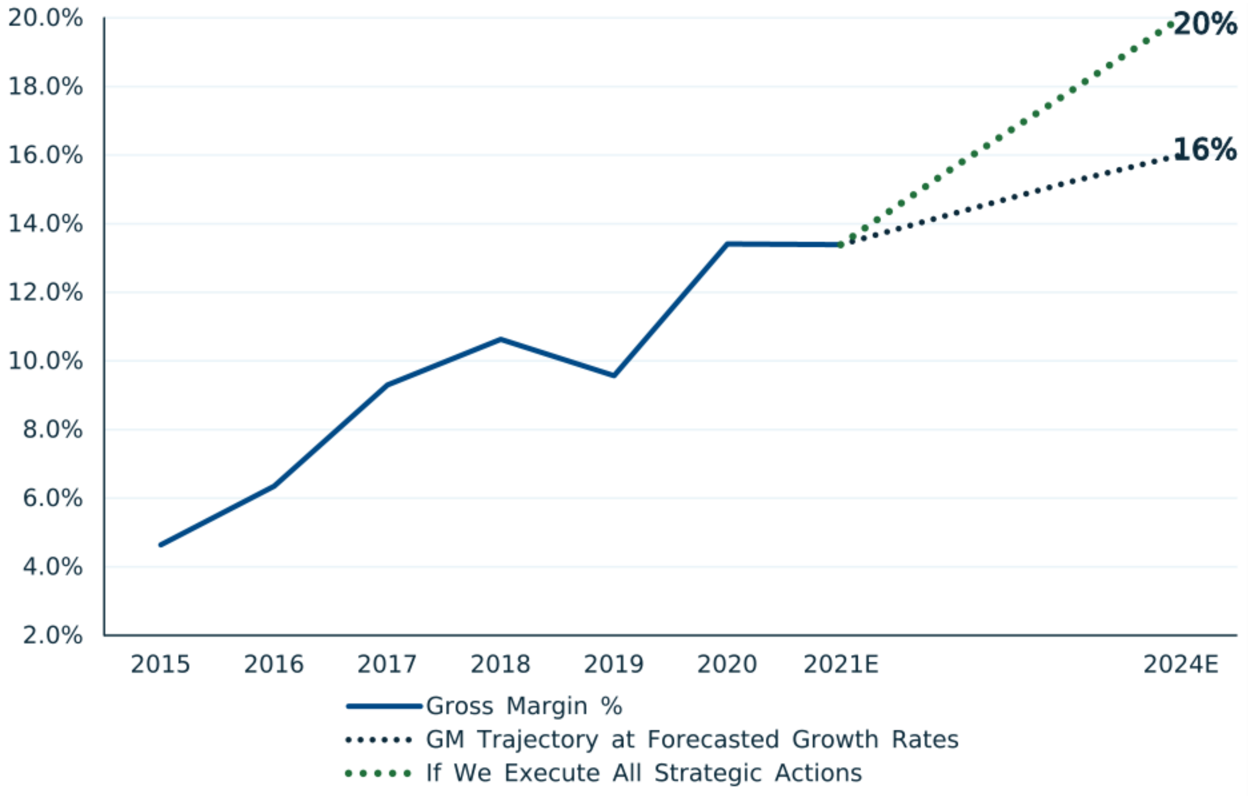
2020 Revenue $1.4B

Strategy Focused on Bottom Line

We are levering the foundation we have built to take Sterling to a whole new level

By executing the strategy to meet the future demands of the changing infrastructure landscape, we will deliver an even stronger margin profile.

- Customer-centric, market-focused infrastructure service provider
- Post-acquisition organic growth has been significant resulting in margin expansion
- M&A strategy extends our reach into new markets resulting in diversified end markets
- Strong and consistent cash flow funds expansion activities while also improving leverage



Acquisitions are Aligned to our Strategic Vision

3-Year Strategy:

Solidify the Base, Grow High-Margin Products, Expansion into Adjacent Markets

Our acquisition standards have always been centered on specific strategic, financial and cultural considerations including shift toward higher-margin, lower-risk work, with increased emphasis on e-infrastructure solutions, building solutions and transportation solutions.

ACQUISITION CONSIDERATIONS

- Strategic tuck-in opportunities to broaden service offerings
- New service offering to diversify portfolio
- Leaders with entrepreneurial spirit
- Strong management team that will stay
- Immediately accretive
- Customer-centric
- Solid execution
- Opportunity to double profit in 5-7 years

SUCCESSFUL M&A TRACK RECORD

- Continues expanding our footprint and infrastructure service offerings
- Acquisitions have delivered and continue to deliver higher margins
- Highest margin businesses are also our fastest growing
- We embrace entrepreneur spirit by supporting our subsidiaries to operate autonomously which helps foster flexibility and creates unique customer solutions and customer-specific cultures

The Sterling Way

At Sterling, we understand that what we do has an immediate and significant positive impact on improving human conditions.

- We build our businesses around meeting the needs of the people we serve providing innovative infrastructure solutions and services for the betterment of our investors, customers, employees and society
- Everything we do focuses on the needs of our ever-growing society today and tomorrow
- Taking care of our employees, customers, the environment and our communities is what we do every day

GOVERNANCE & ETHICS

- Our commitment to an ethical culture starts at the highest level with oversight from our Board of Directors & Executive Leadership Team
- Our Chief Compliance Officer leads the ethics and compliance activities

Our Core Values:

Safety, Respect and Trust, Excellence, Integrity

DIVERSITY, EQUITY & INCLUSION

A shared vision and mission. Our company is made up of many diverse races, cultures, backgrounds, and genders. We welcome all employees and cherish each as an integral part of our excellence. Every employee brings a unique perspective and we value them not only as people, but also for how they contribute to Sterling's mission.

Our diverse workforce as of 12/31/20:

Employee Diversity	FY 2020
Hispanic	50%
White	41%
Black	4%
Pacific Islander	2%
Other	3%

SAFETY

Award: 2020 American Road and Transportation Builders National Safety Award

- 2020 was the safest work environment in our company's history
- We are now 75% better than the industry average for lost time incidents
- Our Lost Time Rate (LTR) through 9/30/21 was 0.04

Third Quarter 2021 Results

Strong management and effective execution of strategic focus delivered another solid quarter despite significant headwinds plaguing the market

Revenues: $463.4 million
Net Income: $21.1 million
Diluted EPS: $0.72

- Backlog: $1.41 billion with 12.3% margin at September 30, 2021
- Combined Backlog: $1.53 billion with 12.1% margin at September 30, 2021
- Cash & Cash Equivalents: $117.7 million at September 30, 2021
- Cash from operations: $135.7 million for the nine months ended September 30, 2021

Strong bottom-line results from all sectors

Heavy Civil	• Strong results from continued shift away from low-bid to alternative delivery, aviation and rail projects • Alternative delivery project volumes were up
Residential	• Texas had a record number of slabs poured, with total slabs poured up 48% over Q3 2020 • Expansion into Phoenix
Specialty Services	• Market remains strong with significant activity in e-commerce, warehousing and data centers • Expansion into new geographies with core customers and new opportunities with new customers

Backlog Growth And Margin Improvement

	September 30, 2021		December 31, 2020		Book to Burn In 2021
	Amount	Margin %	Amount	Margin%	
Backlog	$1,411 million	12.3%	$1,175 million	12.0%	1.23X
Combined Backlog	$1,526 million	12.1%	$1,532 million	11.8%	1.0X

- Backlog reaches $1.41 billion, up 20% from the end of 2020.
- Combined Backlog, which includes unsigned low-bid awards, reaches $1.53 billion.
- Backlog gross margin increased 30 bps to 12.3% and Combined Backlog gross margin increased 30 bps to 12.1% from end of 2020.

Quarterly Consolidated and Segment Results

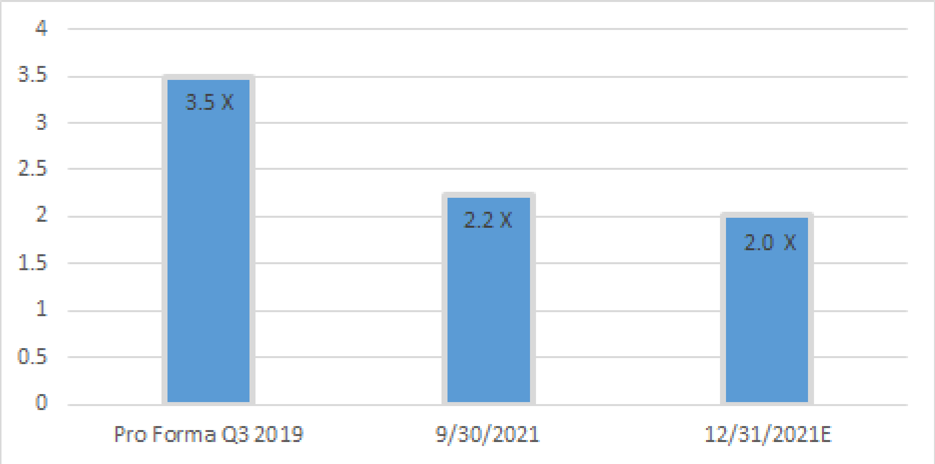
($ in millions)	Q3 2021	Q3 2020
Revenues	$ 463.4	$ 383.5
Gross Profit	57.8	49.9
G&A Expense	(19.6)	(15.2)
Intangible Amortization	(2.9)	(2.9)
Acquisition Related Costs	–	(0.4)
Other Operating Expense, Net	(3.3)	(2.7)
Operating Income	32.0	28.8
Interest, Net	(3.9)	(7.2)
Gain on Extinguishment of Debt, Net	1.0	–
Income Tax Expense	(7.3)	(6.3)
Less: Net Income Attributable to NCI	(0.6)	(0.2)
Net Income to STRL	$ 21.1	$ 15.2
Diluted EPS	$0.72	$0.54
EBITDA [1]	$ 40.0	$ 36.7

($ in millions)	Q3 2021	Q3 2020
Heavy Civil		
Revenue	$ 249.9	$ 201.1
Operating Income	$ 7.2	$ 2.4
Operating Margin	2.9 %	1.2 %
Specialty Services		
Revenue	$ 148.3	$ 140.0
Operating Income	$ 17.9	$ 21.5
Operating Margin	12.1 %	15.3 %
Residential		
Revenue	$ 65.3	$ 42.4
Operating Income	$ 6.9	$ 5.4
Operating Margin	10.6 %	12.6 %

[1] See EBITDA Reconciliation on page 19

Increased EBITDA and Cash Flow Drives Liquidity Strategy

Forward Looking EBITDA Debt Coverage Ratio



We expect to pursue strategic uses of our liquidity, such as, strategic acquisitions, investing in capital equipment and managing leverage.

Capital allocation focus

- Long-term shareholder value
- Complementing organic growth in existing and new markets
- Strong cash flow profile provides flexibility and drives liquidity strategy

EBITDA coverage projected to be approximately 2.0X by year-end 2021

5-Year Credit Facility

$400M Term Loan Facility
$75M Revolving Credit Facility

- Facility proceeds of $400M for Plateau Acquisition
- Originally set a target to reduce total funded debt EBITDA coverage from 3.5X to 2.5X by year-end 2021. Achieved less than 2.5X in six quarters, three quarters sooner than our target.

Key Cash Flow Considerations

	YTD Q3 2021	YTD Q3 2020
Cash flows from Operations	$135.7M	$92.3M
Net CAPEX	$37.2M	$20.5M

- Cash at September 30, 2021 was $117.7 million
- 2021 EBITDA guidance: $136M to $140M
- Expected additional 2021 noncash expenses: $31M to $34M (NOL utilization, stock-based compensation, noncash interest expense, etc.)
- 2021 – 2022 scheduled term loan debt payments total $40.9M

Contact Us

Sterling

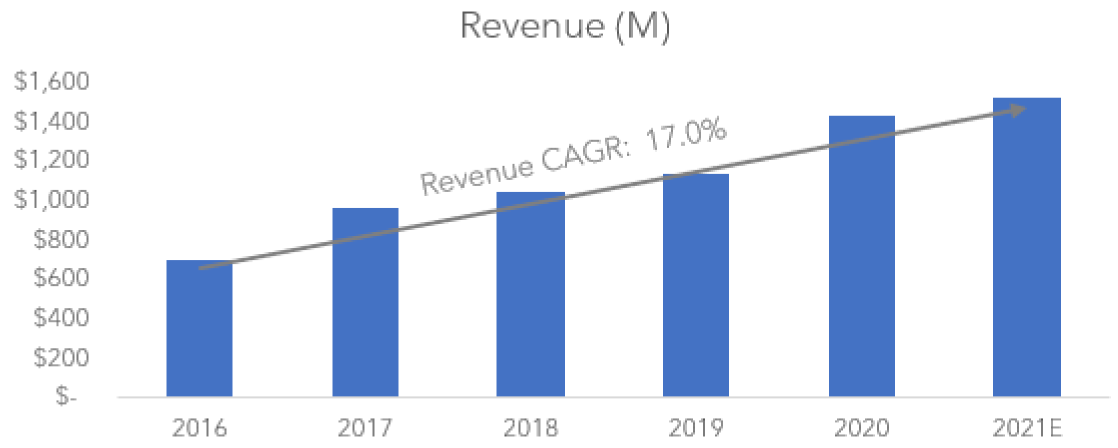
Ron Ballschmiede, Chief Financial Officer
Mary Morley, Investor Relations
Sterling Construction Company, Inc.
Tel: (281) 214-0777

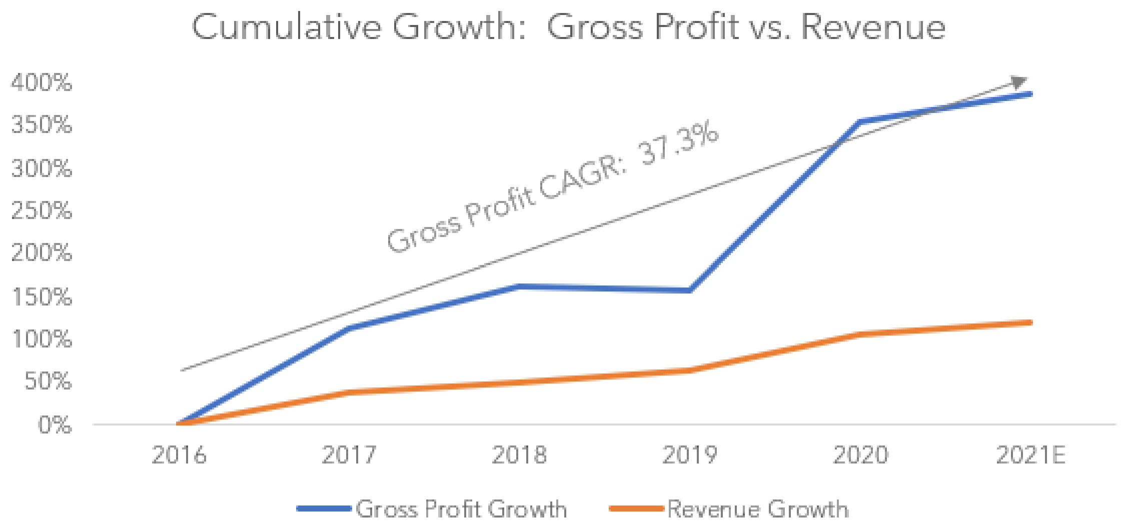
The Equity Group Inc.

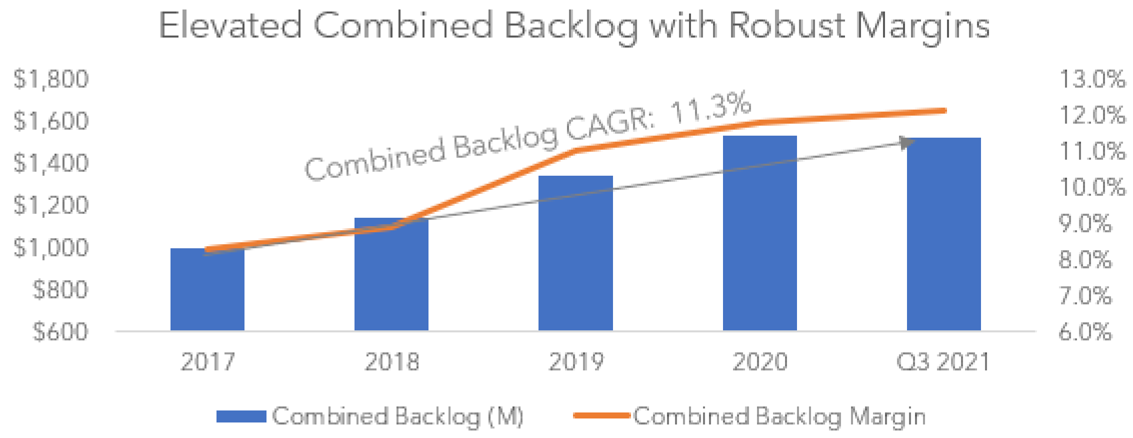
Jeremy Hellman
Tel: (212) 836-9626
jhellman@equityny.com

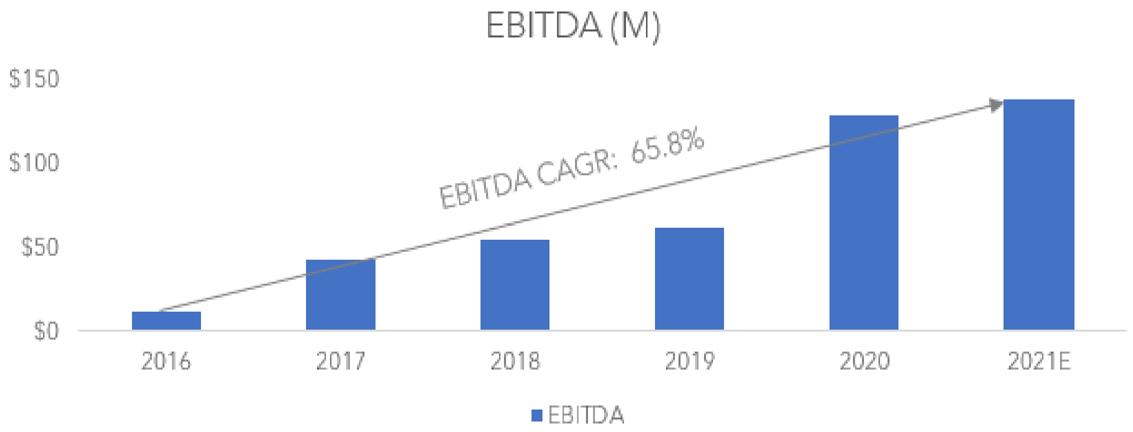
Appendix

Strategy Driving Profitable Growth









2021E is calculated with midpoint of FY 2021 guidance

2021 Modeling Considerations*

Revenue	$1,510 to $1,520
Gross Margin	~13.5%
G&A Expense as % of Revenue	4.8%
Other Operating Expense Net	$13 to $15
JV Non-Controlling Interest Expense	$2 to $3
Effective Income Tax Rate	27.5% to 28%
Net Income	$61 to $64
Diluted EPS	$2.09 to $2.19
Expected Dilutive Shares Outstanding	29.2 million
EBITDA	$136 to $140

Three Year Revenue Growth Expectations:	
Heavy Civil	3% to 5%
Specialty Services	5% to 7%
Residential	7% to 9%

* In millions except for diluted EPS

2021 Modeling Considerations Continued*

NON-CASH ITEMS	FY 2021 Expectations	FY 2020
Depreciation	\$21 to \$23	\$21.3
Intangible Amortization	\$11 to \$12	\$11.4
Debt Issuance Cost Amortization	\$2 to \$3	\$3.2
Stock-based Compensation	\$7 to \$9	\$11.6
Income Tax Expense (Federal)	25% of Pretax Income	\$19.3

OTHER ITEMS	FY 2021 Expectations	FY 2020
Interest Expense, including Debt Issuance	\$19 to \$20	\$29.4
CAPEX, net of disposals	\$40 to \$42	\$30.5

* In millions

EBITDA Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income attributable to Sterling common stockholders	$ 21,126	$ 15,157	$ 51,737	$ 36,482
Depreciation and amortization	8,629	8,098	25,336	24,639
Interest expense, net of interest income	3,906	7,154	15,621	22,391
Income tax expense	7,336	6,280	20,275	14,712
Gain on extinguishment of debt, net	(968)	–	(2,032)	–
EBITDA [1]	$ 40,029	$ 36,689	$ 110,937	$ 98,224

[1] The Company defines EBITDA as GAAP net income attributable to Sterling common stockholders, adjusted for depreciation and amortization, net interest expense, taxes, and net gain on extinguishment of debt.