



Q4 2024 Earnings Call

February 26, 2025

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 forwardlooking 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; our guidance; our expected margin growth; 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," "would," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursue," "target," "guidance," "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 forwardlooking 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 forwardlooking 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. When 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?

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

A story of successful execution of a multi-year strategic business transformation; born of a vision that levers our entrepreneurial spirit. We offer a customer-centric, market-focused portfolio of goods and services geographically positioned in the right markets.



E-Infrastructure Solutions

- + Largest, highest margin segment
- + Provides value-added solutions to blue-chip customers in all major East Coast markets and the Rocky Mountain region
- Develops advanced, large-scale site development services for data centers, manufacturing,
 e-commerce distribution centers, warehousing and more



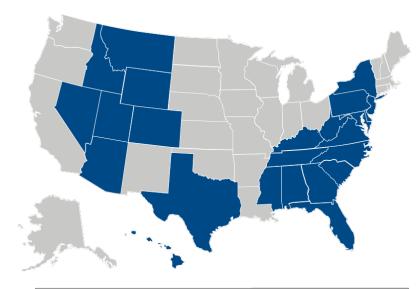
Building Solutions

- + Serves the Top Builders in the Nation's Top Housing Markets: Texas & Arizona
- + Residential and commercial concrete foundations for single-family and multi-family homes, plumbing services, and surveying for new single-family residential builds



Transportation Solutions

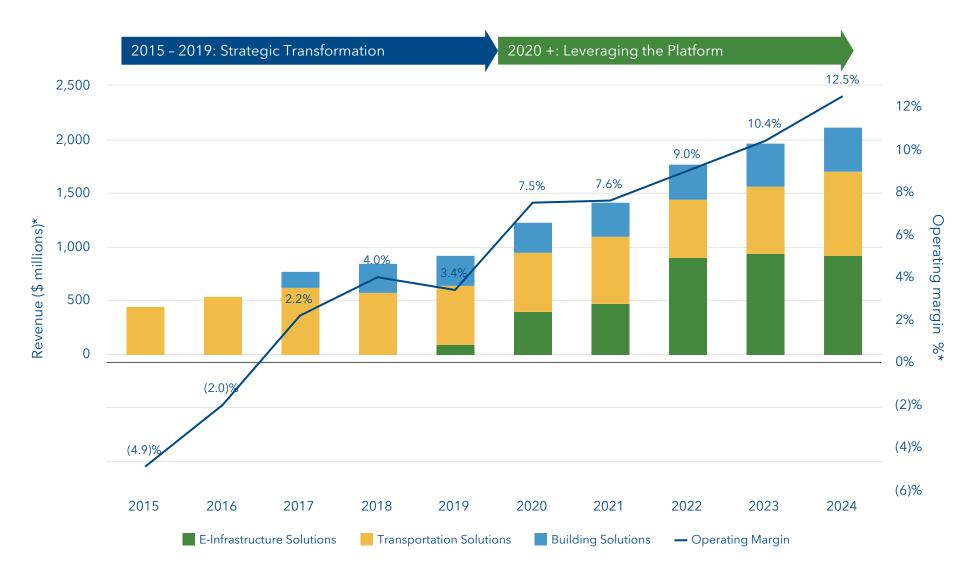
- + Provides infrastructure solutions in the Rocky Mountain States and Texas
- + Infrastructure and rehabilitation projects for highways, roads, bridges, airports, ports, rail and storm drainage systems



NASDAQ	STRL	Shares outstanding ⁽²⁾	30.6M
DH	The Woodlands, TX	Market cap ⁽²⁾	\$3.33B
Employees	~3,000 ⁽¹⁾	Revenue ⁽³⁾	\$2.08B
Segments	E-Infrastructure Solutions Building Solutions Transportation Solutions	Adjusted EBITDA ⁽³⁾	\$408M
Projects underway	~180 ⁽¹⁾	Total Backlog ⁽¹⁾	\$1.69B

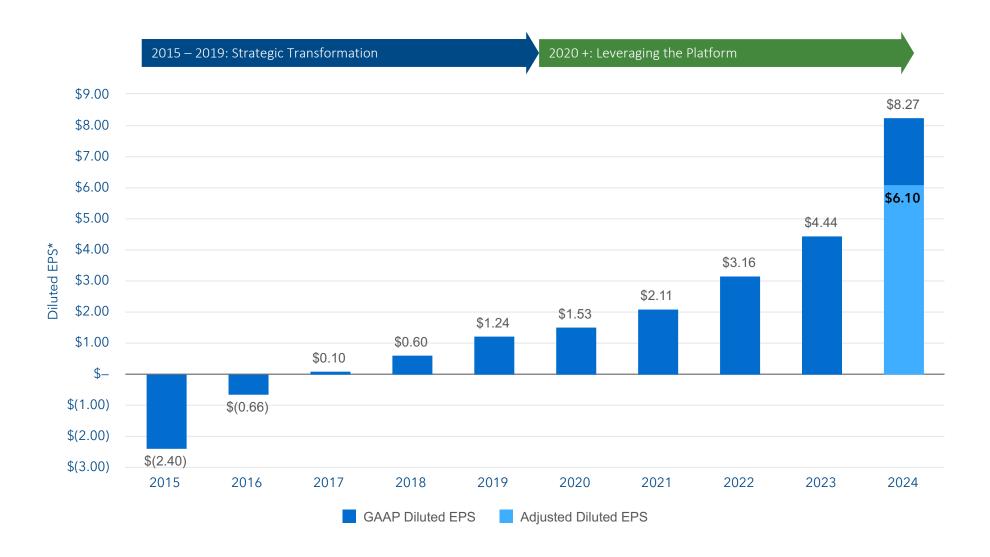


Transformation Built the Foundation for Success





Transformation Built the Foundation for Success







Fourth Quarter and Full Year 2024 Results Highlights

- + Revenues: \$498.8 million and \$2,115.8 million, respectively
- + Net Income: \$113.2 million and \$257.5 million, respectively
- + Adjusted Net Income⁽¹⁾: \$45.5 million and \$189.9 million, respectively
- + Diluted EPS: \$3.64 and \$8.27, respectively
- + Adjusted Diluted EPS⁽¹⁾: \$1.46 and \$6.10, respectively
- + EBITDA⁽¹⁾: \$167.4 million and \$410.9 million, respectively
- + Adjusted EBITDA⁽¹⁾: \$76.4 million and \$320.0 million, respectively
- + Cash Flow from Operations⁽²⁾: \$174.3 million and \$497.1 million, respectively
- + Cash & Cash Equivalents⁽²⁾: \$664.2 million
- + Backlog⁽²⁾: \$1.69 billion with 16.7% margin
- + Combined Backlog⁽³⁾: \$1.83 billion



Quarterly Consolidated and Segment Results

(\$ in millions, except per share data)	Q	4 2024	O	4 2023
Revenues	\$	498.8	\$	486.0
Gross Profit		106.7		91.8
G&A Expense		(32.6)		(26.1)
Intangible Amortization		(4.2)		(4.0)
Acquisition Related Costs		(0.2)		(0.5)
Other Operating Expense, Net		(7.4)		(5.3)
Operating Income		62.3		55.8
Interest, Net		2.0		(1.0)
Gain on deconsolidation of subsidiary, net		91.3		_
Income Tax Expense		(38.4)		(12.3)
Less: Net Income Attributable to NCI		(4.0)		(2.3)
Net income		113.2		40.2
Diluted EPS	\$	3.64	\$	1.28
EBITDA (1)	\$	167.4	\$	68.4

(\$ in millions)	С	4 2024	24 2023
E-Infrastructure Solutions			
Revenue	\$	234.0	\$ 217.5
Operating Income	\$	56.4	\$ 37.6
Operating Margin		24.1 %	17.3 %
Transportation Solutions			
Revenue	\$	174.7	\$ 175.7
Operating Income	\$	8.7	\$ 12.3
Operating Margin		5.0 %	7.0 %
Building Solutions			
Revenue	\$	90.1	\$ 92.8
Operating Income	\$	9.2	\$ 11.2
Operating Margin		10.3 %	12.0 %

Full Year Consolidated and Segment Results

(\$ in millions)	,	2024	2023
Revenues	\$ 2	2,115.8	\$ 1,972.2
Gross Profit		426.1	337.6
G&A Expense		(118.4)	(98.7)
Intangible Amortization		(17.0)	(15.2)
Acquisition Related Costs		(0.4)	(0.9)
Other Operating Expense, Net		(25.6)	(17.0)
Operating Income		264.6	205.8
Interest, Net		2.4	(15.2)
Gain on deconsolidation of subsidiary, net		91.3	_
Income Tax Expense		(87.4)	(47.8)
Less: Net Income Attributable to NCI		(13.5)	(4.2)
Net income		257.5	138.7
Diluted EPS	\$	8.27	\$ 4.44
EBITDA (1)	\$	410.9	\$ 259.0

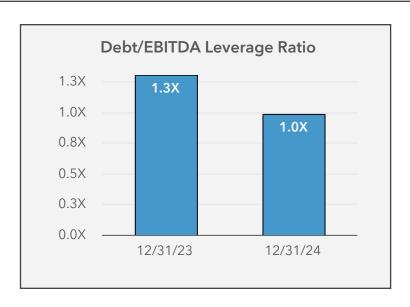
(\$ in millions)	2024	2023
E-Infrastructure Solutions		
Revenue	\$ 923.7	\$ 937.4
Operating Income	\$ 203.4	\$ 141.0
Operating Margin	22.0 %	15.0 %
Transportation Solutions		
Revenue	\$ 783.7	\$ 630.9
Operating Income	\$ 50.9	\$ 41.9
Operating Margin	6.5 %	6.6 %
Building Solutions		
Revenue	\$ 408.4	\$ 403.9
Operating Income	\$ 49.1	\$ 46.2
Operating Margin	12.0 %	11.4 %

Remaining Performance Obligations (RPOs)⁽¹⁾

(\$ in millions)	De	ecember 31, 2024	[December 31, 2023
E-Infrastructure Solutions RPOs	\$	1,032.1	\$	813.7
Transportation Solutions RPOs ⁽²⁾		622.1		1,184.5
Building Solutions RPOs - Commercial		39.0		68.8
Total RPOs	\$	1,693.2	\$	2,067.0



Increased EBITDA and Cash Flow Drives Liquidity Strategy



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 Debt/EBITDA leverage ratio of +/-2.5X.

5-Year Credit Facility

\$317M Term Loan Borrowings \$75M Revolving Credit Facility (Undrawn)

Key Cash Flow Considerations

	Q4 YTD 2024	Q4 YTD 2023
Cash flows from Operations	\$497.1M	\$478.6M
Net CAPEX	\$70.8M	\$50.6M

- Cash & Cash Equivalents at December 31, 2024 was \$664.2 million
- 2025 EBITDA guidance⁽¹⁾: \$370M to \$395M
- Expected 2025 noncash expenses: \$27M to \$30M (Stock-based compensation, noncash interest expense, and deferred taxes)
- Scheduled term loan debt payments total \$26.3 million and \$6.6 million for 2025 and 2026, respectively



Summary

Sterling, A Leading Provider of Infrastructure Services in the U.S.

Successful strategic foundation with strong, diversified platform

Strong, multi-year, secular growth drivers

Continued opportunity for margin expansion

Robust balance sheet, FCF

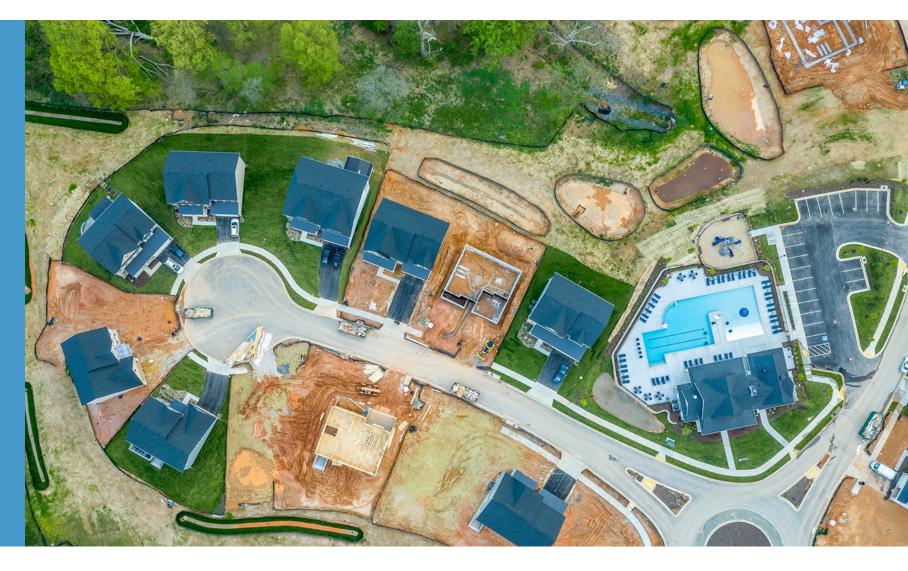
Strong historical stock performance



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RHB Amendment Impact Summary

The RHB operating agreement was amended on December 31, 2024. Under GAAP, this contractual change requires that Sterling no longer consolidate RHB's results.

As a result of this amendment, Sterling:

- + recognized a non-cash gain on deconsolidation of \$67.9 million, net of tax;
- + no longer consolidated RHB's \$491 million of backlog⁽¹⁾ at December 31, 2024;
- + no longer consolidated RHB's balance sheet, but instead recognized Sterling's 50% investment in the unconsolidated subsidiary on one line of Sterling's Consolidated Balance Sheet;
- + will no longer consolidate RHB's revenue in 2025, but instead recognize 50% of RHB's operating income which will be presented on one line in Sterling's Consolidated Statements of Operations.



2025 Modeling Considerations (1)

Revenue	\$2,000 to \$2,150
Gross Margin	21.0% to 22.0%
G&A Expense as % of Revenue (Excluding Intangible Amortization)	~6%
Other Operating Income	\$13 to \$15
JV Non-Controlling Interest Expense	~\$12
Effective Income Tax Rate	~26%
Diluted EPS	\$6.75 to \$7.25
Adjusted Diluted EPS ⁽²⁾	\$7.90 to \$8.40
Expected Dilutive Shares Outstanding	32.0
EBITDA ⁽³⁾	\$370 to \$395
Adjusted EBITDA ⁽³⁾	\$395 to \$420



2025 Modeling Considerations Continued*

Non-Cash Items	FY 2025 Expectations	FY 2024
Depreciation	\$51 to \$56	\$51.4
Intangible Amortization	\$25	\$17.0
Debt Issuance Cost Amortization	~\$1	\$1.1
Stock-based Compensation	\$19 to \$21	\$19.0
Deferred Taxes	\$7 to \$8	\$32.6

Other Cash Flow Items	FY 2025 Expectations	FY 2024
Interest income, net	\$2 to \$4	\$2.4
CAPEX, net of disposals	\$70 to \$80	\$70.8

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES ADJUSTED NET INCOME RECONCILIATION

(In thousands) (Unaudited)

	Three Months Ended December 31,			Twelve Months Ended December 31,			
	2024		2023	2024		2023	
Net income attributable to Sterling common stockholders	\$ 113,213	\$	40,173	\$ 257,461	\$	138,655	
Gain on deconsolidation of subsidiary, net	(91,289)		_	(91,289)		_	
Acquisition related costs	212		521	421		873	
Tax impact of adjustments	23,354		(117)	23,303		(219)	
Adjusted net income attributable to Sterling common stockholders ⁽¹⁾	\$ 45,490	\$	40,577	\$ 189,896	\$	139,309	
Net income per share attributable to Sterling common stockholders:							
Basic	\$ 3.69	\$	1.30	\$ 8.35	\$	4.51	
Diluted	\$ 3.64	\$	1.28	\$ 8.27	\$	4.44	
Adjusted net income per share attributable to Sterling common stockholders:							
Basic	\$ 1.48	\$	1.32	\$ 6.16	\$	4.53	
Diluted	\$ 1.46	\$	1.29	\$ 6.10	\$	4.46	
Weighted average common shares outstanding:							
Basic	30,696		30,819	30,830		30,755	
Diluted	31,121		31,334	31,146		31,208	



STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES EBITDA RECONCILIATION

(In thousands) (Unaudited)

			Twelve Months Ended December 31,			
2024	2023	2024	2023			
\$ 113,213	\$ 40,173	\$ 257,461	\$ 138,655			
17,864	14,874	68,410	57,403			
(2,032)	991	(2,367)	15,180			
38,400	12,341	87,360	47,770			
167,445	68,379	410,864	259,008			
(91,289)	_	(91,289)				
212	521	421	873			
\$ 76,368	\$ 68,900	\$ 319,996	\$ 259,881			
\$	Decemendary 2024 \$ 113,213	\$ 113,213 \$ 40,173 17,864 14,874 (2,032) 991 38,400 12,341 167,445 68,379 (91,289) — 212 521	December 31, December 32024 \$ 113,213 \$ 40,173 \$ 257,461 17,864 14,874 68,410 (2,032) 991 (2,367) 38,400 12,341 87,360 167,445 68,379 410,864 (91,289) - (91,289) 212 521 421			



⁽¹⁾ The Company defines EBITDA as GAAP net income attributable to Sterling common stockholders adjusted for depreciation and amortization, net interest income/expense and income tax expense.

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES ADJUSTED NET INCOME GUIDANCE RECONCILIATION (In thousands) (Unaudited)

	Full Year 2025 Guidance			Full Year	
	Low		High	20)24 Actual
Net income attributable to Sterling common stockholders	\$ 215,000	\$	230,000	\$	257,461
Gain on deconsolidation of subsidiary, net	_		_		(91,289)
Non-cash stock-based compensation	20,000		20,000		19,003
Intangible asset amortization	25,000		25,000		17,037
Acquisition related costs	5,000		5,000		5,177
Income tax impact of adjustments	(13,000)		(13,000)		13,356
Adjusted net income attributable to Sterling common stockholders (1)	\$ 252,000	\$	267,000	\$	220,745
Net income per share attributable to Sterling common stockholders: Diluted	\$ 6.75	\$	7.25	\$	8.27
Adjusted net income per share attributable to Sterling common stockholders: Diluted	\$ 7.90	\$	8.40	\$	7.09
Weighted average common shares outstanding: Diluted	32,000		32,000		31,146



20

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES EBITDA GUIDANCE RECONCILIATION

(In millions) (Unaudited)

	Full Ye Guic	Full Year 2024	
	Low	High	Actual
Net income attributable to Sterling common stockholders	\$ 215	\$ 230	\$ 257
Depreciation and amortization	76	81	68
Interest income, net of interest expense	(2)	(4)	(2)
Income tax expense	81	88	87
EBITDA (1)	370	395	411
Gain on deconsolidation of subsidiary, net	_	_	(91)
Non-cash stock-based compensation	20	20	19
Acquisition related costs	5	5	5
Adjusted EBITDA ⁽²⁾	\$ 395	\$ 420	\$ 344







THANK YOU

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