



1ST QUARTER EARNINGS CALL

May 3, 2022

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: 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.



WHO is Sterling?

Strategic Elements: Solidify the Base | Grow High-Margin Products | Expansion into Adjacent Markets
Key Objectives: Bottom-line Growth | Risk Reduction | Exceed Peer Performance

+ E-Infrastructure Solutions

- + Highest margins in portfolio
- + Fastest growing segment in revenue growth
- + Expanded geographic footprint to cover blue-chip customers in all major East Coast markets
- + Develop advanced, large-scale site development systems & services for data centers, e-commerce distribution centers, commercial, warehousing, transportation, energy and more

+ Building Solutions

- + 2nd highest margins in our portfolio
- + 2nd fastest growing segment in revenue growth
- + Expanded footprint in Texas and Arizona
- + Residential and commercial concrete foundations for single-family and multi-family homes, parking structures, elevated slabs and other concrete work

+ Transportation Solutions

- + Consistent margins & disciplined revenue growth
- + Enhanced business mix
- + Infrastructure and rehabilitation projects for highways, roads, bridges, airports, ports, light rail, water, wastewater and storm drainage systems

Sterling, a market-leading infrastructure service provider of e-infrastructure, building and transportation solutions.

We offer a customer-centric, market-focused portfolio of goods and services geographically positioned in the right markets.

NASDAQ	STRL	Shares outstanding ⁽¹⁾	30.3M
HQ	The Woodlands, TX	Market cap ⁽²⁾	\$697.7M
Employees	~3,000+	Revenue ⁽³⁾	\$1,850M
Segments	E-Infrastructure Solutions Building Solutions Transportation Solutions	EBITDA ⁽³⁾	\$192.5M
Projects underway	~250	Total Backlog ⁽⁴⁾	\$1.53B

WHY Sterling?

A story of successful execution of multi-year strategic business transformation since 2016; born of a strategy and vision that leveres our entrepreneurial spirit and our customer-centric culture.

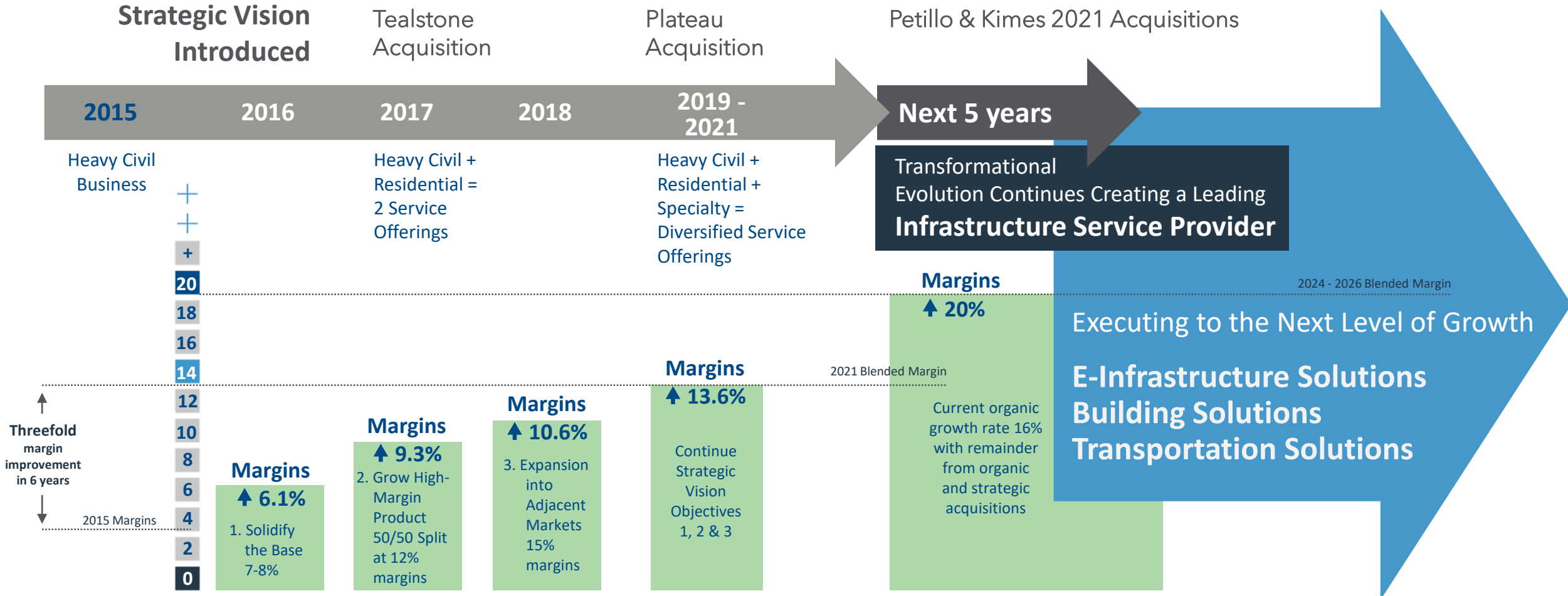
- + Our **strategic elements**, our blueprint for bottom-line growth, reducing risk and consistently outperforming peers:
 - + Solidify the Base
 - + Grow High-Margin Products
 - + Expansion into Adjacent Markets
- + We build value for investors seeking high margins, healthy cash flow, proven performance and strong operational execution
 - + Executing growth strategy results in 6-year revenue CAGR of 18%
 - + Executing growth strategy results in 6-year EBITDA CAGR of 61%
- + Levering the foundation we built to take Sterling to a whole new level
 - + Platforms in higher-margin, specialty-end markets with a broadened portfolio of products, services & customers
 - + Recent Petillo acquisition positions Sterling to be an industry leader of e-infrastructure specialty site development services



Sterling exceeded S&P 500 by 69.28%

Strategic Execution | Proven Results | Strong Growth

Strategic Elements: Solidify the Base | Grow High-Margin Products | Expansion into Adjacent Markets
Key Objectives: Bottom-line Growth | Risk Reduction | Exceed Peer Performance





ESG at Sterling: The Sterling Way

Our Core Values: Safety, Respect and Trust, Excellence, Integrity

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 infrastructure solutions and services for the betterment 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, that's The Sterling Way

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



Building a Better Tomorrow. The Sterling Way - 2022 Sustainability Report published March 23, 2022. The report can be accessed via the Sterling Way (ESG) section of the Company's website at <https://www.strlco.com/sustainability>



First Quarter 2022 Results



First Quarter 2022 Results

Sterling Reports Record First Quarter 2022 Results
Earnings Continue to Outpace Expectations
Petillo Delivers Immediately Accretive Earnings

Revenues: \$410.3 million

Net Income: \$19.3 million

Diluted EPS: \$0.64 cents

- + Backlog: \$1.53 billion with 12.8% margin⁽¹⁾
- + Combined Backlog: \$1.67 billion with 12.6%⁽¹⁾
- + Cash & Cash Equivalents: \$80.4 million⁽¹⁾
- + Cash from operations: \$19.2 million⁽²⁾

Strong revenue growth from all segments

(as compared to first quarter 2021)

E-Infrastructure Solutions

- + Up 25.9%, excluding our recently acquired Petillo business
- + Market remains strong with significant activity in e-commerce, warehousing and data centers

Transportation Solutions

- + Up 9.1%
- + Strong results from continued shift away from low-bid to alternative delivery

Building Solutions

- + Up 12.8%
- + Continued expansion into Phoenix

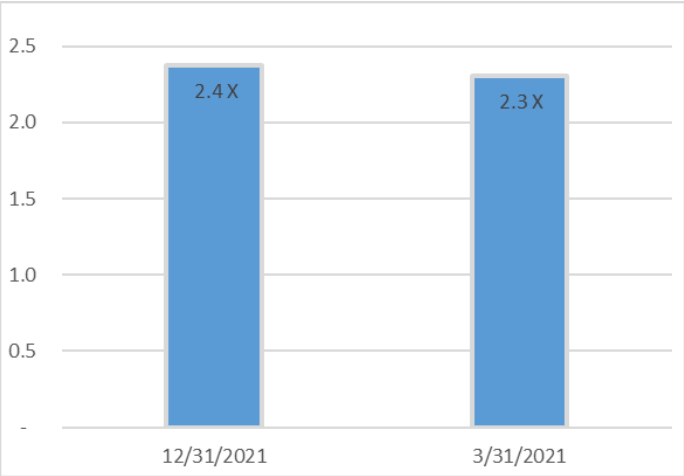
Quarterly Consolidated and Segment Results

(\$ in millions)	Q1 2022	Q1 2021
Revenues	\$ 410.3	\$ 315.3
Gross Profit	56.1	45.0
G&A Expense	(23.1)	(17.1)
Intangible Amortization	(3.6)	(2.9)
Acquisition Related Costs	(0.3)	—
Other Operating Expense, Net	(1.0)	(2.3)
Operating Income	28.3	22.8
Interest, Net	(4.6)	(6.0)
Gain (Loss) on Ext. of Debt, Net	2.4	(0.3)
Income Tax Expense	(6.6)	(4.8)
Less: Net Income Attributable to NCI	(0.3)	(1.1)
Net Income to STRL	\$ 19.3	\$ 10.6
Diluted EPS	\$0.64	\$0.37
EBITDA ⁽¹⁾	\$ 39.8	\$ 29.9

(\$ in millions)	Q1 2022	Q1 2021
E-Infrastructure Solutions		
Revenue	\$ 168.9	\$ 96.6
Operating Income	\$ 21.3	\$ 17.8
Operating Margin	12.6 %	18.4 %
Transportation Solutions		
Revenue	\$ 160.5	\$ 147.1
Operating Income	\$ 3.7	\$ 2.7
Operating Margin	2.3 %	1.8 %
Building Solutions		
Revenue	\$ 80.9	\$ 71.7
Operating Income	\$ 9.4	\$ 7.4
Operating Margin	11.6 %	10.3 %

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

Sterling is comfortable with a forward looking debt/EBITDA coverage ratio of +/-2.5X.

5-Year Credit Facility

- \$441M Term Loan Borrowings
- \$75M Revolving Credit Facility (Undrawn)

Key Cash Flow Considerations

	<u>FY 2022 Est.</u>	<u>FY 2021</u>
Cash flows from Operations	\$140M to \$150M	\$151.6M
Net CAPEX	\$50M to \$55M	\$42.5M

- Cash at March 31, 2022 was \$80.4 million
- 2022 EBITDA guidance: \$185M to \$200M
- Expected additional 2022 noncash expenses: \$38M to \$41M (NOL utilization, stock-based compensation, noncash interest expense, etc.)
- 2022 - 2023 scheduled term loan debt payments total \$55.1M

Contact Us

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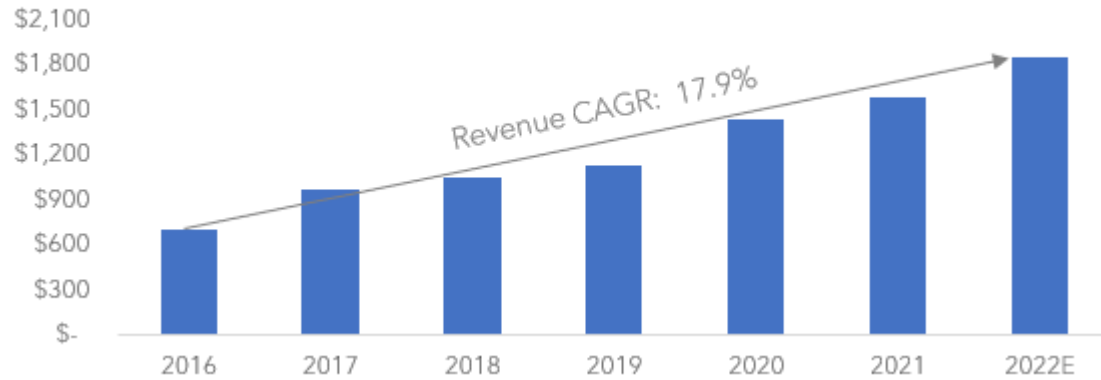




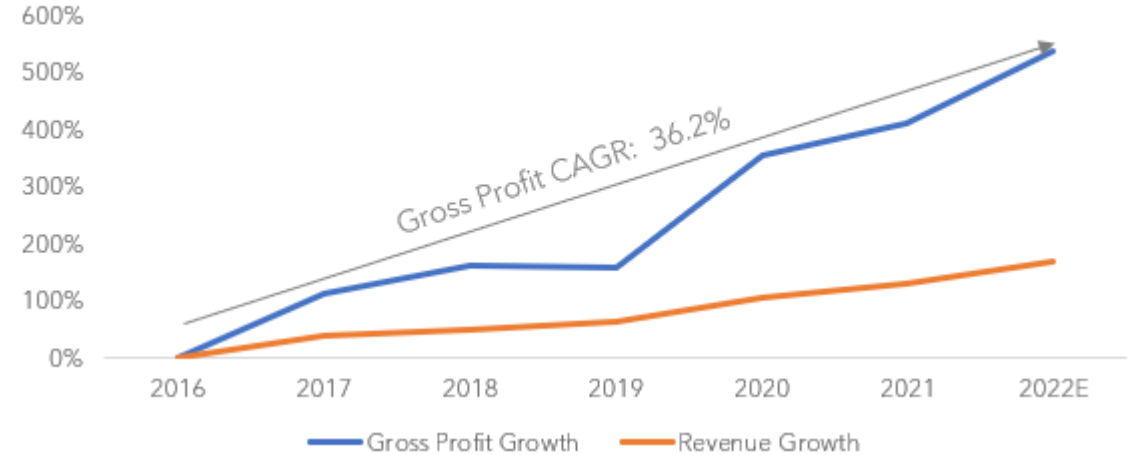
Appendix

Strategy Driving Profitable Growth

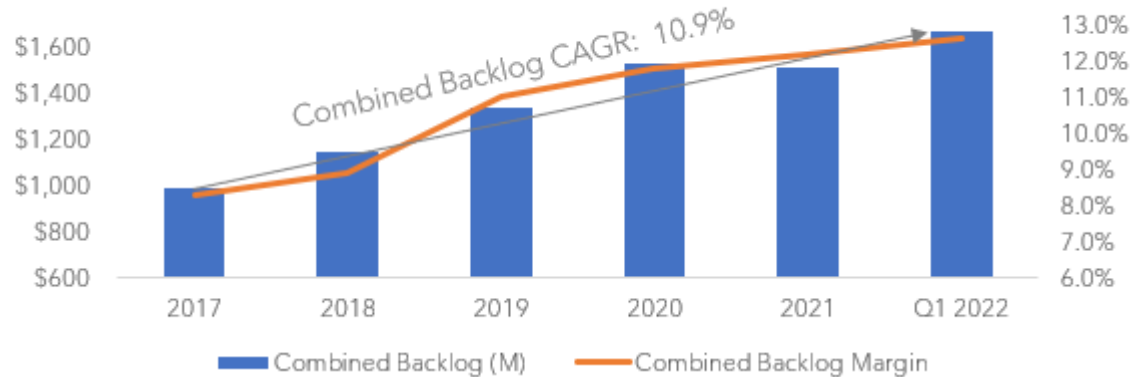
Revenue (M)



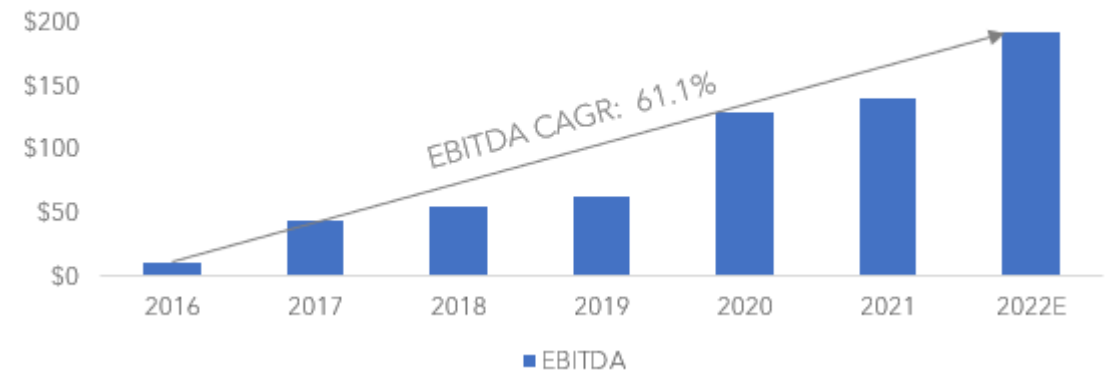
Cumulative Growth: Gross Profit vs. Revenue



Elevated Combined Backlog with Robust Margins



EBITDA (M)



2022 Modeling Considerations⁽¹⁾

Revenue	\$1,825 to \$1,875
Gross Margin	~14.5%
G&A Expense as % of Revenue	~5.0%
Other Operating Expense Net	\$12 to \$14
JV Non-Controlling Interest Expense	\$2 to \$3
Effective Income Tax Rate	28% to 29%
Net Income	\$83 to \$89
Diluted EPS	\$2.69 to \$2.88
Expected Dilutive Shares Outstanding	30.9
EBITDA	\$185 to \$200

Three Year Revenue Growth Expectations:

E-Infrastructure Solutions ⁽²⁾	7% to 9%
Transportation Solutions	3% to 5%
Building Solutions	7% to 9%

2022 Modeling Considerations Continued*

NON-CASH ITEMS	FY 2022 Expectations	FY 2021
Depreciation & Amortization	\$50 to \$54	\$34.2
Debt Issuance Cost Amortization	\$2 to \$3	\$2.2
Stock-based Compensation	\$5 to \$7	\$11.8
Income Tax Expense (Federal)	25% of Pretax Income	\$19.4

OTHER ITEMS	FY 2022 Expectations	FY 2021
Interest Expense	\$19 to \$23	\$19.3
CAPEX, net of disposals	\$50 to \$55	\$42.5

STERLING CONSTRUCTION COMPANY, INC. & SUBSIDIARIES
EBITDA RECONCILIATION
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net income attributable to Sterling common stockholders	\$ 19,252	\$ 10,555
Depreciation and amortization	11,767	8,305
Interest expense, net of interest income	4,577	5,990
Income tax expense	6,597	4,760
(Gain) loss on extinguishment of debt, net	(2,428)	337
EBITDA ⁽¹⁾	<u>\$ 39,765</u>	<u>\$ 29,947</u>

⁽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 or loss on extinguishment of debt.

STERLING CONSTRUCTION COMPANY, INC. & SUBSIDIARIES
EBITDA GUIDANCE RECONCILIATION

(In millions)

(Unaudited)

	Full Year 2022 Guidance	
	Low	High
Net income attributable to Sterling common stockholders	\$ 83	\$ 89
Depreciation and amortization	50	54
Interest expense, net of interest income	19	23
Income tax expense	35	36
Gain on extinguishment of debt, net	(2)	(2)
EBITDA ⁽¹⁾	<u>\$ 185</u>	<u>\$ 200</u>

⁽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 or loss on extinguishment of debt.



THANK YOU

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