

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

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 142,241	\$ 122,235	\$ 275,349	\$ 241,211
Cost of revenue	102,415	88,727	198,804	176,615
Gross profit	39,826	33,508	76,545	64,596
Operating expenses:				
Selling, general and administrative	26,632	23,176	53,150	46,052
Change in fair value of contingent consideration	795	1,111	1,222	1,734
Amortization of intangibles	1,757	1,031	3,620	2,088
Total operating expenses	29,184	25,318	57,992	49,874
Operating income	10,642	8,190	18,553	14,722
Other income (expenses):				
Interest expense	(563)	(432)	(1,089)	(907)
Interest income	334	546	704	1,108
Gain on disposition of property and equipment	407	66	740	557
swap	(56)	(12)	(153)	137
Total other income	122	168	202	895
Income before income taxes	10,764	8,358	18,755	15,617
Income tax expense	3,002	2,395	779	2,068
Net income	<u>\$ 7,762</u>	<u>\$ 5,963</u>	<u>\$ 17,976</u>	<u>\$ 13,549</u>
<i>Earnings Per Share ("EPS")</i>				
Earnings per common share:				
Basic	\$ 0.67	\$ 0.53	\$ 1.56	\$ 1.21
Diluted	\$ 0.64	\$ 0.50	\$ 1.48	\$ 1.13
Weighted average number of shares outstanding:				
Basic	11,624,639	11,268,465	11,522,614	11,214,157
Diluted	12,114,221	11,966,917	12,106,967	11,974,133

LIMBACH HOLDINGS, INC.
Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share data)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,940	\$ 44,930
Restricted cash	65	65
Accounts receivable (net of allowance for credit losses of \$454 and \$387 as of June 30, 2025 and December 31, 2024, respectively)	113,065	119,659
Contract assets	45,812	47,549
Income tax receivable	1,916	—
Other current assets	9,172	8,131
Total current assets	208,970	220,334
Property and equipment, net	36,351	30,126
Intangible assets, net	37,666	41,228
Goodwill	33,131	33,034
Operating lease right-of-use assets	21,165	21,539
Deferred tax asset	5,402	5,531
Other assets	295	337
Total assets	\$ 342,980	\$ 352,129
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	\$ 4,423	\$ 3,314
Current operating lease liabilities	4,133	4,093
Accounts payable, including retainage	55,386	60,814
Contract liabilities	32,100	44,519
Accrued income taxes	—	1,470
Accrued expenses and other current liabilities	27,411	36,827
Total current liabilities	123,453	151,037
Long-term debt	28,397	23,554
Long-term operating lease liabilities	17,433	17,766
Other long-term liabilities	3,163	6,281
Total liabilities	172,446	198,638
STOCKHOLDERS' EQUITY		
Common stock, \$0.0001 par value; 100,000,000 shares authorized, issued 11,804,291 and 11,452,753, respectively, and 11,624,639 and 11,273,101 outstanding, respectively	1	1
Additional paid-in capital	93,296	94,229
Treasury stock, at cost (179,652 shares at both period ends)	(2,000)	(2,000)
Retained earnings	79,237	61,261
Total stockholders' equity	170,534	153,491
Total liabilities and stockholders' equity	\$ 342,980	\$ 352,129

LIMBACH HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
(in thousands)	2025	2024
Cash flows from operating activities:		
Net income	\$ 17,976	\$ 13,549
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	7,995	5,520
Provision for credit losses	139	90
Non-cash stock-based compensation expense	3,236	2,720
Non-cash operating lease expense	1,992	2,089
Amortization of debt issuance costs	21	21
Deferred income tax provision	128	(107)
Gain on sale of property and equipment	(740)	(557)
Loss on change in fair value of contingent consideration	1,222	1,734
Loss (gain) on change in fair value of interest rate swap	153	(137)
Changes in operating assets and liabilities:		
Accounts receivable	6,455	496
Contract assets	1,644	3,715
Other current assets	(1,040)	(376)
Accounts payable, including retainage	(5,428)	(12,195)
Prepaid income taxes	(1,916)	(601)
Accrued taxes payable	(1,470)	(266)
Contract liabilities	(12,419)	4,301
Operating lease liabilities	(1,968)	(1,961)
Accrued expenses and other current liabilities	(10,890)	(3,639)
Payment of contingent consideration liability in excess of acquisition-date fair value	(711)	(1,687)
Other long-term liabilities	(137)	(149)
Net cash provided by operating activities	<u>4,242</u>	<u>12,560</u>
Cash flows from investing activities:		
Consolidated Mechanical Transaction, measurement period adjustment	(3)	—
Proceeds from sale of property and equipment	926	598
Advances from joint ventures	—	7
Purchase of property and equipment	(3,075)	(5,836)
Net cash used in investing activities	<u>(2,152)</u>	<u>(5,231)</u>
Cash flows from financing activities:		
Payments of debt issuance costs	(125)	—
Payment of contingent consideration liability up to acquisition-date fair value	(2,289)	(1,313)
Payments on finance leases	(1,767)	(1,407)
Proceeds from the sale of shares to cover employee taxes	6,344	—
Taxes paid related to net-share settlement of equity awards	(10,684)	(5,187)
Proceeds from contributions to Employee Stock Purchase Plan	441	279
Net cash used in financing activities	<u>(8,080)</u>	<u>(7,628)</u>

Decrease in cash, cash equivalents and restricted cash	(5,990)	(299)
Cash, cash equivalents and restricted cash, beginning of period	44,995	59,898
Cash, cash equivalents and restricted cash, end of period	<u>\$ 39,005</u>	<u>\$ 59,599</u>
Supplemental disclosures of cash flow information		
Noncash investing and financing transactions:		
Kent Island Transaction, measurement period adjustment	\$ (94)	\$ —
Right of use assets obtained in exchange for new operating lease liabilities	1,676	3,200
Right of use assets obtained in exchange for new finance lease liabilities	7,933	1,341
Right of use assets disposed or adjusted modifying finance lease liabilities	—	2
Interest paid	1,058	918
Cash paid for income taxes	\$ 4,023	\$ 3,041

LIMBACH HOLDINGS, INC.
Condensed Consolidated Segment Operating Results (Unaudited)

(in thousands, except for percentages)	Three Months Ended June 30,				Increase/(Decrease)	
	2025		2024		\$	%
Statement of Operations Data:						
Revenue:						
ODR	\$ 108,948	76.6 %	\$ 82,754	67.7 %	\$ 26,194	31.7 %
GCR	33,293	23.4 %	39,481	32.3 %	(6,188)	(15.7)%
Total revenue	142,241	100.0 %	122,235	100.0 %	20,006	16.4 %
Gross profit:						
ODR ⁽¹⁾	31,589	29.0 %	25,362	30.6 %	6,227	24.6 %
GCR ⁽²⁾	8,237	24.7 %	8,146	20.6 %	91	1.1 %
Total gross profit	39,826	28.0 %	33,508	27.4 %	6,318	18.9 %
Selling, general and administrative ⁽³⁾						
	26,632	18.7 %	23,176	19.0 %	3,456	14.9 %
Change in fair value of contingent consideration	795	0.6 %	1,111	0.9 %	(316)	(28.4)%
Amortization of intangibles	1,757	1.2 %	1,031	0.8 %	726	70.4 %
Total operating income	\$ 10,642	7.5 %	\$ 8,190	6.7 %	\$ 2,452	29.9 %

⁽¹⁾ As a percentage of ODR revenue.

⁽²⁾ As a percentage of GCR revenue.

⁽³⁾ Included within selling, general and administrative expenses was \$1.6 million and \$1.5 million of non-cash stock-based compensation expense for the three months ended June 30, 2025 and 2024, respectively.

LIMBACH HOLDINGS, INC.
Condensed Consolidated Segment Operating Results (Unaudited)

(in thousands, except for percentages)	Six Months Ended June 30,				Increase/(Decrease)										
	2025		2024		\$	%									
Statement of Operations Data:															
Revenue:															
ODR	\$	199,341	72.4 %	\$	157,010	65.1 %	\$	42,331	27.0 %						
GCR		76,008	27.6 %		84,201	34.9 %		(8,193)	(9.7)%						
Total revenue		275,349	100.0 %		241,211	100.0 %		34,138	14.2 %						
Gross profit:															
ODR ⁽¹⁾		57,750	29.0 %		47,523	30.3 %		10,227	21.5 %						
GCR ⁽²⁾		18,795	24.7 %		17,073	20.3 %		1,722	10.1 %						
Total gross profit		76,545	27.8 %		64,596	26.8 %		11,949	18.5 %						
Selling, general and administrative ⁽³⁾								53,150	19.3 %		46,052	19.1 %		7,098	15.4 %
Change in fair value of contingent consideration								1,222	0.4 %		1,734	0.7 %		(512)	(29.5)%
Amortization of intangibles								3,620	1.3 %		2,088	0.9 %		1,532	73.4 %
Total operating income							\$	18,553	6.7 %	\$	14,722	6.1 %	\$	3,831	26.0 %

⁽¹⁾ As a percentage of ODR revenue.

⁽²⁾ As a percentage of GCR revenue.

⁽³⁾ Included within selling, general and administrative expenses was \$3.2 million and \$2.7 million of non-cash stock-based compensation expense for the six months ended June 30, 2025 and 2024, respectively.

Non-GAAP Financial Measures

In assessing the performance of our business, management utilizes a variety of financial and performance measures. The key measures are Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Diluted Earnings per Share, which are non-GAAP financial measures.

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as net income plus depreciation and amortization expense, interest expense, and taxes, as further adjusted to eliminate the impact of, when applicable, other non-cash items or expenses that are unusual or non-recurring that we believe do not reflect our core operating results. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue. Our board of directors and executive management team focus on Adjusted EBITDA and Adjusted EBITDA Margin as two of our key performance and compensation measures. Adjusted EBITDA and Adjusted EBITDA Margin assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of certain items that do not necessarily reflect our core operations. We believe that Adjusted EBITDA and Adjusted EBITDA Margin are meaningful to our investors to enhance their understanding of our financial performance for the current period and our ability to generate cash flows from operations that are available for taxes, capital expenditures and debt service.

Adjusted Net Income and Adjusted Diluted Earnings per Share

We define Adjusted Net Income as net income, adjusted to exclude certain items that do not reflect our core operating performance, such as amortization of intangible assets, stock-based compensation, restructuring charges, the change in fair value of contingent consideration, acquisition and other transaction costs and the net tax effect of reconciling items, as further adjusted to eliminate the impact of, when applicable, other non-cash or expenses that are unusual or non-recurring. We define Adjusted Diluted Earnings per Share as Adjusted Net Income divided by the weighted average diluted shares outstanding. We believe Adjusted Net Income and Adjusted Diluted Earnings per Share are useful to investors as we use these metrics to assist with strategic decision making, forecasting future results, and evaluating current performance.

We understand that these non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties as a measure of financial performance and to compare our performance with the performance of other companies that report Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Diluted Earnings per Share. Our calculations of these non-GAAP measures, however, may not be comparable to similarly titled measures reported by other companies. When assessing our operating performance, investors and others should not consider this data in isolation or as a substitute for net income calculated in accordance with GAAP. Further, the results presented by Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Diluted Earnings per Share cannot be achieved without incurring the costs that the measure excludes. A reconciliation of net income to Adjusted EBITDA and net income to Adjusted Net Income, the most comparable GAAP measures, are provided below.

We refer to our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue we have recognized under such contracts, as “backlog.” Backlog includes unexercised contract options.

Reconciliation of Net Income to Adjusted EBITDA (unaudited)

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 7,762	\$ 5,963	\$ 17,976	\$ 13,549
Adjustments:				
Depreciation and amortization	3,923	2,808	7,995	5,520
Interest expense	563	432	1,089	907
Interest income	(334)	(546)	(704)	(1,108)
Stock-based compensation expense	1,642	1,471	3,654	2,720
Change in fair value of interest rate swap	56	12	153	(137)
Income tax provision	3,002	2,395	779	2,068
Acquisition and other transaction costs	472	21	522	51
Change in fair value of contingent consideration	795	1,111	1,222	1,734
Restructuring costs ⁽¹⁾	67	142	134	262
Adjusted EBITDA	<u>\$ 17,948</u>	<u>\$ 13,809</u>	<u>\$ 32,820</u>	<u>\$ 25,566</u>
Revenue	\$ 142,241	\$ 122,235	\$ 275,349	\$ 241,211
Adjusted EBITDA Margin	12.6 %	11.3 %	11.9 %	10.6 %

⁽¹⁾ For the three and six months ended June 30, 2025 and 2024, 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 June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Net income and diluted earnings per share	\$ 7,762	\$ 0.64	\$ 5,963	\$ 0.50	\$ 17,976	\$ 1.48	\$ 13,549	\$ 1.13
Pre-tax Adjustments:								
Amortization of acquisition-related intangible assets	1,757	0.15	1,031	0.09	3,620	0.30	2,088	0.17
Stock-based compensation expense	1,642	0.14	1,471	0.12	3,654	0.30	2,720	0.23
Change in fair value of interest rate swap	56	—	12	—	153	0.01	(137)	(0.01)
Restructuring costs ⁽¹⁾	67	—	142	0.01	134	0.01	262	0.02
Change in fair value of contingent consideration	795	0.07	1,111	0.09	1,222	0.10	1,734	0.15
Acquisition and other transaction costs	472	0.04	21	—	522	0.05	51	—
Tax effect of reconciling items ⁽²⁾	(1,293)	(0.11)	(1,023)	(0.08)	(2,512)	(0.20)	(1,814)	(0.15)
Adjusted net income and adjusted diluted earnings per share	<u>\$ 11,258</u>	<u>\$ 0.93</u>	<u>\$ 8,728</u>	<u>\$ 0.73</u>	<u>\$ 24,769</u>	<u>\$ 2.05</u>	<u>\$ 18,453</u>	<u>\$ 1.54</u>
Weighted average number of shares outstanding: Diluted	12,114,221		11,966,917		12,106,967		11,974,133	

⁽¹⁾ For the three and six months ended June 30, 2025 and 2024, the majority of the restructuring costs related to our Southern California and Eastern Pennsylvania branches.