

LIMBACH HOLDINGS, INC.
Consolidated Statements of Operations

<i>(in thousands, except share and per share data)</i>	(Unaudited) For the Quarter Ended December 31,		For the Years Ended December 31,	
	2024	2023	2024	2023
Revenue	\$ 143,650	\$ 142,691	\$ 518,781	\$ 516,350
Cost of revenue	100,079	109,385	374,500	397,060
Gross profit	43,571	33,306	144,281	119,290
Operating expenses:				
Selling, general and administrative	27,399	24,964	97,199	87,397
Change in fair value of contingent consideration	1,426	265	3,770	729
Amortization of intangibles	1,732	826	4,688	1,880
Total operating expenses	30,557	26,055	105,657	90,006
Operating income	13,014	7,251	38,624	29,284
Other income (expense):				
Interest expense	(494)	(431)	(1,869)	(2,046)
Interest income	493	593	2,227	1,217
Loss on early debt extinguishment	—	—	—	(311)
Gain (loss) on change in fair value of interest swap	164	(277)	34	(124)
Gain on disposition of property and equipment	294	52	950	80
Total other income (expenses)	457	(63)	1,342	(1,184)
Income before income taxes	13,471	7,188	39,966	28,100
Income tax provision	3,629	1,939	9,091	7,346
Net income	\$ 9,842	\$ 5,249	\$ 30,875	\$ 20,754

Earnings Per Share ("EPS")

Net income per share:

Basic	\$ 0.87	\$ 0.48	\$ 2.75	\$ 1.93
Diluted	\$ 0.82	\$ 0.44	\$ 2.57	\$ 1.76
Weighted average number of shares outstanding:				
Basic	11,273,101	11,003,424	11,243,714	10,773,467
Diluted	12,066,569	11,865,450	12,027,398	11,812,098

LIMBACH HOLDINGS, INC.
Consolidated Balance Sheets

<i>(in thousands, except share data)</i>	As of December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,930	\$ 59,833
Restricted cash	65	65
Accounts receivable (net of allowance for credit losses of \$387 and \$292, respectively)	119,659	97,755
Contract assets	47,549	51,690
Advances to and equity in joint ventures, net	5	12
Other current assets	8,126	7,645
Total current assets	220,334	217,000
Property and equipment, net	30,126	20,830
Intangible assets, net	41,228	24,999
Goodwill	33,034	16,374
Operating lease right-of-use assets	21,539	19,727
Deferred tax asset	5,531	5,179
Other assets	337	330
Total assets	\$ 352,129	\$ 304,439
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	\$ 3,314	\$ 2,680
Current operating lease liabilities	4,093	3,627
Accounts payable, including retainage	60,814	65,268
Contract liabilities	44,519	42,160
Accrued income taxes	1,470	446
Accrued expenses and other current liabilities	36,827	30,967
Total current liabilities	151,037	145,148
Long-term debt	23,554	19,631
Long-term operating lease liabilities	17,766	16,037
Other long-term liabilities	6,281	2,708
Total liabilities	198,638	183,524
Commitments and contingencies		
Redeemable convertible preferred stock, net, par value \$0.0001, \$1,000,000 shares authorized, no shares issued and outstanding (\$0 redemption value)	—	—
STOCKHOLDERS' EQUITY		
Common stock, \$0.0001 par value; 100,000,000 shares authorized, issued 11,452,753 and 11,183,076, respectively; 11,273,101 and 11,003,424 outstanding, respectively	1	1
Additional paid-in capital	94,229	92,528
Treasury stock, at cost (179,652 shares at both period ends)	(2,000)	(2,000)
Retained earnings	61,261	30,386
Total stockholders' equity	153,491	120,915
Total liabilities and stockholders' equity	\$ 352,129	\$ 304,439

LIMBACH HOLDINGS, INC.
Consolidated Statements of Cash Flows

<i>(in thousands)</i>	Year Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 30,875	\$ 20,754
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	11,888	8,244
Noncash operating lease expense	4,115	3,824
Provision for credit losses / doubtful accounts	201	431
Stock-based compensation expense	5,773	4,910
Loss on early debt extinguishment	—	311
Amortization of debt issuance costs	43	79
Deferred income tax provision	(352)	(350)
Gain on sale of property and equipment	(950)	(80)
(Gain) loss on change in fair value of interest rate swap	(34)	124
Loss on change in fair value of contingent consideration	3,770	729
Changes in operating assets and liabilities:		
Accounts receivable	(11,275)	32,607
Contract assets	8,506	10,397
Other current assets	(499)	(1,486)
Accounts payable, including retainage	(10,298)	(10,909)
Contract liabilities	(2,949)	(9,121)
Income tax receivable	—	95
Accrued income taxes	1,024	(1,442)
Accrued expenses and other current liabilities	3,111	2,867
Operating lease liabilities	(3,850)	(3,795)
Payment of contingent consideration liability in excess of acquisition-date fair value	(2,175)	(1,224)
Other long-term liabilities	(141)	401
Net cash provided by operating activities	36,783	57,366
Cash flows from investing activities:		
Kent Island Transaction, net of cash acquired	(13,387)	—
Consolidated Mechanical Transaction, net of cash acquired	(23,201)	—
ACME Transaction, net of cash acquired	—	(4,883)
Industrial Air Transaction, net of cash acquired	—	(10,378)
Proceeds from sale of property and equipment	1,536	435
Purchase of property and equipment	(7,524)	(2,266)
Advances from joint ventures	7	—
Net cash used in investing activities	(42,569)	(17,092)
Cash flows from financing activities:		
Payments on Wintrust and A&R Wintrust Term Loans	—	(21,452)
Proceeds from Wintrust Revolving Loan	—	10,000
Payment of contingent consideration liability up to acquisition-date fair value	(1,325)	(1,776)
Repurchase of common stock under Share Repurchase Program	—	—
Payments on finance leases	(3,045)	(2,733)
Proceeds from contributions to employee stock purchase plan	440	368
Taxes paid related to net-share settlement of equity awards	(5,187)	(847)
Payments of debt issuance costs	—	(50)
Net cash used in financing activities	(9,117)	(16,490)

(Decrease) increase in cash, cash equivalents and restricted cash	(14,903)	23,784
Cash, cash equivalents and restricted cash, beginning of year	59,898	36,114
Cash, cash equivalents and restricted cash, end of year	\$ 44,995	\$ 59,898

Supplemental disclosures of cash flow information

Noncash investing and financing transactions:

Earnout liability associated with the Kent Island Transaction	\$ 4,381	\$ —
Earnout liability associated with the Consolidated Mechanical Transaction	757	—
Earnout liability associated with the ACME Transaction	—	1,514
Earnout liability associated with the Industrial Air Transaction	—	3,165
Right of use assets obtained in exchange for new operating lease liabilities	4,775	3,135
Right of use assets obtained in exchange for new finance lease liabilities	7,586	5,219
Right of use assets disposed or adjusted modifying operating leases liabilities	1,268	1,112
Right of use assets disposed or adjusted modifying finance leases liabilities	—	(93)
Interest paid	1,899	1,908
Cash paid for income taxes	\$ 8,529	\$ 9,156

LIMBACH HOLDINGS, INC.
Consolidated Statements of Operations (Unaudited)

<i>(in thousands, except for percentages)</i>	Three Months Ended December 31,				Increase/(Decrease)	
	2024		2023		\$	%
Statement of Operations Data:						
Revenue:						
ODR	\$ 95,483	66.5 %	\$ 78,628	55.1 %	\$ 16,855	21.4 %
GCR	48,167	33.5 %	64,063	44.9 %	(15,896)	(24.8)%
Total revenue	143,650	100.0 %	142,691	100.0 %	959	0.7 %
Gross profit:						
ODR ⁽¹⁾	30,605	32.1 %	23,666	30.1 %	6,939	29.3 %
GCR ⁽²⁾	12,966	26.9 %	9,640	15.0 %	3,326	34.5 %
Total gross profit	43,571	30.3 %	33,306	23.3 %	10,265	30.8 %
Total selling, general and administrative ⁽³⁾	27,399	19.1 %	24,964	17.5 %	2,435	9.8 %
Change in fair value of contingent consideration	1,426	1.0 %	265	0.2 %	1,161	438.1 %
Amortization of intangibles	1,732	1.2 %	826	0.6 %	906	109.7 %
Total operating income	\$ 13,014	9.1 %	\$ 7,251	5.1 %	\$ 5,763	79.5 %

(1) As a percentage of ODR revenue.

(2) As a percentage of GCR revenue.

(3) Included within selling, general and administrative expenses was \$1.5 million of stock-based compensation expense for both quarters ended December 31, 2024 and 2023.

LIMBACH HOLDINGS, INC.
Consolidated Statements of Operations

<i>(in thousands, except for percentages)</i>	Year Ended December 31,				Increase/(Decrease)	
	2024		2023		\$	%
Statement of Operations Data:						
Revenue:						
ODR	\$ 345,500	66.6 %	\$ 261,958	50.7 %	\$ 83,542	31.9 %
GCR	173,281	33.4 %	254,392	49.3 %	(81,111)	(31.9)%
Total revenue	518,781	100.0 %	516,350	100.0 %	2,431	0.5 %
Gross profit:						
ODR ⁽¹⁾	107,775	31.2 %	76,090	29.0 %	31,685	41.6 %
GCR ⁽²⁾	36,506	21.1 %	43,200	17.0 %	(6,694)	(15.5)%
Total gross profit	144,281	27.8 %	119,290	23.1 %	24,991	20.9 %
Total selling, general and administrative ⁽³⁾	97,199	18.7 %	87,397	16.9 %	9,802	11.2 %
Change in fair value of contingent consideration	3,770	0.7 %	729	0.1 %	3,041	417.1 %
Amortization of intangibles	4,688	0.9 %	1,880	0.4 %	2,808	149.4 %
Total operating income	\$ 38,624	7.4 %	\$ 29,284	5.7 %	\$ 9,340	31.9 %

(1) As a percentage of ODR revenue.

(2) As a percentage of GCR revenue.

(3) Included within selling, general and administrative expenses was \$5.8 million and \$4.9 million of stock-based compensation expense for the years ended December 31, 2024 and 2023, respectively.

Reconciliation of Net Income to Adjusted EBITDA (unaudited)

<i>(in thousands)</i>	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2024	2023	2024	2023
Net income	\$ 9,842	\$ 5,249	\$ 30,875	\$ 20,754
Adjustments:				
Depreciation and amortization	3,627	2,493	11,888	8,244
Interest expense	494	431	1,869	2,046
Interest income	(493)	(593)	(2,227)	(1,217)
Non-cash stock-based compensation expense	1,450	1,536	5,773	4,910
Loss on early debt extinguishment	—	—	—	311
Change in fair value of interest rate swap	(164)	277	(34)	124
CEO transition costs	—	—	—	958
Restructuring costs ⁽¹⁾	600	681	1,427	1,770
Change in fair value of contingent consideration	1,426	265	3,770	729
Income tax provision	3,629	1,939	9,091	7,346
Acquisition and other transaction costs	405	302	1,282	826
Adjusted EBITDA	<u>\$ 20,816</u>	<u>\$ 12,580</u>	<u>\$ 63,714</u>	<u>\$ 46,801</u>
Revenue	\$ 143,650	\$ 142,691	\$ 518,781	\$ 516,350
Adjusted EBITDA margin	14.5 %	8.8 %	12.3 %	9.1 %

⁽¹⁾ For the years ended December 31, 2024 and 2023, the majority of the restructuring costs related to our Southern California and Eastern Pennsylvania branches.

Reconciliation to Adjusted Net Income and Adjusted Diluted Earnings Per Share (unaudited)

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended December 31,				For the Years Ended December 31,			
	2024		2023		2024		2023	
Net income and diluted earnings per share	\$ 9,842	\$ 0.82	\$ 5,249	\$ 0.44	\$ 30,875	\$ 2.57	\$ 20,754	\$ 1.76
Pre-tax Adjustments:								
Amortization of acquisition-related intangible assets	1,732	0.14	826	0.07	4,688	0.39	1,880	0.16
Non-cash stock-based compensation expense	1,450	0.12	1,536	0.13	5,773	0.48	4,910	0.42
Loss on early debt extinguishment	—	—	—	—	—	—	311	0.03
Change in fair value of interest rate swap	(164)	(0.01)	277	0.02	(34)	—	124	0.01
Restructuring costs ⁽¹⁾	600	0.05	681	0.06	1,427	0.12	1,770	0.15
Change in fair value of contingent consideration	1,426	0.12	265	0.02	3,770	0.31	729	0.06
Acquisition and other transaction costs	405	0.03	302	0.03	1,282	0.11	826	0.07
CEO transition costs	—	—	—	—	—	—	958	0.08
Tax effect of reconciling items ⁽²⁾	(1,471)	(0.12)	(1,049)	(0.09)	(4,564)	(0.38)	(3,107)	(0.26)
Adjusted net income and adjusted diluted earnings per share	\$ 13,820	\$ 1.15	\$ 8,087	\$ 0.68	\$ 43,217	\$ 3.60	\$ 29,155	\$ 2.48
Weighted average number of shares outstanding: Diluted	12,066,569		11,865,450		12,027,398		11,812,098	

⁽¹⁾ For the years ended December 31, 2024 and 2023, the majority of the restructuring costs related to our Southern California and Eastern Pennsylvania branches.

⁽²⁾ The tax effect of reconciling items was calculated using a statutory tax rate of 27%.