



Diverse • Evolving • Essential



Acquisition of Jake Marshall, LLC

December 2021



MECHANICAL



ELECTRICAL



PLUMBING



CONTROLS



SERVICE



DATA

Forward Looking Statements



We make forward-looking statements in this presentation within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to expectations or forecasts for future events, including, without limitation, our earnings, Adjusted EBITDA, revenues, expenses, backlog, capital expenditures or other future financial or business performance or strategies, results of operations or financial condition, and in particular statements regarding the impact of the COVID-19 pandemic on the construction industry, timing of the recognition of backlog as revenue, the potential for recovery of cost overruns, the ability of the Company to successfully remedy the issues that have led to write-downs in various business units and the impacts of the Jake Marshall acquisition on our business results. These statements may be preceded by, followed by or include the words “may,” “might,” “will,” “will likely result,” “should,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “continue,” “target” or similar expressions. These forward-looking statements are based on information available to us as of the date they were made and involve a number of risks and uncertainties which may cause them to turn out to be wrong. Some of these risks and uncertainties may in the future be amplified by the COVID-19 outbreak and there may be additional risks that we consider immaterial or which are unknown. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Please refer to our most recent annual report on Form 10-K, as well as our subsequent filings on Form 10-Q and Form 8-K, which are available on the SEC’s website (www.sec.gov), for a full discussion of the risks and other factors that may impact any forward-looking statements in this presentation.

01 Transaction Highlights

02 About Jake Marshall

03 Strategic Fit

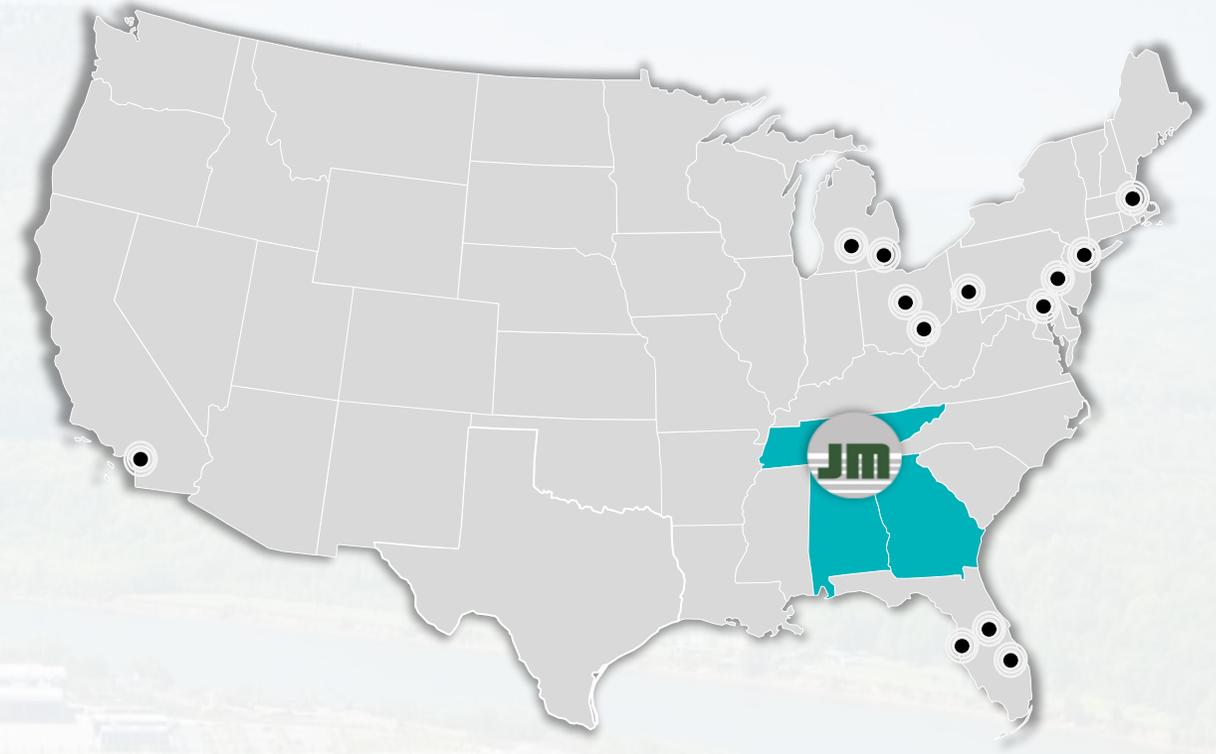
04 Deal Terms

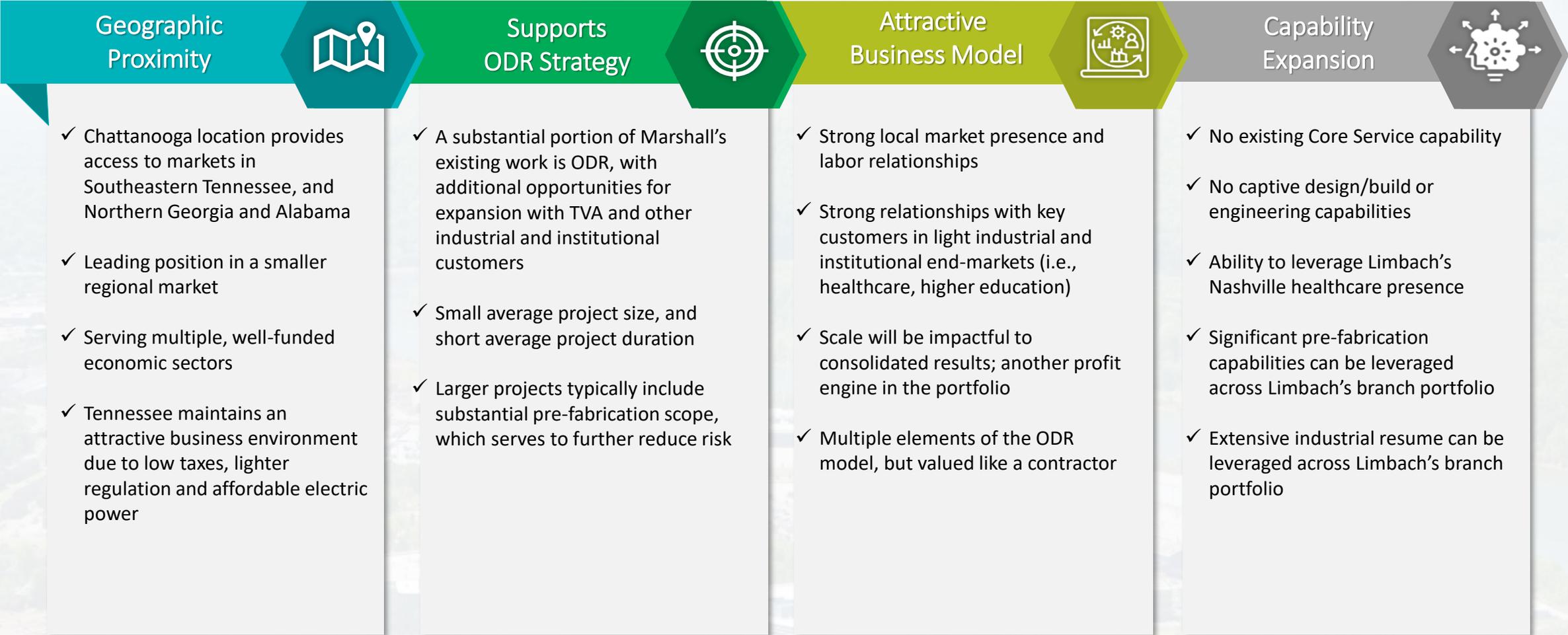
05 Selected Financial Information

06 Closing comments



- Chattanooga, TN-based Jake Marshall is a specialty mechanical contractor occupying a dominant position in its core geographic markets of Southeastern Tennessee, Northern Georgia and Northern Alabama)
- The Company benefits from a strong reputation for technical ability, exceptional customer service and a legacy of workforce development
- Services offered includes the three core mechanical trades - *pipng, plumbing and sheetmetal* - as well as *fabrication, millwright and coating services*
- The business model is oriented toward owner-direct industrial maintenance, repair and small capital project opportunities, as well as mid-size and larger construction projects in selective institutional end-markets for long-time customers
- Executive management team is long-tenured and well-regarded regionally, and will continue to lead the business unit into the future
- Experience working with Limbach over the last several years





Valuation

- The net consideration paid at closing was \$20 million in cash¹, which represents an enterprise value multiple of approximately 4.5x historical average EBITDA²
- Additional earn-out opportunities totaling an aggregate maximum of up to \$6 million contingent on performance in calendar years 2022 and 2023³

Structure and Financing

- Acquisition of 100% of the equity of Jake Marshall, LLC and affiliated business
- Enterprise value of \$20 million financed with available cash in the amount of \$10 million and additional term loan borrowings of \$10 million provided by the Company's lenders
 - No increase in Prime interest rate margin
 - Incremental term debt amortizable monthly in the amount of approximately \$120,000 per month

TRANSACTION STRUCTURE		
Cash at Closing¹	\$20 million	Includes \$10 million of incremental term debt
Contingent Consideration	\$6 million	Subject to performance in 2022 and 2023 ²
Total	\$26 million	

1. Total consideration received by the Sellers was (i) \$21.3 million, consisting of the \$20 million enterprise value consideration paid by Limbach plus (ii) Jake Marshall's cash on hand, net of a working capital adjustment, which was retained by the Sellers. Subject to customary post-closing adjustments.

2. Based on audited financial statements for the years 2014-2020.

3. Each earn-out payment is contingent on Jake Marshall generating not less than \$8 million in gross profit, and would be maximized at \$10 million or more in gross profit. The earn-out payment would be earned ratably as the Company's gross profit increases from \$8 million to \$10 million. Each earn-out payment opportunity is independent of the other.

Jake Marshall – *Financial Highlights*

- Average¹ annual revenue of more than \$45 million

- History of strong and consistent field execution and gross margins

- Average¹ annual EBITDA of more than \$4.5 million

- Business mix includes substantial ODR exposure

Jake Marshall - *Operations*

- Jake Marshall to operate as a distinct branch, similar to existing operations

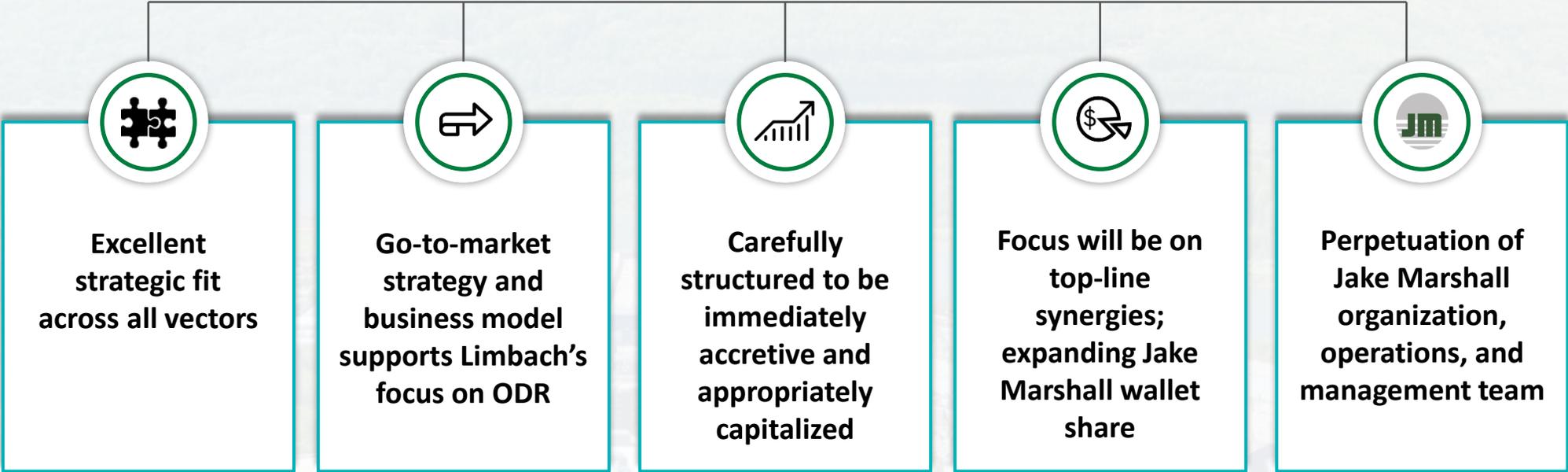
- Management and organization to remain intact

- Potential revenue synergies in sales, design/engineering, service offering



Jake Marshall, LLC

Mechanical Contractors since 1930



Questions?