Centuri

3Q 2024 Earnings Presentation

November 6, 2024













THINK AHEAD »

CTRI LISTED NYSE | Centuri.com

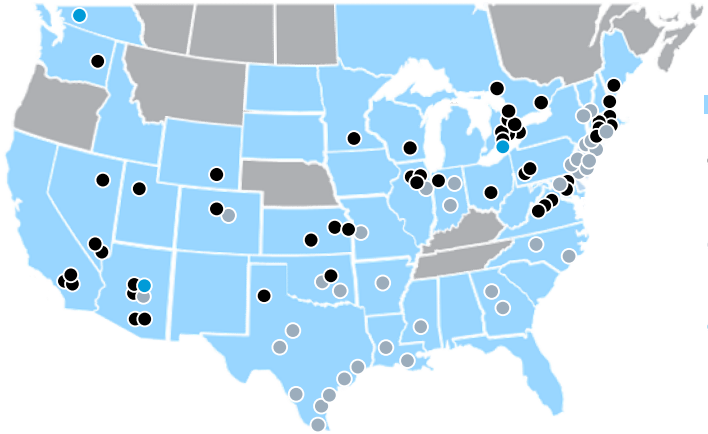
Forward Looking Statements Disclaimer

Unless the context otherwise requires, in this presentation, references to “we,” “us,” and “our” are to Centuri Holdings, Inc. (NYSE: CTRI) (“Centuri” or the “Company”), together with its consolidated subsidiaries, which include, among others, Centuri Group, Inc.

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements can often be identified by the use of words such as “will,” “predict,” “continue,” “forecast,” “expect,” “believe,” “anticipate,” “outlook,” “could,” “target,” “project,” “intend,” “plan,” “seek,” “estimate,” “should,” “may” and “assume,” as well as variations of such words and similar expressions referring to the future. The specific forward-looking statements made herein include (without limitation) statements regarding our belief that, in the near term, the Company is well positioned to further implement its cost-focused initiatives; our belief that we remain well-positioned to diversify our business mix by pursuing additional strategic bid opportunities that align with our risk profile and core competencies, while staying focused on strengthening our core MSA-based businesses across gas and electric; our belief that our capabilities and decades of experience have situated us well to pursue and win myriad opportunities that exist across the dynamic and high demand energy sector; our preliminary results for next quarter, specifically revenue generated from storm restoration services; and the number ranges presented in our Full Year 2024 Outlook. A number of important factors affecting the business and financial results of Centuri could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, capital market risks and the impact of general economic or industry conditions. Factors that could cause actual results to differ also include (without limitation) those discussed in Centuri’s filings filed from time to time with the U.S. Securities and Exchange Commission. The statements in this presentation are made as of the date of this presentation, even if subsequently made available by Centuri on its website or otherwise. Centuri does not assume any obligation to update the forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.

Company Overview

Geographic Footprint

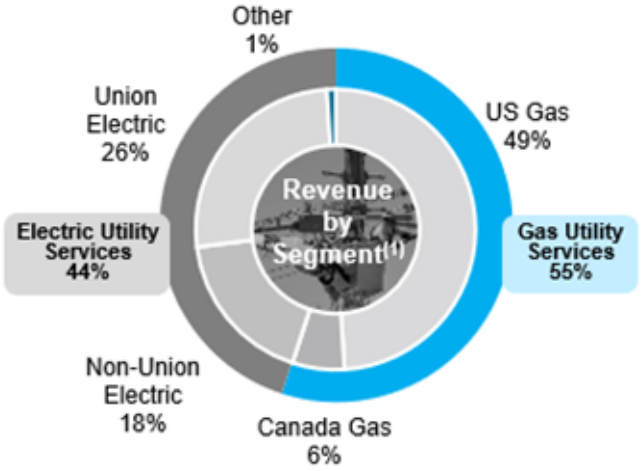


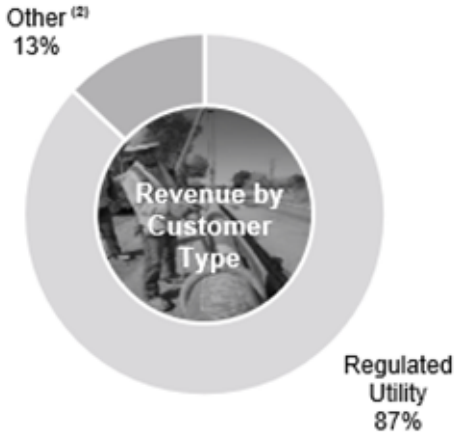
- Operating Footprint
- Gas Locations (49 Locations)
- Electric Locations (36 Locations)
- Other (3 Locations)

Representative Utility Customers

Southern Company · ENBRIDGE · AMERICAN ELECTRIC POWER · SOUTHWEST GAS · Washington Gas (A WGL Company) · nationalgrid · NiSource · NIPSCO · ONE Gas · SoCalGas · entergy · Dominion Energy · exelon · AVANGRID · EVERSOURCE

Business Mix (1)





Notes:
1. Based on fiscal nine months ended September 29, 2024
2. Includes clean energy providers, independent transmission companies, home builders, municipalities and industrial customers

Investment Highlights

Who We Are

A leading pure-play North American utility infrastructure services company offering recurring, turnkey solutions to maintain, upgrade and expand energy networks.

Centuri

Compelling Investment Drivers

- 110+ years of operating history and a track record of delivering world-class safety and quality performance
- Scaled platform with extensive North American footprint translates to a leading market share
- Multi-decade secular tailwinds underpin strong demand in utility capex growth, with leverage to renewables
- Focus on small, lower-risk work orders through Master Service Agreements (MSAs) provides recurring revenue profile and visibility over time
- Large, blue chip utility customer base that is diversified and well-tenured
- Long-term track record of delivering consistent and resilient growth and multiple levers to drive continued expansion
- Efficiency and expense (operating + capital) improvement program well underway

Diversified & Ample Growth Opportunities Ahead



Long-standing MSA Customers

Adapt to evolving customer spending patterns, diversifying, and strengthening each relationship

» *Maintain understanding of existing partners' strategies and changing goals & grow with them as needs change*



New Utility & Energy Customers

Empower operating companies to add new customers and expand services among new utility and energy clients

» *Develop robust executive relationships and use market data to optimize new customer opportunities*



Adjacent & Emerging Markets

Leverage expertise in grid interconnection, transmission, and underground services to grow in adjacent and emerging markets

» *Data Centers*
» *Advanced Manufacturing*
» *EVs / Storage*
» *Solar / Wind*
» *Renewable Natural Gas*
» *Hydrogen*

3Q 2024 Results Overview

Notable Key Financial Items

- Strongest quarter in storm restoration services since 2021
  - $22.5 million increase year over year
- Offshore wind timing reduced revenues by $38.0 million
- 1H24 cost savings initiatives implemented
  - $6.4 million benefit year over year
- Net leverage reduced
  - <4x as of September 29, 2024
- U.S. Gas subject to continued subdued customer spend levels and unique cost pressures:
  - High margin bid project in 3Q 2023 did not repeat
  - Higher self-insurance costs from prior year claims
  - Higher rental and equipment repair costs

$720	$41
Revenue (MM)	**Storm Restoration Services Revenue (MM)**
10.9%	**$76**
Adjusted EBITDA Margin (1)	**Gross Profit (MM)**

Note:
Adjusted EBITDA Margin calculated by dividing Adjusted EBITDA by revenue. This is a non-GAAP measure and as such, may not be comparable to a similarly titled measure of other companies. Please refer to the appendix to this presentation for the most comparable GAAP financial measure, and information reconciling the GAAP and non-GAAP financial measures.

Cost Savings Initiatives Well Underway

~$12 million
Annualized Savings (2025)

~7%
Average Savings upon Renegotiation

Fleet

- **Capital |** ~$10 million in plan reduction from historic norms based on quantitative look at asset usage, age and cost
- **Expense|** ~$2 million in identified annualized savings from reduced maintenance expense in service, tires and parts categories

Supply Chain

- Individual review and stand up of supply chain contracts
  - 14 major supply chain contracts negotiated, 7 more in progress
  - 21% of the spend in the top 100 vendors has been contracted
  - Software contracts are leading to >10% savings

Implementation of $29 million in annualized cost savings identified in 1H 2024 from corporate and operating company initiative on track

Commercial & Business Momentum Remain Strong

Customer Awards in Q3

$206MM
MSAs



$140MM
Strategic Bids



MSA & Bid Highlights

- Multi-year award from new U.S. Gas customer in Appalachia
  - Estimated revenue of ≥$60 million
  - Follows successful execution of small-scale projects
- Long-standing MSA customer awarded first-time bid project to U.S. Gas
  - Large diameter pipe installation & substation upgrade
  - Example of evolving client spending priorities resulting in opportunities for strategic bid work
- Riggs selected as contractor for Vineyard 2 offshore wind project
  - Project provisionally awarded in September

Restoration Services

3Q 2024 & YTD 3Q

$41MM	$87MM	2,930	27
Revenue earned in 3Q 2024	Revenue earned YTD through 3Q 2024	Employees deployed (YTD)	States (YTD)





2024 4QTD(1) | Hurricanes Helene & Milton

Through October 27th, we generated an estimated $50 million in storm restoration services in 4Q due to ongoing work from Hurricane Helene's late September landfall and Hurricane Milton's early October landfall.

(1) 4QTD results are preliminary, estimated and may change. Preliminary estimated results should not be viewed as a substitute for full interim financial information prepared in accordance with GAAP.

3Q | 2023 vs. 2024

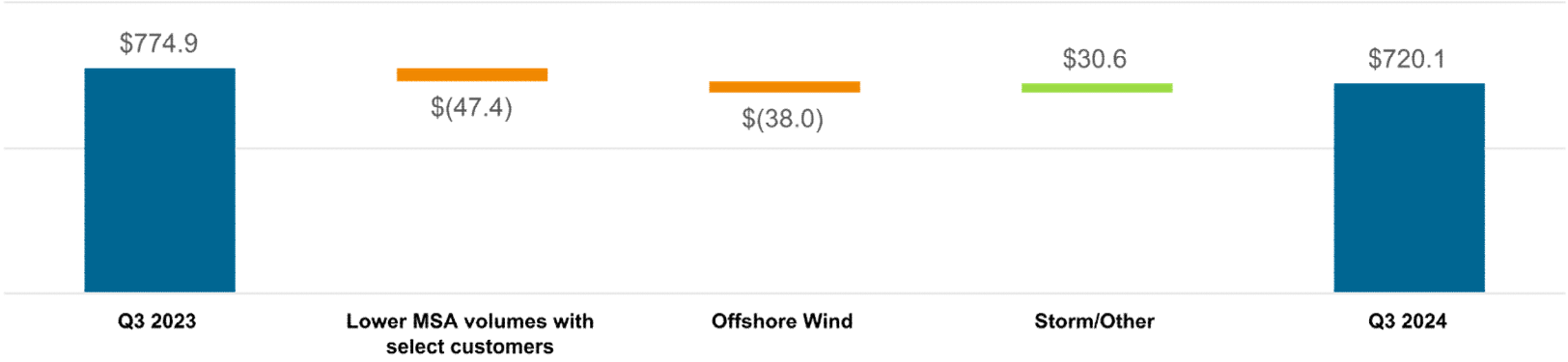
($MM, except per share amounts)	3Q 2024	3Q 2023
GAAP Metrics		
Revenue	$ 720.1	$ 774.9
Net (Loss) Income Attributable to Common Stock	$ (3.7)	$ 16.2
Diluted (Loss) Earnings Per Share	$ (0.04)	$ 0.23
Non-GAAP Metrics[1]		
Adjusted EBITDA	$ 78.8	$ 91.5
Adjusted Net Income	$ 5.3	$ 23.6
Adjusted Diluted Earnings Per Share	$ 0.06	$ 0.33



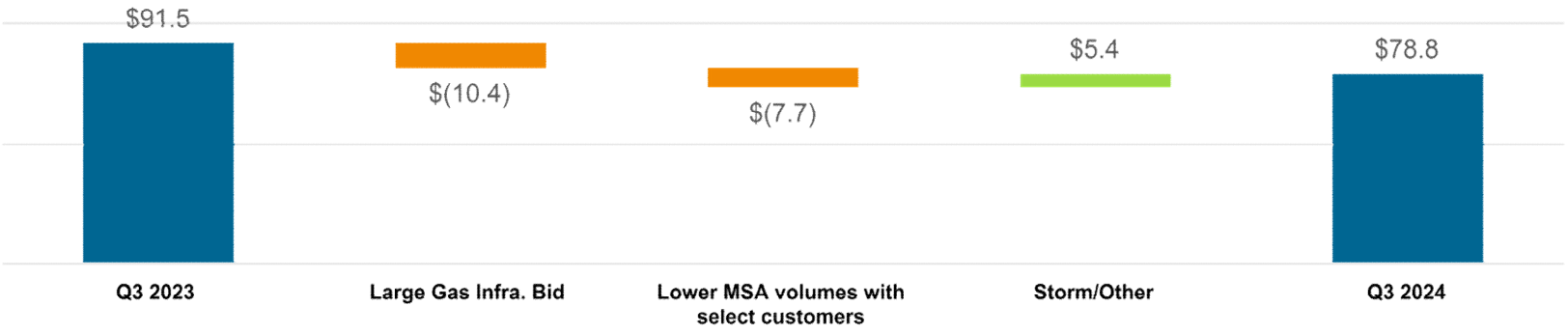
Notes:
(1) These are non-GAAP measures and as such, may not be comparable to a similarly titled measure of other companies. Please refer to the appendix to this presentation for the most comparable GAAP financial measure, and information reconciling the GAAP and non-GAAP financial measures.

3Q | 3Q2023 vs. 3Q2024 Key Differences

Revenue *($ in millions)*



Adjusted EBITDA[1] *($ in millions)*



Notes:
(1) This is a non-GAAP measure and as such, may not be comparable to a similarly titled measure of other companies. Please refer to the appendix to this presentation for the most comparable GAAP financial measure, and information reconciling the GAAP and non-GAAP financial measures.

Year-over-year drivers include:

- favorable impact
- unfavorable impact

Revenues

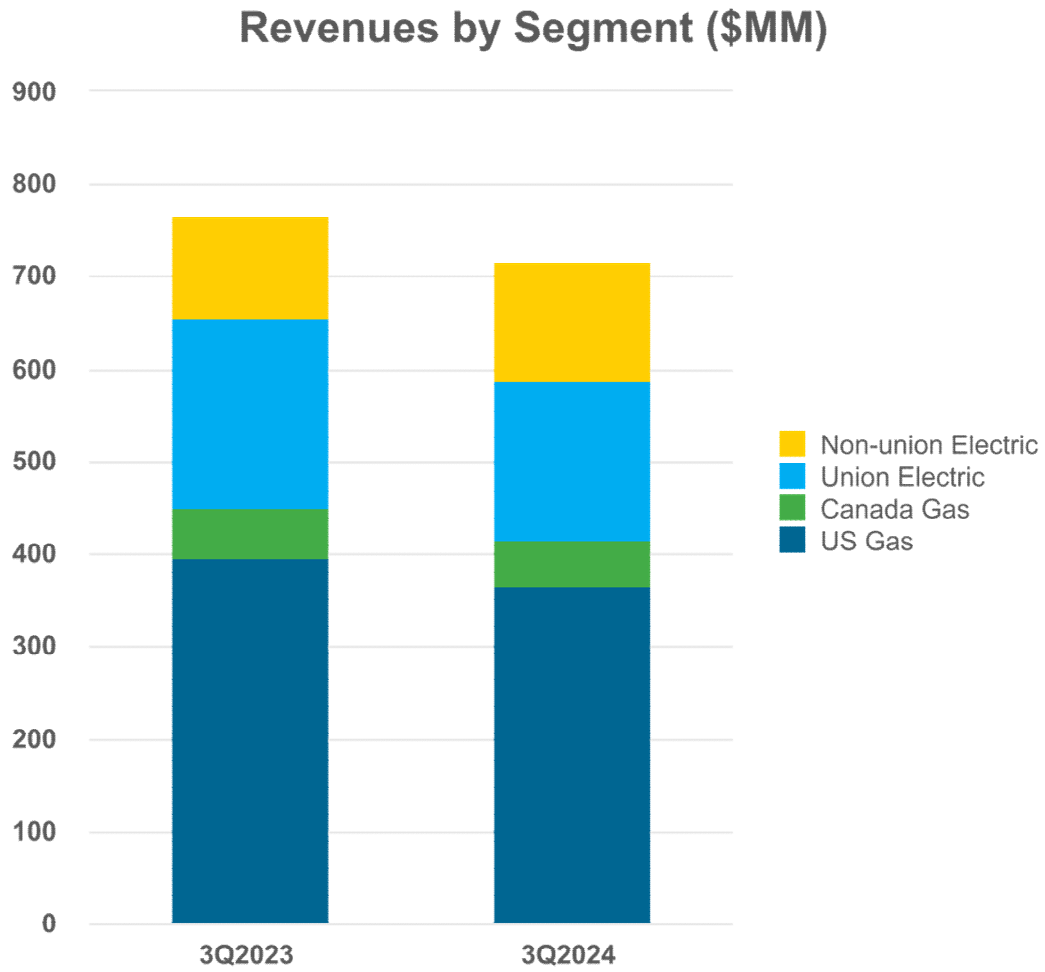
- ~$55 million - Total decrease
  - $47 million – Lower volumes with certain MSA customers
  - $38 million - Decreased offshore wind revenue
  - $23 million – Increased storm restoration revenue
  - $8 million - Increased total bid revenue, net of reductions in volumes on other MSA customers

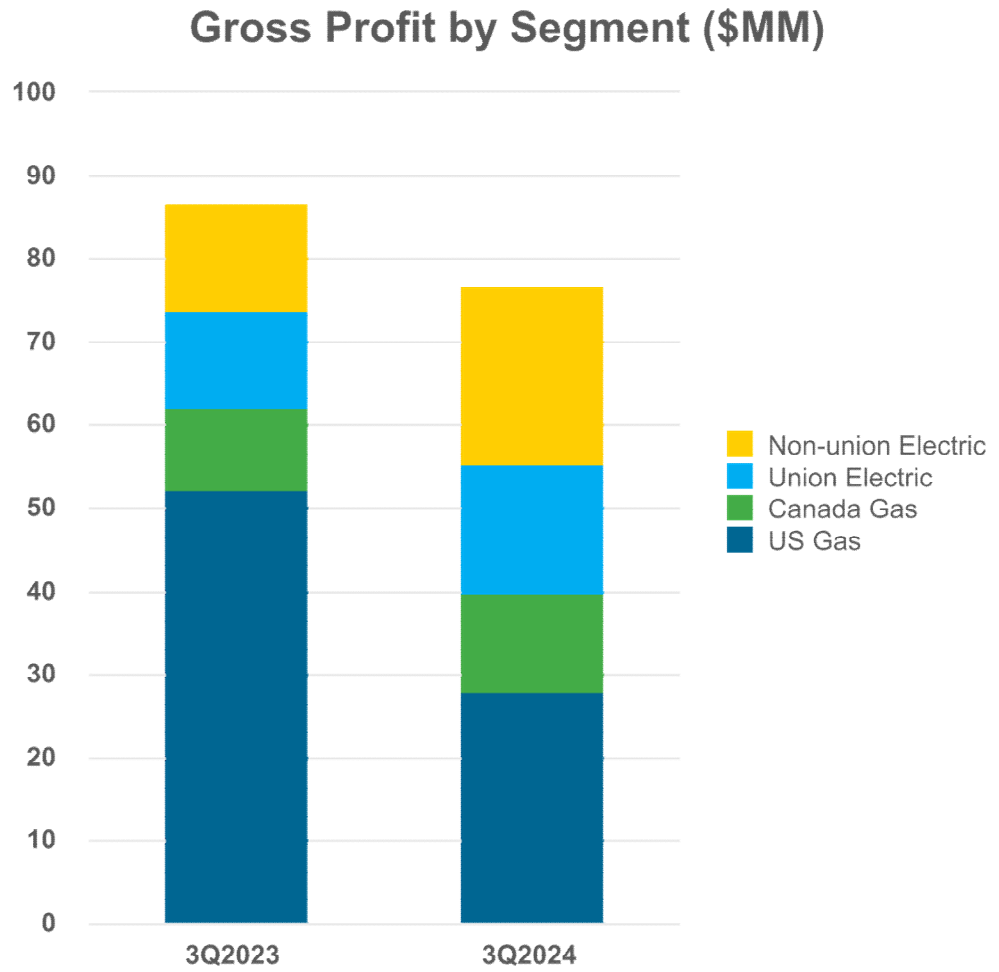
Adjusted EBITDA

- ~$13 million - Total decrease

  Driven by
  - Lower revenues and associated underutilization of fixed costs
  - Mix of work, including higher profit storm work
  - Lower productivity on certain jobs suffering from equipment issues

Revenue & Gross Profit By Segment[1] 3Q2023 – 3Q2024

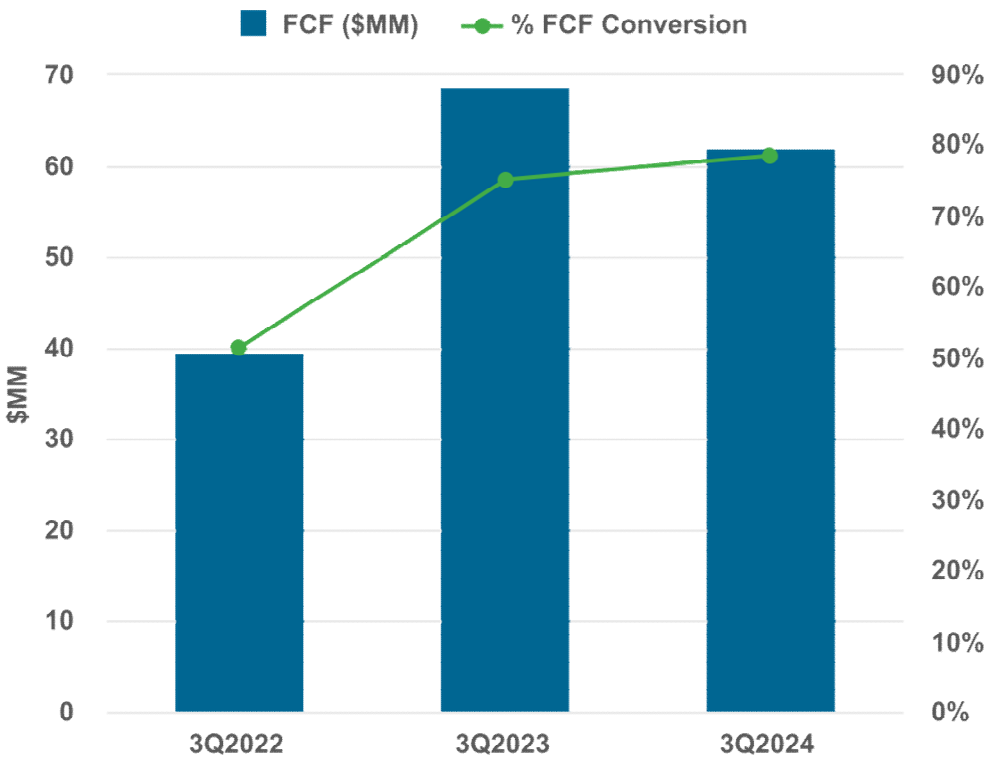




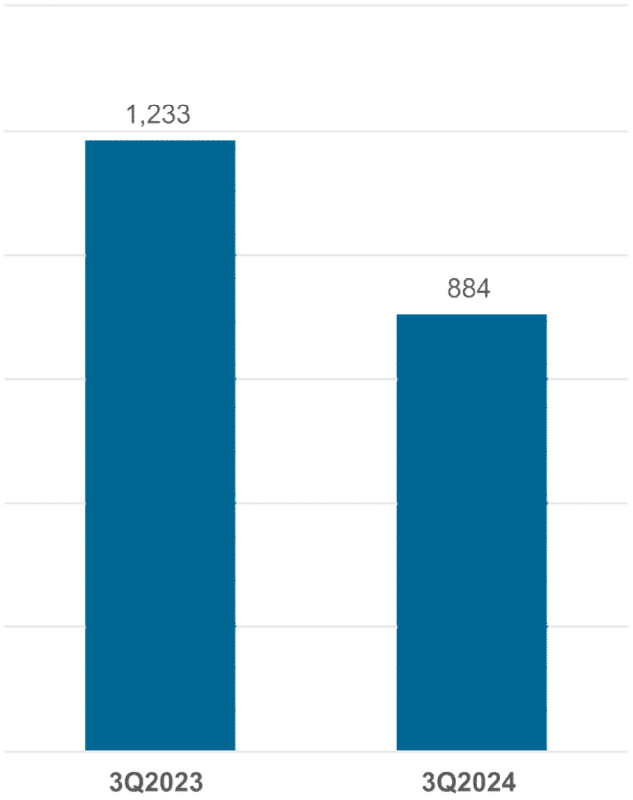
Notes:
1. Chart reflects information for our four reportable segments. Other revenues were $3 million and $10 million for 3Q2024 and 3Q2023, respectively and other gross (loss)/profit were $(1) million and $1 million for 3Q2024 and 3Q2023, respectively.

Free Cash Flow (FCF) and Leverage Overview

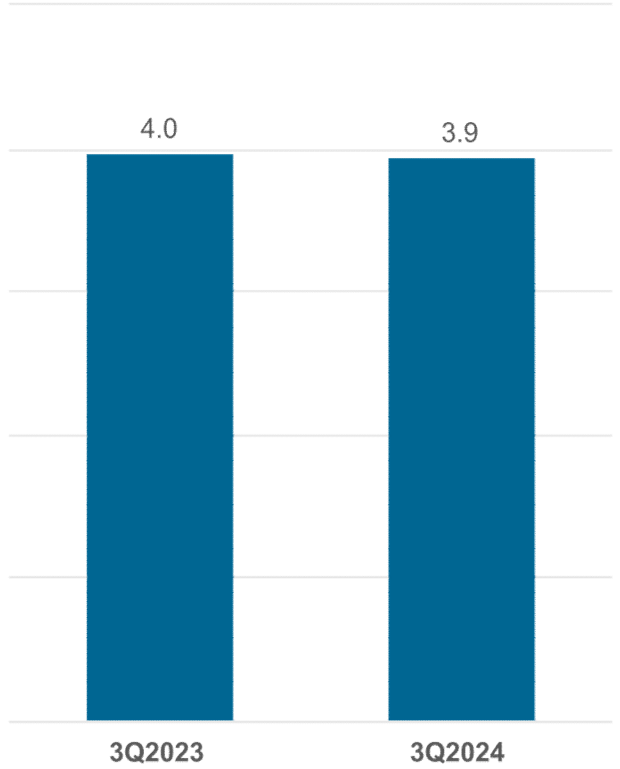
FCF[1] & FCF Conversion[1]



Net Debt ($MM)[1]



Net Debt to Adj. EBITDA[2] Ratio [1]



Notes:

1. *These are non-GAAP measures and as such, may not be comparable to a similarly titled measure of other companies. Please refer to the appendix to this presentation for the most comparable GAAP financial measure, and information reconciling the GAAP and non-GAAP financial measures.*
2. *Based on trailing twelve months ended September 29, 2024 and October 1, 2023, respectively.*

2024 Outlook

FY 2024 Revenue (MM)	FY 2024 Adj. EBITDA margin[1]	Net Capex (MM)[2]
$2,500 – $2,700	9.0% – 9.6%	$90-$99
(Unchanged)	*(Unchanged)*	*(Unchanged)*



Notes:
(1) This is a non-GAAP measure and as such, may not be comparable to a similarly titled measure of other companies. Please refer to the appendix to this presentation for the definition of adjusted EBITDA. We are unable to provide reconciliations for forward-looking non-GAAP metrics without unreasonable efforts due to our inability to project non-recurring expenses. These items are uncertain and difficult to predict, depend on various factors, and could have a material impact on our GAAP results.
(2) Net Capex is defined as cash paid for capital expenditures net against any proceeds from the sale of property and equipment.

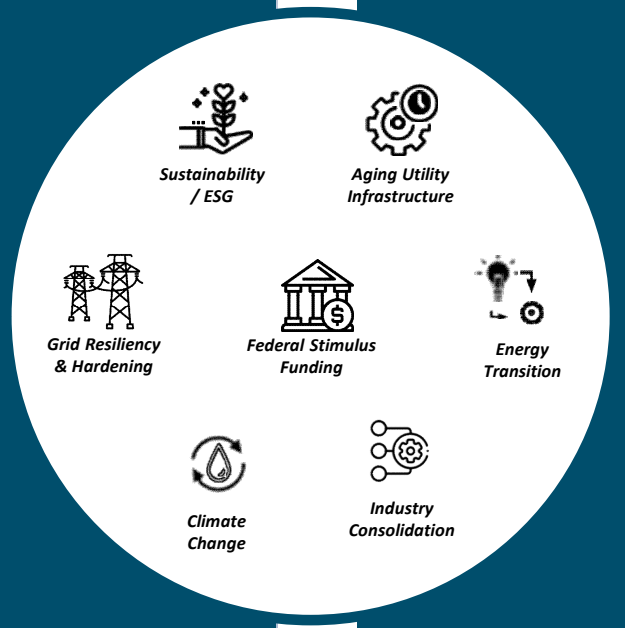
Strong Secular Tailwinds Underpinning Growth

Electric Utility Services

$168bn[1]
Public Investor-Owned U.S. Electric Utility 2023E Capex

50+ Years[2]
Average Age of U.S. Electric Transmission Lines

16,000+ MWs[3]
Offshore Wind Capacity Added to U.S. Electric Grid between 2023-2030



Gas Utility Services

40+ Years[4]
Average Age of U.S. Gas Distribution Pipelines

~409k / 50+ Years[4][5]
Miles of 50+ Year Old Gas Main Lines in Service across the U.S. / Estimated Time to Replace

$40bn[3]
2023E North American Local Distribution Company (LDC) Capex

Notes:
1. Edison Electric Institute (EEI) Annual Financial Reviews
2. American Society of Civil Engineers
3. According to the C Three Group, a provider of data on the North American energy infrastructure markets
4. Pipeline and Hazardous Materials Safety Administration
5. Time to replace based on 408,896 miles of pre-1970 and unknown vintage gas main lines in service as of 2022, divided by historical 5-year average replacement rate of 7,608 per year

Appendix



Use of Non-GAAP Measures

We prepare and present our financial statements in accordance with GAAP. However, management believes that EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA ratio, Free Cash Flow, Free Cash Flow Conversion, Adjusted Net Income, and Adjusted Diluted Earnings per Share, all of which are measures not presented in accordance with GAAP, provide investors with additional useful information in evaluating our performance. We use these non-GAAP measures internally to evaluate performance and to make financial, investment and operational decisions. We believe that presentation of these non-GAAP measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparisons of results. Management also believes that providing these non-GAAP measures helps investors evaluate the Company's operating performance, profitability and business trends in a way that is consistent with how management evaluates such matters.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for (i) non-cash stock-based compensation expense, (ii) strategic review costs, (iii) severance costs, (iv) securitization facility transaction fees, (v) CEO transition costs and (vi) goodwill impairment. Adjusted EBITDA Margin is defined as the percentage derived from dividing Adjusted EBITDA by revenue. Net Debt to Adjusted Ratio is calculated by dividing net debt as of the latest balance sheet date by the trailing twelve months of adjusted EBITDA. Net debt is defined as the sum of all bank debt on the balance sheet and finance lease liabilities, net of cash.

Free Cash Flow is defined as Adjusted EBITDA less net capital expenditures. Net capital expenditures is defined as capital expenditures, net of proceeds from sale of property and equipment. Free Cash Flow Conversion is derived from dividing Free Cash Flow by Adjusted EBITDA.

Adjusted Net Income is defined as net (loss) income adjusted for (i) strategic review costs, (ii) severance costs, (iii) amortization of intangible assets, (iv) securitization transaction fees, (v) CEO transition costs, (vi) loss on debt extinguishment, (vii) non-cash stock-based compensation expense, and (viii) the income tax impact of adjustments that are subject to tax, which is determined using the incremental statutory tax rates of the jurisdictions to which each adjustment relates for the respective periods. Adjusted Dilutive Earnings per Share is defined as Adjusted Net Income divided by weighted average diluted shares outstanding.

Using EBITDA as a performance measure has material limitations as compared to net income (loss), or other financial measures as defined under GAAP, as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense net of interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenue, depreciation and amortization are necessary elements of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense net of interest income, depreciation and amortization and income taxes has material limitations as compared to net income (loss). When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income (loss) in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis.

As to certain of the items related to Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion, Adjusted Net Income (Loss), and Adjusted Diluted Earnings (Loss) per Share: (i) non-cash stock-based compensation expense varies from period to period due to changes in the estimated fair value of performance-based awards, forfeitures and amounts granted; (ii) strategic review and related costs incurred in connection with the separation and stand up of Centuri as its own public company are non-recurring; (iii) severance costs relate to non-recurring restructuring activities, (iv) securitization facility transaction fees represent legal and other professional fees incurred to establish our accounts receivable securitization facility that was put in place in September 2024, (v) CEO transition costs represent incremental costs incurred to find and hire a replacement CEO; (vi) loss on debt extinguishment relates to the write-off of debt issuance costs on the Company's term loan, and (vii) goodwill impairment can vary from period to period depending on economic and other factors. Because EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA ratio Free Cash Flow, Free Cash Flow Conversion, Adjusted Net Income, and Adjusted Diluted Earnings per Share as defined, exclude some, but not all, items that affect net income (loss), such measures may not be comparable to similarly titled measures of other companies. The most comparable GAAP financial measure, net income (loss), and information reconciling the GAAP and non-GAAP financial measures, are set forth below. We are unable to provide reconciliations for forward-looking non-GAAP metrics without unreasonable efforts due to our inability to project non-recurring expenses.

Adjusted EBITDA Reconciliation

$mm	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024	2Q2024	3Q2024
Net (loss) income	$ (165.9)	$ (7.1)	$ 18.5	$ 16.9	$ (212.8)	$ (25.2)	$ 11.7	$ (3.6)
Net interest deductions	21.0	22.4	24.5	26.1	24.4	24.1	22.6	23.9
Income tax expense (benefit)	0.7	(4.2)	11.0	10.0	(7.3)	(20.8)	(0.5)	21.8
Depreciation expense	32.4	31.2	30.2	29.6	27.8	27.7	27.7	26.5
Amortization of intangible assets	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
EBITDA	**$ (105.1)**	**$ 48.9**	**$ 90.9**	**$ 89.3**	**$ (161.2)**	**$ 12.4**	**$ 68.2**	**$ 75.3**
Non-cash share-based compensation	0.5	0.1	0.7	1.3	(0.3)	(0.6)	0.1	1.3
Strategic review costs	0.2	0.1	1.1	0.5	1.6	3.9	(1.9)	—
Severance costs	4.2	0.1	0.2	0.3	3.5	4.5	2.2	0.5
Securitization transaction fees	—	—	—	—	—	—	—	1.4
CEO transition costs	—	—	—	—	—	—	—	0.2
Goodwill impairment	177.1	—	—	—	214.0	—	—	—
Adjusted EBITDA	**$ 76.9**	**$ 49.2**	**$ 92.9**	**$ 91.5**	**$ 57.5**	**$ 20.2**	**$ 68.6**	**$ 78.8**
Adjusted EBITDA margin	**10.0%**	**7.5 %**	**11.5 %**	**11.8 %**	**8.6 %**	**3.8 %**	**10.2 %**	**10.9 %**

Note: Certain totals may not foot due to rounding

Figures are as adjusted in S-1 filing and differ from Centuri adjusted EBITDA figures presented in Southwest Gas Holdings, Inc. (SWX) filings

Free Cash Flow Reconciliation

$mm	3Q2022	3Q2023	3Q2024
Net income (loss)	$ 12.9	$ 16.9	$ (3.6)
Net interest deductions	16.6	26.1	23.9
Income tax expense	8.9	10.0	21.8
Depreciation expense	32.4	29.6	26.5
Amortization of intangible assets	7.4	6.7	6.7
EBITDA	**$ 78.2**	**$ 89.3**	**$ 75.3**
Non-cash share-based compensation	(0.5)	1.3	1.3
Strategic review costs	(0.6)	0.5	—
Severance costs	—	0.3	0.5
Securitization transaction fees	—	—	1.4
CEO transition costs	—	—	0.2
Adjusted EBITDA	**$ 77.1**	**$ 91.5**	**$ 78.8**
Net Capex[1]	(37.6)	(22.8)	(17.0)
Free Cash Flow	**$ 39.5**	**$ 68.7**	**$ 61.8**
Free Cash Flow Conversion	**51.2 %**	**75.1 %**	**78.4 %**

Note: Certain totals may not foot due to rounding

Figures are as adjusted in S-1 filing and differ from Centuri adjusted EBITDA figures presented in Southwest Gas Holdings, Inc. (SWX) filings

(1) Net Capex is defined as cash paid for capital expenditures net against any proceeds from the sale of property and equipment.

Net Debt Reconciliation

$mm	3Q2023	3Q2024
Debt		
Current portion of long-term debt	$ 42.3	$ 30.3
Current portion of finance lease liabilities	11.7	10.1
Long-term debt, net of current portion	1,041.0	762.1
Line of credit	143.9	116.4
Finance lease liabilities, net of current portion	26.9	17.1
Total Debt	**$ 1,265.8**	**$ 936.0**
Cash and cash equivalents	32.5	52.5
Net Debt	**$ 1,233.3**	**$ 883.5**
Trailing twelve months Adjusted EBITDA	$ 310.6	$ 225.1
Net Debt to Adj. EBITDA	**4.0**	**3.9**

Note: Certain totals may not foot due to rounding

Adjusted Net Income

$mm	3Q2023	3Q2024
Net income	$ 16.9	$ (3.6)
Strategic review costs	0.5	—
Severance costs	0.3	0.5
Amortization of intangible assets	6.7	6.7
Securitization transaction fees	—	1.4
CEO transition costs	—	0.2
Loss on debt extinguishment	—	1.7
Non-cash stock-based compensation	1.3	1.3
Income tax impact of adjustments (1)	(2.2)	(3.0)
Adjusted net income	**$ 23.6**	**$ 5.3**

(1) Calculated based on a blended statutory tax rate of 25%.

Note: Certain totals may not foot due to rounding

Adjusted Earnings Per Share

	3Q2023	3Q2024
Diluted earnings per share attributable to common stock (GAAP as reported)	$ 0.23	$ (0.04)
Add-back income attributable to noncontrolling interests	0.01	—
Strategic review costs	0.01	—
Severance costs	—	0.01
Securitization transaction fees	—	0.02
Loss on debt extinguishment	—	0.02
Amortization of intangible assets	0.09	0.07
Non-cash stock-based compensation	0.02	0.01
Income tax impact of adjustments	(0.03)	(0.03)
Adjusted diluted earnings per share	**$ 0.33**	**$ 0.06**

Notes:
1. Certain totals may not foot due to rounding
2. The CEO transition costs adjustment is excluded from the table above as it has no impact on Adjusted Diluted Earnings per Share when rounded.

Centuri

19820 North 7th Avenue, #120 • Phoenix, Arizona 85027 • investors@centuri.com

Centuri.com

THINK AHEAD »