UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-42276

Everus Construction Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**99-1952207**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1730 Burnt Boat Drive Bismarck, North Dakota	**58503**
(Address of principal executive offices)	(Zip code)

(701) 221-6400

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value $0.01 per share	ECG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of August 3, 2026: 51,063,836 shares.

INDEX

	Page
Industry Information	2
Part I -- Financial Information	3
Item 1. Financial Statements. (Unaudited)	3
Condensed Consolidated Statements of Income - Three and Six Months Ended June 30, 2026 and 2025	3
Condensed Consolidated Balance Sheets - June 30, 2026 and December 31, 2025	4
Condensed Consolidated Statements of Equity - Three and Six Months Ended June 30, 2026 and 2025	5
Condensed Consolidated Statements of Cash Flows - Six Months Ended June 30, 2026 and 2025	6
Notes to Condensed Consolidated Financial Statements	7
1. Background and Nature of Operations	7
2. Basis of Presentation and Summary of Significant Accounting Policies	7
3. Revenue from Contracts with Customers	11
4. Acquisition	16
5. Goodwill and Other Intangible Assets	18
6. Fair Value Measurements	20
7. Debt	22
8. Leases	23
9. Earnings Per Share	25
10. Stock-Based Compensation	26
11. Income Taxes	27
12. Segment Information	27
13. Commitments, Contingencies and Guarantees	32
14. Related-Party Transactions	33
15. Subsequent Events	34
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	35
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	51
Item 4. Controls and Procedures.	52
Part II -- Other Information	53
Item 1. Legal Proceedings.	53
Item 1A. Risk Factors.	53
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	53
Item 3. Defaults Upon Senior Securities.	53
Item 4. Mine Safety Disclosures.	53
Item 5. Other Information.	53
Item 6. Exhibits.	54
Signatures	55

Industry Information

Any industry data included in this Quarterly Report on Form 10-Q ("Quarterly Report") regarding industry size and/or relative industry position is derived from a variety of sources, including company research, third-party studies and surveys, industry and general publications, and estimates based on Everus Construction Group, Inc.'s ("Everus") knowledge and experience in the industries in which it operates. Everus' estimates, if any, have been based on information obtained from its customers, suppliers, trade and business organizations, and other contacts in the industry. Everus is responsible for all the disclosures contained in this Quarterly Report, and Everus believes that any third-party data is generally reliable and that its estimates are accurate as of the date of this Quarterly Report. Further, Everus' estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in "Item 1A. Risk Factors" in Everus' 2025 Annual Report on Form 10-K ("2025 Annual Report"). These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

Everus Construction Group, Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands, except per share amounts)			
Operating revenues	$ 1,231,547	$ 921,466	$ 2,268,500	$ 1,748,095
Cost of sales	1,048,624	801,597	1,954,848	1,535,733
Gross profit	182,923	119,869	313,652	212,362
Selling, general and administrative expenses	71,152	47,362	124,197	88,871
Operating income	111,771	72,507	189,455	123,491
Interest income	1,327	552	3,651	1,489
Interest expense	4,627	5,365	9,247	10,996
Other income, net	1,504	1,908	2,056	2,475
Income before income taxes and income from equity method investments	109,975	69,602	185,915	116,459
Income taxes	29,401	19,408	49,653	32,981
Income from equity method investments	3,316	2,649	5,944	6,037
Net income	$ 83,890	$ 52,843	$ 142,206	$ 89,515
Earnings per share:				
Basic	$ 1.64	$ 1.04	$ 2.78	$ 1.75
Diluted	$ 1.64	$ 1.03	$ 2.78	$ 1.75
Weighted average common shares outstanding:				
Basic	51,086	51,041	51,084	51,042
Diluted	51,220	51,094	51,205	51,092

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Everus Construction Group, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	June 30, 2026	December 31, 2025
	(In thousands, except share and per share amounts)	
Assets		
Current assets:		
Cash, cash equivalents and restricted cash	$ 176,670	$ 170,500
Receivables, net of allowance for credit losses of $5,365 and $5,282, respectively	919,235	769,828
Contract assets	290,157	255,767
Inventories, net	55,634	45,271
Prepaid expenses	19,587	38,161
Other current assets	15,324	16,854
Total current assets	1,476,607	1,296,381
Noncurrent assets:		
Investments	20,408	27,082
Property, plant and equipment, net of accumulated depreciation of $187,037 and $174,914, respectively	186,892	168,498
Operating lease right-of-use assets	87,507	88,705
Goodwill	212,253	143,224
Other intangible assets, net of accumulated amortization of $3,247 as of June 30, 2026	70,253	—
Other noncurrent assets	3,751	4,841
Total noncurrent assets	581,064	432,350
Total assets	$ 2,057,671	$ 1,728,731
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 15,000	$ 15,000
Accounts payable	275,976	226,264
Contract liabilities, net	418,819	305,111
Taxes payable	12,541	6,483
Accrued compensation	107,801	86,960
Accrued payroll-related liabilities	52,370	47,189
Current portion of operating lease liabilities	34,776	33,905
Other accrued liabilities	12,943	15,278
Total current liabilities	930,226	736,190
Noncurrent liabilities:		
Long-term debt, net of unamortized issuance costs	259,499	266,549
Deferred income taxes	11,828	14,869
Operating lease liabilities	54,875	56,634
Other noncurrent liabilities	28,042	24,671
Total noncurrent liabilities	354,244	362,723
Total liabilities	$ 1,284,470	$ 1,098,913
Commitments and contingent liabilities		
Stockholders' equity:		
Preferred stock, 10,000,000 shares authorized, $0.01 par value, none issued and outstanding	$ —	$ —
Common stock, 300,000,000 shares authorized, $0.01 par value, 51,063,836 and 51,006,719 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	511	510
Additional paid-in capital	144,742	143,566
Retained earnings	627,948	485,742
Total stockholders' equity	773,201	629,818
Total liabilities and stockholders' equity	$ 2,057,671	$ 1,728,731

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Everus Construction Group, Inc.
Condensed Consolidated Statements of Equity
(Unaudited)

(In thousands, except shares)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total
Balance as of December 31, 2025	51,006,719	$ 510	$ 143,566	$ 485,742	$ 629,818
Net income	—	—	—	58,316	58,316
Stock-based compensation	34,887	—	(1,190)	—	(1,190)
Balance as of March 31, 2026	51,041,606	510	142,376	544,058	686,944
Net income	—	—	—	83,890	83,890
Stock-based compensation	22,230	1	2,366	—	2,367
Balance as of June 30, 2026	51,063,836	$ 511	$ 144,742	$ 627,948	$ 773,201

(In thousands, except shares)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total
Balance as of December 31, 2024	50,980,924	$ 510	$ 138,130	$ 283,972	$ 422,612
Net income	—	—	—	36,672	36,672
Stock-based compensation	18,304	—	915	—	915
Balance as of March 31, 2025	50,999,228	510	139,045	320,644	460,199
Net income	—	—	—	52,843	52,843
Stock-based compensation	7,347	—	1,367	—	1,367
Balance as of June 30, 2025	51,006,575	$ 510	$ 140,412	$ 373,487	$ 514,409

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Everus Construction Group, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six months ended June 30,	
	2026	2025
	(In thousands)	
Operating activities:		
Net income	$ 142,206	$ 89,515
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,844	13,901
Amortization of intangible assets	3,247	116
Deferred income taxes	(3,041)	2,305
Provision for credit losses, net of reversals	372	(1,729)
Amortization of debt issuance costs	788	788
Stock-based compensation costs	5,256	2,870
Net unrealized gains on investments	(679)	(300)
Gain on sale of assets	(3,545)	(3,682)
Equity in earnings of unconsolidated affiliates, net of distributions	10,098	909
Changes in operating assets and liabilities, net of effects of acquisitions:		
Receivables	(127,888)	(91,194)
Contract assets	(26,865)	(77,453)
Inventories, net	(10,280)	(4,302)
Other current assets	20,133	1,577
Accounts payable	43,789	60,547
Contract liabilities, net	98,897	23,050
Other current liabilities	24,006	14,268
Other noncurrent changes	3,472	1,284
Net cash provided by operating activities	196,810	32,470
Investing activities:		
Capital expenditures	(35,600)	(31,623)
Net proceeds from sale or disposition of property, plant and equipment	5,818	5,635
Acquisition, net of cash acquired	(147,642)	—
Proceeds from insurance contracts	—	2,174
Investments	(2,745)	(1,872)
Net cash used in investing activities	(180,169)	(25,686)
Financing activities:		
Repayment of long-term debt	(7,500)	(7,500)
Tax withholding on stock-based compensation	(2,971)	(588)
Net cash used in financing activities	(10,471)	(8,088)
Increase (decrease) in cash, cash equivalents and restricted cash	6,170	(1,304)
Cash, cash equivalents and restricted cash - beginning of period	170,500	86,012
Cash, cash equivalents and restricted cash - end of period	$ 176,670	$ 84,708
Supplemental Cash Flow Information:		
Interest paid	$ 8,522	$ 10,143
Income taxes paid, net	$ 40,104	$ 29,698
Noncash investing activities:		
Purchases of property, plant and equipment included in Accounts payable	$ 202	$ 868

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Everus Construction Group, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 – Background and Nature of Operations

Nature of Operations

Everus Construction Group, Inc. (the "Company" or "Everus") is a leading construction solutions provider headquartered in Bismarck, North Dakota, offering specialty contracting services to a diverse set of end markets, which are provided to commercial, industrial, institutional, renewables, service, transportation, utility and other customers. The Company's common stock is listed under the ticker symbol "ECG" on the New York Stock Exchange, and it operates throughout most of the United States through two reportable, operating segments:

Electrical & Mechanical ("E&M"): Contracting services including construction and maintenance of electrical and communication wiring and infrastructure, fire suppression systems, renewables infrastructure and mechanical piping and services to customers in both the public and private sectors.

Transmission & Distribution ("T&D"): Contracting services including construction and maintenance of overhead and underground electrical, gas, communication infrastructure and transportation-related lighting, as well as the manufacture and distribution of overhead and underground transmission line construction equipment and tools.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States ("GAAP"). Pursuant to GAAP, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements included in the Company's 2025 Annual Report on Form 10-K ("2025 Annual Report"). The information includes all adjustments that are, in the opinion of management, necessary for a fair presentation of the unaudited condensed consolidated financial statements and are of a normal recurring nature.

The results of operations for the three and six months ended June 30, 2026, are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or any other future period.

All revenues and costs, as well as assets and liabilities, directly associated with the business activities of the Company are included in the unaudited condensed consolidated financial statements. General corporate expenses are included within Selling, general and administrative expenses and Other income, net on the unaudited condensed consolidated statements of income.

Certain reclassifications have been made to the prior year unaudited condensed consolidated financial statements to conform to the current year presentation with regards to interest income and interest expense on the unaudited condensed consolidated statements of income, as well as prepayments and other current assets on the unaudited condensed consolidated balance sheets. These reclassifications had no impact to the unaudited condensed consolidated statements of equity or the unaudited condensed consolidated statements of cash flows.

Principles of Consolidation

The unaudited condensed consolidated financial statements were prepared in accordance with GAAP and include the accounts of the Company and its wholly owned subsidiaries, as well as entities that the Company controls through its ownership of a majority voting interest or pursuant to control of a variable interest entity ("VIE"), which is discussed in more detail below. All significant intercompany accounts and transactions between the businesses comprising the Company have been eliminated in the accompanying unaudited condensed consolidated financial statements.

Subsequent Events

The Company has evaluated transactions for consideration as recognized subsequent events in these unaudited condensed consolidated financial statements through August 5, 2026, the date of issuance of these unaudited condensed consolidated financial statements, and determined that no additional events requiring disclosure occurred. See Note 15 - Subsequent Events for further information regarding a nonrecognized subsequent event relating to a definitive agreement for an acquisition that the Company entered into on July 31, 2026.

Summary of Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies described in Note 2 – Basis of Presentation and Summary of Significant Accounting Policies in the Company's 2025 Annual Report.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the unaudited condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as long-lived assets and goodwill; fair values of acquired assets and liabilities under the acquisition method of accounting; acquisition-related contingent liabilities; property depreciable lives; tax provisions; revenue recognized using the cost-to-cost measure of progress for contracts; costs on construction contracts; unbilled revenues; expected credit losses; loss contingencies; actuarially determined benefit costs; lease classification; present value of right-of-use assets and lease liabilities; and the valuation of stock-based compensation. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Consolidation of Variable Interest Entities

The Company holds a minority economic interest in a captive insurance company, which has been determined to be a VIE due to its variable ownership interest in the captive insurance company. The captive insurance is structured with protected cell captives for each insured party ("Captive Cells") in which participants' assets and liabilities are held separately from each other and is not exposed to the insurance and investment risks that the Captive Cells are designed to create and distribute on behalf of the insured parties. The Company is the primary beneficiary of its individual Captive Cell and has the power to direct the activities that most significantly impact economic performance of its Captive Cell, as well as the obligation to absorb losses of, and receive benefits from the activities of its Captive Cell. Accordingly, the Company has prepared these unaudited condensed consolidated financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*. ASC 810 requires that if an entity is the primary beneficiary of a VIE, the assets, liabilities, and results of operations of the VIE should be included in the unaudited condensed consolidated financial statements of such entity. As such, the unaudited condensed consolidated financial statements include the consolidation of the Company's Captive Cell.

Cash deposits held by the Captive Cell are considered restricted cash as they are to remain in the Captive Cell. After consolidation by the Company, the total carrying amounts of Cash, cash equivalents and restricted cash, Other accrued liabilities, and Other noncurrent liabilities on the unaudited condensed consolidated balance sheets attributable to the Captive Cell were as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Cash, cash equivalents and restricted cash	$ 19,011	$ 17,828
Other accrued liabilities	2,958	2,381
Other noncurrent liabilities	$ 5,601	$ 6,326

Joint Ventures

The Company accounts for unconsolidated joint ventures using either the equity method or proportionate consolidation.

For those joint ventures accounted for under the equity method, the Company's investment balances for the joint ventures are included in Investments in the unaudited condensed consolidated balance sheets, and the Company's pro rata share of net income is included in Income from equity method investments in the unaudited condensed consolidated statements of income.

For the three and six months ended June 30, 2026, the Company recognized income from equity method joint ventures of $3.3 million and $5.9 million, respectively. For the three and six months ended June 30, 2025, the Company recognized income from equity method joint ventures of $2.6 million and $6.0 million, respectively. The Company's investments in equity method joint ventures as of June 30, 2026 and December 31, 2025, were $9.4 million and $19.5 million, respectively. In addition, the Company received distributions related to its return on investment from these equity method joint ventures of $16.0 million and $6.9 million for the six months ended June 30, 2026 and 2025, respectively.

Cash, Cash Equivalents and Restricted Cash

As of June 30, 2026 and December 31, 2025, the Company's cash was held in highly liquid bank accounts, including checking accounts and/or money market deposit accounts. In addition, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash primarily represents deposits held by the Company's Captive Cell that are to be used solely for the Captive Cell's purposes.

As of June 30, 2026 and December 31, 2025, the Company had $176.7 million and $170.5 million of cash, cash equivalents, and restricted cash, respectively, including $19.3 million and $17.8 million of restricted cash largely held by the Captive Cell, respectively.

For the three and six months ended June 30, 2026, the Company earned $1.3 million and $3.6 million of interest income, including $1.2 million and $3.4 million from its central cash management program, respectively. The Company earned $0.1 million and $0.2 million from the Company's Captive Cell for the three and six months ended June 30, 2026, respectively.

For the three and six months ended June 30, 2025, the Company earned $0.6 million and $1.5 million of interest income from its central cash management program, respectively.

Receivables and Allowance for Expected Credit Losses

Receivables consist primarily of trade receivables from the sale of goods and services, net of the allowance for expected credit losses. The Company's trade receivables are all due in 12 months or less. Receivables, net was summarized as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Trade receivables:		
Completed contracts	$ 39,918	$ 40,202
Contracts in progress	877,731	728,808
Other	6,951	6,100
Receivables, gross	924,600	775,110
Less: allowance for expected credit losses	(5,365)	(5,282)
Receivables, net	$ 919,235	$ 769,828

The following table presents the opening and closing balances of Receivables, net as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Balance at beginning of period	$ 769,828	$ 590,028
Net change during period	149,407	179,800
Balance at end of period	$ 919,235	$ 769,828

The Company's allowance for expected credit losses is determined using historical credit loss experiences, and changes in asset-specific characteristics, among other specific account data. The Company has applied the practical expedient of assuming current conditions as of the balance sheet date remain unchanged when estimating expected credit losses. A review of the Company's expected credit losses is performed at least quarterly. The Company develops and documents its methodology to determine its allowance for expected credit losses. Risk characteristics used by the Company may include customer mix, knowledge of customers and general economic conditions of the various local economies, among others. Specific account balances are written off when management determines the amounts to be uncollectible. The increase in the allowance for expected credit losses during the three and six months ended June 30, 2026 was driven by net provisioning for expected credit losses, write-offs of uncollectible account balances, and credit loss recoveries collected during the period. The decrease in the allowance for expected credit losses during the three and six months ended June 30, 2025 was driven by write-offs of uncollectible account balances and by net credit loss reversals recorded during the period.

Details of the Company's allowance for expected credit losses, disclosed within Receivables, net, for the respective periods presented below, were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Balance at beginning of period	$ 5,125	$ 3,064	$ 5,282	$ 7,097
Provision for credit losses, net of reversals	396	—	372	(1,729)
Less: write-offs charged against the allowance	(181)	(58)	(314)	(2,362)
Credit loss recoveries collected	25	—	25	—
Balance at end of period	$ 5,365	$ 3,006	$ 5,365	$ 3,006

Inventories

Inventories are stated at the lower of average cost or net realizable value, net of any inventory valuation allowance. The value of inventories may decrease due to obsolescence, physical deterioration, damage, costs to repair, changes in price levels or other causes. Inventory valuation write-downs, as well as inventory allowances, are determined based on specific facts and circumstances.

Inventories, net were summarized as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Materials and supplies	$ 16,279	$ 15,571
Work in process	6,083	3,230
Finished goods	33,859	27,057
Less: valuation allowance	(587)	(587)
Inventories, net	$ 55,634	$ 45,271

As of both June 30, 2026 and December 31, 2025, finished goods primarily consisted of manufactured equipment and tools held for sale and/or resale.

New Accounting Standards

Changes to GAAP are typically established by the FASB in the form of Accounting Standards Update ("ASU") to the FASB ASC. The Company considers the applicability and impact of all ASUs.

Recently Adopted Accounting Standards Updates

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which provided guidance to address stakeholders feedback on the challenges of applying Topic 326 to current accounts receivable and current contract assets, specifically related to the costs and complexities of developing reasonable and supportable forecasts to support the estimation of expected credit losses. As a result, this update provides a practical expedient for all entities that allows an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing such forecasts. The standard is effective for fiscal year December 31, 2026, and interim periods beginning January 1, 2026. The Company adopted the standard in the first quarter of 2026 and it did not have a material impact on the unaudited condensed consolidated financial statements.

New Accounting Standards Updates Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*, which provided guidance to address investors' requests for more detailed information about the types of expenses including purchases of inventory, employee compensation, depreciation, amortization, and depletion in commonly presented expense captions, such as cost of sales, selling, general and administrative expenses, and research and development costs. The standard will be effective for fiscal year December 31, 2027, and interim periods beginning January 1, 2028. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its disclosures for the year ending December 31, 2027, and future interim periods beginning in 2028.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): *Targeted Improvements to the Accounting for Internal-Use Software*, which provided guidance to address stakeholders feedback for modernizing the accounting for internal-use software costs due to the different methods of software development. This update amended the accounting and disclosure of internal-use software costs and provided entities updated recognition requirements for capitalizing internal-use software development costs, as well as website development costs. The standard will be effective for fiscal year December 31, 2028, and interim periods beginning January 1, 2028. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact the guidance will have on its consolidated financial statements as well as whether the Company will early-adopt the standard.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): *Narrow-Scope Improvements*, which provided clarity on interim reporting disclosure requirements and which disclosures should be provided in interim reporting periods. The standard will be effective for fiscal year December 31, 2028, and interim periods beginning January 1, 2028. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the disclosure impacts the guidance will have on its interim financial statements as well as whether the Company will early-adopt the standard.

Note 3 – Revenue from Contracts with Customers

Contract Estimates and Changes in Estimates

Changes in cost estimates on certain contracts can arise from, but not limited to, changes in productivity and performance expectations, availability of skilled labor in geographic locations of such projects, costs of labor and/or materials, changes in subcontractor productivity and performance, and extended overhead due to weather or other delays. These changes in estimates may result in the issuance of change orders, which can be approved or unapproved by the customer, or the assertion of contract claims. The Company recognizes amounts associated with change orders and claims as revenue if it is probable that the contract price will be adjusted and the amount of any such adjustment can be reasonably estimated. Change orders and claims are negotiated in the normal course of business and represent management's estimates of additional contract revenues that have been earned and are probable of collection.

As of June 30, 2026 and December 31, 2025, $36.0 million and $69.9 million, respectively, of unexecuted change orders were included in contract transaction price and in Contract assets or Contract liabilities, net on the unaudited condensed consolidated balance sheets. The Company was in the process of negotiating execution of these change orders in the normal course of business and the recognized amounts represent the Company's best estimates of additional contract revenues for which it is not probable that a significant reversal of the revenue amounts will occur in the future.

As of June 30, 2026 and December 31, 2025, the Company recorded loss provisions of $2.1 million and $2.0 million, respectively, in Contract liabilities, net on the unaudited condensed consolidated balance sheets related to contracts that are still being completed and remain recorded.

As of June 30, 2026 and December 31, 2025, the Company had claim positions of $38.3 million and $25.8 million, respectively, that were excluded from the contract transaction price. The Company continues to evaluate these active claims, and there was no impact to operating income during the quarter.

The Company received notification in October 2023 from a customer that it is withholding payment of approximately $31.3 million on remaining outstanding billings, including retention, on a large project with a contract that was billed on a time and materials basis with no stated maximum price. The Company believes it has substantial defenses against these claims based upon the terms of the contract and it has performed under the terms of the contract. Therefore, the Company believes collection of the remaining outstanding billings, including retention, is probable and, as a result, the Company has recognized the revenue from this project in its historical results. However, there is uncertainty surrounding this matter, including the potential long-term nature of dispute resolution, the Company filing a lien on the property and the broad range of possible consideration amounts as a result of negotiations and potential litigation to resolve the dispute.

Additionally, the cost-to-cost method of accounting requires the Company to make estimates about expected revenues and gross profit on each of its contracts in process. Changes in estimates may result from contract modifications, which affect the estimated progress of the related performance obligations. As a result, the Company recognizes additional revenues on a cumulative catch-up basis in the current period from performance obligations that were satisfied or partially satisfied in prior periods or the reversal of previously recognized revenues if the current estimated progress is less than the previous estimate. In some instances, contract modifications may occur after completion of work under the contract. Changes in estimates can also result in contract losses, which are recognized in full when they are determined to be probable and can be reasonably estimated.

Since these changes in estimates could significantly affect our profitability, the Company reviews and updates contract-related estimates regularly and recognizes adjustments in estimated gross profit on contracts under the cumulative catch-up method. Under this method, the cumulative impact to gross profit is recognized in the period that the adjustment is identified. As such, future operating revenues and gross profit of contract performance are recognized using the adjusted estimates.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied in prior periods positively net impacted operating revenues, and in turn gross profit, by $75.7 million and $115.2 million for the three and six months ended June 30, 2026, respectively. As a result, net income was positively net impacted by $56.1 million and $85.4 million and diluted earnings per share ("EPS") by $1.09 and $1.67, respectively.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied in prior periods positively net impacted operating revenues, and in turn gross profit, by $49.1 million and $73.6 million for the three and six months ended June 30, 2025, respectively. As a result, net income was positively net impacted by $35.9 million and $53.8 million and diluted EPS by $0.70 and $1.05, respectively.

For the three and six months ended June 30, 2026, net changes in estimates pertaining to certain projects, each individually positively or negatively affecting profitability in excess of $1.0 million, positively net impacted operating revenues, and in turn gross profit, by $47.0 million and $72.3 million, respectively, which resulted in positive net impacts to net income of $34.8 million and $53.5 million and diluted EPS of $0.68 and $1.05, respectively.

For the three and six months ended June 30, 2025, net changes in estimates pertaining to certain projects, each individually positively or negatively affecting profitability in excess of $1.0 million, positively net impacted operating revenues, and in turn gross profit, by $19.6 million and $36.6 million, respectively, which resulted in positive net impacts to net income of $14.4 million and $26.8 million and diluted EPS of $0.28 and $0.52, respectively.

The changes in estimates resulted from changes in performance estimates due to revisions to total estimated costs and/or anticipated contract value and from the mitigation of risks and contingencies as projects progressed to completion. The changes in estimates were made in the ordinary course of business and there were no changes that resulted in material amounts that should have been recognized in a prior period.

Disaggregation of Revenue

In the following tables, revenues are disaggregated by contract type and customer type for each reportable segment. The Company believes this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. For more information on the Company's reportable segments, refer to Note 12 – Segment Information.

The following tables present revenue disaggregated by contract type:

Three months ended June 30, 2026	E&M	T&D	Total
		(In thousands)	
Fixed-price	$ 522,130	$ 108,081	$ 630,211
Cost reimbursable*	476,770	77,541	554,311
Unit-price	11,425	41,775	53,200
Total contract revenues	1,010,325	227,397	1,237,722
Eliminations	(89)	(6,086)	(6,175)
Total operating revenues	$ 1,010,236	$ 221,311	$ 1,231,547

* Includes time and material, time and equipment, and cost reimbursable plus fee contracts.

Three months ended June 30, 2025	E&M	T&D	Total
		(In thousands)	
Fixed-price	$ 379,415	$ 113,774	$ 493,189
Cost reimbursable*	323,862	65,921	389,783
Unit-price	10,323	32,689	43,012
Total contract revenues	713,600	212,384	925,984
Eliminations	(1,986)	(2,532)	(4,518)
Total operating revenues	$ 711,614	$ 209,852	$ 921,466

* Includes time and material, time and equipment, and cost reimbursable plus fee contracts.

Six months ended June 30, 2026	E&M	T&D	Total
		(In thousands)	
Fixed-price	$ 952,401	$ 212,354	$ 1,164,755
Cost reimbursable*	870,246	143,097	1,013,343
Unit-price	22,802	76,409	99,211
Total contract revenues	1,845,449	431,860	2,277,309
Eliminations	(122)	(8,687)	(8,809)
Total operating revenues	$ 1,845,327	$ 423,173	$ 2,268,500

* Includes time and material, time and equipment, and cost reimbursable plus fee contracts.

Six months ended June 30, 2025	E&M	T&D	Total
		(In thousands)	
Fixed-price	$ 729,981	$ 207,377	$ 937,358
Cost reimbursable*	609,748	128,904	738,652
Unit-price	22,098	61,118	83,216
Total contract revenues	1,361,827	397,399	1,759,226
Eliminations	(6,222)	(4,909)	(11,131)
Total operating revenues	$ 1,355,605	$ 392,490	$ 1,748,095

* Includes time and material, time and equipment, and cost reimbursable plus fee contracts.

The following table presents revenue disaggregated by customer type:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands)		(In thousands)	
Commercial	$ 753,154	$ 507,717	$ 1,407,975	$ 927,029
Industrial	147,722	77,325	226,089	163,688
Institutional	72,893	92,333	134,635	195,661
Service & other	29,105	25,650	53,755	52,097
Renewables	7,451	10,575	22,995	23,352
Total E&M	1,010,325	713,600	1,845,449	1,361,827
Utility	204,501	184,446	388,828	349,500
Transportation	22,896	27,938	43,032	47,899
Total T&D	227,397	212,384	431,860	397,399
Eliminations	(6,175)	(4,518)	(8,809)	(11,131)
Total operating revenues	$ 1,231,547	$ 921,466	$ 2,268,500	$ 1,748,095

Uncompleted Contracts and Contract Assets and Contract Liabilities, Net

Costs, estimated earnings and billings on uncompleted contracts were summarized as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Costs incurred on uncompleted contracts	$ 7,525,535	$ 8,036,495
Estimated earnings	1,134,301	1,172,516
Costs and estimated earnings on uncompleted contracts	8,659,836	9,209,011
Less: billings to date	(8,788,498)	(9,258,355)
Net contract liabilities	$ (128,662)	$ (49,344)

The timing of invoicing to customers does not necessarily correlate with the timing of revenues being recognized under the cost-to-cost method of accounting. Contracts from contracting services usually stipulate the timing of payment, which is defined by the terms found within the various contracts under which work was performed during the period. Contracts from contracting services are billed as work progresses in accordance with agreed-upon contractual terms. A variance in timing of the billings in comparison to the timing of revenue recognition may result in contract assets or contract liabilities.

Contract assets consist of unbilled revenue and retainage. Unbilled revenue occurs when revenues are recognized under the cost-to-cost measure of progress, which exceed amounts billed on uncompleted contracts. Such amounts will be billed as standard contract terms allow, usually based on various measures of performance or achievement. Retainage represents amounts that have been contractually invoiced to customers and where payments have been partially withheld pending the achievement of certain milestones, satisfaction of other contractual conditions, or completion of the project. Contract assets are not considered a significant financing component as they are intended to protect the customer in the event the Company does not perform on its obligations under the contract.

Contract liabilities occur when there are billings in excess of revenues recognized under the cost-to-cost measure of progress on uncompleted contracts. Contract liabilities decrease as revenue is recognized from the satisfaction of the related performance obligation. Contract liabilities are not considered to have a significant financing component as they are used to meet working capital requirements that generally are higher in the early stages of a contract and are intended to protect the Company from the other party failing to meet its obligations under the contract.

The Company classifies Contract assets and Contract liabilities, net that may be settled after one year from the balance sheet date as current, consistent with the timing of the Company's project operating cycle.

Contract assets and Contract liabilities, net consisted of the following as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Unbilled revenue	$ 223,930	$ 187,902
Retainage	66,227	67,865
Contract assets	$ 290,157	$ 255,767
Deferred revenue	$ 575,652	$ 417,415
Accrued loss provision	2,119	1,965
Less: retainage	(158,952)	(114,269)
Contract liabilities, net	$ 418,819	$ 305,111

The following table presents the opening and closing balances of contract assets (liabilities) as of:

	June 30, 2026			December 31, 2025		
	Contract Assets	Contract Liabilities, Net	Net Contract Liabilities	Contract Assets	Contract Liabilities, Net	Net Contract Liabilities
	(In thousands)					
Balance at beginning of period	$ 255,767	$ (305,111)	$ (49,344)	$ 167,049	$ (207,304)	$ (40,255)
Identifiable assets and liabilities acquired	7,525	(14,811)	(7,286)	—	—	—
Change during period, net of acquisition effects	26,865	(98,897)	(72,032)	88,718	(97,807)	(9,089)
Balance at end of period	$ 290,157	$ (418,819)	$ (128,662)	$ 255,767	$ (305,111)	$ (49,344)

Contract assets and contract liabilities fluctuate period to period based on various factors, including, but not limited to, changes in the number and size of projects in progress at period end; variability in billing and payment terms, such as up-front or advance billings, interim or milestone billings, or deferred billings; variability in billing of retainage and the satisfaction of the specified condition; and unapproved change orders and contract claims recognized as revenues. The primary driver of the difference between the Company's opening and closing contract assets and contract liabilities balances is the timing of the Company's billings, including retainage, in relation to its performance of work.

The Company recognized a net increase in revenues of $42.9 million and $269.0 million for the three and six months ended June 30, 2026, respectively, related previously recognized deferred revenues that were included in contract liabilities as of December 31, 2025. The Company recognized a net increase in revenues of $34.8 million and $177.6 million for the three and six months ended June 30, 2025, respectively, related to previously recognized deferred revenues that were included in contract liabilities as of December 31, 2024.

Remaining Performance Obligations

Remaining performance obligations include unrecognized revenues that the Company reasonably expects to be realized from the uncompleted portion of services to be performed under job-specific contracts to the extent management believes additional contract revenues will be earned and are deemed probable of collection. The majority of the Company's contracts for contracting services have an original duration of less than one year.

As of June 30, 2026 and December 31, 2025, the aggregate amount of the transaction price allocated to the Company's remaining performance obligations was $3.95 billion and $2.80 billion, respectively. The table below shows additional information regarding the Company's remaining performance obligations as of June 30, 2026, including an estimate of when the Company expects to recognize its remaining performance obligations as revenues:

	Within 12 months	Greater than 12 months
	(In thousands)	
E&M	$ 3,006,886	$ 616,314
T&D	271,102	53,597
Total	$ 3,277,988	$ 669,911

Note 4 – Acquisition

On April 1, 2026, the Company acquired 100% of the issued and outstanding equity interests of SE&M Constructors, LLC, SE&M of the Triangle, LLC and SECO Rentals, LLC (collectively, "SE&M"). SE&M, founded in 1923 and headquartered in Elm City, North Carolina, provides mechanical, electrical and plumbing services to customers across a variety of sectors, including pharmaceutical, complex industrial and healthcare. The Company believes the acquisition enhances its services capabilities, expands its geographic footprint in the Southeastern U.S., where it sees strong industry tailwinds, and deepens its exposure to attractive end-markets. SE&M is included in the Company's E&M segment.

The Company accounted for this transaction as an acquisition of a business using the acquisition method under ASC 805, *Business Combinations* (Topic 805).

The Company acquired SE&M for initial base consideration of $158 million, subject to certain closing adjustments, funded by cash on hand. Cash consideration paid at closing was $161.7 million, and was reflective of the initial base consideration adjusted in accordance to the terms of the purchase agreement for acquired cash, outstanding indebtedness, and target working capital. Transaction terms also allow for potential contingent consideration up to $12.0 million, or approximately 8% of the initial base consideration, based on certain post-acquisition financial performance targets over a one year period.

The Company incurred an immaterial amount and $1.3 million of acquisition-related costs in connection with the SE&M acquisition during the three and six months ended June 30, 2026, respectively, which were included in Selling, general and administrative expenses on the unaudited condensed consolidated statements of income.

Purchase Price Allocation

The Company is finalizing its purchase price allocation related to SE&M, and adjustments to the preliminary purchase price allocation may occur, since certain necessary data is not yet available to complete the purchase price allocation. Final valuations of intangible assets and goodwill acquired, contingent consideration liabilities, and the finalization of closing working capital may cause future adjustments to the preliminary purchase price allocation. The Company will finalize the purchase price allocation during the 12-month period following the acquisition date. The following table summarizes the preliminary purchase price allocation of the consideration transferred or estimated to be transferred and the acquisition-date fair value of identifiable assets acquired and liabilities assumed related to the SE&M acquisition:

		(In thousands)
Cash	$	161,705
Purchase price adjustments		409
Contingent consideration		4,083
Total	$	166,197
Identifiable assets acquired and liabilities assumed:		
Cash, cash equivalents and restricted cash	$	14,063
Receivables, net		21,891
Contract assets		7,525
Inventories, net		83
Other current assets		29
Property, plant, and equipment, net		2,035
Operating lease right-of-use assets		2,830
Other intangible assets, net		73,500
Accounts payable		(5,321)
Contract liabilities		(14,811)
Accrued compensation		(534)
Accrued payroll-related liabilities		(192)
Taxes payable		(222)
Other accrued liabilities		(875)
Operating lease liabilities		(2,833)
Total identifiable net assets		97,168
Goodwill		69,029
Fair value of net assets acquired	$	166,197

Contingent Consideration

Acquisition-date fair value of the contingent consideration that is not subject to continued employment of the sellers was determined using a Monte Carlo simulation model with a risk-free rate of 3.66%, earnings before interest, taxes, depreciation and amortization ("EBITDA") volatility of 58.00%, EBITDA risk premium of 9.16%, and a credit risk-adjusted discount rate of 7.00%. Any changes in the final valuation of the acquisition-date fair value of the contingent consideration related to additional information about facts and circumstances that existed at the acquisition date will adjust the acquisition's purchase price allocation, since it was included as part of the preliminary consideration transferred or estimated to be transferred. However, changes in the fair value of the contingent consideration relating to periods following the acquisition date will be recognized in earnings on the unaudited condensed consolidated statements of income.

Contingent consideration that is subject to continued employment of the sellers is recorded as post-combination expense over the period earned.

Intangible Assets

The fair value of each finite-lived intangible asset acquired was determined using the multi-period excess earnings method. For the valuation of customer relationships and backlog, various significant inputs and assumptions, including future revenues, contributory asset charges, discount rates, customer attrition rates and tax amortization benefit, were used to determine the respective gross intangible asset value as well as the appropriate amortization period.

The following finite-lived intangible assets were acquired as a result of the SE&M acquisition:

	Estimated Fair Value	Weighted Average Amortization Period
	(In thousands)	(In years)
Customer relationships	$ 39,200	20.0
Backlog	19,300	1.8
Finite-lived intangible assets acquired	$ 58,500	14.0

Fair value of the indefinite-lived intangible assets acquired were determined using the relief from royalty method-profit split analysis, which used various significant inputs and assumptions, including market royalty rates, operating history, brand reputation discount rates, long-term growth and capitalization rates, and tax amortization benefit.

The following indefinite-lived intangible assets were acquired as a result of the SE&M acquisition:

	Estimated Fair Value
	(In thousands)
Trade names and trademarks	$ 15,000
Indefinite-lived intangible assets acquired	$ 15,000

The Company did not incur costs to renew or extend the term of acquired intangible assets during the six months ended June 30, 2026.

Goodwill

Goodwill recognized in connection with the SE&M acquisition was recorded within the E&M segment, and the full goodwill amount of $69.0 million is expected to be deductible for income tax purposes.

Impact of Acquisition

The results of operations of SE&M were included in the Company's unaudited condensed consolidated statements of income for the reporting periods following the April 1, 2026, acquisition date. For each of the three and six months ended June 30, 2026, the acquired business contributed $33.4 million of operating revenues and $1.8 million of net income. In addition, the preliminary purchase price allocation of acquisition-date fair value of identifiable assets acquired and liabilities assumed, as well as any measurement period adjustments, were included in the Company's unaudited condensed consolidated balance sheet as of June 30, 2026.

Note 5 – Goodwill and Other Intangible Assets, Net

Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. Changes to goodwill during the period are a result of the SE&M acquisition, which primarily consisted of acquiring a highly skilled workforce and future business growth opportunities, along with other expected synergies resulting from the acquisition.

Changes in the Company's carrying amount of goodwill were as follows:

	E&M	T&D	Total
		(In thousands)	
Balance as of December 31, 2025	$ 115,959	$ 27,265	$ 143,224
Goodwill acquired	69,029	—	69,029
Balance as of June 30, 2026	$ 184,988	$ 27,265	$ 212,253

The Company's reporting units are E&M, T&D, and Wagner Smith Equipment ("WSE"). WSE is within the T&D reportable segment. No impairments of goodwill were recorded for the three and six months ended June 30, 2026 and 2025.

Other Intangible Assets, Net

Finite-Lived Intangible Assets

As of June 30, 2026, finite-lived intangible assets, which were within Other intangible assets, net on the condensed consolidated balance sheet consisted of:

		June 30, 2026		
	Remaining Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In years)	(In thousands)		
Customer relationships	19.8	$ 39,200	$ 490	$ 38,710
Backlog	1.5	19,300	2,757	16,543
Total		$ 58,500	$ 3,247	$ 55,253

Amortization expense for finite-lived intangible assets was $3.2 million for both the three and six months ended June 30, 2026.

As a result of the finite-lived intangible assets balance being fully amortized during the first quarter of 2025, there was no amortization expense during the second quarter of 2025. Hence, amortization expense for finite-lived intangible assets was $0.1 million for the six months ended June 30, 2025.

Amortization expense is recognized in Selling, general and administrative expenses in the unaudited condensed consolidated statements of income.

As of June 30, 2026, future amortization expense for finite-lived intangible assets was estimated to be as follows:

	June 30, 2026
	(In thousands)
Remainder of 2026	$ 6,494
2027	12,989
2028	1,960
2029	1,960
2030	1,960
Thereafter	29,890
Total	$ 55,253

No impairments of finite-lived intangible assets were recorded for the three and six months ended June 30, 2026 and 2025.

Indefinite-Lived Intangible Assets

Changes in the Company's indefinite-lived intangible assets, consisting of trade names and trademarks, and were within Other intangible assets, net on the condensed consolidated balance sheet, were as follows:

	Total
	(In thousands)
Balance as of December 31, 2025	$ —
Trade names and trademarks acquired	15,000
Balance as of June 30, 2026	$ 15,000

No impairments of indefinite-lived intangible assets were recorded for the three and six months ended June 30, 2026 and 2025.

Note 6 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurement* ("ASC 820") establishes a three-tier hierarchy for grouping assets and liabilities, based on the significance and availability of inputs in active markets. The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs use data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are "unobservable data points" for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	June 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2026
		(In thousands)		
Assets:				
COLI contracts	$ —	$ 11,039	$ —	$ 11,039
Total assets measured at fair value	$ —	$ 11,039	$ —	$ 11,039
Liabilities:				
Contingent consideration	$ —	$ —	$ 4,083	$ 4,083
Total liabilities measured at fair value	$ —	$ —	$ 4,083	$ 4,083

	December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2025
		(In thousands)		
Assets:				
COLI contracts	$ —	$ 7,615	$ —	$ 7,615
Total assets measured at fair value	$ —	$ 7,615	$ —	$ 7,615

Assets

The Company measured its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in the unaudited condensed consolidated statements of income. The Company anticipates using these investments, which consist of corporate-owned life insurance ("COLI") contracts, to satisfy its obligations under its unfunded, nonqualified deferred compensation plan for eligible Company participants, including its executive officers and certain key management and other employees. The Company invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation.

These investments, which totaled $11.0 million and $7.6 million as of June 30, 2026 and December 31, 2025, respectively, were included in Investments on the unaudited condensed consolidated balance sheets.

For the three and six months ended June 30, 2026, the Company recognized net unrealized gains on these investments of $0.9 million and $0.7 million, respectively. For the three and six months ended June 30, 2025, the Company recognized net unrealized gains of $0.4 million and $0.3 million, respectively. The changes in fair value were classified in Other income, net on the unaudited condensed consolidated statements of income.

The estimated fair value of the Company's Level 2 COLI contracts was based on contractual cash surrender values that were determined primarily by investments in managed separate accounts of the insurer. These amounts approximated fair value. The managed separate accounts were valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

The estimated fair values of the Company's Cash, cash equivalents and restricted cash, Receivables, Accounts payable and Other accrued liabilities approximated their carrying value due to the short-term maturities of these instruments.

The Company has a captive insurance arrangement in which a Captive Cell within a captive insurance company holds cash, classified as restricted cash, and certain other accrued liabilities and other noncurrent liabilities in order to manage and administer insurance claims on behalf of the Company. The fair values of the assets and liabilities held by the Captive Cell approximated their fair values as of June 30, 2026 and December 31, 2025, respectively. Refer to Note 2 – Basis of Presentation and Summary of Significant Accounting Policies for additional information on the Company's captive insurance arrangement.

Liabilities

As part of the SE&M acquisition, the Company entered into a contingent consideration agreement, including contingent consideration that is not subject to continued employment of the sellers. Following the acquisition date, the fair value of the aforementioned contingent consideration is remeasured at each reporting date, with any changes in fair value recognized in earnings on the unaudited condensed consolidated statements of income. The estimated fair value of the contingent consideration is measured using a probability-weighted discounted cash flow method, which considers significant inputs not observable in the market and are considered Level 3 inputs.

The following table sets forth a summary of changes in the fair value of the Company's Level 3 financial liabilities:

Contingent consideration	**(In thousands)**
Balance as of December 31, 2025	$ —
Issuances	4,083
Balance as of June 30, 2026	$ 4,083

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company applies the provisions of ASC 820 to its nonrecurring, nonfinancial measurements of nonfinancial assets and liabilities, including long-lived asset impairments. These nonfinancial assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. The fair values of intangible assets are also nonrecurring measurements. These measurements are considered Level 3 and these assets are recognized at fair value if they are deemed to be impaired.

The Company reviews the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable. No long-lived asset impairments were recorded for the three and six months ended June 30, 2026 and 2025.

Assets and Liabilities Not Measured at Fair Value

The Company's long-term debt was not measured at fair value on the unaudited condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025, respectively, but the corresponding fair values are being provided for disclosure purposes only. The fair values were categorized as Level 2 in the fair value hierarchy and were based on discounted cash flows using current market interest rates. Refer to Note 7 – Debt for additional information on the Company's long-term debt.

The estimated fair value of the Company's Level 2 gross long-term debt, including current long-term debt, was as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Carrying value	$ 277,500	$ 285,000
Fair value	$ 276,557	$ 282,115

Note 7 - Debt

Certain debt instruments of the Company contain restrictive and financial covenants and cross-default provisions. In order to borrow under the debt instruments, the Company must be in compliance with the applicable covenants and certain other conditions, all of which the Company was in compliance with as of June 30, 2026. Non-compliance with applicable covenants or conditions may constitute an event of default under the Credit Agreement (as defined below). Subject to any applicable cure periods, failure to remedy such a default may require the Company to pursue alternative sources of funding.

Long-Term Debt

Long-term debt outstanding was as follows as of:

	Weighted Average Interest Rate as of June 30, 2026	June 30, 2026	December 31, 2025
	(percentage)	(In thousands)	
Term loan due on October 31, 2029	5.73 %	$ 277,500	$ 285,000
Revolving credit facility		—	—
Less: unamortized debt issuance costs		(3,001)	(3,451)
Total long-term debt		274,499	281,549
Less: long-term debt - current portion		(15,000)	(15,000)
Long-term debt		$ 259,499	$ 266,549

Term Loan and Revolving Credit Facility

On October 31, 2024, the Company entered into a five-year senior secured credit agreement (the "Credit Agreement"), which provides for a $300.0 million term loan ("Term Loan") and a $225.0 million revolving credit facility ("Revolving Credit Facility"). The Revolving Credit Facility includes letters of credit available under the Credit Agreement in an aggregate amount of up to $50.0 million.

The Company paid $4.4 million and $3.5 million of debt issuance costs for the Term Loan and Revolving Credit Facility, respectively. The costs associated with the Term Loan were capitalized and classified as a reduction to Long-term debt and the costs associated with the Revolving Credit Facility were capitalized and recorded as Other noncurrent assets. Each will be amortized to interest expense over the term of the Credit Agreement.

As of both June 30, 2026 and December 31, 2025, there was no outstanding balance under the Revolving Credit Facility, but there were $2.2 million of outstanding standby letters of credit. As a result, the Company had a borrowing capacity of $222.8 million under the Revolving Credit Facility for both periods presented.

The Company incurred $4.6 million and $9.2 million of interest expense related to the Credit Agreement for the three and six months ended June 30, 2026, including $4.0 million and $8.1 million of interest on outstanding borrowings, $0.4 million and $0.8 million of debt issuance costs amortization, and $0.2 million and $0.3 million of commitment fees, respectively.

The Company incurred $5.3 million and $10.9 million of interest expense related to the Credit Agreement for the three and six months ended June 30, 2025, including $4.7 million and $9.7 million of interest on outstanding borrowings, $0.4 million and $0.8 million of debt issuance costs amortization, and $0.2 million and $0.4 million of commitment fees, respectively.

The Term Loan requires quarterly amortization payments of 5.00% per annum of the original principal amount thereof. The Credit Agreement also requires mandatory prepayments in connection with certain asset sales, subject to certain exceptions.

For each of the six months ended June 30, 2026 and 2025, the Company paid its required quarterly amortization payments under the Term Loan totaling $7.5 million. The Company also paid $8.1 million and $9.7 million of associated interest on outstanding borrowings for the six months ended June 30, 2026 and 2025, respectively.

Borrowings under the Credit Agreement bear interest, at the Company's option, at an annual rate equal to (a) adjusted term Secured Overnight Financing Rate, defined in a customary manner ("Term SOFR") plus an applicable rate of 2.00% to 2.75%, based on the Company's total net leverage ratio (as defined below), or (b) the base rate (determined by reference to the highest of (x) the prime rate, (y) the greater of (i) the federal funds effective rate and (ii) the overnight bank funding rate, in each case, plus 0.50%, and (z) the one-month adjusted Term SOFR rate plus 1.00% per annum, subject to customary floors (clauses (x) through (z), the "Base Rate")) plus an applicable rate of 1.00% to 1.75%, based on the Company's total net leverage ratio. Undrawn commitment fees under the Revolving Credit Facility range from 0.30% to 0.45% based on the Company's consolidated total net leverage ratio.

The Credit Agreement provides for incremental revolving and term facilities at the Company's request and at the discretion of the lenders or other persons providing such incremental facilities, and also permits the Company to incur other secured or unsecured debt, in all cases subject to conditions and limitations on the amount of such incremental facility or other debt as specified in the Credit Agreement.

The Credit Agreement contains certain limitations with respect to indebtedness, liens, acquisitions and other investments, fundamental changes, restrictive agreements, dividends and redemptions or repurchases of stock, prepayments of certain subordinated indebtedness, dispositions of assets and transactions with affiliates, in each case subject to certain exceptions.

The Credit Agreement contains financial covenants requiring the Company to maintain a maximum consolidated total net leverage ratio of 3.00 to 1.00 and a minimum interest coverage ratio of 3.00 to 1.00, each determined as of the end of each fiscal quarter. Per the Credit Agreement, consolidated total net leverage ratio is defined as the ratio of (a) consolidated funded indebtedness of the Company to (b) last twelve months ("LTM") earnings before interest, taxes, depreciation and amortization ("EBITDA"). Interest coverage ratio is defined as the ratio of (a) LTM EBITDA to (b) consolidated cash interest expense of the Company. The consolidated total net leverage ratio may be increased at the Company's option to 3.50 to 1.00 in connection with certain qualifying material acquisitions. The covenants also include restrictions on the sale of certain assets, loans and investments.

Schedule of Debt Maturities

As of June 30, 2026, the long-term debt maturities schedule, excluding unamortized debt issuance costs, for the remainder of 2026 and the three years following December 31, 2026, aggregated as follows:

	Remainder of 2026	2027	2028	2029	Total
			(In thousands)		
Long-term debt maturities, including current portion	$ 7,500	$ 15,000	$ 15,000	$ 240,000	$ 277,500

Note 8 – Leases

Most of the leases the Company enters into are for equipment, buildings and vehicles as part of its ongoing operations. The Company also leases certain equipment to third parties.

Lessee Accounting

The leases the Company has entered into as part of its ongoing operations are considered operating leases. The corresponding lease costs are included in Cost of sales and Selling, general and administrative expenses on the unaudited condensed consolidated statements of income.

Generally, operating leases for vehicles and equipment have a term of one to five years and buildings have a longer term of up to 10 years or more. For certain operating leases, lease terms may include the options to extend or terminate the lease. Similarly, building or property operating leases could include one or more options to renew, with renewal terms that could extend the lease term by one to five years or more.

The Company also has guaranteed the residual value under certain of its equipment operating leases, agreeing to pay any difference between the residual value and the fair market value of the underlying asset at the date of lease termination. Historically, the fair value of the asset at the time of lease termination generally has approximated or exceeded the residual value guarantee. To date, the Company does not have any residual value guarantee amounts probable of being owed to a lessor, financing leases or material agreements with related parties.

In addition, the Company has entered into short-term leases to help support its ongoing operations, consisting primarily of short-term equipment and vehicle leases, and generally have lease terms of less than one year.

The following table provides information on the Company's lease costs for operating leases:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Lease costs:				
Operating lease cost	$ 11,095	$ 9,438	$ 21,976	$ 17,996
Variable lease cost	430	406	838	741
Short-term lease cost	37,237	24,845	66,362	48,531
Total lease costs	$ 48,762	$ 34,689	$ 89,176	$ 67,268

The following is summary information of lease terms and discount rates for operating leases as of:

	June 30, 2026	December 31, 2025
Weighted average remaining lease term (in years)	1.10 years	1.15 years
Weighted average discount rate (in percentages)	5.14 %	5.43 %

The following is a summary of other information and supplemental cash flow information related to operating leases:

	Six months ended June 30,	
	2026	2025
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating lease liabilities	$ 21,666	$ 17,712
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 18,567	$ 22,876

The reconciliation of future undiscounted cash flows to operating lease liabilities, including current portion of operating lease liabilities, presented on the unaudited condensed consolidated balance sheet as of June 30, 2026 was as follows:

	June 30, 2026
	(In thousands)
Remainder of 2026	$ 20,580
2027	31,880
2028	19,828
2029	10,598
2030	5,523
Thereafter	9,851
Total	98,260
Less: discount	(8,609)
Total operating lease liabilities	$ 89,651

The Company entered into operating leases for $22.7 million and $1.1 million, respectively, that had not yet commenced as of June 30, 2026. The operating leases have estimated lease terms of 10 years, 4 months, and 5 years, 4 months, respectively, and are expected to commence in August 2026 and January 2027, respectively.

Lessor Accounting

The Company leases certain equipment to third parties. These leases are considered short-term operating leases with lease terms of less than 12 months, with the majority being month-to-month leases currently. The Company recognizes revenues from operating leases in Operating revenues in the unaudited condensed consolidated statements of income on a straight-line basis over the respective operating lease terms.

The following table provides information on the Company's lease income for operating leases:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Lease income:				
Operating lease income	$ 15,738	$ 11,848	$ 29,895	$ 22,986
Total lease income	$ 15,738	$ 11,848	$ 29,895	$ 22,986

The following table is a maturity analysis of undiscounted cash flows relating to lease payments expected to be received by the Company as a lessor of operating leases as of:

	June 30, 2026
	(In thousands)
Remainder of 2026	$ 10,991
Total lease payments	$ 10,991

The majority of the total lease payments are currently from month-to-month leases as stated above and are included in Receivables, net on the unaudited condensed consolidated balance sheets as rent receivables due to the timing of billings compared to earned operating lease income.

Equipment under operating leases, which was included within Property, plant and equipment, net in the unaudited condensed consolidated balance sheets, was as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
Machinery and equipment	$ 72,880	$ 69,152
Less: accumulated depreciation	(35,210)	(32,565)
Property, plant and equipment, net	$ 37,670	$ 36,587

Note 9 – Earnings Per Share

Basic EPS is computed by dividing net income by the weighted average number of shares of common stock outstanding during the applicable period. The Company calculates diluted EPS using the treasury stock method. Diluted EPS is computed by dividing net income by the total of the weighted average number of shares of common stock outstanding during the applicable period, plus the effect of any potentially dilutive securities, except in cases where the effect of such securities would be anti-dilutive.

Basic and diluted EPS were calculated as follows, based on a reconciliation of the weighted average common shares outstanding on a basic and diluted basis:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands, except per share amounts)			
Net income	$ 83,890	$ 52,843	$ 142,206	$ 89,515
Weighted average common shares outstanding - basic	51,086	51,041	51,084	51,042
Effect of dilutive securities - share-based awards	134	53	121	50
Weighted average common shares outstanding - diluted	51,220	51,094	51,205	51,092
EPS - basic	$ 1.64	$ 1.04	$ 2.78	$ 1.75
EPS - diluted	$ 1.64	$ 1.03	$ 2.78	$ 1.75
Shares excluded from the calculation of diluted EPS due to their anti-dilutive effect	13	14	6	7

Note 10 – Stock-Based Compensation

The Company is currently authorized to issue 2.5 million restricted stock units ("RSUs"), performance share awards ("PSAs") and other stock-based awards under the Everus Construction Group, Inc. Long-Term Performance-Based Incentive Plan ("Everus LTIP"). As of June 30, 2026, there were approximately 2.4 million shares available for issuance, with approximately 2.1 million shares available for grant under the Everus LTIP. There were approximately 0.3 million outstanding stock awards that were either vested, but unsettled in shares of common stock or nonvested as of June 30, 2026. The Company either purchases shares on the open market or issues new shares of common stock to satisfy the vesting of stock-based awards.

The Company's compensation committee has the authority to select recipients of awards, determine the type and size of awards, and establish certain terms and conditions of award grants.

Total stock-based compensation expense, including Company participants and non-employee directors, was $3.3 million and $5.3 million for the three and six months ended June 30, 2026, respectively, and $1.2 million and $2.9 million for the three and six months ended June 30, 2025, respectively. Stock-based compensation expense was included in Selling, general and administrative expenses in the unaudited condensed consolidated statements of income.

Restricted Stock Units

During the six months ended June 30, 2026 and 2025, the Company's compensation committee granted 49,361 and 47,705 time-vesting RSUs to employees under the Everus LTIP at a weighted average grant date fair value per share of $132.73 and $49.60, respectively. However, 43 time-vesting RSUs of the quantity granted were forfeited during the six months ended June 30, 2026. Time-vesting RSUs generally vest ratably in equal installments over three years, contingent on continued employment through the vesting periods. Upon vesting, participants may receive dividends, if any, that accumulate during the vesting period.

During the six months ended June 30, 2026 and 2025, 37,059 and 18,304 shares of common stock were issued, on a net settlement basis, in connection with vested employee RSUs, respectively. The gross issuances of 61,316 shares and 30,939 shares of common stock, respectively, were considered noncash transactions, as no cash was exchanged for the shares. However, the Company withheld/repurchased 24,257 shares and 12,635 shares, respectively, to satisfy the employees withholding tax obligations, as evidenced by the financing cash outflows on the unaudited condensed consolidated statements of cash flows.

During the six months ended June 30, 2026 and 2025, the Company's compensation committee granted 7,274 and 17,804 time-vesting RSUs to the Company's non-employee directors under the Everus LTIP at a weighted average grant date fair value per share of $159.44 and $57.39. The time-vesting RSUs generally vest over one year until the next Annual Meeting of Stockholders, contingent on continued service on the Everus board of directors. Upon vesting, the non-employee directors may receive dividends, if any, that accumulate during the vesting period.

During the six months ended June 30, 2026, 19,664 shares of common stock were issued in connection with vested non-employee director RSUs, respectively, and were considered noncash transactions, as no cash was exchanged for the shares.

Prior to the RSU grants, the non-employee directors received shares of common stock in addition to cash payments for directors' fees through fully vested stock award grants. On May 22, 2025, the Company granted 6,778 shares with a grant date fair value of $0.4 million to the non-employee directors.

Performance Share Awards

During the six months ended June 30, 2026 and 2025, the Company's compensation committee granted 41,151 and 55,092 PSAs, at target, under the Everus LTIP, respectively. These PSAs are generally earned over a three-year performance period, with vesting generally at the end of the performance period, dependent upon the achievement of performance measures and continued employment through the vesting period. The target number of shares are primarily split equally between performance and market conditions, subject to rounding differences. Upon vesting, participants may receive dividends, if any, that accumulate during the vesting period.

Under the performance conditions for these PSAs, participants can earn from 0% to 200% of the apportioned target grant of shares. The performance conditions are tied to specific financial metrics. The weighted average grant-date fair value per share for the PSAs applicable to these performance conditions issued during the six months ended June 30, 2026 and 2025 was $121.56 and $47.27, respectively.

Under the market condition for these PSAs, participants can earn from 0% to 200% of the apportioned target grant of shares based on the Company's total shareholder return relative to that of a selected peer group. The weighted average grant-date fair value per share for the PSAs applicable to the market condition issued during the six months ended June 30, 2026 and 2025 was $183.67 and $56.91, respectively, which was determined by Monte Carlo simulations.

Other Stock Awards

During the six months ended June 30, 2026 and 2025, the Company issued 394 and 569 shares of common stock to certain non-employee directors who chose to convert a portion of their monthly cash payments for directors' fees into shares of common stock, respectively. The issuances of shares of common stock were considered noncash transactions, as no cash was exchanged for the shares.

Note 11 – Income Taxes

The Company's quarterly income tax provision is measured using an estimate of its consolidated annual effective tax rate, adjusted in the current period for discrete income tax items, within the periods presented.

For the three and six months ended June 30, 2026, income tax expense was $29.4 million and $49.7 million, respectively, resulting in effective tax rate of 25.9% for each period. The effective tax rates for the three and six months ended June 30, 2026 differed from the 2026 statutory tax rate of 21% primarily due to state income taxes, net of federal income taxes, and certain unfavorable permanent book-tax differences due to meals and entertainment expenses and non-deductible employee compensation, partially offset by research & development tax credits.

For the three and six months ended June 30, 2025, income tax expense was $19.4 million and $33.0 million, respectively, resulting in an effective tax rate of 26.9% for each period. The effective tax rates for the three and six months ended June 30, 2025 differed from the 2025 statutory tax rate of 21% primarily due to state income taxes, net of federal income taxes, and certain unfavorable permanent book-tax differences due to meals and entertainment expenses and non-deductible employee compensation.

The effective tax rates for the three and six months ended June 30, 2026 differed from the effective tax rates for the three and six months ended June 30, 2025 due to changes in the Company's permanent book-tax differences between those periods, specifically changes in the Company's state income taxes and increased non-deductible employee compensation, partially offset by a favorable stock compensation book-tax difference and increased research & development tax credits.

Note 12 – Segment Information

The Company's reportable segments are those that are based on the Company's method of internal reporting and management of the business. The Company provides a full spectrum of construction services across most of the United States through two reportable, operating segments:

E&M: Contracting services for the construction and maintenance of electrical and communication wiring and infrastructure, fire suppression systems, renewables infrastructure and mechanical piping and services to customers in both the public and private sectors.

T&D: Contracting services for the construction and maintenance of overhead and underground electrical, gas, communication infrastructure and transportation-related lighting, as well as the manufacture and distribution of overhead and underground transmission line construction equipment and tools.

The Company's Chief Operating Decision Maker ("CODM") is the Company's chief executive officer ("CEO"). The Company's CEO evaluates each reportable segment's performance, allocates resources and makes decisions based on segment operating income, which is the segment measure of profitability. The CODM uses segment operating income to analyze the results of each reportable segment individually and by comparing the results of the segments with each other. This comparison between segments helps drive decision-making regarding resource allocation and compensation of employees. Segment operating income is also considered when creating the annual budget plan, as well as the forecasting process, including the allocation of capital for uses such as capital expenditures.

During the first quarter of 2026, the Company updated the information regularly provided to the CODM. Specifically, the CODM reviews gross segment revenues and elimination activity to reconcile to consolidated results ("New CODM basis"), whereas previously the CODM reviewed segment revenues on a net basis ("Old CODM basis"). The Company's segments, significant segment expenses, and segment measure of profit or loss are unchanged. Accordingly, current-period segment information is presented under both the New CODM basis and Old CODM basis, while prior-period segment information is retained under the Old CODM basis.

All intercompany balances and transactions between the businesses comprising the Company have been eliminated in the unaudited condensed consolidated financial statements.

Reconciliations of reportable segment operating revenues, inclusive of the Company's significant segment expenses of Cost of sales and Selling, general and administrative expenses, to consolidated Income before income taxes and income from equity method investments for the Company's reportable segments and "Corporate and Other" category were as follows:

New CODM basis:

Three months ended June 30, 2026	E&M	T&D	Corporate and Other	Eliminations	Consolidated Total
			(In thousands)		
Operating revenues	$ 1,010,236	$ 221,311	$ —	$ —	$ 1,231,547
Intersegment revenues	89	6,086	1,714	(7,889)	—
Segment revenues	1,010,325	227,397	1,714	(7,889)	1,231,547
Cost of sales	863,848	191,492	1,173	(7,889)	1,048,624
Gross profit	146,477	35,905	541	—	182,923
Selling, general and administrative expenses	45,994	10,167	14,991	—	71,152
Operating income	$ 100,483	$ 25,738	$ (14,450)	$ —	111,771
Interest income					1,327
Interest expense					4,627
Other income, net					1,504
Total consolidated income before income taxes and income from equity method investments					$ 109,975

Six months ended June 30, 2026	E&M	T&D	Corporate and Other	Eliminations	Consolidated Total
			(In thousands)		
Operating revenues	$ 1,845,327	$ 423,173	$ —	$ —	$ 2,268,500
Intersegment revenues	122	8,687	3,408	(12,217)	—
Segment revenues	1,845,449	431,860	3,408	(12,217)	2,268,500
Cost of sales	1,598,917	365,814	2,334	(12,217)	1,954,848
Gross profit	246,532	66,046	1,074	—	313,652
Selling, general and administrative expenses	75,476	19,960	28,761	—	124,197
Operating income	$ 171,056	$ 46,086	$ (27,687)	$ —	189,455
Interest income					3,651
Interest expense					9,247
Other income, net					2,056
Total consolidated income before income taxes and income from equity method investments					$ 185,915

Old CODM basis:

Three months ended June 30, 2026	E&M	T&D	Corporate and Other	Consolidated Total
		(In thousands)		
Segment operating revenues	$ 1,015,381	$ 228,695	$ —	$ 1,244,076
Eliminations	(5,145)	(7,384)	—	(12,529)
Total segment operating revenues	1,010,236	221,311	—	1,231,547
Cost of sales	863,759	185,405	(540)	1,048,624
Gross profit	146,477	35,906	540	182,923
Selling, general and administrative expenses	45,994	10,167	14,991	71,152
Operating income	$ 100,483	$ 25,739	$ (14,451)	111,771
Interest income				1,327
Interest expense				4,627
Other income, net				1,504
Total consolidated income before income taxes and income from equity method investments				$ 109,975

Three months ended June 30, 2025	E&M	T&D	Corporate and Other	Consolidated Total
		(In thousands)		
Segment operating revenues	$ 713,600	$ 212,384	$ —	$ 925,984
Eliminations	(1,986)	(2,532)	—	(4,518)
Total segment operating revenues	711,614	209,852	—	921,466
Cost of sales	626,121	175,646	(170)	801,597
Gross profit	85,493	34,206	170	119,869
Selling, general and administrative expenses	26,225	10,554	10,583	47,362
Operating income	$ 59,268	$ 23,652	$ (10,413)	72,507
Interest income				552
Interest expense				5,365
Other income, net				1,908
Total consolidated income before income taxes and income from equity method investments				$ 69,602

Six months ended June 30, 2026	E&M	T&D	Corporate and Other	Consolidated Total
		(In thousands)		
Segment operating revenues	$ 1,853,043	$ 434,619	$ —	$ 2,287,662
Eliminations	(7,716)	(11,446)	—	(19,162)
Total segment operating revenues	1,845,327	423,173	—	2,268,500
Cost of sales	1,598,795	357,127	(1,074)	1,954,848
Gross profit	246,532	66,046	1,074	313,652
Selling, general and administrative expenses	75,476	19,960	28,761	124,197
Operating income	$ 171,056	$ 46,086	$ (27,687)	189,455
Interest income				3,651
Interest expense				9,247
Other income, net				2,056
Total consolidated income before income taxes and income from equity method investments				$ 185,915

Old CODM basis (continued from previous page):

Six months ended June 30, 2025	E&M	T&D	Corporate and Other	Consolidated Total
		(In thousands)		
Segment operating revenues	$ 1,361,827	$ 397,399	$ —	$ 1,759,226
Eliminations	(6,222)	(4,909)	—	(11,131)
Total segment operating revenues	1,355,605	392,490	—	1,748,095
Cost of sales	1,201,227	334,842	(336)	1,535,733
Gross profit	154,378	57,648	336	212,362
Selling, general and administrative expenses	50,841	19,525	18,505	88,871
Operating income	$ 103,537	$ 38,123	$ (18,169)	123,491
Interest income				1,489
Interest expense				10,996
Other income, net				2,475
Total consolidated income before income taxes and income from equity method investments				$ 116,459

Additional financial information on the Company's reportable segments is shown below, which follows the same accounting policies as those described in Note 2 – Basis of Presentation and Summary of Significant Accounting Policies:

	Three months ended,			
	June 30, 2026		June 30, 2025	
	E&M	T&D	E&M	T&D
		(In thousands)		
Depreciation and amortization expense	$ 5,185	$ 6,881	$ 1,371	$ 5,796
Interest expense, net[1]	(2,471)	654	(1,474)	998
Income tax expense	25,983	6,210	16,470	5,812
Capital expenditures[2]	$ 5,937	$ 14,105	$ 805	$ 12,103

1. Amounts shown are included in Interest expense on the unaudited condensed consolidated statements of income. Also, the amounts include intercompany transactions related to the Company's cash management and financing program.
2. Capital expenditures for the three months ended June 30, 2026 and 2025 include noncash transactions for capital expenditure-related Accounts payable.

	Six months ended,			
	June 30, 2026		June 30, 2025	
	E&M	T&D	E&M	T&D
		(In thousands)		
Depreciation and amortization expense	$ 6,759	$ 13,427	$ 2,853	$ 11,245
Interest expense, net[1]	(4,529)	1,221	(3,297)	1,698
Income tax expense	45,066	11,175	29,737	9,254
Capital expenditures[2]	$ 10,282	$ 25,296	$ 10,124	$ 21,923

1. Amounts shown are included in Interest expense on the unaudited condensed consolidated statements of income. Also, the amounts include intercompany transactions related to the Company's cash management and financing program.
2. Capital expenditures for the six months ended June 30, 2026 and 2025 include noncash transactions for capital expenditure-related Accounts payable.

Reconciliations of reportable segment assets to consolidated assets were as follows as of:

	June 30, 2026	December 31, 2025
	(In thousands)	
E&M segment assets	$ 1,368,238	$ 1,047,626
T&D segment assets	482,854	455,875
Total reportable segment assets	1,851,092	1,503,501
Other assets	233,598	267,577
Eliminations	(27,019)	(42,347)
Total consolidated assets	$ 2,057,671	$ 1,728,731

For more information about the disaggregation of the Company's revenue by contract type and customer type for each reportable segment, refer to Note 3 – Revenue from Contracts with Customers.

Revenues from a single customer accounted for approximately 17.6% and 18.3% of total operating revenues for the three and six months ended June 30, 2026, respectively, which was included in the E&M segment. Revenues from a single customer accounted for approximately 17.4% and 15.5% of total operating revenues for the three and six months ended June 30, 2025, respectively, which was included in the E&M segment.

At a segment level, revenues from a single E&M customer accounted for approximately 21.5% and 22.4% of total E&M segment revenues for the three and six months ended June 30, 2026, respectively. Revenues from two separate E&M customers accounted for approximately 22.4% and 11.7% of total E&M segment revenues for the three months ended June 30, 2025, respectively, and for approximately 19.8% and 11.4% of total E&M segment revenues for the six months ended June 30, 2025, respectively.

As for T&D, revenues from a single T&D customer accounted for approximately 16.9% and 15.6% of total T&D segment revenues for the three and six months ended June 30, 2026, respectively. Revenues from two separate T&D customers accounted for approximately 16.9% and 9.7% of total T&D segment revenues for the three months ended June 30, 2025, respectively, and for approximately 17.6% and 10.0% of total T&D segment revenues for the six months ended June 30, 2025, respectively.

Trade receivables from a single customer accounted for approximately 17.0% of total trade receivables as of June 30, 2026, which was included in the E&M segment. Trade receivables from a single customer accounted for approximately 16.3% of total trade receivables as of December 31, 2025, which was included in the E&M segment.

At a segment level, trade receivables from a single E&M customer accounted for approximately 20.3% of total E&M segment trade receivables as of June 30, 2026. Trade receivables from a single E&M customer accounted for approximately 19.9% of total E&M segment trade receivables as of December 31, 2025.

As for T&D, trade receivables from a single T&D customer accounted for approximately 11.6% of total T&D segment trade receivables as of June 30, 2026. No single customer accounted for more than 10% of total T&D segment trade receivables as of December 31, 2025.

Note 13 – Commitments, Contingencies and Guarantees

The Company is a party to claims and lawsuits arising out of its business, including that of its consolidated subsidiaries, which may include, but are not limited to, matters involving property damage; personal injury; and environmental, contractual, statutory and regulatory obligations. The Company accrues a liability for loss contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated, or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss.

Litigation

As of June 30, 2026 and December 31, 2025, the Company had $2.1 million and $2.0 million, respectively, of litigation-related contingent liabilities, which had not been discounted and were included in either Other accrued liabilities or Other noncurrent liabilities on the unaudited condensed consolidated balance sheets. For such cases where the Company determined that the outcome of the outstanding litigation cases will be covered by the Company's insurance carrier, any amounts due related to the litigation will be paid directly by the Company's insurance carrier. As a result, the Company's litigation-related contingent liabilities were materially covered after insurance claim receivables as of both June 30, 2026 and December 31, 2025.

The Company will continue to monitor each matter and adjust accruals as necessary based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon the Company's financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred and are included in Selling, general and administrative expenses on the unaudited condensed consolidated statements of income.

Guarantees

In the normal course of business, the Company has surety bonds related to construction contracts of its subsidiaries. These bonds relate to certain public and private sector contracts to secure contractual performance, including completion of agreed upon contract terms, timing and price, payments to subcontractors and suppliers, and protection for customers from fraudulent practices. In the event a subsidiary of the Company does not fulfill a bonded obligation, the Company would be responsible to the surety bond company for completion of the bonded contract or obligation. A large portion of the surety bonds are expected to expire within the next 12 months; however, the Company likely will continue to enter into surety bonds for its subsidiaries in the future. As of June 30, 2026 and December 31, 2025, the potential maximum payment amounts the Company would be required to make under the outstanding surety bonds were approximately $827.3 million and $767.7 million, respectively, which were not reflected on the unaudited condensed consolidated balance sheets.

As of both June 30, 2026 and December 31, 2025, the Company had $18.1 million of surety-backed standby letters of credit that were included in the outstanding surety bonds balance.

The Company has outstanding guarantees to third parties for the guarantees of job performance and/or leasing activity of certain subsidiaries of the Company. The job performance guarantees are related to contracts for contracting services. As of June 30, 2026 and December 31, 2025, the fixed maximum amounts guaranteed under these agreements aggregated to $858.3 million and $641.1 million, respectively. The scheduled expiration of the maximum amounts guaranteed aggregate to $320.7 million for the remainder of 2026, $470.2 million in 2027, $45.3 million in 2028, $3.3 million in 2029, $3.0 million in 2030 and $15.8 million thereafter. There were no amounts outstanding under the previously mentioned guarantees and the maximum amounts guaranteed were not reflected on the unaudited condensed consolidated balance sheets. However, in the event of default under these guarantee obligations, the Company would be required to make payments to satisfy its guarantees.

In addition to the above guarantees, there were $2.2 million of outstanding standby letters of credit for certain guarantees to third parties under our Revolving Credit Facility as of both June 30, 2026 and December 31, 2025. In the event of default under these letter-of-credit obligations, the Company would be obligated for reimbursement of payments made under the letters of credit. For more information on the letters of credit under our Revolving Credit Facility, refer to Note 7 – Debt.

Note 14 – Related-Party Transactions

Transition Services Agreement

On October 31, 2024, the separation of Everus from MDU Resources Group, Inc. ("MDU Resources") and its other businesses was completed and Everus became an independent publicly traded company (the "Separation"). As part of the Separation, both parties entered into a transition services agreement ("TSA") whereby the Company and MDU Resources provided certain transition services to each other. The TSA outlined services that were provided between parties related to tax, legal, treasury, human resources, information technology, risk management and other general and administrative functions.

The transition services were completed over a period of 17 months, and as of March 31, 2026, there were no further obligations for services that existed for either party.

The Company incurred $1.2 million of transition services expenses related to services from MDU Resources for the six months ended June 30, 2026, and $1.3 million and $2.6 million for the three and six months ended June 30, 2025, respectively. The transition services expenses were reflected in Selling, general and administrative expenses on the unaudited condensed consolidated statements of income. During the second quarter of 2025, the Company deemed $0.5 million of expenses that were previously recognized as transition services expenses in the first quarter of 2025 to be recurring in nature and thus, not transition services expenses and have been excluded from the year-to-date disclosed amount above.

The Company did not provide any services to MDU Resources for the six months ended June 30, 2026, and received an immaterial amount for its services to MDU Resources for the three and six months ended June 30, 2025, respectively, which was reflected in Other income, net on the unaudited condensed consolidated statements of income.

Note 15 – Subsequent Events

On July 31, 2026, the Company entered into a definitive agreement to acquire Epsilon Industries, a premier designer and manufacturer of complex, modular mechanical and electrical building infrastructure systems, for $295 million in cash, subject to customary adjustments. The acquisition is expected to be funded through a combination of cash on hand and borrowings under the Credit Agreement. The transaction is expected to close later this year, subject to regulatory approvals and other customary closing conditions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report"). The following discussion may contain forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances.

Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed in the following and elsewhere in this Quarterly Report, particularly in the section entitled "Cautionary Note Regarding Forward-Looking Statements." Refer to the section titled "Item 1A. Risk Factors" included in our 2025 Annual Report on Form 10-K ("2025 Annual Report") for more information concerning our risk factors. References to the "Company," "Everus," "we," "us," and "our" refer to Everus Construction Group, Inc. and its consolidated subsidiaries, unless otherwise stated or indicated by context.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements that reflect our expectations, assumptions or projections about the future, other than statements of historical facts, including, without limitation, statements regarding plans, trends, objectives, goals, business strategies, market potential, future financial performance and other matters are considered forward-looking statements. The words "believe," "expect," "estimate," "could," "should," "would," "intend," "may," "plan," "predict," "seek," "anticipate," "project" and similar expressions generally identify forward-looking statements, which speak only as of the date the statements were made. In particular, information included under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 3. Quantitative and Qualitative Disclosures about Market Risk" of this Quarterly Report contains forward-looking statements.

The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. Although we believe that the expectations reflected in any forward-looking statements we make are based on reasonable assumptions as of the date they are made, we can give no assurance that the expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the discussion under "Item 1A. Risk Factors" in our 2025 Annual Report.

You should read this Quarterly Report completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this Quarterly Report are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this Quarterly Report, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, and changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Overview

We are a leading construction solutions provider offering specialty contracting services to a diverse set of end markets, which are provided to commercial, industrial, institutional, renewables, service, transportation, utility and other customers. We operate throughout most of the United States through two reportable, operating segments:

Electrical & Mechanical ("E&M"): Contracting services including construction and maintenance of electrical and communication wiring and infrastructure, fire suppression systems, renewables infrastructure and mechanical piping and services in both the public and private sectors.

Transmission & Distribution ("T&D"): Contracting services including construction and maintenance of overhead and underground electrical, gas, communication infrastructure and transportation-related lighting, as well as the manufacture and distribution of overhead and underground transmission line construction equipment and tools.

At Everus, people are our core, and we prioritize integrity, safety and growth through comprehensive training, hands-on development, safety compliance metrics and strong union partnerships to instill a safety first culture and ethical leadership across all levels.

We focus on safely executing projects; providing a superior return on investment by building new and strengthening existing customer relationships; ensuring quality service; effectively managing costs; retaining, developing and recruiting talented employees; growing through organic and strategic acquisition opportunities; and focusing efforts on projects that will permit higher margins while properly managing risk. The growth we have experienced in recent years is due in part to the project awards in the end markets and submarkets served and the ability to support national customers in most of the regions in which we operate. Our strong presence in the Western, Midwestern and Eastern regions of the United States has driven opportunities in data center, high tech, hospitality and utilities work, while customer expansion nationwide continues to extend our reach through partnerships through our 16 wholly owned operating companies, including SE&M, which was acquired on April 1, 2026. SE&M expands our geographic footprint in the Southeast region of the United States.

In particular, we currently generate a significant portion of our revenues from data center and other similar high tech and advanced technology contracts and our revenue mix has changed significantly in the last couple of years. Data center capacity and load growth, as well as other advanced technology growth, creates tremendous opportunities, but also presents risks and challenges for us and our customers. While we believe there is still strong demand for these types of projects in the foreseeable future, we cannot guarantee that will be the case. The loss of, or reduction in business from, these types of contracts could have a material adverse effect on our business, financial condition, results of operations and cash flows. For more information on the associated risks, see the discussion under "Item 1A. Risk Factors" in our 2025 Annual Report.

Economic and Industry Factors Impacting Our Business

We have experienced increased insurance costs and anticipate continued increases in insurance costs. Premiums in the insurance industry have risen due to many factors, such as economic inflation and a rise in insurance carriers' losses, in particular for wildfire risks. We experienced these aforementioned impacts with coverage for our insurance lines on a standalone basis following the Separation and again saw increases in insurance costs during our latest renewal cycle, partially due to our revenue growth during 2025 at the time of renewal. However, we are continuing to formulate strategies to minimize these costs and/or ensuring these costs are built into our bidding opportunities going forward.

Despite these increased costs, we are focused on growing our total revenues, expanding gross margins, managing costs and generating cash, all of which would result in increased operating income.

Market Conditions and Outlook

The U.S. construction services industry is highly fragmented. It includes a wide spectrum of players, from small, private companies whose activities are geographically concentrated to larger public companies with nationwide capabilities. Competition within the industry is influenced by various elements such as technical expertise, service pricing, financial and operational resources, track record for safety, industry reputation and dependability.

The U.S. construction services industry serves a diverse customer base that includes federal, state and municipal governmental agencies, commercial and residential developers and private parties. The mix of customers varies by region and economic conditions.

The main factors and trends in the U.S. construction services industry include:

- **Key economic factors.** Many factors affect product demand, including public spending on infrastructure projects, general economic conditions, including population growth and employment levels, imposed and proposed tariffs, U.S. involvement or indirect effects from global conflicts and prevailing interest rates.
- **Inflation.** Rising inflation can increase the cost of construction materials, labor and insurance premiums, impacting project budgets and profitability.
- **Industry fragmentation.** There are thousands of construction services providers of varying scope and size. Market participants may enter new geographies or expand existing positions through organic growth or the acquisition of existing providers.
- **Seasonality.** Activity in certain areas is seasonal due to the effects of weather, which can impact safety and efficiency of operations but could also lead to demand for our services.

- **Cyclicality.** The demand for construction services is significantly influenced by the cyclical nature of the economy.
- **Regulations.** Operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace.
- **Production inputs.** Cost of labor, equipment and other inputs can vary over time based on macroeconomic factors and impact profitability of operations.
- **Personnel.** Ability to maintain productivity and operating performance is heavily dependent on the ability to employ, train and retain qualified personnel necessary to operate efficiently.

We continued to have bidding opportunities in the specialty contracting markets we have operated in during 2026, as evidenced by our backlog, even with our revenue growth during the fiscal year thus far. We believe our backlog supports our strong project pipeline across our diverse service offerings, particularly for data center, high tech and hospitality work. With our successful track record of executing on complex projects, our long-term customer relationships, safe and skilled workforce, quality of service and effective cost management, we believe we remain well-positioned to benefit from favorable demand drivers, including high tech reshoring, data center construction and utility infrastructure investments, giving us the opportunity to continue securing and executing profitable projects in the future.

Consolidated Results of Operations

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

The following table sets forth our consolidated selected statements of income data, with percentages of operating revenues for the interim periods indicated, as well as the percentage change from the prior comparative interim period:

	Three months ended June 30,				
	2026	% of revenues	2025	% of revenues	% change
	(In millions, except percentages)				
Operating revenues	$ 1,231.6	100.0 %	$ 921.5	100.0 %	33.7 %
Cost of sales	1,048.6	85.1	801.6	87.0	30.8
Gross profit	183.0	14.9	119.9	13.0	52.6
Selling, general and administrative expenses	71.2	5.8	47.4	5.1	50.2
Operating income	111.8	9.1	72.5	7.9	54.2
Interest income	1.3	0.1	0.6	0.1	NM
Interest expense	4.6	0.4	5.4	0.6	(14.8)
Other income, net	1.5	0.1	1.9	0.2	(21.1)
Income before income taxes and income from equity method investments	110.0	8.9	69.6	7.6	58.0
Income taxes	29.4	2.4	19.4	2.1	51.5
Income from equity method investments	3.3	0.3	2.6	0.3	26.9
Net income	$ 83.9	6.8 %	$ 52.8	5.7 %	58.9 %

NM - Not Meaningful

Operating Revenues

Operating revenues for the three months ended June 30, 2026, were $1.23 billion, an increase of $310.1 million, or 33.7%, from $921.5 million for the three months ended June 30, 2025. E&M revenues rose $296.7 million, or 41.6%, with SE&M contributing $33.4 million. T&D revenues increased $15.1 million, or 7.1%. See Segment Results of Operations–Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025 for further comparative analysis of segment revenues for the periods indicated.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied prior to the previous year end positively net impacted revenues and accounted for approximately 6.2% of revenues for the three months ended June 30, 2026, compared to 5.3% of revenues for the three months ended June 30, 2025.

For the three months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 7.5% of revenues, compared to 7.2% of revenues for the three months ended June 30, 2025. Favorable impacts to revenues were primarily due to labor efficiencies and favorable impacts from projected cost changes, including material costs, project risk mitigation and change orders. However, these changes in estimates unfavorably accounted for approximately 1.3% of revenues for the three months ended June 30, 2026, compared to 1.9% of revenues for the three months ended June 30, 2025. Unfavorable impacts to revenues were primarily due to labor inefficiencies related to sequencing on projects and unfavorable impacts from project delays and cost overruns.

Cost of Sales

Cost of sales for the three months ended June 30, 2026, was $1,048.6 million, an increase of $247.0 million, or 30.8%, from $801.6 million for the three months ended June 30, 2025. This increase primarily related to higher E&M and T&D operating costs due to increased workloads and changes in project mix, partially offset by efficient project execution. Labor, material, subcontractor, and equipment and tools costs increased $110.5 million, $67.2 million, $30.3 million and $18.0 million, respectively, along with higher other job expenses of $21.0 million.

Gross Profit

Gross profit for the three months ended June 30, 2026, was $183.0 million, an increase of $63.1 million, or 52.6%, from $119.9 million for the three months ended June 30, 2025. The increase was primarily from revenue growth and gross margin expansion due to workloads, project timing and efficient project execution, partially offset by changes in project mix. Gross margin increased to 14.9% for the three months ended June 30, 2026, compared to 13.0% for the three months ended June 30, 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") for the three months ended June 30, 2026, were $71.2 million, an increase of $23.8 million, or 50.2%, from $47.4 million for the three months ended June 30, 2025. The increase was primarily driven by higher labor expenses of $14.6 million, to support the operational growth and performance of the business, higher amortization expenses of $3.2 million from the SE&M acquisition and higher business development expenses of $1.2 million, along with higher other SG&A expenses of $4.8 million including higher office including higher insurance, rent, and office expenses.

Operating Income

Operating income for the three months ended June 30, 2026, was $111.8 million, an increase of $39.3 million, or 54.2%, from $72.5 million for the three months ended June 30, 2025. The increase was primarily driven by increased gross profit, partially offset by increased SG&A expenses, both of which are discussed above. Operating income margin increased to 9.1% for the three months ended June 30, 2026, compared to 7.9% for the three months ended June 30, 2025. See Segment Results of Operations–Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025 for further comparative analysis of segment operating income and "Corporate and Other" category operating income for the periods indicated.

Interest Income

Interest income for the three months ended June 30, 2026 was $1.3 million, an increase of $0.7 million, from $0.6 million for the three months ended June 30, 2025. The increase was primarily driven by increased interest income of $0.6 million from our central cash management program, including daily cash sweep and money market deposit account programs, as well as $0.1 million of earned interest income from our captive insurance arrangement for the three months ended June 30, 2026.

Interest Expense

Interest expense for the three months ended June 30, 2026, was $4.6 million, a decrease of $0.8 million, or 14.8%, from $5.4 million for the three months ended June 30, 2025. The decrease was primarily related to lower debt balances under the Term Loan (as defined below) and average lower interest rates during the three months ended June 30, 2026, compared to the three months ended June 30, 2025.

Other Income, Net

Other income, net for the three months ended June 30, 2026, was $1.5 million, a decrease of $0.4 million, or 21.1%, from $1.9 million for the three months ended June 30, 2025. Other income, net contained miscellaneous income and expense activities, including rebates and bank fees.

Income Taxes

Income taxes for the three months ended June 30, 2026, were $29.4 million, an increase of $10.0 million, or 51.5%, from $19.4 million for the three months ended June 30, 2025, reflecting higher income taxes from greater pretax income for the period. The effective tax rate was 25.9% for the three months ended June 30, 2026, compared to 26.9% for the three months ended June 30, 2025.

Income from Equity Method Investments

Income from equity method investments for the three months ended June 30, 2026, was $3.3 million, an increase of $0.7 million, or 26.9%, from $2.6 million for the three months ended June 30, 2025. This increase primarily related to increased activity on joint ventures during the period.

Net Income

Net income for the three months ended June 30, 2026, was $83.9 million, an increase of $31.1 million, or 58.9%, from $52.8 million for the three months ended June 30, 2025. The increase was primarily from increased gross profit, partially offset by higher SG&A expenses and higher income taxes on greater pretax income. Net income margin increased to 6.8% for the three months ended June 30, 2026, compared to 5.7% for the three months ended June 30, 2025.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

The following table sets forth our consolidated selected statements of income data, with percentages of operating revenues for the interim periods indicated, as well as the percentage change from the prior comparative interim period:

	Six months ended June 30,				
	2026	% of revenues	2025	% of revenues	% change
	(In millions, except percentages)				
Operating revenues	$ 2,268.5	100.0 %	$ 1,748.1	100.0 %	29.8 %
Cost of sales	1,954.8	86.2	1,535.7	87.8	27.3
Gross profit	313.7	13.8	212.4	12.2	47.7
Selling, general and administrative expenses	124.2	5.5	88.9	5.1	39.7
Operating income	189.5	8.4	123.5	7.1	53.4
Interest income	3.6	0.2	1.5	0.1	NM
Interest expense	9.2	0.4	11.0	0.6	(16.4)
Other income, net	2.1	0.1	2.5	0.1	(16.0)
Income before income taxes and income from equity method investments	186.0	8.2	116.5	6.7	59.7
Income taxes	49.7	2.2	33.0	1.9	50.6
Income from equity method investments	5.9	0.3	6.0	0.3	(1.7)
Net income	$ 142.2	6.3 %	$ 89.5	5.1 %	58.9 %

NM - Not Meaningful

Operating Revenues

Operating revenues for the six months ended June 30, 2026, were $2.27 billion, an increase of $520.4 million, or 29.8%, from $1.75 billion for the six months ended June 30, 2025. E&M revenues grew $483.6 million, or 35.5%, with SE&M contributing $33.4 million. T&D revenues increased $34.5 million, or 8.7%. See "Segment Results of Operations–Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025" for further comparative analysis of segment revenues for the periods indicated.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied in prior periods positively net impacted revenues and accounted for approximately 5.1% of revenues for the six months ended June 30, 2026, compared to 4.2% of revenues for the six months ended June 30, 2025.

For the six months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 5.9% of revenues, compared to 5.4% of revenues for the six months ended June 30, 2025. Favorable impacts to revenues were primarily due to labor efficiencies and favorable impacts from projected cost changes, including material costs, project risk mitigation and change orders. However, these changes in estimates unfavorably accounted for approximately 0.8% of revenues for the six months ended June 30, 2026, compared to 1.2% of revenues for the six months ended June 30, 2025. Unfavorable impacts to revenues were primarily due to labor inefficiencies related to sequencing on projects and unfavorable impacts from project delays and cost overruns.

Cost of Sales

Cost of sales for the six months ended June 30, 2026, was $1.95 billion, an increase of $419.1 million, or 27.3%, from $1.54 billion for the six months ended June 30, 2025. This increase primarily related to higher E&M and T&D operating costs due to increased workloads and changes in project mix, partially offset by efficient project execution. Labor, material, subcontractor, and equipment and tools costs increased $163.2 million, $102.4 million, $90.4 million, and $36.0 million, respectively, along with higher other job expenses of $27.1 million.

Gross Profit

Gross profit for the six months ended June 30, 2026, was $313.7 million, an increase of $101.3 million, or 47.7%, from $212.4 million for the six months ended June 30, 2025. The increase was primarily due to continued revenue growth from increased workloads, project timing and efficient project execution, partially offset by changes in project mix. Gross margin improved to 13.8% for the six months ended June 30, 2026, compared to 12.2% for the six months ended June 30, 2025.

Selling, General and Administrative Expenses

SG&A expenses for the six months ended June 30, 2026, were $124.2 million, an increase of $35.3 million, or 39.7%, from $88.9 million for the six months ended June 30, 2025. The increase was driven primarily by higher labor of $20.5 million, to support operational growth and performance of the business, higher business development expenses of $3.6 million, higher amortization expenses of $3.1 million largely from the SE&M acquisition, higher net credit loss expenses of $2.1 million, higher insurance expenses of $1.9 million and higher other SG&A expenses of $5.8 million, including higher insurance, rent, and office expenses, partially offset by lower professional service-related expenses of $1.7 million.

Operating Income

Operating income for the six months ended June 30, 2026 was $189.5 million, an increase of $66.0 million, or 53.4%, from $123.5 million for the six months ended June 30, 2025. The increase was primarily driven by increased gross profit, partially offset by increased SG&A expenses, both of which are discussed above. Operating income margin increased to 8.4% for the six months ended June 30, 2026, compared to 7.1% for the six months ended June 30, 2025. See "Segment Results of Operations–Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025" for further comparative analysis of segment operating income and "Corporate and Other" category operating income for the periods indicated.

Interest Income

Interest income for the six months ended June 30, 2026 was $3.6 million, an increase of $2.1 million, from $1.5 million for the six months ended June 30, 2025. The increase was primarily driven by increased interest income of $1.9 million from our central cash management program, including daily cash sweep and money market deposit account programs, as well as $0.2 million of earned interest income from our captive insurance arrangement for the six months ended June 30, 2026.

Interest Expense

Interest expense for the six months ended June 30, 2026, was $9.2 million, a decrease of $1.8 million, or 16.4%, from $11.0 million for the six months ended June 30, 2025. The decrease is primarily related to average lower debt balances under the Term Loan and average lower interest rates during the six months ended June 30, 2026, compared to the six months ended June 30, 2025.

Other Income, Net

Other income, net for the six months ended June 30, 2026, was $2.1 million, a decrease of $0.4 million, or 16.0%, from $2.5 million for the six months ended June 30, 2025. Other income, net contained miscellaneous income and expense activities, including rebates and bank fees.

Income Taxes

Income taxes for the six months ended June 30, 2026, were $49.7 million, an increase of $16.7 million, or 50.6%, from $33.0 million for the six months ended June 30, 2025, reflecting higher income taxes from greater pretax income for the period. The effective tax rate was 25.9% for the six months ended June 30, 2026, compared to 26.9% for the six months ended June 30, 2025.

Income from Equity Method Investments

Income from equity method investments for the six months ended June 30, 2026, was $5.9 million, consistent with $6.0 million for the six months ended June 30, 2025.

Net Income

Net income for the six months ended June 30, 2026, was $142.2 million, an increase of $52.7 million, or 58.9%, from $89.5 million for the six months ended June 30, 2025. The increase was primarily from increased gross profit, partially offset by higher SG&A expenses and higher income taxes on greater pretax income. Net income margin increased to 6.3% for the six months ended June 30, 2026, compared to 5.1% for the six months ended June 30, 2025.

Segment Results of Operations

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

We report our results under two reportable, operating segments: E&M and T&D. The following table sets forth segment revenues, segment operating income and "Corporate and Other" category operating income for the periods indicated, with segment revenues compared to total consolidated revenues and operating income margins for the interim periods indicated, as well as the percentage change from the prior comparative interim period:

	Three months ended June 30,				
	2026	% of revenues	2025	% of revenues	% Change
	(In millions, except percentages)				
Operating revenues:					
E&M	$ 1,010.3	82.0 %	$ 713.6	77.4 %	41.6 %
T&D	227.5	18.5	212.4	23.1	7.1
Eliminations	(6.2)	(0.5)	(4.5)	(0.5)	37.8
Consolidated revenues	$ 1,231.6	100.0 %	$ 921.5	100.0 %	33.7 %
Operating income:					
E&M	$ 100.5	9.9 %	$ 59.2	8.3 %	69.8 %
T&D	25.8	11.3	23.7	11.2	8.9
Corporate and Other[1]	(14.5)	(1.2)	(10.4)	(1.1)	39.4
Consolidated operating income	$ 111.8	9.1 %	$ 72.5	7.9 %	54.2 %

1. Corporate and Other operating income percentage of revenues was calculated by dividing Corporate and Other operating income by consolidated revenues for the periods indicated.

Operating Revenues

E&M

E&M segment revenues for the three months ended June 30, 2026, were $1,010.3 million, an increase of $296.7 million, or 41.6%, from $713.6 million for the three months ended June 30, 2025. The increase was primarily driven by higher workloads in the commercial and industrial end markets, particularly continued growth in the data center submarket, partially offset by lower institutional end market activity. SE&M contributed $33.4 million for the three months ended June 30, 2026.

- Commercial revenues grew $245.4 million, primarily from higher data center and hospitality submarket activity due to increased workloads from increased demand for services, partially offset by lower project activity in the commercial submarket.

- Industrial revenues increased $70.4 million, primarily due to increased activity in the high tech and manufacturing submarkets.
- Service & other had higher revenues of $3.5 million, as a result of increased repair and maintenance demand.
- Institutional revenues declined $19.5 million, primarily from lower project activity due to project timing and decreased demand for services in the education and government submarkets.
- Renewables revenues decreased $3.1 million, reflecting decreased commercial submarket activity.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied prior to the previous year end positively net impacted E&M revenues and accounted for approximately 6.9% of E&M revenues for the three months ended June 30, 2026, compared to 5.1% of E&M revenues for the three months ended June 30, 2025.

For the three months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 7.8% of E&M revenues, compared to 7.0% of E&M revenues for the three months ended June 30, 2025. However, these changes in estimates unfavorably accounted for approximately 0.9% of E&M revenues for the three months ended June 30, 2026, compared to 1.9% of E&M revenues for the three months ended June 30, 2025. The primary drivers of favorable and unfavorable impacts to revenues were previously mentioned in the consolidated results of operations sections above.

T&D

T&D segment revenues for the three months ended June 30, 2026, were $227.5 million, an increase of $15.1 million, or 7.1%, from $212.4 million for the three months ended June 30, 2025. The increase was driven by higher utility end-market revenues, partially offset by lower workloads in the transportation end market.

- Utility revenues increased $20.1 million, primarily from increased project activity across several submarkets, particularly distribution and transmission, partially offset by decreased submarket activity in the gas submarket due to the timing of project availability.
- Transportation revenues decreased $5.0 million, with reduced project activity in the traffic signalization and street lighting submarkets.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied prior to the previous year end positively net impacted T&D revenues and accounted for approximately 2.6% of T&D revenues for the three months ended June 30, 2026, compared to 5.8% of T&D revenues for the three months ended June 30, 2025.

For the three months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 5.9% of T&D revenues, compared to 7.6% of T&D revenues for the three months ended June 30, 2025. However, these changes in estimates unfavorably accounted for approximately 3.3% of T&D revenues for the three months ended June 30, 2026, compared to 1.8% of T&D revenues for the three months ended June 30, 2025. The primary drivers of favorable and unfavorable impacts to revenues were previously mentioned in the consolidated results of operations sections above.

Operating Income

E&M

E&M segment operating income for the three months ended June 30, 2026, was $100.5 million, an increase of $41.3 million, or 69.8%, from $59.2 million for the three months ended June 30, 2025. The increase was primarily from E&M segment revenue growth and higher gross profit across multiple end markets, particularly commercial, institutional and service & other, due to increased workloads, project timing and efficiency gains on certain projects, partially offset by changes in project mix. E&M gross margin increased to 14.5% for the three months ended June 30, 2026, compared to 12.0% for the three months ended June 30, 2025.

Operating income was also impacted by higher SG&A expenses primarily from increased labor expenses of $11.6 million, to support the operational growth and performance of the business, higher amortization expenses of $3.2 million from the SE&M acquisition and higher other SG&A expenses of $5.0 million. Operating income margin for our E&M segment increased to 9.9% for the three months ended June 30, 2026 compared to 8.3% for the three months ended June 30, 2025.

T&D

T&D segment operating income for the three months ended June 30, 2026, was $25.8 million, an increase of $2.1 million, or 8.9%, from $23.7 million for the three months ended June 30, 2025. The increase was the result of higher gross profit in the utility end market due to efficient project execution and project mix, partially offset by lower gross profit in the transportation end market. T&D gross margin decreased to 15.8% for the three months ended June 30, 2026, compared to 16.1% for the three months ended June 30, 2025.

SG&A expenses remained relatively consistent period over period, primarily from decreased professional service-related expenses of $0.8 million, partially offset by higher other general SG&A expenses of $0.4 million. Operating income margin for our T&D segment increased to 11.3% for the three months ended June 30, 2026, compared to 11.1% for the three months ended June 30, 2025.

Corporate and Other

The increase in Corporate and Other costs during the three months ended June 30, 2026 was primarily due to higher labor expenses of $3.2 million, to support the operational growth and performance of the business, and higher business development expenses of $1.2 million.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

The following table sets forth segment revenues, segment operating income and "Corporate and Other" category operating income for the periods indicated, with segment revenues compared to total consolidated revenues and operating income margins for the interim periods indicated, as well as the percentage change from the prior comparative interim period:

	Six months ended June 30,				
	2026	% of revenues	2025	% of revenues	% Change
	(In millions, except percentages)				
Operating revenues:					
E&M	$ 1,845.4	81.4 %	$ 1,361.8	77.9 %	35.5 %
T&D	431.9	19.0	397.4	22.7	8.7
Eliminations	(8.8)	(0.4)	(11.1)	(0.6)	(20.7)
Consolidated revenues	$ 2,268.5	100.0 %	$ 1,748.1	100.0 %	29.8 %
Operating income:					
E&M	$ 171.1	9.3 %	$ 103.5	7.6 %	65.3 %
T&D	46.1	10.7	38.2	9.6	20.7
Corporate and Other[1]	(27.7)	(1.2)	(18.2)	(1.0)	(52.2)
Consolidated operating income	$ 189.5	8.4 %	$ 123.5	7.1 %	53.4 %

1. Corporate and Other operating income percentage of revenues was calculated by dividing Corporate and Other operating income by consolidated revenues for the periods indicated.

Operating Revenues

E&M

E&M segment revenues for the six months ended June 30, 2026, were $1.85 billion, an increase of $483.6 million, or 35.5%, from $1.36 billion for the six months ended June 30, 2025. The increase was primarily driven by higher revenues in the commercial and industrial end markets, particularly continued growth in the data center submarket, partially offset by decreased revenues in the institutional end market. SE&M contributed $33.4 million for the six months ended June 30, 2026.

- Commercial revenues grew $480.9 million, primarily from higher data center and hospitality submarket activity due to increased workloads from increased demand for services, partially offset by lower project activity in the commercial submarket.
- Industrial revenues increased $62.4 million, primarily from increased project activity in the high tech and manufacturing submarkets, partially offset by lower workloads in the oil & gas submarket.
- Service & other revenues increased by $1.7 million, due to increased repair and maintenance demand.

- Institutional revenues declined $61.0 million, from lower project activity due to project timing and decreased demand for services in the education, government and healthcare submarkets.
- Renewables revenues were largely flat, with decreased project activity within the generation submarket, offset by higher project activity in the commercial submarket due to the timing of projects.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied in prior periods positively net impacted E&M revenues and accounted for approximately 5.7% of E&M revenues for the six months ended June 30, 2026, compared to 4.0% of E&M revenues for the six months ended June 30, 2025.

For the six months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 6.3% of E&M revenues, compared to 5.3% of E&M revenues for the six months ended June 30, 2025. However, these changes in estimates unfavorably accounted for approximately 0.6% of E&M revenues for the six months ended June 30, 2026, compared to 1.3% of E&M revenues for the six months ended June 30, 2025. The primary drivers of favorable and unfavorable impacts to revenues were previously mentioned in the consolidated results of operations sections above.

T&D

T&D segment revenues for the six months ended June 30, 2026, were $431.9 million, an increase of $34.5 million, or 8.7%, from $397.4 million for the six months ended June 30, 2025. The increase was primarily driven by increased workloads in the utility end market.

- Utility revenues increased $39.3 million, primarily from increased project activity across several submarkets, particularly transmission, distribution and storm, partially offset by decreased submarket activity in the gas submarket due to the timing of project availability.
- Transportation revenues declined $4.8 million, reflecting lower workloads in the street lighting and traffic signalization submarkets.

Changes in estimates associated with performance obligations that were satisfied or partially satisfied in prior periods positively net impacted T&D revenues and accounted for approximately 2.4% of T&D revenues for the six months ended June 30, 2026, compared to 4.0% of T&D revenues for the six months ended June 30, 2025.

For the six months ended June 30, 2026, the changes in estimates mentioned above favorably accounted for approximately 4.3% of T&D revenues, compared to 5.3% of T&D revenues for the six months ended June 30, 2025. However, these changes in estimates unfavorably accounted for approximately 1.3% of T&D revenues for the six months ended June 30, 2026, compared to 1.9% of T&D revenues for the six months ended June 30, 2025. The primary drivers of favorable and unfavorable impacts to revenues were previously mentioned in the consolidated results of operations sections above.

Operating Income

E&M

E&M segment operating income for the six months ended June 30, 2026, was $171.1 million, an increase of $67.6 million, or 65.3%, from $103.5 million for the six months ended June 30, 2025. The increase was primarily from E&M segment revenue growth and higher gross profit across multiple end markets, particularly commercial and institutional, due to solid project execution and project timing, partially offset by changes in project mix and lower gross profit within the industrial end market. As a result, gross margin increased to 13.4% for the six months ended June 30, 2026, compared to 11.3% for the six months ended June 30, 2025.

Operating income was also impacted by higher SG&A expenses, primarily from increased labor expenses of $14.9 million, to support the operational growth and performance of the business, higher amortization expenses of $3.1 million largely from the SE&M acquisition and higher other SG&A expenses of $6.7 million. Operating income margin for our E&M segment increased to 9.3% for the six months ended June 30, 2026, compared to 7.6% for the six months ended June 30, 2025.

T&D

Operating income in the T&D segment for the six months ended June 30, 2026, was $46.1 million, an increase of $7.9 million, or 20.7%, from $38.2 million for the six months ended June 30, 2025. The increase was the result of higher gross profit due to T&D segment revenue growth and efficient project execution within the utility end market, with T&D gross margin improvement of 15.3% for the six months ended June 30, 2026, compared to 14.5% for the six months ended June 30, 2025.

SG&A expenses remained relatively consistent period over period, primarily from increased labor expenses of $0.8 million offset by lower professional service-related expenses of $0.8 million, along with higher other SG&A expenses of $0.6 million. Operating income margin for our T&D segment increased to 10.7% for the six months ended June 30, 2026, compared to 9.6% for the six months ended June 30, 2025.

Corporate and Other

The increase in Corporate and Other costs during the six months ended June 30, 2026, compared to the six months ended June 30, 2025, was primarily due to higher labor expenses of $4.8 million, to support the operational growth and performance of the business, higher business development expenses of $3.6 million, along with higher other SG&A expenses of $1.9 million, including higher insurance and office expenses.

Backlog

Backlog is a common measurement in the construction services industry. Our determination of backlog can include projects that have a written award, a letter of intent, a notice to proceed, an agreed upon work order to perform work on mutually accepted terms, and conditions and change orders or claims to the extent management believes additional contract revenues will be earned and are deemed probable of collection. Contracts are subject to delays, defaults or cancellations; changes in scope of services to be provided; and adjustments to costs. Backlog may also be affected by project delays or cancellations resulting from weather conditions, external market factors and economic factors beyond our control, among other things. Accordingly, there is no assurance that backlog will be realized. For the periods presented in the backlog table below, we did not experience any material impacts related to delays or cancellations of planned projects that were included in backlog. The timing of contract awards, including contracts awarded underneath master service agreements, duration of large new contracts and the mix of services can significantly affect backlog. Backlog at any given point in time may not accurately represent the revenue or net income that is realized in any period, and backlog as of the end of the period may not be indicative of the revenue or net income expected to be realized within the next 12 months. Backlog should not be relied upon as a standalone indicator of future results. See “Item 1A. Risk Factors” included in our 2025 Annual Report for factors that could cause revenues to be realized in periods and at levels that are different from originally projected.

Subject to the foregoing discussions, the following table provides estimated backlog as of the dates indicated and the amounts we reasonably estimate will be recognized within the next 12 months following June 30, 2026:

	Amounts estimated to be recognized within 12 months	June 30, 2026	December 31, 2025	June 30, 2025
		(In millions)		
E&M	$ 3,334.8	$ 4,163.2	$ 2,843.8	$ 2,568.1
T&D	306.7	388.4	384.5	410.1
Total	$ 3,641.5	$ 4,551.6	$ 3,228.3	$ 2,978.2

Changes in backlog from period to period are primarily the result of fluctuations in the timing of contract awards and timing of revenue recognition of contracts.

Non-GAAP Financial Measures

All financial information presented in this Quarterly Report has been prepared in U.S. dollars in accordance with generally accepted accounting principles in the United States ("GAAP"), except for the presentation of the following non-GAAP financial measures: EBITDA, EBITDA margin and free cash flow. We evaluate our operating performance using EBITDA and EBITDA margin, and we evaluate our liquidity using free cash flow. These non-GAAP financial measures are not intended as alternatives to GAAP financial measures and have limitations as an analytical tool and should not be considered in isolation or as substitutes for an analysis of our results as reported under GAAP. Because of these limitations, EBITDA, EBITDA margin and free cash flow should not be considered as replacements for net income, net income margin or cash provided by (used in) operating activities, the most comparable GAAP measures, respectively. Our non-GAAP financial measures are not standardized; therefore, it may not be possible to compare them with other companies' EBITDA, EBITDA margin and free cash flow having the same or similar names.

EBITDA and EBITDA Margin

We utilize EBITDA and EBITDA margin to consistently assess our operating performance and as a basis for strategic planning and forecasting, since we believe that EBITDA closely correlates to long-term enterprise value. We believe that measuring performance on an EBITDA basis is useful to investors, because it enables a more consistent evaluation of our operational performance period to period. We also believe these non-GAAP financial measures, in addition to the corresponding GAAP measures of net income and net income margin, are useful to investors to provide meaningful information about operational efficiency by excluding the impacts of differences in tax jurisdictions and structures, debt levels and capital investment. Investors also may use EBITDA to calculate leverage as a multiple of EBITDA. We use EBITDA and EBITDA margin, in addition to GAAP metrics, to evaluate our operating results, calculate compensation packages and determine leverage as a multiple of EBITDA to establish the appropriate funding of operations.

EBITDA is calculated by adding back interest expense, net of interest income, income taxes, and depreciation and amortization to net income. EBITDA margin is calculated by dividing EBITDA by operating revenues. EBITDA and EBITDA margin are considered non-GAAP financial measures and are comparable to the corresponding GAAP measures of net income and net income margin, respectively.

The following table reconciles net income to EBITDA and provides the calculation of EBITDA margin.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In millions, except percentages)			
Net income	$ 83.9	$ 52.8	$ 142.2	$ 89.5
Interest expense, net	3.3	4.8	5.6	9.5
Income taxes	29.4	19.4	49.7	33.0
Depreciation and amortization	12.0	7.2	20.0	14.0
EBITDA	$ 128.6	$ 84.2	$ 217.5	$ 146.0
Operating revenues	$ 1,231.6	$ 921.5	$ 2,268.5	$ 1,748.1
Net income margin	6.8 %	5.7 %	6.3 %	5.1 %
EBITDA margin	10.4 %	9.1 %	9.6 %	8.4 %

Free Cash Flow

We use free cash flow as a measure of liquidity that indicates how much cash we can produce after taking cash outflows from operations and assets into consideration. We believe this non-GAAP financial measure, in addition to the corresponding GAAP measure of cash provided by (used in) operating activities, is useful to investors because it provides meaningful information about our financial health and our ability to generate cash, support additional debt obligations, pay potential future dividends and fund growth. Free cash flow does not represent our residual cash flow available for discretionary purposes.

Free cash flow is defined as net cash provided by (used in) operating activities less net capital expenditures.

The following table reconciles cash provided by operating activities to free cash flow.

	Six months ended June 30,	
	2026	2025
	(In millions)	
Net cash used in investing activities	$ (180.2)	$ (25.7)
Net cash used in financing activities	$ (10.5)	$ (8.1)
Net cash provided by operating activities	$ 196.8	$ 32.5
Capital expenditures	(35.6)	(31.6)
Net proceeds from sale or disposition of property, plant and equipment	5.8	5.6
Free cash flow	$ 167.0	$ 6.5

Liquidity and Capital Resources

As of June 30, 2026 and December 31, 2025, we had $176.7 million and $170.5 million of cash, cash equivalents and restricted cash, respectively, including $19.3 million and $17.8 million of restricted cash largely held by the Captive Cell, respectively.

On April 2, 2026, we announced the acquisition of SE&M for initial base consideration of $158 million, subject to certain closing adjustments, funded by cash on hand.

On July 31, 2026, we entered into a definitive agreement to acquire Epsilon Industries, a premier designer and manufacturer of complex, modular mechanical and electrical building infrastructure systems, for $295 million in cash, subject to customary adjustments. The acquisition is expected to be funded through a combination of cash on hand and borrowings under the Credit Agreement (defined below). The transaction is expected to close later this year, subject to regulatory approvals and other customary closing conditions.

To fund day-to-day operations, we may use cash on hand and third-party credit facilities that are available through certain credit arrangements we have in place. In addition, we have a centralized cash management model to monitor and help maximize daily cash flows for our cash needs.

Our ability to fund our cash needs depends on the ongoing ability to generate cash from operations and obtain debt financing with competitive rates. We rely on access to capital markets as sources of liquidity for capital requirements not satisfied by cash flows from operations.

Our principal uses of cash are to fund our operations, working capital needs, capital expenditures, repayment of borrowings and strategic business development transactions.

On October 31, 2024, we entered into a five-year senior secured credit agreement (the "Credit Agreement"), whereby we have the capacity to incur indebtedness of up to $525.0 million, consisting of a $300.0 million term loan ("Term Loan"), in aggregate principal amount, and a $225.0 million revolving credit facility ("Revolving Credit Facility"). Letters of credit are available under the Credit Agreement in an aggregate amount of up to $50.0 million.

The Term Loan and the Revolving Credit Facility both bear interest at an annual rate equal to adjusted term Secured Overnight Financing Rate, defined in a customary manner ("Term SOFR") plus an applicable rate.

The Credit Agreement contains financial covenants requiring us to maintain a maximum consolidated total net leverage ratio of 3.00:1.00 and a minimum interest coverage ratio of 3.00:1.00, in each case, measured as of the last day of each fiscal quarter. The consolidated total net leverage ratio may be increased at our option to 3.50:1.00 in connection with certain qualifying material acquisitions. The covenants also include restrictions on the sale of certain assets, loans and investments.

The Term Loan requires quarterly amortization payments of 5.00% per annum of the original principal amount thereof. We repaid our required quarterly amortization payments totaling $7.5 million of the Term Loan during each of the six months ended June 30, 2026 and 2025.

As of June 30, 2026 and December 31, 2025, we had $277.5 million and $285.0 million outstanding under the Term Loan, respectively, with $228.2 million of available capacity under the Revolving Credit Facility, net of $2.2 million of outstanding standby letters of credit, for each period presented.

In order to borrow under the debt instruments, we must be in compliance with the applicable covenants and certain other conditions, all of which we were in compliance with as of June 30, 2026. Non-compliance with applicable covenants or conditions may constitute an event of default under the Credit Agreement. Subject to any applicable cure periods, failure to remedy such a default may require us to pursue alternative sources of funding. For additional information on our debt arrangements, refer to Note 7 – Debt in the unaudited condensed consolidated financial statements contained elsewhere in this Quarterly Report.

Working Capital

Working capital, defined as current assets minus current liabilities, was $546.4 million and $560.2 million as of June 30, 2026 and December 31, 2025, respectively. Our working capital requirements may increase when we commence multiple projects or particularly large projects because labor, subcontractor, inventory and certain other costs typically become payable before the receivables resulting from work performed are collected. Working capital may also increase when we incur costs for work that is the subject of unpaid retainage, change orders and claims. The typical payment billing terms are due within 30 days but may differ depending on contract terms. Retention on receivables can impact the cash collection cycle beyond expenses incurred. The timing of billings and project completions can contribute to changes in unbilled revenue. As of June 30, 2026, we expect that substantially all unbilled receivables will be billed to customers in the normal course of business within the next 12 months.

Capital Expenditures

Our cash capital expenditures for the six months ended June 30, 2026, were $35.6 million, or $29.8 million net of proceeds from asset disposals, compared to $31.6 million, or $26.0 million net of proceeds from asset disposals, for the six months ended June 30, 2025. Capital expenditures were primarily used for vehicle, equipment and building investments to support the growth of our business. For the six months ended June 30, 2026 and 2025, capital expenditures were funded by internal sources and borrowings under our credit and financing arrangements.

We expect capital expenditures and commitments for equipment purchase, lease and rental arrangements to be necessary for the foreseeable future in order to meet anticipated demand for our services. We still expect gross capital expenditures for full-year 2026 to be in the range of $90.0 million to $100.0 million. Actual capital expenditures may increase or decrease depending upon business activity levels, as well as ongoing assessments of equipment leasing versus purchasing decisions based on short- and long-term equipment requirements. We continuously monitor our capital expenditures for project delays and changes in economic viability and adjust, as necessary. We anticipate that the combination of cash on hand, cash flows from operations, credit facilities and issuances of debt and equity securities, if necessary, will provide sufficient funding to enable us to meet the need of future capital expenditures.

We also continue to evaluate the potential for future acquisitions and other growth opportunities that would be incremental to our capital program; however, they are dependent on the availability of opportunities and, as a result, capital expenditures may vary significantly from the estimated range provided.

Cash Flows

The following table summarizes our net cash provided by (used in) operating, investing and financing activities for the six months ended June 30, 2026 and 2025:

Six months ended June 30,	**2026**	**2025**
	(In millions)	
Net cash provided by (used in):		
Operating activities	$ 196.8	$ 32.5
Investing activities	(180.1)	(25.7)
Financing activities	(10.5)	(8.1)
Increase (decrease) in cash, cash equivalents and restricted cash	6.2	(1.3)
Cash, cash equivalents and restricted cash - beginning of period	170.5	86.0
Cash, cash equivalents and restricted cash - end of period	$ 176.7	$ 84.7

Operating Activities

Cash provided by operating activities totaled $196.8 million for the six months ended June 30, 2026, compared to $32.5 million for the six months ended June 30, 2025, an increase of $164.3 million. The increase in cash provided by operating activities was primarily driven by favorable changes in operating assets and liabilities to support company growth and performance, including revenue growth, and increased operating results.

These changes in operating assets and liabilities drove an increase in cash period-over-period with a source of cash of $21.8 million for the six months ended June 30, 2026, compared to a use of cash of $73.5 million for the six months ended June 30, 2025. The changes in operating assets and liabilities period-over-period were primarily related to increases in cash from changes in contract liabilities, contract assets, other current assets and other current liabilities of $75.9 million, $50.6 million, $18.6 million and $9.7 million, respectively, partially offset by decreases in cash from changes in receivables and accounts payable of $36.7 million and $16.7 million, respectively.

Investing Activities

Cash used in investing activities totaled $180.1 million for the six months ended June 30, 2026, compared to $25.7 million for the six months ended June 30, 2025, an increase of $154.4 million in cash used in investing. The increase in cash used in investing activities was primarily due to net cash outflows related to the SE&M acquisition of $147.6 million during the six months ended June 30, 2026, higher net capital expenditures of $3.8 million, and proceeds from insurance contracts of $2.2 million during the six months ended June 30, 2025 which did not recur in 2026.

Financing Activities

Cash used in financing activities totaled $10.5 million for the six months ended June 30, 2026, compared to $8.1 million for the six months ended June 30, 2025, an increase in cash used in financing activities of $2.4 million. The increase in cash used in financing activities was primarily the result of higher cash outflows related to the tax withholding on stock-based compensation.

Material Cash Requirements

There were no material changes in our contractual obligations from those reported in our 2025 Annual Report. For more information on our contractual obligations, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Material Cash Requirements" in our 2025 Annual Report.

Off-Balance Sheet Arrangements

As is common in our industry, we enter into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected on our balance sheet. Our significant off-balance sheet transactions can include, but are not limited to, surety guarantees, performance guarantees, letters of credit obligations and firm purchase commitments for maintenance items, materials and lease obligations.

Some of our customers require us to post performance bonds issued by a surety. Those bonds guarantee the customer that we will perform under the terms of a contract. In the event that we fail to perform under a contract, the customer may demand the surety to pay or perform under our bond. Surety bonds expire at various times ranging from final completion of a project to a period extending beyond contract completion in certain circumstances. Such amounts also can fluctuate from period to period based upon the mix and level of our bonded operating activity. Our relationship with our sureties is such that we will indemnify the sureties for any expenses they incur in connection with any of the bonds they issue on our behalf.

As of June 30, 2026 and December 31, 2025, we had approximately $2.31 billion and $2.10 billion in surety bonds outstanding for projects, respectively. As of June 30, 2026 and December 31, 2025, approximately $1.85 billion and $1.66 billion of bonding was posted for E&M, respectively, and approximately $431.7 million and $410.0 million of bonding was posted for T&D, respectively. In addition, approximately $27.9 million of bonding was posted for Corporate and other for each period presented. These amounts were not reflected on the unaudited condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025. As of June 30, 2026 and December 31, 2025, the potential maximum payment amounts we would be required to make under the outstanding surety bonds were approximately $827.3 million and $767.7 million, respectively.

As of both June 30, 2026 and December 31, 2025, the Company had $18.1 million of surety-backed standby letters of credit that were included in the bonding posted for Corporate and Other.

To date, we are not aware of any losses in connection with surety bonds that have been posted on our behalf, and we do not expect to incur significant losses in the foreseeable future. If we experience changes in our bonding relationships or if there are adverse changes in the surety industry, there would be no assurance that we would be able to effectuate alternatives to providing surety bonds to our customers or to obtain, on favorable terms, sufficient additional work that does not require surety bonds. Accordingly, a reduction in the availability of surety bonds could have a material adverse effect on our financial position, financial results and cash flows.

We also guarantee obligations of our subsidiaries under certain contracts. Generally, we are liable under such an arrangement only if our subsidiary fails to perform its obligations under the contract. As of June 30, 2026 and December 31, 2025, the fixed maximum amounts guaranteed under these agreements aggregated to $858.3 million and $641.1 million, respectively. Historically, we have not incurred any substantial liabilities as a consequence of these guarantees. However, in the event of default under these guarantee obligations, we would be required to make payments to satisfy our guarantees.

In addition to the above guarantees, there were $2.2 million of outstanding standby letters of credit for certain guarantees to third parties under our Revolving Credit Facility as of both June 30, 2026 and December 31, 2025. In the event we default under these letter-of-credit obligations, we would be obligated for reimbursement of payments made under the letters of credit.

We do not have any other material financial guarantees or off-balance sheet arrangements other than those disclosed herein. For more information on the circumstances regarding our guarantees and off-balance sheet arrangements, refer to Note 13 – Commitments, Contingencies and Guarantees in the unaudited condensed consolidated financial statements contained elsewhere in this Quarterly Report.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting standards, see Note 2 – Basis of Presentation and Summary of Significant Accounting Policies in the unaudited condensed consolidated financial statements contained elsewhere in this Quarterly Report.

Critical Accounting Estimates

Except as disclosed below, there have been no other material changes in our critical accounting estimates from those that were disclosed in our 2025 Annual Report. For further information regarding our critical accounting estimates, please refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" included in our 2025 Annual Report.

Valuation of Intangible Assets

Intangible Assets

The valuation of acquired intangible assets requires significant assumptions and estimates. In connection with the SE&M acquisition, the fair value of each finite-lived intangible asset acquired on the acquisition date was determined using the multi-period excess earnings method. For the valuation of customer relationships and backlog, various significant inputs and assumptions, including future revenues, contributory asset charges, discount rates, customer attrition rates and tax amortization benefit, were used to determine the respective gross intangible asset value as well as the appropriate amortization period.

In addition, the fair value of the indefinite-lived intangible asset acquired on the acquisition date was determined using the relief from royalty method-profit split analysis, which used various significant inputs and assumptions, including market royalty rates, operating history, brand reputation, discount rates, long-term growth and capitalization rates, and tax amortization benefit.

Contingent Consideration

The valuation method for the acquisition-date fair value of the contingent consideration that is not subject to continued employment of the sellers involved the use of a Monte Carlo simulation model that used numerous significant inputs, including a risk-free rate, EBITDA volatility, EBITDA risk premium, and a credit risk-adjusted discount rate.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes, commodity price risk and inflation. Information relating to quantitative and qualitative disclosures about these market risks is set forth below. For more information on our risk factors, including market risk factors, that could be materially harmful to our business, prospects, financial condition and/or financial results if they occur, please refer to "Item 1A. Risk Factors" in our 2025 Annual Report.

Interest Rate Risk

The primary objective of our investment activities is to maintain cash reserves to meet captive insurance obligations, employee compensation and benefit obligations, and contractual obligations. A mismatch between the duration of liabilities and the duration of investments could expose us to interest rate risk. If interest rates fluctuate, the value of assets may not adequately cover liabilities. And if our investments mature during a period of lower interest rates, we may face reinvestment risk and potentially earn less income on reinvested funds. We will continue to evaluate our investments in order to ensure that we continue to meet our overall objectives. We have a captive insurance arrangement in order to manage our casualty and operational risk.

We are exposed to interest rate volatility with regard to our long-term debt obligations, which bear interest at variable rates. As of June 30, 2026, we had $277.5 million outstanding under the Term Loan and no outstanding balance under the Revolving Credit Facility. Outstanding amounts, if any, for the Term Loan and Revolving Credit Facility both bear interest at Term SOFR plus an applicable rate exposing us to higher interest rate risk.

As of June 30, 2026, the interest rate was 5.73% for the Term Loan. Therefore, a 1% increase to the variable interest rate would have increased the rate to 6.73% and increased our interest expense by approximately $2.7 million based on the expected balances outstanding for the Term Loan over the next 12 months as of June 30, 2026.

Going forward, the level of our interest rate risk will depend on our utilization of the Revolving Credit Facility and the outstanding debt amount under the Term Loan and will be sensitive to changes in the general level of interest rates. As disclosed in the "Liquidity and Capital Resources" section contained elsewhere in this Quarterly Report, we are expecting to borrow under our Credit Agreement to help fund the acquisition of Epsilon Industries, which is expected to close later this year, and would expose us to further interest rate risk as mentioned above.

Commodity Price and Inflation Risk

Our operations are affected by fluctuations in commodity prices whether caused by inflation, imposed and proposed tariffs, involvement or indirect effects from global conflicts or other economic factors. These fluctuations in commodity prices generally affect us by increasing transportation and construction costs due to higher fuel or material and/or supply prices including, but not limited to, prices for copper, aluminum, steel, electrical components and certain plastics.

In addition, the cost of labor may increase due to similar factors mentioned above, such as inflation or other economic factors. While we do not believe that these factors have had a material effect on our business, financial condition, or financial results for the periods included in our unaudited condensed consolidated financial statements, we continue to monitor the impact of such factors in order to minimize their effects through our pricing strategies, productivity improvements and cost reductions. If our costs were to become subject to significant economic and/or inflationary pressures, we may be unable to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and/or financial results.

Item 4. Controls and Procedures.

The following information includes the evaluation of disclosure controls and procedures by the Company's chief executive officer and chief financial officer, along with any significant changes in internal controls of the Company.

Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to management, including the Company's chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and other procedures as of the end of the period covered by this report. Based upon that evaluation, the chief executive officer and the chief financial officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective at a reasonable assurance level.

Changes in Internal Controls

The Company completed the acquisition of SE&M on April 1, 2026. Under the current guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the first year of an acquisition while integrating the acquired company. The Company is in the process of assessing the internal control over financial reporting of the acquired company and integrating it with our existing internal controls over financial reporting. Except as noted above, there were no changes that occurred in the Company's internal control over financial reporting during the second quarter 2026 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Internal Controls

The Company's management, including its chief executive officer and chief financial officer, does not expect that the Company's disclosure controls and procedures or its internal control over financial reporting will detect or prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and cannot guarantee that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

These inherent limitations include the realities that judgments in decision-making can be faulty, and breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

SEC regulations require us to disclose certain information about proceedings arising under federal, state or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to SEC regulations, we have adopted a threshold of $1.0 million for purposes of determining whether disclosure of any such proceedings is required.

As of June 30, 2026, there were no material changes to the legal proceedings that were disclosed in the Company's 2025 Annual Report.

Item 1A. Risk Factors.

As of June 30, 2026, there were no material changes to the Company's risk factors that were previously disclosed in the Company's 2025 Annual Report. Please refer to the Company's 2025 Annual Report for the risk factors that could materially harm the Company's business, prospects, financial results and/or financial condition if they occur.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended June 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Incorporated by Reference			
				Form	Exhibit	Filing Date	File Number
3.1	Amended and Restated Certificate of Incorporation of Everus Construction Group, Inc.			8-K	3.1	11/1/24	001-42276
3.2	Amended and Restated Bylaws of Everus Construction Group, Inc.			8-K	3.2	11/1/24	001-42276
10.1	Everus Construction Group, Inc. Deferred Compensation Plan for Directors, as Amended and Restated on May 12, 2026+	X					
31.1	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X					
31.2	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X					
32.1	Certification of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X				
32.2	Certification of Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document						
101.SCH	XBRL Taxonomy Extension Schema Document						
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document						
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document						
101.LAB	XBRL Taxonomy Extension Label Linkbase Document						
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document						
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)						

+ Management contract, compensatory plan or arrangement.

SIGNATURES

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 thereunto duly authorized.

Everus Construction Group, Inc.

Date: August 5, 2026

By: /s/ Maximillian J Marcy

Name: Maximillian J Marcy
Title: Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

By: /s/ Jon B. Hunke

Name: Jon B. Hunke
Title: Vice President and Chief Accounting Officer
(Principal Accounting Officer)