

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K**

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **July 27, 2023**

EMCOR Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

| | | |
|---|---|---|
| Delaware (State or Other Jurisdiction of Incorporation) | 1-8267 (Commission File Number) | 11-2125338 (I.R.S. Employer Identification No.) |
| 301 Merritt Seven Norwalk, Connecticut (Address of Principal Executive Offices) | 06851-1092 (Zip Code) | |
| (203) 849-7800 (Registrant's Telephone Number, Including Area Code) | | |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---------------------|----------------|---|
| Common Stock | EME | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On July 27, 2023, EMCOR Group, Inc. issued a press release disclosing results of operations for its fiscal 2023 second quarter ended June 30, 2023. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item. 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|----------------|---|
| 99.1 | Press Release issued by EMCOR Group, Inc. on July 27, 2023 disclosing results of operations for its fiscal 2023 second quarter ended June 30, 2023. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMCOR Group, Inc.

Dated: July 27, 2023

By: /s/ ANTHONY J. GUZZI
Anthony J. Guzzi
Chairman, President and
Chief Executive Officer



EXHIBIT 99.1

News Release

FOR: EMCOR GROUP, INC.

CONTACT: R. Kevin Matz
Executive Vice President
Shared Services
(203) 849-7938

FTI Consulting, Inc.
Investors: Blake Mueller
(718) 578-3706

EMCOR GROUP, INC. REPORTS SECOND QUARTER 2023 RESULTS

- Record Quarterly Revenues of \$3.05 billion, 12.5% Increase Year-over-Year -
- Record Quarterly Diluted EPS of \$2.95, 48.2% Increase Year-over-Year -
- Record Remaining Performance Obligations of \$8.29 billion, 28.2% Increase Year-over-Year -
- Increases 2023 Diluted EPS Guidance Range to \$10.75 - \$11.25 from \$9.25 - \$10.00 -

NORWALK, CONNECTICUT, July 27, 2023 - EMCOR Group, Inc. (NYSE: EME) today reported results for the quarter ended June 30, 2023.

For the second quarter of 2023, net income was \$140.6 million, or \$2.95 per diluted share, compared to \$100.7 million, or \$1.99 per diluted share, for the second quarter of 2022. Revenues for the second quarter of 2023 totaled \$3.05 billion, an increase of 12.5% from the year ago period.

Operating income for the second quarter of 2023 was \$196.7 million, or 6.5% of revenues, compared to \$137.6 million, or 5.1% of revenues, for the second quarter of 2022. Operating income included depreciation and amortization expense, inclusive of amortization of identifiable intangible assets, of \$29.0 million and \$26.0 million for the second quarter of 2023 and 2022, respectively.

Selling, general and administrative expenses for the second quarter of 2023 totaled \$293.4 million, or 9.6% of revenues, compared to \$245.4 million, or 9.1% of revenues, for the second quarter of 2022.

The Company's income tax rate for the second quarter of 2023 was 27.4% compared to an income tax rate of 26.5% for the second quarter of 2022.

Remaining performance obligations as of June 30, 2023 were \$8.29 billion, compared to \$6.46 billion as of June 30, 2022. Remaining performance obligations grew approximately \$1.83 billion year-over-year.

Tony Guzzi, Chairman, President and Chief Executive Officer of EMCOR, commented, "The Company posted record quarterly revenues, reflecting ongoing strength across nearly all segments and market sectors. Our ability to win and execute on large and sophisticated projects through our diverse capabilities drove revenue growth of 12.5% during the quarter, or 11.0% on an organic basis. Our consolidated operating margin expanded 140 basis points to a record 6.5% despite persistent inflationary and supply chain challenges. We continue to build on our healthy project pipeline as reflected by our record remaining performance obligations of \$8.29 billion, which grew 28.2%, year-over-year. The most significant increases in RPOs were within the high-tech manufacturing and network and communications market sectors as we continue to experience strong demand for semiconductor and data center construction projects as well as throughout the EV value chain."

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Mr. Guzzi added, "Our U.S. Construction segments delivered another quarter of solid top-line growth, up a combined 15.4% year-over-year, led by our U.S. Electrical Construction segment, which had revenue growth of 20.2% year-over-year and operating margin of 7.5%. Our U.S. Mechanical Construction segment continued to perform exceptionally well with second quarter operating margin of 10.0% and organic revenue growth of 12.9% year-over-year. Our U.S. Building Services segment generated a 12.9% increase in revenues with operating margin increasing to 6.0% due to strong demand for retrofit projects, building automation and controls, and maintenance and service repair work. Our U.S. Industrial Services segment also delivered revenue and operating income growth as we continued to see a steady increase in demand, led by greater new build heat exchanger orders. Finally, operating margin of our U.K. Building Services segment remained steady despite continued revenue headwinds from a challenging market."

Revenues for the first six months of 2023 totaled \$5.94 billion, an increase of 12.0%, compared to \$5.30 billion for the first six months of 2022. Net income for the first six months of 2023 was \$252.1 million, or \$5.28 per diluted share, compared to net income of \$174.1 million, or \$3.36 per diluted share, for the first six months of 2022.

Operating income for the first six months of 2023 was \$351.6 million, or 5.9% of revenues, compared to operating income of \$237.6 million, or 4.5% of revenues, for the first six months of 2022. Operating income included depreciation and amortization expense, inclusive of amortization of identifiable intangible assets, of \$57.5 million and \$53.1 million for the first six months of 2023 and 2022, respectively.

Selling, general and administrative expenses totaled \$574.5 million, or 9.7% of revenues, for the first six months of 2023, compared to \$498.0 million, or 9.4% of revenues, for the first six months of 2022.

Based on year-to-date performance, current operating conditions, and near-term visibility, EMCOR is increasing its full-year 2023 diluted earnings per share guidance range to \$10.75 to \$11.25, an increase from the prior guidance range of \$9.25 to \$10.00. The Company is maintaining its full-year 2023 revenue guidance of \$12.0 billion to \$12.5 billion.

Mr. Guzzi concluded, "We are executing with discipline and flexibility. Our investments over the past few years continue to position us well as we advance forward through 2023. While supply chain challenges have persisted, we have learned to mitigate these obstacles and operate with greater efficiency, helping us achieve all time quarterly records for revenues, operating income, operating margin, and diluted EPS. We remain committed to our balanced capital allocation strategy of pursuing both organic investments and strategic acquisitions, while returning capital to shareholders through share repurchases and dividends. Our robust balance sheet is a differentiator as we serve sophisticated customers on large, complex, and technologically advanced projects."

EMCOR Group, Inc. is a Fortune 500 leader in mechanical and electrical construction services, industrial and energy infrastructure and building services. This press release and other press releases may be viewed at the Company's website at www.emcorgroup.com. EMCOR routinely posts information that may be important to investors in the "Investor Relations" section of our website at www.emcorgroup.com. Investors and potential investors are encouraged to consult the EMCOR website regularly for important information about EMCOR.

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EMCOR Group's second quarter conference call will be available live via internet broadcast today, Thursday, July 27, at 10:30 AM Eastern Daylight Time. The live call may be accessed through the Company's website at www.emcorgroup.com.

Forward Looking Statements:

This release contains forward-looking statements. Such statements speak only as of July 27, 2023, and EMCOR assumes no obligation to update any such forward-looking statements, unless required by law. These forward-looking statements may include statements regarding anticipated future operating and financial performance, including financial guidance and projections underlying that guidance; the nature and impact of our remaining performance obligations; our ability to pursue acquisitions; our ability to return capital to shareholders; market opportunities; market growth prospects; customer trends; project mix; and projects with varying profit margins and contractual terms. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated (whether expressly or implied) by the forward-looking statements. Accordingly, these statements do not guarantee future performance or events. Applicable risks and uncertainties include, but are not limited to, adverse effects of general economic conditions; changes in interest rates; domestic and international political developments; changes in the specific markets for EMCOR's services; adverse business conditions, including labor market tightness, productivity challenges, the nature and extent of supply chain disruptions impacting availability and pricing of materials, and inflationary trends more generally, including fluctuations in energy costs; the impact of legislation and/or government regulations; the availability of adequate levels of surety bonding; increased competition; and unfavorable developments in the mix of our business. Certain of the risk factors associated with EMCOR's business are also discussed in Part I, Item 1A "Risk Factors," of the Company's 2022 Form 10-K, and in other reports filed from time to time with the Securities and Exchange Commission and available at www.sec.gov and www.emcorgroup.com. Such risk factors should be taken into account in evaluating any forward-looking statements.

Non-GAAP Measures:

This release may include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures are included in this release. The Company uses these non-GAAP measures as key performance indicators for the purpose of evaluating performance internally. We also believe that these non-GAAP measures provide investors with useful information with respect to our ongoing operations. Any non-GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by GAAP, have no standardized meaning prescribed by GAAP, and may not be comparable to the calculation of similar measures of other companies.

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EMCOR GROUP, INC.
FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share information)
(Unaudited)

| | For the quarters ended June 30, | | For the six months ended June 30, | |
|--|------------------------------------|--------------|--------------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues | \$ 3,045,622 | \$ 2,707,388 | \$ 5,936,054 | \$ 5,299,937 |
| Cost of sales | 2,555,562 | 2,324,380 | 5,009,932 | 4,564,374 |
| Gross profit | 490,060 | 383,008 | 926,122 | 735,563 |
| Selling, general and administrative expenses | 293,393 | 245,364 | 574,545 | 497,962 |
| Operating income | 196,667 | 137,644 | 351,577 | 237,601 |
| Net periodic pension (cost) income | (282) | 1,094 | (556) | 2,263 |
| Interest expense, net | (2,692) | (1,751) | (4,524) | (3,040) |
| Income before income taxes | 193,693 | 136,987 | 346,497 | 236,824 |
| Income tax provision | 53,098 | 36,323 | 94,429 | 62,774 |
| Net income | \$ 140,595 | \$ 100,664 | \$ 252,068 | \$ 174,050 |
| Basic earnings per common share | \$ 2.97 | \$ 1.99 | \$ 5.30 | \$ 3.37 |
| Diluted earnings per common share | \$ 2.95 | \$ 1.99 | \$ 5.28 | \$ 3.36 |
| Weighted average shares of common stock outstanding: | | | | |
| Basic | 47,393,493 | 50,507,024 | 47,584,656 | 51,610,014 |
| Diluted | 47,588,669 | 50,711,770 | 47,767,242 | 51,814,164 |
| Dividends declared per common share | \$ 0.18 | \$ 0.13 | \$ 0.33 | \$ 0.26 |



EMCOR GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

| | (Unaudited) June 30, 2023 | December 31, 2022 |
|--|---------------------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 503,052 | \$ 456,439 |
| Accounts receivable, net | 2,852,103 | 2,567,371 |
| Contract assets | 289,368 | 273,176 |
| Inventories | 106,080 | 85,641 |
| Prepaid expenses and other | 59,018 | 79,346 |
| Total current assets | 3,809,621 | 3,461,973 |
| Property, plant and equipment, net | 162,594 | 157,819 |
| Operating lease right-of-use assets | 299,672 | 268,063 |
| Goodwill | 927,485 | 919,151 |
| Identifiable intangible assets, net | 574,475 | 593,975 |
| Other assets | 133,822 | 123,626 |
| Total assets | <u>\$ 5,907,669</u> | <u>\$ 5,524,607</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current maturities of long-term debt and finance lease liabilities | \$ 15,399 | \$ 15,567 |
| Accounts payable | 790,158 | 849,284 |
| Contract liabilities | 1,357,740 | 1,098,263 |
| Accrued payroll and benefits | 444,143 | 465,000 |
| Other accrued expenses and liabilities | 270,837 | 258,190 |
| Operating lease liabilities, current | 71,185 | 67,218 |
| Total current liabilities | 2,949,462 | 2,753,522 |
| Long-term debt and finance lease liabilities | 231,454 | 231,625 |
| Operating lease liabilities, long-term | 250,926 | 220,764 |
| Other long-term obligations | 357,740 | 344,405 |
| Total liabilities | 3,789,582 | 3,550,316 |
| Equity: | | |
| Total EMCOR Group, Inc. stockholders' equity | 2,117,385 | 1,973,589 |
| Noncontrolling interests | 702 | 702 |
| Total equity | 2,118,087 | 1,974,291 |
| Total liabilities and equity | <u>\$ 5,907,669</u> | <u>\$ 5,524,607</u> |



EMCOR GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2023 and 2022
(In thousands) (Unaudited)

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Cash flows - operating activities: | | |
| Net income | \$ 252,068 | \$ 174,050 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 25,393 | 23,106 |
| Amortization of identifiable intangible assets | 32,100 | 30,031 |
| Non-cash share-based compensation expense | 7,535 | 6,463 |
| Other reconciling items | (3,685) | 2,290 |
| Changes in operating assets and liabilities, excluding the effect of businesses acquired | (98,479) | (254,791) |
| Net cash provided by (used in) operating activities | 214,932 | (18,851) |
| Cash flows - investing activities: | | |
| Payments for acquisitions of businesses, net of cash acquired | (22,384) | (26,614) |
| Proceeds from sale or disposal of property, plant and equipment | 10,514 | 1,033 |
| Purchases of property, plant and equipment | (36,564) | (27,747) |
| Net cash used in investing activities | (48,434) | (53,328) |
| Cash flows - financing activities: | | |
| Proceeds from revolving credit facility | 100,000 | 100,000 |
| Repayments of revolving credit facility | (100,000) | (100,000) |
| Repayments of finance lease liabilities | (1,477) | (1,889) |
| Dividends paid to stockholders | (15,714) | (13,619) |
| Repurchases of common stock | (105,299) | (454,317) |
| Taxes paid related to net share settlements of equity awards | (5,295) | (7,239) |
| Issuances of common stock under employee stock purchase plan | 4,441 | 4,023 |
| Payments for contingent consideration arrangements | (3,026) | (2,049) |
| Net cash used in financing activities | (126,370) | (475,090) |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | 5,856 | (11,757) |
| Increase (decrease) in cash, cash equivalents, and restricted cash | 45,984 | (559,026) |
| Cash, cash equivalents, and restricted cash at beginning of year ⁽¹⁾ | 457,068 | 822,568 |
| Cash, cash equivalents, and restricted cash at end of period ⁽²⁾ | \$ 503,052 | \$ 263,542 |

(1) Includes \$0.6 million and \$1.2 million of restricted cash classified as "Prepaid expenses and other" in the Consolidated Balance Sheets as of December 31, 2022 and 2021, respectively.

(2) Includes \$1.2 million of restricted cash classified as "Prepaid expenses and other" in the Consolidated Balance Sheets as of June 30, 2022.



EMCOR GROUP, INC.
SEGMENT INFORMATION
(In thousands) (Unaudited)

| | For the quarters ended June 30, | |
|---|------------------------------------|---------------------|
| | 2023 | 2022 |
| Revenues from unrelated entities: | | |
| United States electrical construction and facilities services | \$ 678,167 | \$ 564,112 |
| United States mechanical construction and facilities services | 1,194,113 | 1,057,649 |
| United States building services | 775,012 | 686,545 |
| United States industrial services | 292,283 | 284,534 |
| Total United States operations | 2,939,575 | 2,592,840 |
| United Kingdom building services | 106,047 | 114,548 |
| Total operations | <u>\$ 3,045,622</u> | <u>\$ 2,707,388</u> |

| | For the six months ended June 30, | |
|---|--------------------------------------|---------------------|
| | 2023 | 2022 |
| Revenues from unrelated entities: | | |
| United States electrical construction and facilities services | \$ 1,322,913 | \$ 1,086,142 |
| United States mechanical construction and facilities services | 2,272,671 | 2,050,293 |
| United States building services | 1,500,387 | 1,322,172 |
| United States industrial services | 623,166 | 595,285 |
| Total United States operations | 5,719,137 | 5,053,892 |
| United Kingdom building services | 216,917 | 246,045 |
| Total operations | <u>\$ 5,936,054</u> | <u>\$ 5,299,937</u> |



EMCOR GROUP, INC.
SEGMENT INFORMATION
(In thousands) (Unaudited)

| | For the quarters ended June 30, | |
|---|------------------------------------|------------|
| | 2023 | 2022 |
| Operating income (loss): | | |
| United States electrical construction and facilities services | \$ 50,722 | \$ 35,095 |
| United States mechanical construction and facilities services | 119,847 | 76,612 |
| United States building services | 46,137 | 38,494 |
| United States industrial services | 7,887 | 6,458 |
| Total United States operations | 224,593 | 156,659 |
| United Kingdom building services | 5,927 | 6,415 |
| Corporate administration | (33,853) | (25,430) |
| Total operations | 196,667 | 137,644 |
| Other items: | | |
| Net periodic pension (cost) income | (282) | 1,094 |
| Interest expense, net | (2,692) | (1,751) |
| Income before income taxes | \$ 193,693 | \$ 136,987 |

| | For the six months ended June 30, | |
|---|--------------------------------------|------------|
| | 2023 | 2022 |
| Operating income (loss): | | |
| United States electrical construction and facilities services | \$ 91,238 | \$ 55,088 |
| United States mechanical construction and facilities services | 206,074 | 135,045 |
| United States building services | 83,787 | 62,657 |
| United States industrial services | 22,907 | 19,716 |
| Total United States operations | 404,006 | 272,506 |
| United Kingdom building services | 11,351 | 17,003 |
| Corporate administration | (63,780) | (51,908) |
| Total operations | 351,577 | 237,601 |
| Other items: | | |
| Net periodic pension (cost) income | (556) | 2,263 |
| Interest expense, net | (4,524) | (3,040) |
| Income before income taxes | \$ 346,497 | \$ 236,824 |



EMCOR GROUP, INC.
RECONCILIATION OF ORGANIC REVENUE GROWTH
(In thousands, except for percentages) (Unaudited)

The following table provides a reconciliation between organic revenue growth, a non-GAAP measure, and total revenue growth for the quarter and six months ended June 30, 2023.

| | For the quarter ended June 30, 2023 | | For the six months ended June 30, 2023 | |
|--|--|--------|---|--------|
| | \$ | % | \$ | % |
| GAAP revenue growth | \$ 338,234 | 12.5 % | \$ 636,117 | 12.0 % |
| Incremental revenues from acquisitions | (40,618) | (1.5)% | (75,838) | (1.4)% |
| Organic revenue growth, a non-GAAP measure | \$ 297,616 | 11.0 % | \$ 560,279 | 10.6 % |