Centuri

4Q & FY 2024 Earnings Presentation

February 26, 2025



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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 confidence in our prospects to deliver value for our stockholders as an independent standalone company; our expectation to continue to build on our track record of delivering consistent growth by serving our customers across the utility value chain; our belief that we will secure several important MSA renewals in 2025 and estimation that such renewals represent over $2.0 billion in potential revenue for 2025; our estimation of the value of our backlog; and the number ranges presented in our Full Year 2025 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 “SEC”). 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.

Today’s Speakers



Christian Brown

President and Chief Executive Officer



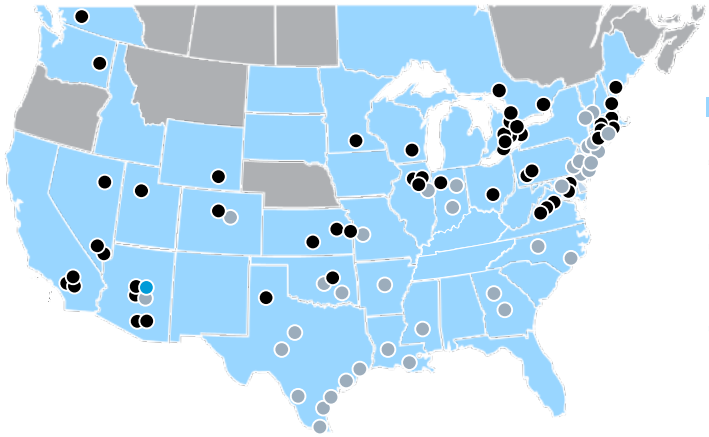
Gregory Izenstark

EVP, Chief Financial Officer



Company Overview

Geographic Footprint

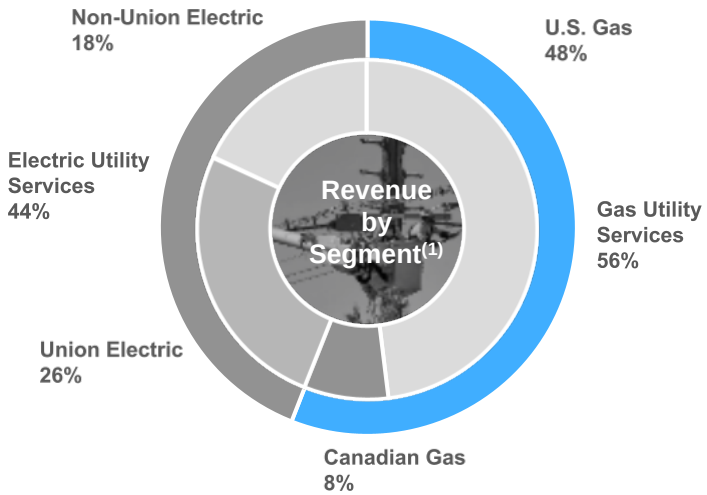


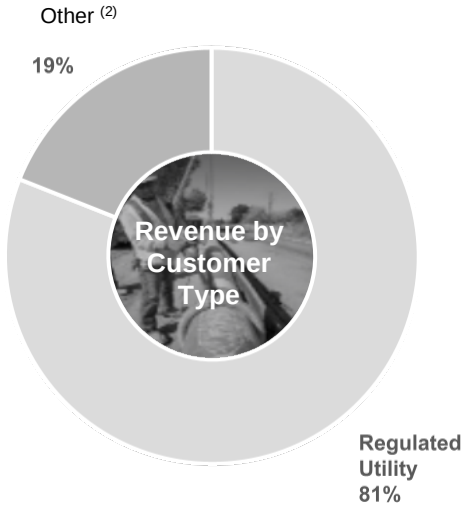
- Operating Footprint
- Gas Locations (51 Locations)
- Electric Locations (35 Locations)
- Other (1 Location)

Representative Utility Customers

Southern Company · ENBRIDGE · American Electric Power · Southwest Gas · Washington Gas · nationalgrid · MISource · NIPSCO · ONE Gas · SoCalGas · entergy · Dominion Energy · exelon · AVANGRID · EVERSOURCE

Business Mix (1)





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

Investment Highlights

Who We Are

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

Centuri

Compelling Investment Drivers

- 115+ years of operating history and a track record of delivering world-class safety and quality performance
- Scalable platform with extensive North American footprint supporting profitable delivery of organic growth
- Agile and efficient operating company model and cost base supporting growth opportunities
- Multi-decade secular tailwinds underpin strong demand in utility and energy capex growth
- Lower risk profile focused on Master Service Agreements (MSA) and smaller contracts providing a 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, profitable growth and multiple levers to drive continued expansion

Strategic Focus Areas

Underpinned by world-class safety performance, an agile, customer-focused approach, and top-tier execution

PRIORITIES

Harness Collective Strength

- Foster a growth mindset and leverage company-wide expertise to deliver full set of capabilities

Enhance Business Development

- Company-wide review of business development activities; institutionalize structured approach to opportunity pipeline development, market positioning, win strategies, and securing of awards

Improve Financial Performance

- Prioritize high-margin projects and improve profitability of underperforming contracts
- Enhance capital efficiency through improved fleet management and equipment sourcing strategies

ACTION ITEMS

- Initiated a strategic business development review in late 2024, with completion expected in 2Q 2025
- Implement review learnings to formulate and implement growth strategy in 2H 2025
- Onboarding sector experts to scout new growth opportunities in emerging and adjacent sectors
- Realigned U.S. Gas leadership, restructured business, and improved contract pricing; agile workforce alignment
- Evaluating a shift to a more balanced mix of equipment rentals/leases versus equipment owned
- Focus on collecting Accounts Receivables to improve working capital

4Q 2024 Results Overview

Notable Drivers Impacting 4Q 2024

- Strongest quarter in storm restoration services since 2021
  - $46.7 million increase year over year
- Onboarded new crews which resulted in higher volumes in Non-Union Electric segment
- Normalization of U.S. Gas segment
  - Revenues benefitted from customers spending planned 2024 budget dollars which drove higher bid volumes
  - Lower margin bid work weighed on margins
- 1H24 cost savings initiatives implemented
  - Realized $29 million in annualized savings
- Net leverage reduced to 3.6x as of YE24

$717	$50
Revenue (MM)	**Storm Restoration Revenues (MM)**
9.9%	**$71**
Adjusted EBITDA Margin(1)	**Gross Profit (MM)**

Notes:
1. Adjusted EBITDA Margin is 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.

Commercial Highlights

$99MM
MSAs Awarded in 4Q24

$122MM
Bid Projects Awarded in 4Q24

$3.7B
Backlog

Estimated revenues over a multi-year period (90% MSA, 10% bid)

~$2.0B
Revenue Potential

From numerous MSAs up for renewal in 2025

2024 Restoration Services

$50MM	$137MM	3,214	28
Revenue Earned in 4Q	Revenue Earned in 2024	Total Employees Deployed	States



Centuri crews supported our customers and restored power to affected communities throughout the east coast following Hurricanes Beryl, Francine, Helene, Milton, and others, which caused outages along the east coast in the summer and throughout the early fall.

4Q | 2023 vs. 2024

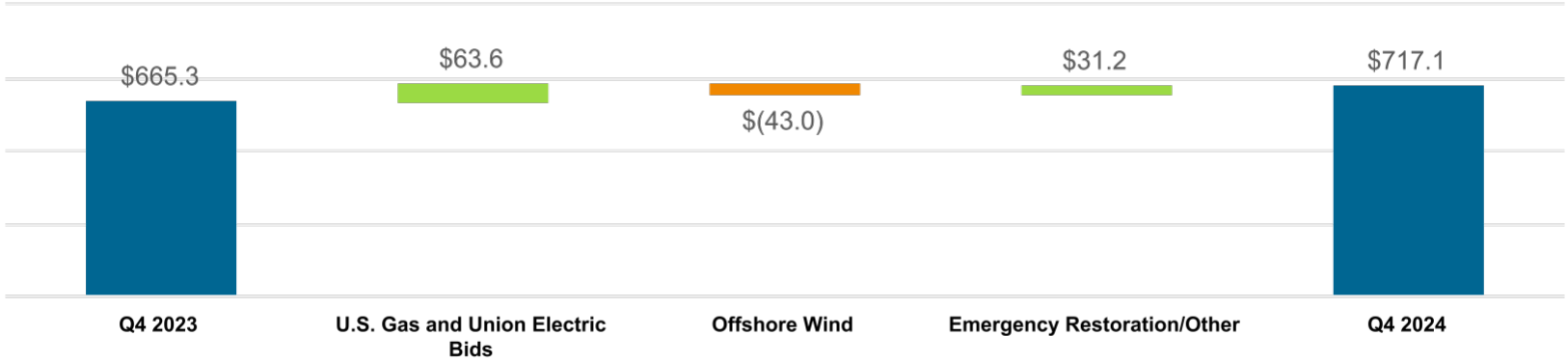
($MM, except per share amounts)	4Q 2024	4Q 2023
GAAP Metrics		
Revenue	$ 717.1	$ 665.3
Net Income (Loss) Attributable to Common Stock	$ 10.3	$ (210.7)
Diluted Earnings (Loss) Per Share	$ 0.12	$ (2.94)
Non-GAAP Metrics[1]		
Adjusted EBITDA	$ 70.7	$ 57.5
Adjusted Net Income	$ 18.4	$ 4.9
Adjusted Diluted Earnings Per Share	$ 0.21	$ 0.07



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.

4Q | 4Q2023 vs. 4Q2024 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

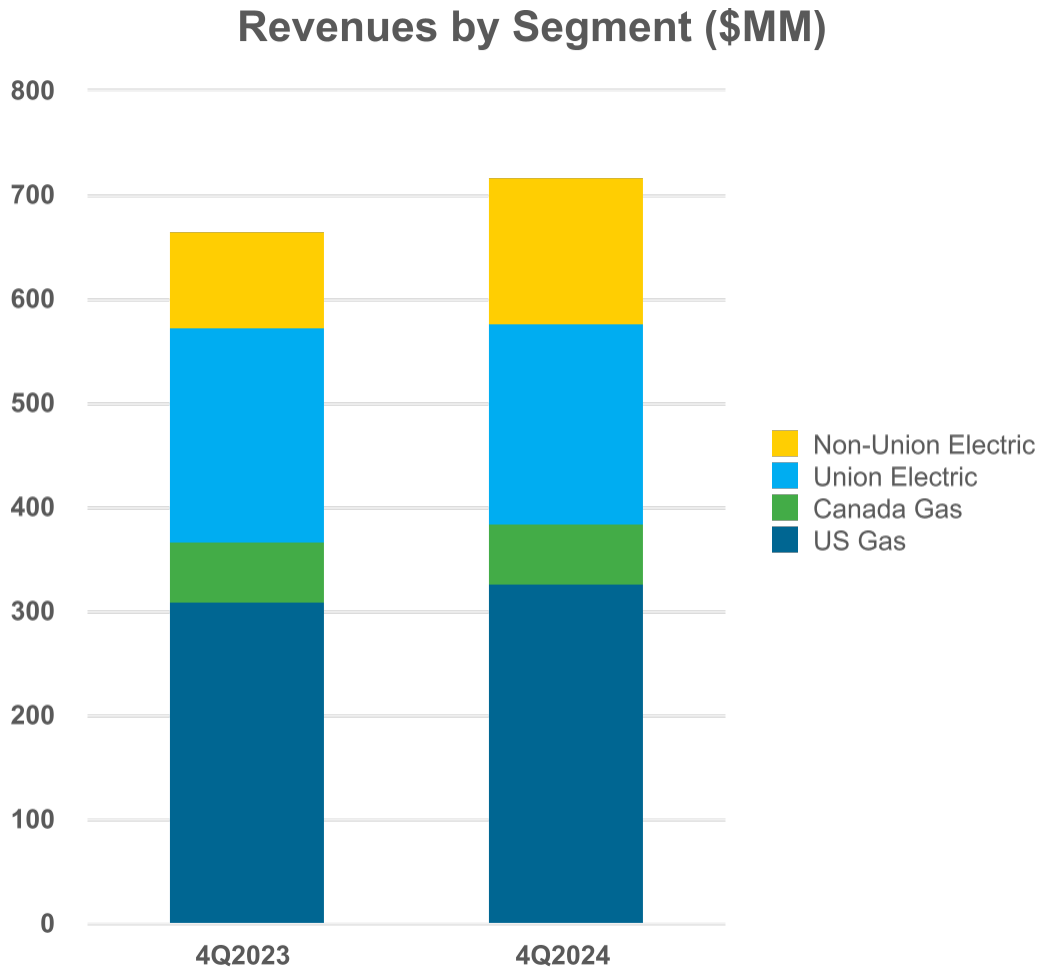
§ ~$51.8 million – Total increase
- $64 million – Increased bid work at U.S. Gas and Union Electric segments
- $43 million – Decreased offshore wind revenue
- $47 million – Increased emergency restoration services revenue
- $16 million – Primarily decreases in MSA volumes at U.S. Gas and Union Electric segments

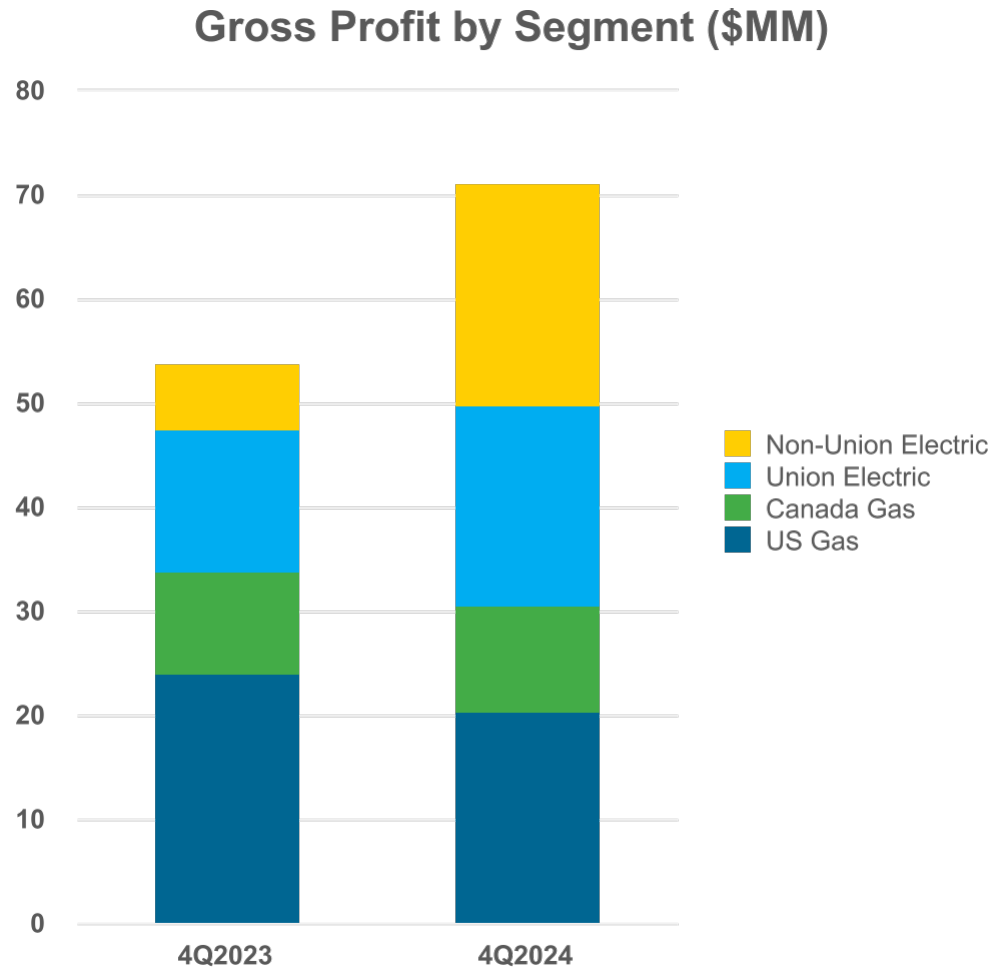
Gross Profit

§ ~$17.2 million – Total increase

Driven by
- Higher revenues on profitable bid projects
- Decrease in offshore wind due to lower revenues
- Mix of work, including higher profit emergency restoration services work

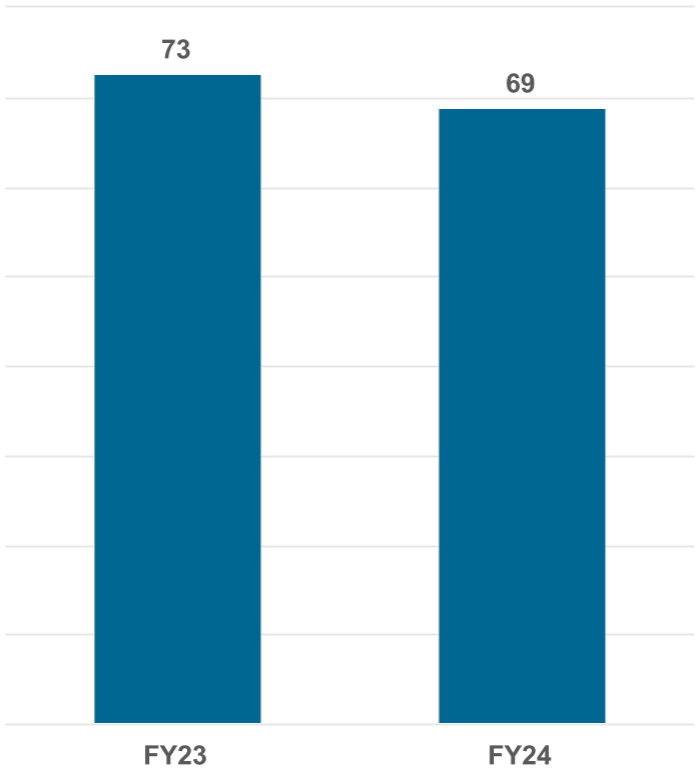
Revenue & Gross Profit By Segment 4Q2023 – 4Q2024



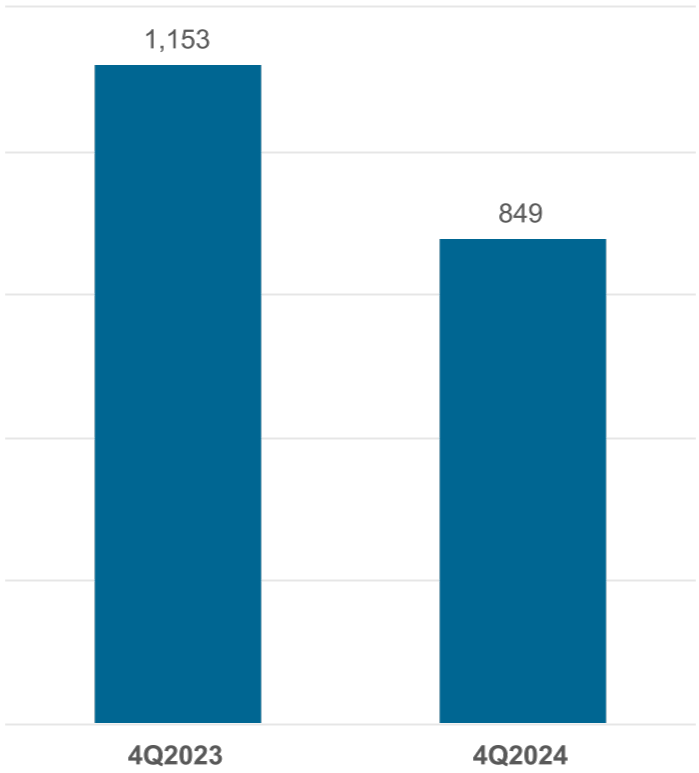


Free Cash Flow and Leverage Overview

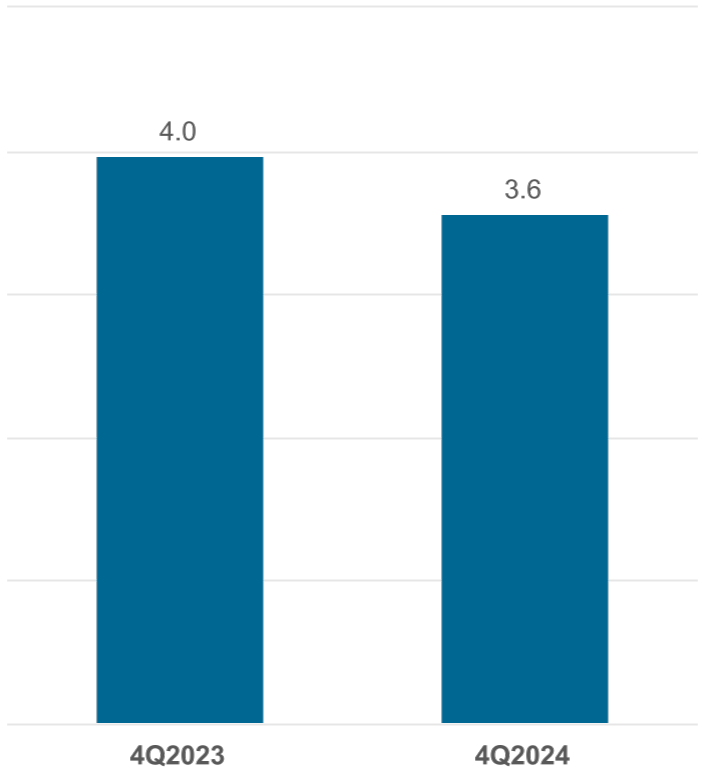
FCF ($MM)[1][3]



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 December 29, 2024 and December 31, 2023, respectively.*
3. *Free Cash Flow is defined as cash flow from operations less net capital expenditures. Net capital expenditures is defined as capital expenditures, net of proceeds from sale of property and equipment. We used to define Free Cash Flow as Adjusted EBITDA less net capital expenditures. Management believes our new definition of Free Cash Flow is a better indicator of how much cash is provided by or used by operations after factoring in capital purchases.*

2025 Outlook

FY 2025 Revenue (MM)	FY 2025 Adj. EBITDA (MM)[1]	Net Capex (MM)[2]
$2,600 – $2,800	$240 – $275	$65-$80

Major assumptions underpinning outlook[3]:

- ***Gas:*** modest growth, margins improve to approximate historical average
- ***Core Electric:*** double-digit growth in Non-Union crew counts + workhours and Union bid work
- ***Storm Restoration Services:*** 2021-2023 3-year average[4]
- ***Offshore Wind:*** execute modest backlog (~$40 million)



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.
(2) Net Capex is defined as cash paid for capital expenditures net against any proceeds from the sale of property and equipment.
(3) Additional Company-wide assumptions include minimal inflationary or foreign exchange impacts.
(4) Excludes 2024 results, in which revenues were $137MM; 2021-2023 average revenues were $74MM

Near Term Strategic Priorities

- Enhance business predictability through robust forecasting and organizational accountability
- Implement structured business development approach to drive long-term, profitable growth
- Optimize equipment sourcing, fleet management, and working capital
- Enhance gas business performance through margin improvement



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, 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 cash flow from operations less net capital expenditures. Net capital expenditures is defined as capital expenditures, net of proceeds from sale of property and equipment. We used to define Free Cash Flow as Adjusted EBITDA less net capital expenditures. Management believes our new definition of Free Cash Flow is a better indicator of how much cash is provided by or used by operations after factoring in capital purchases.

Adjusted Net Income is defined as net income (loss) adjusted for (i) strategic review costs, (ii) severance costs, (iii) amortization of intangible assets, (iv) securitization facility transaction fees, (v) CEO transition costs, (vi) loss on debt extinguishment, (vii) non-cash stock-based compensation expense, (viii) goodwill impairment and (ix) 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 revenues, 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 these non-GAAP metrics: (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 and (vi) goodwill impairment can vary from period to period depending on economic and other factors. Because these non-GAAP metrics 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 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	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024	2Q2024	3Q2024	4Q2024
Net (loss) income	$ (7.1)	$ 18.5	$ 16.9	$ (212.8)	$ (25.2)	$ 11.7	$ (3.6)	$ 10.3
Interest expense, net	22.4	24.5	26.1	24.4	24.1	22.6	23.9	19.9
Income tax (benefit) expense	(4.2)	11.0	10.0	(7.3)	(20.8)	(0.5)	21.8	2.9
Depreciation expense	31.2	30.2	29.6	27.8	27.7	27.7	26.5	26.8
Amortization of intangible assets	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
EBITDA	**$ 48.9**	**$ 90.9**	**$ 89.3**	**$ (161.2)**	**$ 12.4**	**$ 68.2**	**$ 75.3**	**$ 66.6**
Non-cash stock-based compensation	0.1	0.7	1.3	(0.3)	(0.6)	0.1	1.3	1.4
Strategic review costs	0.1	1.1	0.5	1.6	3.9	(1.9)	—	—
Severance costs	0.1	0.2	0.3	3.5	4.5	2.2	0.5	0.8
Securitization transaction fees	—	—	—	—	—	—	1.4	—
CEO transition costs	—	—	—	—	—	—	0.2	1.8
Goodwill impairment	—	—	—	214.0	—	—	—	—
Adjusted EBITDA	**$ 49.2**	**$ 92.9**	**$ 91.5**	**$ 57.5**	**$ 20.2**	**$ 68.6**	**$ 78.8**	**$ 70.6**
Adjusted EBITDA margin	**7.5 %**	**11.5 %**	**11.8 %**	**8.6 %**	**3.8 %**	**10.2 %**	**10.9 %**	**9.9 %**

Note: Certain totals may not foot due to rounding

Adjusted EBITDA is defined as EBITDA adjusted for (i) non-cash stock-based compensation expense, (ii) strategic review costs, (iii) severance costs, (iv) securitization transaction fees, (v) CEO transition costs and (vi) goodwill impairment, and therefore figures differ from Centuri adjusted EBITDA figures presented in Southwest Gas Holdings, Inc. (SWX) filings

Free Cash Flow Reconciliation

$mm	FY23	FY24
Net cash provided by operating activities	$ 167.5	$ 158.2
Less: Net capital expenditures:		
Capital expenditures	(106.7)	(99.3)
Proceeds from sale of property and equipment	11.8	10.0
Net capital expenditures	(94.9)	(89.4)
Free cash flow	**$ 72.6**	**$ 68.9**

Note: Certain totals may not foot due to rounding

Net Debt Reconciliation

$mm	4Q2023	4Q2024
Debt		
Current portion of long-term debt	$ 42.6	$ 30.0
Current portion of finance lease liabilities	11.4	9.3
Long-term debt, net of current portion	1,031.2	730.3
Line of credit	77.1	113.5
Finance lease liabilities, net of current portion	24.3	15.0
Total Debt	**$ 1,186.6**	**$ 898.2**
Less: Cash and cash equivalents	(33.4)	(49.0)
Net Debt	**$ 1,153.1**	**$ 849.2**
Trailing twelve months Adjusted EBITDA	$ 291.2	$ 238.2
Net Debt to Adj. EBITDA [(1)]	**4.0**	**3.6**

(1) This net debt to adjusted EBITDA ratio may differ slightly from the net leverage ratio calculated for the purposes of the revolving credit facility.

Note: Certain totals may not foot due to rounding

Adjusted Net Income

$mm	4Q2023	4Q2024
Net (loss) income	$ (212.8)	$ 10.3
Strategic review costs	1.6	—
Severance costs	3.5	0.8
Amortization of intangible assets	6.7	6.7
CEO transition costs	—	1.8
Non-cash stock-based compensation	(0.3)	1.4
Goodwill impairment	214.0	—
Income tax impact of adjustments [1]	(7.7)	(2.7)
Adjusted net income	**$ 4.9**	**$ 18.4**

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

Note: Certain totals may not foot due to rounding

Adjusted Earnings Per Share

	4Q2023	4Q2024
Diluted (loss) earnings per share attributable to common stock (GAAP as reported)	$ (2.94)	$ 0.12
Deduct loss attributable to NCI	(0.03)	—
Strategic review costs	0.02	—
Severance costs	0.05	0.01
CEO transition costs	—	0.02
Amortization of intangible assets	0.09	0.07
Non-cash stock-based compensation	—	0.02
Goodwill impairment	2.99	—
Income tax impact of adjustments	(0.11)	(0.03)
Adjusted diluted earnings per share	**$ 0.07**	**$ 0.21**

Note: Certain totals may not foot due to rounding

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