

REFINITIV

DELTA REPORT

10-Q

STRL - STERLING INFRASTRUCTURE,
10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	555
CHANGES	356
DELETIONS	71
ADDITIONS	128

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, 2024** **September 30, 2024**

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 1-31993



Sterling Infra Inc Logo_4C.jpg

STERLING INFRASTRUCTURE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation
or organization)

25-1655321

(I.R.S. Employer
Identification No.)

1800 Hughes Landing Blvd.
The Woodlands, Texas

(Address of principal executive offices)

77380

(Zip Code)

Registrant's telephone number, including area code: (281) 214-0777

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

Common Stock, \$0.01 par value per share

(Title of each class)

STRL

(Trading Symbol)

The NASDAQ Stock Market LLC

(Name of each exchange on which registered)

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

The number of shares outstanding of the registrant's common stock as of **August 2, 2024** **November 5, 2024** – **30,732,967** **30,713,105**

STERLING INFRASTRUCTURE, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I—FINANCIAL INFORMATION

[illegible]

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)
(Unaudited)

	June 30,	December 31,
--	----------	--------------

	September 30,		December 31,	
	2024	2023	2024	2023
Assets				
Current assets:				
Current assets:				
Current assets:				
Cash and cash equivalents (\$56,934 and \$24,325 related to variable interest entities ("VIEs"))				
Cash and cash equivalents (\$56,934 and \$24,325 related to variable interest entities ("VIEs"))				
Cash and cash equivalents (\$56,934 and \$24,325 related to variable interest entities ("VIEs"))				
Accounts receivable (\$27,823 and \$1,771 related to VIEs)				
Contract assets				
Cash and cash equivalents (\$69,549 and \$24,325 related to variable interest entities ("VIEs"))				
Cash and cash equivalents (\$69,549 and \$24,325 related to variable interest entities ("VIEs"))				
Cash and cash equivalents (\$69,549 and \$24,325 related to variable interest entities ("VIEs"))				
Accounts receivable (\$8,749 and \$1,771 related to VIEs)				
Contract assets (\$5,317 and \$0 related to VIEs)				
Receivables from and equity in construction joint ventures				
Other current assets				
Total current assets				
Property and equipment, net				
Operating lease right-of-use assets, net				
Goodwill				
Other intangibles, net				
Other non-current assets, net				
Other non-current assets, net				
Other non-current assets, net				
Total assets				
Liabilities and Stockholders' Equity				
Liabilities and Stockholders' Equity				
Liabilities and Stockholders' Equity				
Current liabilities:				
Current liabilities:				
Current liabilities:				
Accounts payable (\$16,887 and \$2,973 related to VIEs)				
Accounts payable (\$16,887 and \$2,973 related to VIEs)				
Accounts payable (\$16,887 and \$2,973 related to VIEs)				
Contract liabilities (\$50,295 and \$15,741 related to VIEs)				
Accounts payable (\$22,229 and \$2,973 related to VIEs)				
Accounts payable (\$22,229 and \$2,973 related to VIEs)				
Accounts payable (\$22,229 and \$2,973 related to VIEs)				
Contract liabilities (\$30,122 and \$15,741 related to VIEs)				
Current maturities of long-term debt				
Current portion of long-term lease obligations				
Accrued compensation				
Other current liabilities				
Total current liabilities				
Long-term debt				
Long-term lease obligations				
Members' interest subject to mandatory redemption and undistributed earnings				
Deferred tax liability, net				
Other long-term liabilities				

Total liabilities		
Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)
Stockholders' equity:		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,876 and 30,926 shares outstanding		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,876 and 30,926 shares outstanding		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,876 and 30,926 shares outstanding		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,693 and 30,926 shares outstanding		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,693 and 30,926 shares outstanding		
Common stock, par value \$0.01 per share; 58,000 shares authorized, 31,164 and 30,926 shares issued and 30,693 and 30,926 shares outstanding		
Additional paid in capital		
Treasury stock, at cost: 288 and 0 shares		
Treasury stock, at cost: 471 and 0 shares		
Retained earnings		
Total Sterling stockholders' equity		
Total Sterling stockholders' equity		
Total Sterling stockholders' equity		
Noncontrolling interests		
Total stockholders' equity		
Total liabilities and stockholders' equity		

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2024	2023	2023
Cash flows from operating activities:				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Amortization of debt issuance costs and non-cash interest				
Gain on disposal of property and equipment				
Deferred taxes				
Deferred taxes				
Deferred taxes				
Stock-based compensation				
Changes in operating assets and liabilities (Note 14)				
Changes in operating assets and liabilities (Note 14)				
Changes in operating assets and liabilities (Note 14)				
Net cash provided by operating activities				
Cash flows from investing activities:				
Acquisitions, net of cash acquired				

Acquisitions, net of cash acquired
Acquisitions, net of cash acquired
Disposition proceeds
Capital expenditures
Proceeds from sale of property and equipment
Net cash used in investing activities
Cash flows from financing activities:
Repayments of debt
Repayments of debt
Repayments of debt
Repurchase of common stock
Repurchase of common stock
Repurchase of common stock
Withholding taxes paid on net share settlement of equity awards
Other
Net cash used in financing activities
Net change in cash, cash equivalents, and restricted cash
Cash, cash equivalents and restricted cash at beginning of period
Cash, cash equivalents and restricted cash at end of period
Less: restricted cash
Cash and cash equivalents at end of period
Non-cash items:
Non-cash items:
Non-cash items:
Capital expenditures
Capital expenditures
Capital expenditures

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2024			Six Months Ended June 30, 2024			Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Common Stock	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Total Sterling Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Total Sterling Stockholders' Equity	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Total Sterling Stockholders' Equity
Balance at December 31, 2023																		
Balance at December 31, 2023																		
Balance at December 31, 2023																		
Net income																		
Stock-based compensation																		
Issuance of stock																		

Issuance of stock
Issuance of stock
Shares withheld for taxes
Balance at March 31, 2024
Balance at March 31, 2024
Balance at March 31, 2024
Net income
Stock-based compensation
Repurchase of common stock
Repurchase of common stock
Repurchase of common stock
Issuance of stock
Shares withheld for taxes
Other
Balance at June 30, 2024
Net income
Stock-based compensation
Repurchase of common stock
Repurchase of common stock
Repurchase of common stock
Issuance of stock
Shares withheld for taxes
Other
Balance at September 30, 2024
Six Months Ended June 30, 2023
Six Months Ended June 30, 2023
Six Months Ended June 30, 2023
Nine Months Ended September 30, 2023
Nine Months Ended September 30, 2023
Nine Months Ended September 30, 2023

	Common Stock Shares	Common Stock	Additional Paid in Capital	Retained Earnings	Total Sterling Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Common Stock	Additional Paid in Capital	Retained Earnings	Total Sterling Stockholders' Equity	Noncontrolling Interests	Stocl E
Balance at December 31, 2022													
Balance at December 31, 2022													
Balance at December 31, 2022													
Net income													
Stock-based compensation													
Issuance of stock													
Shares withheld for taxes													
Balance at March 31, 2023													
Net income													
Stock-based compensation													
Issuance of stock													
Shares withheld for taxes													
Balance at June 30, 2023													
Net income													
Stock-based compensation													
Issuance of stock													
Shares withheld for taxes													
Other													
Balance at September 30, 2023													

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June September 30, 2024
(\$ and share values in thousands, except per share data)
(Unaudited)

1. NATURE OF OPERATIONS

Business Summary

Sterling Infrastructure, Inc., ("Sterling," "the Company," "we," "our" or "us"), a Delaware corporation, operates through a variety of subsidiaries within three segments specializing in E-Infrastructure, Transportation and Building Solutions in the United States, primarily across the Southern, Northeastern, Mid-Atlantic and Rocky Mountain regions and the Pacific Islands. E-Infrastructure Solutions provides advanced, large-scale site development services for manufacturing, data centers, e-commerce distribution centers, warehousing, power generation and more. Transportation Solutions includes infrastructure and rehabilitation projects for highways, roads, bridges, airports, ports, rail and storm drainage systems. Building Solutions includes residential and commercial concrete foundations for single-family and multi-family homes, parking structures, elevated slabs, other concrete work and

plumbing services for new single-family residential builds. From strategy to operations, we are committed to sustainability by operating responsibly to safeguard and improve society's quality of life. Caring for our people and our communities, our customers and our investors – that is The Sterling Way.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Presentation Basis—The accompanying Condensed Consolidated Financial Statements are presented in accordance with accounting policies generally accepted in the United States ("GAAP") and reflect all wholly owned subsidiaries and those entities the Company is required to consolidate. See the "Consolidated 50% Owned Subsidiary" section of this Note and Note 5 - Construction Joint Ventures for further discussion of the Company's consolidation policy for those entities that are not wholly owned. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included. All significant intercompany accounts and transactions have been eliminated in consolidation. Values presented within the Notes (excluding per share data) are in thousands.

Estimates and Judgments—The preparation of the accompanying Condensed Consolidated Financial Statements in conformance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Certain accounting estimates of the Company require a higher degree of judgment than others in their application. These include the recognition of revenue and earnings from construction contracts over time, the valuation of long-lived assets, goodwill and purchase accounting estimates. Management continually evaluates all of its estimates and judgments based on available information and experience; however, actual results could differ from these estimates.

Significant Accounting Policies

Consistent with Regulation S-X Rule 10-1(a), the Company has omitted significant accounting policies in this quarterly report that would duplicate the disclosures contained in the Company's annual report on Form 10-K for the year ended December 31, 2023 under "Part II, Item 8. - Notes to Consolidated Financial Statements." This quarterly report should be read in conjunction with the Company's most recent annual report on Form 10-K.

Accounts Receivable—Receivables are generally based on amounts billed to the customer in accordance with contractual provisions. Receivables are written off based on the individual credit evaluation and specific circumstances of the customer, when such treatment is warranted. The Company performs a review of outstanding receivables, historical collection information and existing economic conditions to determine if there are potential uncollectible receivables. At June 30, 2024 September 30, 2024 and December 31, 2023, our allowance for our estimate of expected credit losses was zero.

Contracts in Progress—For performance obligations satisfied over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., biweekly or monthly) or upon achievement of contractual milestones. Typically, Sterling bills for advances or deposits from its customers before revenue is recognized, resulting in contract liabilities. However, the Company occasionally bills subsequent to revenue recognition, resulting in contract assets.

Many of the contracts under which the Company performs work also contain retainage provisions. Retainage refers to that portion of our billings held for payment by the customer pending satisfactory completion of the project. Unless reserved, the Company assumes that all amounts retained by customers under such provisions are fully collectible. At June 30, 2024 September 30, 2024 and December 31, 2023, contract assets included \$49,727 \$48,968 and \$56,855 of retainage, respectively, and contract liabilities included \$91,852 \$93,837 and \$86,895 of retainage, respectively. Retainage on active contracts is classified as current regardless of the term of the contract and is generally collected within one year of the completion of a contract. We anticipate collecting approximately 70% of our June 30, 2024 September 30, 2024 retainage during the next twelve months, and the balance thereafter. These assets and liabilities are reported on the Condensed Consolidated Balance Sheet within "Contract assets" and "Contract liabilities" on a contract-by-contract basis at the end of each reporting period.

Contract During the nine months ended September 30, 2024, contract assets decreased by \$11,566 \$8,864 compared to December 31, 2023, primarily due to lower unbilled revenue and a decrease in retainage. **Contract** During the nine months ended September 30, 2024, contract liabilities increased by \$111,974 \$119,371 compared to December 31, 2023, due to the timing of advance billings and work progression, partly offset by an increase in retainage. Revenue recognized for the three and six nine months ended June 30, 2024 September 30, 2024 that was included in the contract liability balance on December 31, 2023 was \$86,113 \$66,453 and \$235,064, \$301,517, respectively. Revenue recognized for the three and six nine months ended June 30, 2023 September 30, 2023 that was included in the contract liability balance on December 31, 2022 was \$49,596 \$25,515 and \$147,426, \$172,941, respectively.

Consolidated 50% Owned Subsidiary—The Company has a 50% ownership interest in a subsidiary that it fully consolidates as a result of its exercise of control of the entity. The results attributable to the 50% portion that the Company does not own is are eliminated within "Other operating expense, net" within the Consolidated Statements of Operations and an associated liability is established within "Members' interest subject to mandatory redemption and undistributed earnings" within the Consolidated Balance Sheets. The subsidiary also has a mandatory redemption provision which, under circumstances that are certain to occur, obligates the Company to purchase the remaining 50% interest. The purchase obligation is also recorded in "Members' interest subject to mandatory redemption and undistributed earnings" on the Condensed Consolidated Balance Sheets.

Cash, Cash Equivalents and Restricted Cash—Our cash and cash equivalents are comprised of highly liquid investments with maturities of three months or less. The Company maintains its cash and cash equivalents at major financial institutions. The cash and cash equivalents balance at one or more of these financial institutions exceeds the Federal Depositary Insurance Corporation ("FDIC") insurance coverage. The Company periodically assesses the credit risk associated with these financial institutions and believes that the risk of loss is minimal. There was no restricted cash included in "Other current assets" on the Condensed Consolidated Balance Sheets at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. Restricted cash primarily represents cash deposited by the Company into separate accounts and designated as collateral for standby letters of credit in the same amount in accordance with contractual agreements.

New Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting - Improvements to Reportable Segment Disclosures" which requires companies to disclose significant segment expense categories and amounts for each reportable segment. A significant segment expense is an expense that is significant to the segment, regularly provided to or easily computed from information regularly provided to the Chief Operating Decision Maker ("CODM"), and included in the reported measure of segment profit or loss. The guidance

is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, with early adoption permitted. The Company plans to adopt the provisions of ASU 2023-07 in the fourth quarter of 2024. This ASU affects financial statement disclosure only, and its adoption will not affect our results of operations or financial position.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosure" which requires companies to disclose disaggregated information about a reporting entity's effective tax rate reconciliation, using both percentages and reporting currency amounts for specific standardized categories. Separate disclosures will be required for any reconciling items that are equal to or greater than a specified quantitative threshold. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company plans to adopt the provisions of ASU 2023-09 in fiscal year 2025. This ASU affects financial statement disclosure only, and its adoption will not affect our results of operations or financial position.

3. ACQUISITIONS

PPG Acquisition

On November 16, 2023, Sterling acquired Professional Plumbers Group, Incorporated ("PPG") (the "PPG Acquisition"). PPG provides all the major plumbing phases for new residential builds, expanding Sterling's suite of residential services in the Dallas-Fort Worth market. The PPG Acquisition is accounted for using the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. The results of PPG are included within our Building Solutions segment.

Purchase Consideration—Sterling completed the PPG Acquisition for a purchase price of \$56,693, net of cash acquired, detailed as follows:

Cash consideration transferred, net of cash acquired	\$	50,002
Earn-out ⁽¹⁾		4,500
Target working capital adjustment		2,191
Total fair value of consideration	\$	56,693

⁽¹⁾ The earn-out arrangement requires the Company to pay up to \$20,000 based upon PPG's achievement of certain cumulative EBITDA targets for a three year period ending on December 31, 2026. No payment shall be made if the cumulative EBITDA targets are not achieved.

Preliminary Purchase Price Allocation—The aggregate purchase price noted above was allocated to the assets and liabilities acquired based upon their estimated fair values at the acquisition closing date, which were based, in part, upon a preliminary external appraisal and valuation of certain assets, including specifically identified intangible assets. The excess of the fair value of consideration over the preliminary estimated fair value of the net tangible and identifiable intangible assets acquired totaling \$18,671 was recorded as goodwill. This goodwill represents the value of expected future earnings and cash flows, as well as the synergies created by the integration of the new business within our organization, including cross-selling opportunities to help strengthen our existing service offerings and expand our market position. The goodwill and intangibles related to the acquisition are not expected to be deductible for tax purposes.

The following table summarizes our preliminary purchase price allocation at the acquisition closing date, net of cash acquired:

Net tangible ~~assets~~: ~~assets~~ (liabilities):

Accounts receivable	\$	2,588
Other current assets		1,460
Property and equipment, net		1,679
Other non-current assets, net		2,394
Accounts payable		(1,268)
Deferred tax liability		(10,525)
Other current and non-current liabilities		(2,806)
Total net tangible liabilities		(6,478)
Identifiable intangible assets		44,500
Goodwill		18,671
Total fair value of consideration transferred	\$	56,693

During the ~~six~~ ~~nine~~ months ended ~~June 30, 2024~~ ~~September 30, 2024~~, the total consideration and purchase price allocation changed by \$38, primarily due to the finalization of the working capital adjustment. The purchase price allocation above is subject to further change when additional information is obtained. We have not finalized our assessment of the fair values primarily for intangible assets and property and equipment. We intend to finalize the purchase price allocation as soon as practicable within the measurement period, but in no event later than one year following the closing date of the PPG Acquisition. Our final purchase price allocation may result in additional adjustments to various other assets and liabilities, including the residual amount allocated to goodwill during the measurement period.

Identifiable Intangible Assets—Intangible assets identified as part of the PPG Acquisition are reflected in the table below and are recorded at their estimated fair value, as determined by the Company's management, based on available information which includes a valuation from external experts. The estimated useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute directly or indirectly to future cash flows.

	Weighted Average Life (Years)	November 16, 2023	
		Fair Value	
Customer relationships	20	\$	43,400

Trade names	15	1,100
Total	\$	44,500

Supplemental Pro Forma Information (Unaudited)—The following unaudited pro forma combined financial information (“the pro forma financial information”) gives effect to the PPG Acquisition, accounted for as a business combination using the acquisition method of accounting. The pro forma financial information reflects the PPG Acquisition and related events as if they occurred at the beginning of the period and includes adjustments to (1) include additional intangible asset amortization associated with the PPG Acquisition, (2) include additional depreciation, G&A and tax expense, and (3) include the pro forma results of PPG for the period ended **June 30, 2023** **September 30, 2023**. This pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved had the pro forma events taken place on the dates indicated. Further, the pro forma financial information does not purport to project the future operating results of the combined company following the PPG Acquisition.

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Pro forma revenue				
Pro forma net income				

4. REVENUE FROM CUSTOMERS

Remaining Performance Obligations (“RPOs”)—RPOs represent the aggregate amount of our contract transaction price related to performance obligations that are unsatisfied or partially satisfied at the end of the period. RPOs include the entire expected revenue values for joint ventures we consolidate and our proportionate value for those we proportionately consolidate. RPOs may not be indicative of future operating results. Projects included in RPOs may be canceled or modified by customers; however, the customer would be obligated to compensate the Company for additional contractual costs for cancellation or modifications. The following table presents the Company’s RPOs, by segment:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
E-Infrastructure Solutions RPOs		
Transportation Solutions RPOs		
Building Solutions RPOs - Commercial		

Total RPOs

The Company expects to recognize approximately **65%** **60%** of its RPOs as revenue during the next twelve months, and the balance thereafter.

Revenue Disaggregation—The following tables present the Company’s revenue disaggregated by major end market and contract type:

	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended September 30,
	Three Months Ended September 30,
	Three Months Ended September 30,

Revenues by major end market

Revenues by major end market

Revenues by major end market

E-Infrastructure Solutions Revenues
E-Infrastructure Solutions Revenues
E-Infrastructure Solutions Revenues
Heavy Highway
Heavy Highway
Heavy Highway
Aviation
Aviation
Aviation
Other Services
Other Services
Other Services
Transportation Solutions Revenues
Transportation Solutions Revenues
Transportation Solutions Revenues
Residential
Residential

Residential
Commercial
Commercial
Commercial
Building Solutions Revenues
Building Solutions Revenues
Building Solutions Revenues
Total Revenues
Total Revenues
Total Revenues
Revenues by contract type
Revenues by contract type
Revenues by contract type
Lump-Sum
Lump-Sum
Lump-Sum
Fixed-Unit Price
Fixed-Unit Price
Fixed-Unit Price
Residential and Other
Residential and Other
Residential and Other
Total Revenues
Total Revenues
Total Revenues
Variable Consideration

The Company has projects that it is in the process of negotiating, or awaiting final approval of, unapproved change orders and claims with its customers. The Company is proceeding with its contractual rights to recoup additional costs incurred from its customers based on completing work associated with change orders, including change orders with pending change order pricing, or claims related to significant changes in scope which resulted in substantial delays and additional costs in completing the work. Unapproved change order and claim information has been provided to the Company's customers and negotiations with the customers are ongoing. If additional progress with an acceptable resolution is not reached, legal action will be taken. Based upon the Company's review of the provisions of its contracts, specific costs incurred and other related evidence supporting the unapproved change orders and claims, together in some cases as necessary with the views of the Company's outside claim consultants, the Company concluded it was appropriate to include in project price amounts of \$5,015 \$5,000 and \$5,225, at June 30, 2024 September 30, 2024 and December 31, 2023, respectively, relating to unapproved change orders and claims. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Contract Estimates

Accounting for long-term contracts and programs involves the use of various techniques to estimate total contract revenue and costs. For long-term contracts, the Company estimates the profit on a contract as the difference between the total estimated revenue and expected costs to complete a contract and recognizes such profit over the life of the contract. Contract estimates are based on various assumptions to project the outcome of future events that often span several years. These assumptions include labor productivity and availability, the complexity of the work to be performed, the cost and availability of materials and the performance of subcontractors. Changes in job performance, job conditions and estimated profitability, including those changes arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income changes in revenue and are recognized in the period in which the revisions changes are determined. Changes in contract estimates on performance obligations satisfied or partially satisfied in previous periods resulted in net revenue increases of \$30,823 \$46,890 and \$52,351 \$99,241 for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, and net revenue increases of \$8,122 \$19,822 and \$16,735 \$36,557 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, included in "Operating income" on the Condensed Consolidated Statements of Operations, respectively.

5. CONSTRUCTION JOINT VENTURES

Joint Ventures with a Controlling Interest—We consolidate any venture that is determined to be a VIE for which we are the primary beneficiary, or which we otherwise effectively control. The equity held by the remaining owners and their portions of net income (loss) are reflected in stockholders' equity on the Condensed Consolidated Balance Sheets line item "Noncontrolling interests" and in the Condensed Consolidated Statements of Operations line item "Net income attributable to noncontrolling interests," respectively.

Summary VIE financial information is as follows:

Three Months Ended June 30,			Six Months Ended June 30,		
Three Months Ended September 30,			Nine Months Ended September 30,		
2024	2024	2023	2024	2023	2023
				2024	2023

Revenues
Operating income
Net income

Joint Ventures with a Noncontrolling Interest—The Company accounts for unconsolidated joint ventures using a pro-rata basis in the Condensed Consolidated Statements of Operations and as a single line item (“Receivables from and equity in construction joint ventures”) in the Condensed Consolidated Balance Sheets. This method is a permissible modification of the equity method of accounting which is a common practice in the construction industry. Combined financial amounts of joint ventures in which the Company has a noncontrolling interest and the Company’s share of such amounts which are included in the Company’s Condensed Consolidated Financial Statements are shown below:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023

Current assets
Current liabilities
Receivables from and equity in construction joint ventures

	Three Months Ended June 30,			Six Months Ended June 30,		
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2023

Revenues
Income before tax
Sterling’s noncontrolling interest:
Revenues
Revenues
Revenues
Income before tax

The caption “Receivables from and equity in construction joint ventures” includes undistributed earnings and receivables owed to the Company. Undistributed earnings are typically released to the joint venture partners after the customer accepts the project as completed and the warranty period, if any, has passed.

Other—The use of joint ventures exposes us to a number of risks, including the risk that our partners may be unable or unwilling to provide their share of capital investment to fund the operations of the venture or complete their obligations to us, the venture, or ultimately, the customer. Differences in opinions or views among joint venture partners could also result in delayed decision-making or failure to agree on material issues, which could adversely affect the business and operations of the joint venture. In addition, agreement terms may subject us to joint and several liability for our venture partners, and the failure of our venture partners to perform their obligations could impose additional performance and financial obligations on us. The aforementioned factors could result in unanticipated costs to complete the projects, liquidated damages or contract disputes, including claims against our partners.

6. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
Construction and transportation equipment		
Buildings and improvements		
Land		
Office equipment		
Total property and equipment		
Less accumulated depreciation		
Total property and equipment, net		

Depreciation Expense—Depreciation expense is primarily included within cost of revenues and was \$12,645 \$13,083 and \$24,606 \$37,689 for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, and \$10,243 \$11,121 and \$20,199 \$31,320 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively.

7. OTHER INTANGIBLE ASSETS

The following table presents our acquired finite-lived intangible assets, including the weighted-average useful lives for each major intangible asset category and in total:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023

	Weighted Average Life (Years)	Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships											
Trade names											
Non-compete agreements											

Total

The Company's intangible amortization expense was \$4,280 and \$8,577 \$12,857 for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, and \$3,737 \$3,736 and \$7,473 \$11,209 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively.

8. DEBT

The Company's outstanding debt was as follows:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
Term Loan Facility		
Revolving Credit Facility		
Credit Facility		
Other debt		
Total debt		
Less - Current maturities of long-term debt		
Less - Unamortized debt issuance costs		
Total long-term debt		

Credit Facility—Our amended credit agreement (as amended, the "Credit Agreement") provides the Company with senior secured debt financing consisting of the following (collectively, the "Credit Facility"): (i) a senior secured first lien term loan facility (the "Term Loan Facility") in the aggregate principal amount of \$350,000 and (ii) a senior secured first lien revolving credit facility (the "Revolving Credit Facility") in an aggregate principal amount of up to \$75,000 (with a \$75,000 limit for the issuance of letters of credit and a \$15,000 sublimit for swing line loans). The obligations under the Credit Facility are secured by substantially all assets of the Company and the subsidiary guarantors, subject to certain permitted liens and interests of other parties. The Credit Facility will mature on April 2, 2026.

As specified in the Credit Agreement, the Term Loan Facility bears interest at either the base rate plus a margin, or at a one-, three- or six-month Term SOFR rate plus a margin, at the Company's election. At June 30, 2024 September 30, 2024, the Company calculated

calculated interest using a Term SOFR rate of 5.44% 5.35% and an applicable margin of 1.50% per annum, and had a weighted average interest rate of approximately 6.94% 6.92% per annum during the six nine months ended June 30, 2024 September 30, 2024. Scheduled principal payments on the Term Loan Facility are made quarterly and total approximately \$26,300, \$26,300 and \$6,600 for the years ending 2024, 2025 and 2026, respectively. A final payment of all principal and interest then outstanding on the Term Loan Facility is due on April 2, 2026. For the three and six nine months ended June 30, 2024 September 30, 2024, the Company made scheduled Term Loan Facility payments of \$6,563 \$6,562 and \$13,126 \$19,688, respectively.

The Revolving Credit Facility bears interest at the same rate options as the Term Loan Facility. In addition to interest on debt borrowings, we are assessed quarterly commitment fees on the unutilized portion of the facility as well as letter of credit fees on outstanding instruments. At June 30, 2024 September 30, 2024, we had no outstanding borrowings under the \$75,000 Revolving Credit Facility.

Debt Issuance Costs—The costs associated with the Credit Facility are reflected on the Condensed Consolidated Balance Sheets as a direct reduction from the related debt liability and amortized over the term of the facility. Amortization of debt issuance costs was \$342 \$330 and \$695 \$1,025 for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, and \$502 \$504 and \$1,081 \$1,585 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and was recorded as interest expense.

Compliance and Other—The Credit Agreement contains various affirmative and negative covenants that may, subject to certain exceptions, restrict our ability and the ability of our subsidiaries to, among other things, grant liens, incur additional indebtedness, make loans, advances or other investments, make non-ordinary course asset sales, declare or pay dividends or make other distributions with respect to equity interests, purchase, redeem or otherwise acquire or retire capital stock or other equity interests, or merge or consolidate with any other person, among various other things. In addition, the Company is required to maintain certain financial covenants. As of June 30, 2024 September 30, 2024, we were in compliance with all of our restrictive and financial covenants. The Company's debt is recorded at its carrying amount in the Condensed Consolidated Balance Sheets. Based upon the current market rates for debt with similar credit risk and maturities, at June 30, 2024 September 30, 2024 and December 31, 2023, the fair value of our debt outstanding approximated the carrying value, as interest is based on Term SOFR plus an applicable margin.

9. LEASE OBLIGATIONS

The Company has operating and finance leases primarily for construction and transportation equipment, as well as office space. The Company's leases have remaining lease terms of one month to twelve years, some of which include options to extend the leases for up to ten years.

The components of lease expense are as follows:

Three Months Ended June 30,	Six Months Ended June 30,
-----------------------------	---------------------------

	Three Months Ended September 30,			Nine Months Ended September 30,						
	2024	2024	2023	2024	2023	2024	2023	2024	2023	2024
Operating lease cost										
Short-term lease cost										
Finance lease cost:										
Finance lease cost:										
Finance lease cost:										
Amortization of right-of-use assets										
Amortization of right-of-use assets										
Amortization of right-of-use assets										
Interest on lease liabilities										
Total finance lease cost										
Supplemental cash flow information related to leases is as follows:										
						Six Months Ended June 30,				
						Six Months Ended June 30,				
						Six Months Ended June 30,				
						Nine Months Ended September 30,				
						Nine Months Ended September 30,				
						Nine Months Ended September 30,				

Cash paid for amounts included in the measurement of lease liabilities:

Cash paid for amounts included in the measurement of lease liabilities:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	
Operating cash flows from operating leases	
Operating cash flows from operating leases	
Operating cash flows from finance leases	
Operating cash flows from finance leases	
Operating cash flows from finance leases	
Financing cash flows from finance leases	
Financing cash flows from finance leases	
Financing cash flows from finance leases	

Right-of-use assets obtained in exchange for lease obligations (non-cash):

Right-of-use assets obtained in exchange for lease obligations (non-cash):

Right-of-use assets obtained in exchange for lease obligations (non-cash):

Operating leases	
Operating leases	
Operating leases	
Finance leases	
Finance leases	
Finance leases	

Supplemental balance sheet information related to leases is as follows:

Operating Leases

Operating Leases

Operating Leases	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Operating lease right-of-use assets				
Current portion of long-term lease obligations				
Current portion of long-term lease obligations				
Current portion of long-term lease obligations				
Long-term lease obligations				
Total operating lease liabilities				

Finance Leases

Property and equipment, at cost							
Property and equipment, at cost							
Property and equipment, at cost							
Accumulated depreciation							
Property and equipment, net							
Current maturities of long-term debt							
Current maturities of long-term debt							
Current maturities of long-term debt							
Long-term debt							
Total finance lease liabilities							
Weighted Average Remaining Lease Term							
Operating leases							
Operating leases							
Operating leases			4.4	3.7	4.3	3.7	
Finance leases	Finance leases	4.0	4.4	Finance leases	3.8	4.4	
Weighted Average Discount Rate							
Operating leases							
Operating leases							
Operating leases		5.9 %	5.8 %	6.0 %	5.8 %		
Finance leases	Finance leases	6.9 %	6.6 %	% Finance leases	6.9 %	6.6 %	
Maturities of lease liabilities are as follows:							
Year Ending December 31,	Year Ending December 31,	Operating Leases	Finance Leases	Year Ending December 31,	Operating Leases	Finance Leases	
2024 (excluding the six months ended June 30, 2024)							
2024 (excluding the six months ended June 30, 2024)							
2024 (excluding the six months ended June 30, 2024)							
2024 (excluding the nine months ended September 30, 2024)							
2024 (excluding the nine months ended September 30, 2024)							
2024 (excluding the nine months ended September 30, 2024)							
2025							
2026							
2027							
2028							
2029							
Thereafter							
Total lease payments							
Less imputed interest							
Total							

10. COMMITMENTS AND CONTINGENCIES

The Company is required by its insurance providers to obtain and hold standby letters of credit. These letters of credit serve as a guarantee by the banking institution to pay the Company's insurance providers the incurred claim costs attributable to its general liability, workers' compensation and automobile liability claims, up to the amount stated in the standby letters of credit, in the event that these claims were not paid by the Company.

The Company, including its construction joint ventures and its consolidated 50% owned subsidiary, is now and may in the future be involved as a party to various legal proceedings that are incidental to the ordinary course of business. The Company regularly analyzes current information about these proceedings and, as necessary, provides accruals for probable liabilities on the eventual disposition of these matters. Management, after consultation with legal counsel, does not believe that the outcome of these actions will have a material impact on the Condensed Consolidated Financial Statements of the Company. There were no significant unresolved legal issues as of **June 30, 2024** **September 30, 2024**.

11. INCOME TAXES

The Company and its subsidiaries are based in the U.S. and file federal and various state income tax returns. The components of the provision for income taxes were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024
Current tax expense						
Deferred tax expense						
Income tax expense						
Cash paid for income taxes						
Cash paid for income taxes						
Cash paid for income taxes						

The effective income tax rate for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** was **24.8%** **26.4%** and **22.4%** **24.2%**, respectively. The rate varied from the statutory rate primarily as a result of non-deductible compensation, state income taxes and other permanent differences. The Company incurred a **\$488** **\$62** and **\$3,388** **\$3,450** tax benefit for the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively, for increased tax deductions related to stock compensation. **The Company anticipates an effective income tax rate for the full year 2024 of approximately 25%.**

Uncertain Tax Positions ("UTP")—The Company's U.S. federal and state income tax returns for 2021 and later are open and subject to examination. Additionally, federal and state NOLs may be adjusted by the taxing authorities for the 2013 and later tax years.

The Company has an **Uncertain Tax Position ("UTP")** a UTP liability of **\$8,077** **\$6,732** and an additional liability related to the UTP for penalties of **\$1,615** **\$1,346** and interest of **\$1,073** **\$926** at **June 30, 2024** **September 30, 2024**. We recognize **interest and** penalties related to the UTP as administrative expense. The UTP, including penalties and interest, is fully offset by an indemnification receivable at **June 30, 2024** **September 30, 2024**.

12. STOCK INCENTIVE PLAN

General—The Company has a stock incentive plan (the "Stock Incentive Plan") and an employee stock purchase plan (the "ESPP") that are administered by the Compensation and Talent Development Committee of the Board of Directors. Under the Stock Incentive Plan, the Company can issue shares to employees and directors in the form of restricted stock awards ("RSAs"), restricted stock units ("RSUs") and performance share units ("PSUs"). Changes in common stock and additional paid in capital during the **six nine** months ended **June 30, 2024** **September 30, 2024** primarily relate to activity associated with the Stock Incentive Plan, the ESPP, **and** shares withheld for **taxes, taxes and repurchases of the Company's common stock.**

Share Grants—During the **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company granted the following awards under the Stock Incentive Plan:

	Shares	Shares	Weighted Average Grant-Date Fair Value per Share	Shares	Weighted Average Grant-Date Fair Value per Share
RSAs					
RSUs					
PSUs – EPS Based (at target)					
PSUs – Market Based					
PSUs – Liability Based					
Total shares granted					

Share Issuances—During the **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company issued the following shares under the Stock Incentive Plan and the ESPP:

	Shares
RSAs (issued upon grant)	8
RSUs (issued upon vesting)	8 11
PSUs – EPS Based (issued upon vesting)	321
PSUs – Liability Based (issued upon vesting)	30
ESPP (issued upon sale)	8 11
Total shares issued	375 381

Stock-Based Compensation—The Company recognized **\$4,273** **\$4,776** and **\$8,321** **\$13,097** of stock-based compensation expense during the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively. The Company recognized **\$3,270** **\$3,448** and **\$6,031** **\$9,479** of stock-based compensation expense during the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively. Included within total stock-based compensation expense for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** is **\$65** **\$64** and **\$131** **\$195**, respectively, of expense related to the ESPP, and during the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recognized **\$36** **\$42** and **\$74** **\$116**, respectively, of expense related to the ESPP. Additionally, the Company has liability-based PSUs for which the number of shares awarded is not determined until the vesting date. During the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company recognized \$0 and \$3,200, respectively, within additional paid in capital for the vesting of liability-based PSUs. During the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recognized \$0 and \$1,725, respectively, within additional paid in capital for the vesting of liability-based PSUs. Stock-based compensation expense is primarily recognized within general and administrative expense. The Company recognizes forfeitures as they occur, rather than estimating expected forfeitures.

Shares Withheld for Taxes—The Company withheld 21 and 126,127 shares for taxes on the vesting of RSU and PSU stock-based compensation for \$249, \$144 and \$13,264, \$13,408 during the three and six nine months ended June 30, 2024, September 30, 2024, respectively.

Treasury Stock—On December 5, 2023, the Board of Directors approved a program that authorized repurchases of up to \$200,000 of the Company's common stock. Under the program, the Company may repurchase its common stock in the open market or through privately negotiated transactions at such times and at such prices as determined to be in the Company's best interest. The Company accounts for the repurchase of treasury shares under the cost method. Under the program, the Company repurchased 299,188 and 487 shares of its common stock for \$30,142, \$20,454 and \$50,596 during the three and six nine months ended June 30, 2024, September 30, 2024, respectively. The program expires on December 5, 2025 and may be modified, extended or terminated by the Board of Directors at any time.

13. EARNINGS PER SHARE

The following table reconciles the numerators and denominators of the basic and diluted earnings per share computations for the three and six nine months ended June 30, 2024, September 30, 2024 and 2023:

		Three Months Ended June 30,		Six Months Ended June 30,	
		Three Months Ended September 30,		Nine Months Ended September 30,	
Numerator:		Numerator: 2024	2023	2024	2023
Net income attributable to Sterling common stockholders					
Denominator:					
Denominator:					
Denominator:					
Weighted average common shares outstanding — basic					
Weighted average common shares outstanding — basic					
Weighted average common shares outstanding — basic					
Shares for dilutive unvested stock and warrants					
Weighted average common shares outstanding — diluted					
Net income per share attributable to Sterling common stockholders:					
Net income per share attributable to Sterling common stockholders:					
Net income per share attributable to Sterling common stockholders:					
Basic					
Basic					
Basic					
Diluted					

There were 87,64 and 64,66 weighted average unvested shares that were excluded from the calculation of diluted EPS under the treasury stock method, as they were anti-dilutive, for the three and six nine months ended June 30, 2024, September 30, 2024, respectively. There were no anti-dilutive stock-based equity awards outstanding for the three and six nine months ended June 30, 2023, September 30, 2023.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following table summarizes the changes in the components of operating assets and liabilities:

		Six Months Ended June 30,		Nine Months Ended September 30,	
		2024	2024	2023	2023
Accounts receivable					
Contracts in progress, net					
Receivables from and equity in construction joint ventures					
Other current and non-current assets					
Accounts payable					
Accrued compensation and other liabilities					
Members' interest subject to mandatory redemption and undistributed earnings					
Changes in operating assets and liabilities					

15. SEGMENT INFORMATION

The Company's internal and public segment reporting are aligned based upon the services offered by its operating segments. The Company's operations consist of three reportable segments: E-Infrastructure Solutions, Transportation Solutions and Building Solutions.

The Company's Chief Operating Decision Maker ("CODM") evaluates the performance of the operating segment based upon revenue and income from operations. We incur certain expenses at the corporate level that relate to our business as a whole. A portion of these expenses are allocated to our business segments by various methods, but primarily on the basis of usage. The balance of the corporate level expenses are reported in the "Corporate G&A Expense" line, which is primarily comprised of corporate headquarters facility expense, the cost of the executive management team, and other expenses pertaining to certain centralized functions that benefit the entire Company but are not directly attributable to any specific business segment, such as corporate human resources, legal, governance, compliance and finance functions.

The following table presents total revenue and income from operations by reportable segment for the three and ~~six~~ **nine** months ended **June 30, 2024** **September 30, 2024** and 2023:

		Three Months Ended June 30,				Six Months Ended June 30,							
		Three Months Ended September 30,				Nine Months Ended September 30,							
Revenues	Revenues	2024	2023		2024	2023	Revenues	2024	2023	2024	2023		
E-Infrastructure Solutions													
E-Infrastructure Solutions													
E-Infrastructure Solutions													
Transportation Solutions													
Building Solutions													
Total Revenues													
Operating Income													
Operating Income													
Operating Income													
E-Infrastructure Solutions													
E-Infrastructure Solutions													
E-Infrastructure Solutions													
Transportation Solutions													
Building Solutions													
Segment Operating Income													
Corporate G&A Expense													
Acquisition Related Costs													
Total Operating Income													

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

Cautionary Statement Regarding Forward-Looking Statements

This quarterly report on Form 10-Q ("Report"), including the documents incorporated herein by reference, contains statements that are, or may be considered to be, "forward-looking statements" regarding the Company which represent our expectations and beliefs concerning future events. These forward-looking statements are intended to be covered by the safe harbor for certain forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements included or incorporated by reference herein relate to matters that are not based on historical facts and reflect our current expectations as of the date of this Report, regarding items such as: our industry and business outlook, including relating to federal, state and municipal funding for projects, the residential home building market and demand from our customers; business strategy, including the integration of recent acquisitions and the potential for additional future acquisitions; expectations and estimates relating to our backlog; expectations concerning our market position; future operations; margins; profitability; capital expenditures; liquidity and capital resources; and other financial and operating information. Forward-looking statements may use or contain words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "intend," "likely," "may," "plan," "potential," "predict," "project," "seek," "should," "strategy," "will," "would" and similar terms and phrases.

Actual events, results and outcomes may differ materially from those anticipated, projected or assumed in the forward-looking statements due to a variety of factors. Although it is not possible to identify all of these factors, they include, among others, the following:

- factors that affect demand for our services or demand in end markets, including economic recessions or volatile economic cycles;
- cost escalations associated with our contracts, due to changes in availability, proximity and cost of materials such as steel, cement, concrete, aggregates, oil, fuel and other construction materials, changes in U.S. trade policies and retaliatory responses from other countries, and cost escalations associated with subcontractors and labor;
- any action or inaction of suppliers, subcontractors, design engineers, joint venture partners, customers, competitors, banks, surety companies and others which is beyond our control, including the failure of suppliers, subcontractors and joint venture partners to perform their obligations;
- factors that affect the accuracy of estimates inherent in the bidding for contracts, estimates of backlog, and "over time" revenue recognition accounting policies, including onsite conditions that differ materially from those assumed in the original bid, contract modifications, mechanical problems with machinery or equipment and effects of other risks referenced below;
- changes in costs to lease, acquire or maintain our equipment;
- changes in general economic conditions, including reductions in federal, state and local government funding for projects, changes in those governments' budgets, practices, laws and regulations and interest rate fluctuations and other adverse economic factors beyond our control in our geographic markets;
- the presence of competitors with greater financial resources or lower margin requirements than ours, and the impact of competitive bidders on our ability to obtain new backlog at reasonable margins acceptable to us;

- design/build contracts which subject us to the risk of design errors and omissions;
- our ability to obtain bonding or post letters of credit;
- adverse weather conditions;
- potential disruptions, failures or security breaches of the information technology systems on which we rely to conduct our business;
- potential risks and uncertainties relating to major public health crises;
- our dependence on a limited number of significant customers;
- our ability to attract and retain key personnel;
- increased unionization of our workforce or labor costs and any work stoppages or slowdowns;
- federal, state and local environmental laws and regulations where non-compliance can result in penalties and/or termination of contracts as well as civil and criminal liability;
- citations issued by any governmental authority, including the Occupational Safety and Health Administration;
- our ability to qualify as an eligible bidder under government contract criteria;
- delays or difficulties related to the completion of our projects, including additional costs, reductions in revenues or the payment of liquidated damages, or delays or difficulties related to obtaining required governmental permits and approvals;
- any prolonged shutdown of the government;
- our ability to successfully identify, finance, complete and integrate recent and potential acquisitions;
- our ability to raise additional capital in the future on favorable terms or at all;
- our ability to generate cash flows sufficient to fund our financial commitments and objectives;
- our ability to meet the terms and conditions of our debt obligations and covenants; and
- the other risks discussed in more detail in the Company's annual report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") under "Part I, Item 1A. Risk Factors," other portions of this Report, or our other filings with the Securities and Exchange Commission (the "SEC").

In reading this Report, you should consider these factors carefully in evaluating any forward-looking statements and you are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements reflect our current expectations as of the date of this Report regarding future events, results or outcomes. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. Additional factors or risks that we currently deem immaterial, that are not presently known to us or that arise in the future could also cause our actual results to differ materially from our expected results. Given these uncertainties, investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the date the forward-looking statements are made. Further, we may make changes to our business plans that could affect our results. Although we believe that our plans, intentions and expectations reflected in, or suggested by, the forward-looking statements that we make in this Report are reasonable, we can provide no assurance that they will be achieved.

The forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise, and notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes.

OVERVIEW

General—Sterling Infrastructure, Inc., ("Sterling," "the Company," "we," "our" or "us") operates through a variety of subsidiaries within three segments specializing in E-Infrastructure, Transportation and Building Solutions in the United States, primarily across the Southern, Northeastern, Mid-Atlantic and Rocky Mountain regions and the Pacific Islands. E-Infrastructure Solutions provides advanced, large-scale site development services for manufacturing, data centers, e-commerce distribution centers, warehousing, power generation and more. Transportation Solutions includes infrastructure and rehabilitation projects for highways, roads, bridges, airports, ports, rail and storm drainage systems. Building Solutions includes residential and commercial concrete foundations for single-family and multi-family homes, parking structures, elevated slabs, other concrete work and plumbing services for new single-family residential builds. From strategy to operations, we are committed to sustainability by operating responsibly to safeguard and improve society's quality of life. Caring for our people and our communities, our customers and our investors – that is The Sterling Way.

MARKET OUTLOOK AND TRENDS

We see favorable opportunities for long-term growth across each of our business segments. We remain focused on our strategic objectives which include: 1) growth in our E-Infrastructure Solutions segment, with particular focus on large, high-value projects; 2) risk reduction through a continued shift in our Transportation Solutions business away from low-bid heavy highway work, toward alternative delivery and design-build projects; 3) continuing to grow market share and geographic presence in Building Solutions; and 4) improving our margins in each of our segments.

E-Infrastructure Solutions—Our E-Infrastructure Solutions business is driven by our customers' investments in the development of data centers, advanced manufacturing centers, e-commerce distribution centers and warehouses. We foresee significant growth opportunities tied to the implementation of multi-year capital deployment plans by customers in the data center, electric vehicle (EV), battery, solar, food and semiconductor manufacturing markets. **We In the data center market, we are benefiting from activity related to the development of multiphase hyperscale data centers, driven by demand related to Artificial Intelligence (AI) and other emerging technologies.** Additionally, we have been awarded several large projects related to investments in EV and solar products. We anticipate continued strong demand from these and other technology sectors, supported by Federal government investment initiatives and incentives. **Additionally, we continue to benefit from activity related to multiphase hyperscale data center development, driven by demand related to Artificial Intelligence (AI) and other emerging technologies.** While the majority of our end customers are demonstrating strong performance, in 2023 we experienced a decline in large e-commerce distribution center and small warehouse activity. We expect these markets will remain subdued through 2024.

Transportation Solutions—Our Transportation Solutions business is primarily driven by federal, state and municipal funding. Federal funds, on average, provide 50% of annual State Department of Transportation capital outlays for highway and bridge projects. We benefit from a number of federal, state and local infrastructure investment programs. At the state and local level, the November 2020 elections saw strong support for transportation initiatives with the passage of many ballot measures that secured, and in some cases increased, funding. At the Federal level, the November 2021 Infrastructure Investments and Jobs Act ("IIJA") includes approximately \$643 billion in funding for transportation programs (\$432 billion for highways, \$109 billion for transportation and \$102 billion for rail), of which \$284 billion is an increase over historic investment levels that will fund new

transportation infrastructure. The IIJA also includes \$25 billion of funding for airport modernization. As a result of the IIJA, we had an increase in bid activity and project awards which started in the third quarter of 2022 and continued through 2023, the third quarter of 2024. We expect this positive trend to continue for the foreseeable future. Aviation activity, which was slower to emerge following the passage of the IIJA, has begun to accelerate.

Building Solutions—Our Building Solutions segment is comprised of our residential slab, residential plumbing, and commercial businesses. The segment is driven by new home starts in Dallas-Fort Worth, the segment's largest market, and continued expansion in the Houston and Phoenix markets. Building Solutions' core customer base includes top national, regional and custom home builders. In 2022, the residential market experienced significant price volatility and availability for key materials, including concrete, steel and lumber, as well as increases in subcontractor labor costs and decreased labor availability. The Company negotiated with customers to successfully recoup the increases in material and labor costs through price increases. We saw strong, consistent recovery in residential activity through 2023 and experienced volume growth across each geography. We believe the dynamics in our markets, including population growth and structural housing shortages, support continued growth opportunities over a multi-year period. In 2024, residential demand has been impacted by a slowdown in residential activity, particularly in 2024, the Dallas market. This lull in demand appears to be a function of prospective homebuyers taking a "wait-and-see" approach to potential additional interest rate cuts. We believe that activity will re-accelerate in 2025. For our commercial business, demand in the multi-family home market increased in the first three quarters of 2023 but slowed late in the year. We expect continued declines in this market in 2024.

BACKLOG

Our remaining performance obligations on our projects, as defined in ASC 606, do not differ from what we refer to as "Backlog." Our Backlog represents the amount of revenues we expect to recognize in the future from our contract commitments on projects. The contracts in Backlog are typically completed in 6 to 36 months. Our unsigned awards ("Unsigned Awards") are excluded from Backlog until the contract is executed by our customer. We refer to the combination of our Backlog and

Unsigned Awards as "Combined Backlog." Our book-to-burn ratio is determined by taking our additions to Backlog and dividing it by revenue for the applicable period. This metric allows management to monitor the Company's business development efforts to ensure we grow our Backlog and our business over time, and management believes that this measure is useful to investors for the same reason.

At June 30, 2024 September 30, 2024, our Backlog was \$2.10 billion \$2.06 billion, as compared to \$2.07 billion at December 31, 2023, with a book-to-burn ratio of 1.0X for the six nine months ended June 30, 2024 September 30, 2024. The Company's margin in Backlog has increased to 16.0% 16.8% at June 30, 2024 September 30, 2024 from 15.2% at December 31, 2023, driven by a greater mix of E-Infrastructure Solutions backlog and an improved backlog margin mix within Transportation Solutions.

Unsigned Awards were \$347.2 million \$319.6 million at June 30, 2024 September 30, 2024 and \$303.2 million at December 31, 2023. Combined Backlog totaled \$2.45 billion and \$2.37 billion at June 30, 2024 both September 30, 2024 and December 31, 2023, respectively, with a book-to-burn ratio of 1.1X 1.0X for the six nine months ended June 30, 2024 September 30, 2024.

RESULTS OF OPERATIONS

Consolidated Results

Consolidated financial highlights for the three and six nine months ended June 30, 2024 September 30, 2024 and 2023 are as follows:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 582,822	\$ 522,325	\$ 1,023,182	\$ 925,904
Gross profit	112,743	92,274	189,647	154,016
General and administrative expense	(27,856)	(24,034)	(55,154)	(47,355)
Intangible asset amortization	(4,280)	(3,737)	(8,577)	(7,473)
Acquisition related costs	(101)	(59)	(137)	(249)
Other operating expense, net	(7,772)	(4,181)	(10,920)	(6,049)
Operating income	72,734	60,263	114,859	92,890
Interest, net	(208)	(5,528)	(970)	(11,082)
Income before income taxes and noncontrolling interests	72,526	54,735	113,889	81,808
Income tax expense	(17,952)	(14,505)	(25,556)	(21,538)
Less: Net income attributable to noncontrolling interests	(2,695)	(750)	(5,406)	(1,141)
Net income attributable to Sterling common stockholders	\$ 51,879	\$ 39,480	\$ 82,927	\$ 59,129
Gross margin	19.3 %	17.7 %	18.5 %	16.6 %

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 593,741	\$ 560,347	\$ 1,616,923	\$ 1,486,251
Gross profit	129,799	91,867	319,446	245,883
General and administrative expense	(30,672)	(25,237)	(85,826)	(72,592)
Intangible asset amortization	(4,280)	(3,736)	(12,857)	(11,209)
Acquisition related costs	(72)	(103)	(209)	(352)

Other operating expense, net	(7,283)	(5,654)	(18,203)	(11,703)
Operating income	87,492	57,137	202,351	150,027
Interest, net	1,305	(3,107)	335	(14,189)
Income before income taxes and noncontrolling interests	88,797	54,030	202,686	135,838
Income tax expense	(23,404)	(13,891)	(48,960)	(35,429)
Less: Net income attributable to noncontrolling interests	(4,072)	(786)	(9,478)	(1,927)
Net income attributable to Sterling common stockholders	\$ 61,321	\$ 39,353	\$ 144,248	\$ 98,482
Gross margin	21.9 %	16.4 %	19.8 %	16.5 %

Revenues—Revenues were \$582.8 million \$593.7 million for the second third quarter of 2024, an increase of \$60.5 million \$33.4 million, or 11.6% 6.0%, compared to the second third quarter of 2023. The increase was driven by an \$81.7 million a \$34.3 million increase in Transportation Solutions and a \$10.0 million increase in E-Infrastructure Solutions, partly offset by an \$18.8 million decrease in E-Infrastructure Solutions and a \$2.4 million \$10.8 million decrease in Building Solutions.

Revenues were \$1.02 billion \$1.62 billion for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$97.3 million \$130.7 million, or 10.5% 8.8%, compared to the six nine months ended June 30, 2023 September 30, 2023. The increase was driven by a \$119.5 million \$153.8 million increase in Transportation Solutions and an \$18.0 million a \$7.1 million increase in Building Solutions, partly offset by a \$40.2 million \$30.2 million decrease in E-Infrastructure Solutions.

Gross profit and margin—Gross profit was \$112.7 million \$129.8 million for the second third quarter of 2024, an increase of \$20.5 million \$37.9 million, or 22.2% 41.3%, compared to the second third quarter of 2023. The Company's gross margin as a percentage of revenue increased to 19.3% 21.9% in the second third quarter of 2024, as compared to 17.7% 16.4% in the second third quarter of 2023.

Gross profit was \$189.6 million \$319.4 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$35.6 million \$73.6 million, or 23.1% 29.9%, compared to the six nine months ended June 30, 2023 September 30, 2023. The Company's gross margin as a percentage of revenue increased to 18.5% 19.8% for the six nine months ended June 30, 2024 September 30, 2024, as compared to 16.6% 16.5% for the six nine months ended June 30, 2023 September 30, 2023. The increases were driven by the aforementioned higher volume, an improved project margin mix across all segments, and the inclusion of the Texas plumbing business acquired in late 2023.

Contracts in progress that were not substantially complete totaled approximately 220 and 230 at both June 30, 2024 September 30, 2024 and 2023, respectively. These contracts are of various sizes, of different expected profitability and in various stages of completion. The nearer a contract progresses toward completion, the more visibility the Company has in refining its estimate of total revenues (including incentives, delay penalties and change orders), costs and gross profit. Thus, gross profit as a percentage of revenues can increase or decrease from comparable and subsequent quarters due to variations among contracts and depending upon the stage of completion of contracts.

General and administrative expense—General and administrative expenses were \$27.9 million \$30.7 million, or 4.8% 5.2% of revenue, for the second third quarter of 2024, compared to \$24.0 million \$25.2 million, or 4.6% 4.5% of revenue, for the second third quarter of 2023. General and administrative expenses were \$55.2 million \$85.8 million, or 5.4% 5.3% of revenue, for the six nine months ended June 30, 2024 September 30, 2024, compared to \$47.4 million \$72.6 million, or 5.1% 4.9% of revenue, for the six nine months ended June 30, 2023 September 30, 2023. The increases reflect incremental G&A from the Texas plumbing business acquired in late 2023, growth, and inflation. The Company anticipates that general and administrative expense will be approximately 5% of revenue for the full year 2024.

Other operating expense, net—Other operating expense, net, includes 50% of earnings related to members' interest of our consolidated 50% owned subsidiary, earn-out and other miscellaneous operating income or expense. Members' interest earnings are treated as an expense and increase the liability account.

The change in other operating expense, net, for the second third quarter of 2024 was an increase of \$3.6 million \$1.6 million over the prior year second third quarter. Members' interest earnings increased by \$2.6 million \$0.6 million during the second third quarter of 2024 to \$6.8 million \$6.3 million from \$4.2 million \$5.7 million in the second third quarter of 2023 and earn-out expense increased to \$1.0 million during the second third quarter of 2024, compared to none in the second third quarter of 2023.

The change in other operating expense, net, for the six nine months ended June 30, 2024 September 30, 2024 was an increase of \$4.9 million \$6.5 million over the prior year six nine months. Members' interest earnings increased by \$2.9 million \$3.5 million during the six nine months ended June 30, 2024 September 30, 2024 to \$8.9 million \$15.2 million from \$6.0 million \$11.7 million in the prior year six nine months and earn-out expense increased to \$2.0 million \$3.0 million during the six nine months ended June 30, 2024 September 30, 2024, compared to none in the prior year six nine months.

Interest, net—Combined interest expense and income was a net expense income of \$0.2 million \$1.3 million for the second third quarter of 2024, compared to a net expense of \$5.5 million \$3.1 million for the second third quarter of 2023, and was a net income of \$0.3 million for the nine months ended September 30, 2024, compared to net expense of \$1.0 million \$14.2 million for the six nine months ended June 30, 2024, compared to a net expense of \$11.1 million for the six months ended June 30, 2023 September 30, 2023. The three and six nine months ended June 30, 2024 September 30, 2024 decreases in net expense were driven by higher interest income due to increased interest rates in 2024 on our growing cash balance.

Income taxes—The effective income tax rate was 24.8% 26.4% for the second third quarter of 2024 and 22.4% 24.2% for the six nine months ended June 30, 2024 September 30, 2024. The rates varied from the statutory rate primarily as a result of non-deductible compensation, state income taxes and other permanent differences. The Company incurred a \$0.5 million \$0.1 million and \$3.4 million \$3.5 million tax rate benefit for the three and six nine months ended June 30, 2024 September 30, 2024, respectively, for increased tax deductions related to stock compensation. The Company anticipates an effective income tax rate for the full year 2024 of approximately 25% 24%. See Note 11 - Income Taxes for more information.

Segment Results

The Company's operations consist of three reportable segments: E-Infrastructure Solutions, Transportation Solutions and Building Solutions. We incur expenses at the corporate level that relate to our business as a whole. A portion of these expenses are allocated to our business segments by various methods, but primarily on the basis of usage.

The unallocated remainder is reported in the "Corporate G&A Expense" line, which is primarily comprised of corporate headquarters facility expense, the cost of the executive management team, and other expenses pertaining to certain centralized functions that benefit the entire Company but are not directly attributable to any specific business segment, such as corporate human resources, legal, governance, compliance and finance functions.

(In thousands)

(In thousands)

(In thousands)		Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,				Nine Months Ended Sept			
Revenues	Revenues	2024	% of Revenue	2023	% of Revenue	2024	% of Revenue	2023	% of Revenue	2024	% of Revenue	2023	% of Revenue	Revenues	2024	% of Revenue	2023
E-Infrastructure Solutions	E-Infrastructure Solutions																
E-Infrastructure Solutions	E-Infrastructure Solutions	\$241,312	41%	41%	\$ 260,148	50%	50%			\$425,788	42%	42%		\$465,988	50%	50%	
Transportation Solutions	Transportation Solutions	232,775	40%	40%	151,088	29%	29%			381,744	37%	37%		262,227	29%	29%	
Building Solutions	Building Solutions	108,735	19%	19%	111,089	21%	21%			215,650	21%	21%		197,689	21%	21%	
Total Revenues	Total Revenues																
Operating Income	Operating Income																
Operating Income	Operating Income																
Operating Income	Operating Income																
E-Infrastructure Solutions	E-Infrastructure Solutions	\$ 51,677	21.4%	21.4%	\$ 43,167	16.6%	16.6%			\$ 78,846	18.5%	18.5%		\$ 67,436	14.5%	14.5%	
Transportation Solutions	Transportation Solutions	15,449	6.6%	6.6%	9,856	6.5%	6.5%			23,581	6.2%	6.2%		15,162	5.8%	5.8%	
Building Solutions	Building Solutions	13,813	12.7%	12.7%	13,480	12.1%	12.1%			28,588	13.3%	13.3%		22,181	11.2%	11.2%	
Segment Operating Income	Segment Operating Income	80,939	13.9%	13.9%	66,503	12.7%	12.7%			131,015	12.8%	12.8%		104,779	11.3%	11.3%	
Corporate G&A Expense	Corporate G&A Expense																
Acquisition Related Costs	Acquisition Related Costs																
Acquisition Related Costs	Acquisition Related Costs																
Acquisition Related Costs	Acquisition Related Costs																
Total Operating Income	Total Operating Income																
Total Operating Income	Total Operating Income	\$ 72,734	12.5%	12.5%	\$ 60,263	11.5%	11.5%			\$114,859	11.2%	11.2%		\$ 92,890	10.0%	10.0%	

E-Infrastructure Solutions

Revenues—Revenues were \$241.3 million \$263.9 million for the second third quarter of 2024, a decrease an increase of \$18.8 million \$10.0 million, or 7.2% 3.9%, compared to the second third quarter of 2023, and revenues were \$425.8 million for the six months ended June 30, 2024, a decrease of \$40.2 million, or 8.6%, compared to the six months ended June 30, 2023, 2023. The decreases were increase was primarily driven by higher volume from data centers, partly offset by the timing of advanced manufacturing projects and lower volume from warehouses and other small projects, projects.

Revenues were \$689.7 million for the nine months ended September 30, 2024, a decrease of \$30.2 million, or 4.2%, compared to the nine months ended September 30, 2023. The decrease was primarily driven by the timing of advanced manufacturing projects, lower volume from warehouses and other small projects, and delays due to inclement weather in the first quarter, partly offset by higher volume from data centers.

Operating income—Operating income was \$51.7 million \$68.1 million, or 21.4% 25.8% of revenue, for the second third quarter of 2024, an increase of \$8.5 million \$32.1 million, compared to \$43.2 million \$35.9 million, or 16.6% 14.2% of revenue, for the second third quarter of 2023. Operating income was \$78.8 million \$146.9 million, or 18.5% 21.3% of revenue, for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$11.4 million \$43.5 million, compared to \$67.4 million \$103.4 million, or 14.5% 14.4% of revenue, for the six nine months ended June 30, 2023 September 30, 2023. The increases in operating income and margin were driven by a mix shift toward large mission-critical projects, partly offset by lower volume from warehouses and other small commercial projects and by the timing of advanced manufacturing projects.

Transportation Solutions

Revenues—Revenues were \$232.8 million \$227.3 million for the second third quarter of 2024, an increase of \$81.7 million \$34.3 million, or 54.1% 17.7%, compared to the second third quarter of 2023, and revenues were \$381.7 million \$609.0 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$119.5 million \$153.8 million, or 45.6% 33.8%, compared to the six nine months ended June 30, 2023 September 30, 2023. The increases were driven by higher heavy highway, aviation and other non-highway services revenue.

Operating Income—Operating income was \$15.4 million \$18.6 million, or 6.6% 8.2% of revenue, for the second third quarter of 2024, an increase of \$5.6 million \$4.1 million, compared to \$9.9 million \$14.5 million, or 7.5% of revenue, for the third quarter of 2023. Operating income was \$42.2 million, or 6.9% of revenue, for the nine months ended September 30, 2024, an increase of \$12.5 million, compared to \$29.6 million, or 6.5% of revenue, for the second quarter of 2023. Operating income was \$23.6 million, or 6.2% of revenue, for the six nine months ended June 30, 2024, an increase of \$8.4 million, compared to \$15.2 million, or 5.8% of revenue, for the six months ended June 30, 2023 September 30, 2023. The increases in operating income and margin were driven by an improved project margin mix and the aforementioned higher revenue.

Building Solutions

Revenues—Revenues were \$108.7 million \$102.6 million for the second third quarter of 2024, a decrease of \$2.4 million \$10.8 million, or 2.1% 9.5%, compared to the second third quarter of 2023. The decrease was primarily driven by lower commercial volume and fewer residential slabs completed in the Texas markets compared to the second third quarter of 2023. Texas was Our residential concrete slab and plumbing businesses were impacted by inclement weather and builders had a shortage of developed land slowdown in the quarter. Dallas market in the quarter, as prospective homebuyers appear to be waiting on the sidelines in expectation of future interest rate reductions. The decrease was partly offset by the inclusion of \$16.7 million \$14.8 million from the Texas plumbing business acquired in late 2023 and an increase in residential slabs completed in the Arizona market compared to the second quarter of 2023.

Revenues were \$215.7 million \$318.2 million for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$18.0 million \$7.1 million, or 9.1% 2.3%, compared to the six nine months ended June 30, 2023 September 30, 2023. The increase was primarily driven by the inclusion of \$32.9 million \$47.7 million from the Texas plumbing business acquired in late 2023 and an increase in residential slabs completed in the Arizona market compared to 2023, partly offset by fewer residential slabs completed in the aforementioned second quarter impact.

Texas markets compared to 2023.

Operating income—Operating income was \$13.8 million \$11.2 million, or 12.7% 11.0% of revenue, for the second third quarter of 2024, an increase a decrease of \$0.3 million \$1.6 million, compared to \$13.5 million \$12.8 million, or 12.1% 11.3% of revenue, for the second third quarter of 2023. The decreases in operating income and margin were driven by builders having a shortage of developed land in the quarter, partly offset by by the inclusion of the Texas plumbing business.

Operating income was \$28.6 million \$39.8 million, or 13.3% 12.5% of revenue, for the six nine months ended June 30, 2024 September 30, 2024, an increase of \$6.4 million \$4.8 million, compared to \$22.2 million \$35.0 million, or 11.2% 11.3% of revenue, for the six nine months ended June 30, 2023 September 30, 2023. The increases in operating income and margin were driven by the inclusion of the Texas plumbing business and a mix shift towards residential, which has higher margins than commercial.

LIQUIDITY AND SOURCES OF CAPITAL

Cash and Cash Equivalents—Total cash and cash equivalents at June 30, 2024 September 30, 2024 and December 31, 2023 includes the following components:

(In thousands)	(In thousands)	June 30, 2024	December 31, 2023	(In thousands)	September 30, 2024	December 31, 2023
Generally Available						
Consolidated 50% Owned Subsidiaries						
Construction Joint Ventures						
Total cash and cash equivalents						

The following table presents consolidated information about our cash flows:

(In thousands)

(In thousands)

(In thousands)

Net cash provided by (used in):

Net cash provided by (used in):

Net cash provided by (used in):

Operating activities

Operating activities

Operating activities

Investing activities

Investing activities

Investing activities

Financing activities

Financing activities

Financing activities

Net change in cash and cash equivalents

Net change in cash and cash equivalents

Net change in cash and cash equivalents

Operating Activities—During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash provided by operating activities was **\$170.6 million** **\$322.8 million**, compared to net cash provided by operating activities of **\$181.1 million** **\$331.2 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**. Cash flows provided by operating activities were primarily driven by higher operating income and changes in our accounts receivable, net contracts in progress and accounts payable balances (collectively, “Contract Capital”), as discussed below.

Changes in Contract Capital—The change in operating assets and liabilities varies due to fluctuations in operating activities and investments in Contract Capital. The changes in components of Contract Capital during the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 were as follows:

(In thousands)	Six Months Ended June 30,		Nine Months Ended September 30,	
	(In thousands)	2024	2023	(In thousands)
Contracts in progress, net				
Contracts in progress, net				
Contracts in progress, net				
Accounts receivable				
Receivables from and equity in construction joint ventures				
Accounts payable				
Change in Contract Capital, net				

During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, the change in Contract Capital was **\$29,784**, **\$76.3 million**, which was primarily driven by the E-Infrastructure Solutions segment due to the increased size and duration of its projects in progress. The Company's Contract Capital fluctuations are impacted by the mix of projects in Backlog, seasonality, the timing of new awards and related payments for work performed and the contract billings to the customer as projects are completed. Contract Capital is also impacted at period-end by the timing of accounts receivable collections and accounts payable payments for projects.

Investing Activities—During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash used in investing activities was **\$45.4 million** **\$62.3 million**, compared to net cash used of **\$16.3 million** **\$25.6 million** in the **six** **nine** months ended **June 30, 2023** **September 30, 2023**. The net cash used during

this year was primarily driven by **\$51.3 million** **\$65.3 million** for purchases of capital equipment, partly offset by **\$6.9 million** **\$7.8 million** of cash proceeds from the sale of property and equipment. Capital equipment is acquired as needed to support changing levels of production activities and to replace retiring equipment.

Financing Activities—During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, net cash used in financing activities was **\$56.8 million** **\$84.0 million**, compared to net cash used of **\$71.9 million** **\$81.4 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**. The financing cash outflow during this year was primarily driven by **\$30.1 million** **\$50.6 million** for the repurchase of common stock, **\$13.3 million** **\$19.7 million** of repayments on the Term Loan Facility, and **\$13.4 million** for withholding taxes paid on the net share settlement of vested equity awards, and **\$13.1 million** of repayments on the Term Loan Facility awards.

Capital Strategy—The Company will continue to explore additional revenue growth and capital alternatives to improve leverage and strengthen its financial position in order to take advantage of trends in the civil infrastructure and E-infrastructure markets. The Company expects to pursue strategic uses of its cash, such as, investing in projects or businesses that meet its gross margin targets and overall profitability, managing its debt balances and repurchasing shares of its common stock.

JOINT VENTURES

We participate in various construction joint venture partnerships in order to share expertise, risk and resources for certain highly complex projects. The joint venture's contract with the project owner typically requires joint and several liability among the joint venture partners. Although our agreements with our joint venture partners provide that each party will assume and fund its share of any losses resulting from a project, if one of our partners was unable to pay its share, we would be fully liable for such share under our contract with the project owner. Circumstances that could lead to a loss under these guarantee arrangements include a partner's inability to contribute additional funds to the venture in the event that the project incurred a loss or additional costs that we could incur should the partner fail to provide the services and resources toward project completion to which it committed in the joint venture agreement. See the 2023 Form 10-K under “Part I, Item 1A. Risk Factors.”

At **June 30, 2024** **September 30, 2024**, there was approximately **\$195 million** **\$174 million** of construction work to be completed on unconsolidated construction joint venture contracts, of which approximately **\$96 million** **\$85 million** represented our proportionate share. Due to the joint and several liability under our joint venture arrangements, if one of our joint venture partners fails to perform, we and the remaining joint venture partners would be responsible for completion of the outstanding work. As of **June 30, 2024** **September 30, 2024**, we are not aware of any situation that would require us to fulfill responsibilities of our joint venture partners pursuant to the joint and several liability under our contracts.

NEW ACCOUNTING STANDARDS

See Note 2 - Basis of Presentation and Significant Accounting Policies for a discussion of new accounting standards.

CRITICAL ACCOUNTING ESTIMATES

There have been no material changes to the Company's discussion of critical accounting estimates from those described in Item 7 of our 2023 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our interest rate risk relates primarily to fluctuations in variable interest rates on our revolving credit facility and term loan facility (collectively, the “Credit Facility”) and our cash and cash equivalents balance. Our indebtedness as of **June 30, 2024** **September 30, 2024** included **\$330.3 million** **\$323.8 million** of variable rate debt under our Credit Facility. At

June 30, 2024 September 30, 2024 a 100-basis point (or 1%) increase or decrease in the interest rate would increase or decrease interest expense by approximately \$3.3 million \$3.2 million per year. As of June 30, 2024 September 30, 2024, we held cash and cash equivalents of \$540.0 million \$648.1 million. At June 30, 2024 September 30, 2024 a 100-basis point (or 1%) increase or decrease in the interest rate would increase or decrease interest income by approximately \$5.4 million \$6.5 million per year.

Other

Fair Value—The carrying values of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate their fair values because of the short-term nature of these instruments. Based upon the current market rates for debt with similar credit risk and maturities, at June 30, 2024 September 30, 2024, the fair value of our debt outstanding approximated the carrying value, as interest is based on Term SOFR plus an applicable margin.

Inflation—While inflation did not have a material impact on our financial results for many years, since 2021, supply chain volatility and inflation has resulted in price increases in oil, fuel, lumber, concrete, steel and labor which have increased our

cost of operations, and inflation has increased our general and administrative expense. Anticipated cost increases are considered in our bids to customers; however, inflation has had, and may continue to have, a negative impact on the Company's financial results.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures include, but are not limited to, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company's principal executive officer and principal financial officer reviewed and evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of June 30, 2024 September 30, 2024. As previously disclosed, we completed the PPG business acquisition on November 16, 2023 and, as permitted by SEC guidance for newly acquired businesses, we have elected to exclude the acquired business operations of PPG from the scope of design and operation of our disclosure controls and procedures for the quarter ended June 30, 2024 September 30, 2024. Based on that evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective at June 30, 2024 September 30, 2024 to ensure that the information required to be disclosed by the Company in this Report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to the Company's management including the principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended June 30, 2024 September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting may not prevent or detect all errors and all fraud. Also, projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The Company, including its construction joint ventures and its consolidated 50% owned subsidiary, is now and may in the future be involved as a party to various legal proceedings that are incidental to the ordinary course of business. The Company reviews current information about these proceedings and, as necessary, provides accruals for probable liabilities on the eventual disposition of these matters. See Note 10 - "Commitments and Contingencies", included in the unaudited Notes to our Condensed Consolidated Financial Statements included in Part 1 Item 1. Condensed Consolidated Financial Statements of this Report for additional information.

Item 1A. Risk Factors

There have not been any material changes from the risk factors previously disclosed in "Part I, Item 1A. Risk Factors" of the 2023 Form 10-K. You should carefully consider such risk factors, which could materially affect the business, financial condition or future results.

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

The following table sets forth certain information with respect to repurchases of our common stock in the open market during the quarter ended June 30, 2024 September 30, 2024 (in thousands, except price per share data):

Period	Period	Total number of shares (or units) purchased ⁽¹⁾	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs ⁽¹⁾	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs ⁽¹⁾	Period	Total number of shares (or units) purchased	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs ⁽¹⁾	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs ⁽¹⁾
April 1 – April 30, 2024										
May 1 – May 31, 2024										
June 1 – June 30, 2024										
July 1 – July 31, 2024										
August 1 – August 31, 2024										
September 1 – September 30, 2024										
Total										

⁽¹⁾ On December 5, 2023, the Board of Directors approved a program that authorized repurchases of up to \$200,000 of the Company's common stock. Under the program, the Company may repurchase its common stock in the open market or through privately negotiated transactions at such times and at such prices as determined to be in the Company's best interest. The program expires on December 5, 2025 and may be modified, extended or terminated by the Board of Directors at any time.

⁽¹⁾ On December 5, 2023, the Board of Directors approved a program that authorized repurchases of up to \$200,000 of the Company's common stock. Under the program, the Company may repurchase its common stock in the open market or through privately negotiated transactions at such times and at such prices as determined to be in the Company's best interest. The program expires on December 5, 2025 and may be modified, extended or terminated by the Board of Directors at any time.

⁽¹⁾ On December 5, 2023, the Board of Directors approved a program that authorized repurchases of up to \$200,000 of the Company's common stock. Under the program, the Company may repurchase its common stock in the open market or through privately negotiated transactions at such times and at such prices as determined to be in the Company's best interest. The program expires on December 5, 2025 and may be modified, extended or terminated by the Board of Directors at any time.

Items 3 and 4 are not applicable and have been omitted.

Item 5. Other Information

During the quarter ended **June 30, 2024** **September 30, 2024**, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) 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. Actual sale transactions for pre-existing "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangements" will be disclosed publicly in filings with the SEC in accordance with applicable securities laws, rules and regulations.

Effective November 4, 2024, the Company's Board of Directors (the "Board") amended and restated the Company's Amended and Restated By-laws (as amended and restated, the "Bylaws") primarily to clarify and implement certain procedural and disclosure requirements for the Company's stockholders proposing director nominees for consideration at its annual or special meetings of stockholders in connection with the "universal proxy" rules adopted by the Securities and Exchange Commission pursuant to Rule 14a-19 of the Securities Exchange Act of 1934, as amended ("Rule 14a-19"). The amendments also modify certain other provisions to align the Bylaws more closely with the Delaware General Corporation Law (the "DGCL") and current market practices.

Among other changes, the amendments to the Bylaws:

- Modify the provisions relating to the principal office, adjournment procedures, notice requirements, accessing the stockholder list, and emergency bylaws to align more closely to the DGCL (Article I, Article II, Sections 2.3 and 2.8, Article III, Section 3.11).
- Provide that the Company will disregard business proposals or director nominations, notwithstanding that proxies or votes regarding the same may have been received by the Company, if a stockholder does not provide the required information or comply with applicable requirements of the Bylaws or Rule 14a-19 (Article II, Section 2.7(a) and (b)).
- Clarify and update certain procedural requirements for director nominations or business proposals relating to the requirements for a proper stockholder's notice and for any update and supplement of such information to be accurate and timely (Article II, Section 2.7(a), (b) and (c)).
- Add the term "Stockholder Associated Person" for consistency in the use of the terms "beneficial owner," "affiliates" and "associate" and to remove the concept of "acting in concert" (Article II, Section 2.7(a), (b) and (d)).
- Update certain other procedural requirements for director nominations made by stockholders primarily to address Rule 14a-19, which include (1) requiring compliance with Rule 14a-19, (2) not allowing additional or substitute nominees following expirations of applicable notice deadlines, (3) limiting the number of stockholder nominees to the number of directors to be elected, (4) requiring a stockholder's notice to include certain representations regarding the stockholder's solicitation and (5) requiring reasonable documentary evidence of compliance with such representations and compliance with Rule 14a-19 (Article II, Section 2.7(b)); and require that any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white (Article II, Section 2.6).
- Revise the description of the officers of the Company to better align with the current powers and duties of such officers (Article IV).

The Bylaws also include certain ministerial, technical, conforming, modernizing, streamlining and clarifying changes. The foregoing description is qualified in its entirety by the Bylaws which are attached hereto as Exhibit 3.2 and incorporated herein by reference.

Item 6. Exhibits

The following exhibits are filed with this Report:

Exhibit No.	Exhibit Title
3.1 (1)	Composite Certificate of Incorporation of Sterling Infrastructure, Inc. as amended through May 3, 2023 (incorporated by reference to Exhibit 3.1 to Sterling Infrastructure, Inc.'s Registration Statement on Form 8-A, filed on May 12, 2023 (SEC File No. 1-31993)).
3.2 (2)	Amended and Restated Bylaws of Sterling Infrastructure, Inc. (incorporated by reference to Exhibit 3.2 to Sterling Infrastructure, Inc.'s Current Report on Form 8-K, filed on June 1, 2022 (SEC File No. 1-31993)).
4.1 (1)	Form of Common Stock Certificate of Sterling Infrastructure, Inc. (incorporated by reference to Exhibit 4.1 to Sterling Infrastructure, Inc.'s Registration Statement on Form 8-A, filed on May 12, 2023 (SEC File No. 1-31993)).
31.1 (2)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).
31.2 (2)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).
32.1 (3)	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2 (3)	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document—The instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

(1) Incorporated by reference to the filing indicated

(2) Filed herewith

(3) Furnished herewith

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.

STERLING INFRASTRUCTURE, INC.

Date: **August 6, 2024** November 7, 2024

By: /s/ Sharon R. Villaverde

Sharon R. Villaverde

Chief Financial Officer and Duly Authorized Officer

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Page 1 of 21 #102763740v1 STERLING INFRASTRUCTURE, INC. (the "Corporation") AMENDED AND RESTATED BYLAWS (as amended on November 4, 2024) ARTICLE I OFFICES Section 1.1 Registered Office. The registered office of the Corporation in the State of Delaware shall be set forth in the Certificate of Incorporation of the Corporation. Section 1.2 Principal and Other Offices. The Corporation may also have a principal office and other offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine. ARTICLE II MEETINGS OF STOCKHOLDERS Section 2.1 Annual Meetings. The Annual Meeting of Stockholders (an "Annual Meeting") shall be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as shall be designated from time to time by the Board. Section 2.2 Special Meetings. Unless otherwise required by law or by the Certificate of Incorporation, Special Meetings of Stockholders (a "Special Meeting") for any purpose may be called only by the Board. Section 2.3 Notice of Meetings. a. Written notice of Annual and Special Meetings stating the place, if any, date and time of the meeting, and in the case of a Special Meeting, the business to be transacted at such meeting, shall be given to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notice of the meeting also shall include the means of remote communication, if any, by which stockholders may be deemed to be present in person and vote at such meeting. b. Notice shall be given in accordance with Section 232 of the Delaware General Corporation Law (the "DGCL") and any other applicable law. c. When a meeting is adjourned to another time or place, if any (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such



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Page 2 of 21 #102763740v1 adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by remote communication; or (iii) set forth in the notice of the meeting; provided, however, that if the adjournment is for more than thirty (30) days, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date and time of the adjourned meeting and the means of remote communications, if any, shall be given in conformity with these Bylaws. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting. Section 2.4 Quorum. Except as otherwise required by law or by the Certificate of Incorporation, a majority of the total voting power of stock issued and outstanding and entitled to vote at the meeting of stockholders, present in person (including by means of remote communication, if any) or represented by proxy, shall constitute a quorum at such meeting for the transaction of business. If, however, a quorum shall not be present in person or represented by proxy at any meeting of the stockholders, the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time by the affirmative vote of a majority of the total voting power of stock present in person or represented by proxy at such meeting and entitled to vote thereon without notice other than announcement at the meeting, until a quorum shall be present or represented. If a quorum initially is present at any meeting of stockholders, the stockholders may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum, but if a quorum is not present at least initially, no business other than adjournment may be transacted. Section 2.5 Voting. Unless otherwise required by law, the Certificate of Incorporation or these Bylaws, any matter brought before any meeting of stockholders (other than the election of directors) shall be decided by the affirmative vote of a majority of the total voting power of stock present in person (including by means of remote communications, if any) or represented by proxy and entitled to vote thereon, a quorum being present. Each stockholder shall be entitled to cast one (1) vote for each share of stock held by such stockholder if such stockholder is entitled to vote such share on the matter being considered at the meeting. No action required or permitted to be taken by the stockholders of the Corporation may be effected by any written consent by such stockholders without a meeting. Section 2.6 Proxies. Every person entitled to vote shall have the right to do so either in person (including by means of remote communications, if any) or by one or more agents authorized by a written proxy in compliance with Section 2.12 of the DGCL, but no proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a later date. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing with the Secretary of the Corporation another duly executed proxy bearing a later date. A proxy is not revoked by the death or incapacity of the maker unless before the vote is counted, written notice of death or incapacity is received by the



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Page 3 of 21 #102763740v1 Corporation. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use for solicitation by the Board. Section 2.7 Advance Notice. a. At an Annual Meeting, only such business shall be conducted (except for the election of directors which shall be in accordance with the procedures below in subpart (b)) as shall have been properly brought before the Annual Meeting (x) pursuant to the Corporation's notice of Annual Meeting (or any supplement thereto) by or at the direction of the Board (or any committee thereof), (y) otherwise by or at the direction of the Board (or any duly authorized committee thereof) or (z) by any stockholder of the Corporation who complies with the notice procedures set forth in this Section 2.7(a) and is a stockholder of record of the Corporation (i) at the time the notice provided for in this Section 2.7(a) is delivered to the Secretary of the Corporation, (ii) on the record date for the determination of stockholders entitled to vote at the Annual Meeting, and (iii) on the date of the Annual Meeting. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of the Annual Meeting (and therefore included in the business of the Annual Meeting pursuant to the foregoing clause (x)), the foregoing clause (z) shall be the exclusive means for a stockholder to propose business to be brought before an Annual Meeting. For business to be properly brought before an Annual Meeting by a stockholder pursuant to the foregoing clause (z), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to and received by the Secretary at the headquarters of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is more than thirty (30) days before or more than ninety (90) days after such anniversary date, or if no Annual Meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such Annual Meeting and not later than the close of business on the later of the 90th day prior to such Annual Meeting or the 10th day following the day on which public announcement of the date of such Annual Meeting is first made. In no event shall an adjournment, recess or postponement of an Annual Meeting for which notice has been given (or with respect to which there has been a public announcement of the date of the Annual Meeting) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. A stockholder's notice to the Secretary shall set forth: i. as to each matter the stockholder proposes to bring before the Annual Meeting, a brief description of the business desired to be brought before the Annual Meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a



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Page 4 of 21 #102763740v1 proposal to amend the Bylaws, the language of the proposed amendment) and the reasons for conducting such business at the Annual Meeting; ii. the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and of any Stockholder Associated Person (as such term is defined below in subpart (d)); iii. the class, series and number of shares of the Corporation which are directly or indirectly owned beneficially or of record by the stockholder, and any Stockholder Associated Person, or which they have the right to acquire beneficial ownership of; iv. any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) of the stockholder and any Stockholder Associated Person in such business, including any anticipated benefit to such person or persons therefrom; v. a description of any agreement, arrangement or understanding with respect to the proposal between or among such stockholder and any Stockholder Associated Person; vi. a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote, directly or indirectly, any stock of the Corporation or pursuant to which any other person has the right to vote, directly or indirectly, any stock owned by such stockholder or Stockholder Associated Person; vii. a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and any Stockholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power or pecuniary or economic interest of, such stockholder and such Stockholder Associated Person, if any, with respect to shares of stock of the Corporation; viii. a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; ix. a representation whether the stockholder or any Stockholder Associated Person intends, or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of record of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal;



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Page 5 of 21 #102763740v1 and/or (ii) otherwise to solicit proxies from stockholders in support of such proposal; and x. any other information relating to the stockholder giving the notice and on whose behalf the proposal is being made, or any Stockholder Associated Person, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies with respect to business brought at the Annual Meeting pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Notwithstanding anything in these Bylaws to the contrary, no business (except for the election of directors in accordance with the procedures below in subpart (b)) shall be conducted at an Annual Meeting except in accordance with the procedures set forth in this Section 2.7(a). The chairman of an Annual Meeting shall, if the facts warrant, determine and declare to the Annual Meeting that business was not properly brought before the Annual Meeting and in accordance with the provisions of these Bylaws, and if he should so determine, he shall so declare to the Annual Meeting and any such business not properly brought before the Annual Meeting shall not be transacted; notwithstanding that proxies or votes in respect of such business may have been received by the Corporation (which proxies and votes shall be disregarded). Notwithstanding the foregoing provisions of this Section 2.7(a), unless otherwise required by law or otherwise determined by the chairman of the Annual Meeting, if the stockholder does not appear in person (including by means of remote communications, if any) or is not represented by proxy at the Annual Meeting to present the proposed business, such proposed business shall not be transacted; notwithstanding that proxies or votes in respect of such business may have been received by the Corporation (which proxies and votes shall be disregarded). b. Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible for election as directors. Nominations of persons for election to the Board may be made at an Annual Meeting or a Special Meeting at which directors are to be elected pursuant to the Corporation's notice of meeting (x) by or at the direction of the Board (or any duly authorized committee thereof) or (y) by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2.7(b) and who is a stockholder of record of the Corporation (i) at the time the notice provided for in this Section 2.7(b) is delivered to the Secretary of the Corporation, (ii) on the record date for the determination of stockholders entitled to vote at the meeting and (iii) on the date of the meeting. For nominations to be properly made by a stockholder pursuant to this Section 2.7(b), the stockholder must have given timely notice in writing to the Secretary of the Corporation. To be timely with respect to an Annual Meeting, a stockholder's notice must be delivered to and received by the Secretary at the headquarters of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is more than thirty (30) days before or more than ninety (90) days after such anniversary date, or if no Annual Meeting was



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Page 6 of 21 #102763740v1 held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such Annual Meeting and not later than the close of business on the later of the 90th day prior to such Annual Meeting or the 10th day following the day on which public announcement of the date of such Annual Meeting is first made. To be timely with respect to a Special Meeting at which directors are to be elected pursuant to the Corporation's notice of Special Meeting, a stockholder's notice must be delivered to and received by the Secretary at the headquarters of the Corporation not earlier than the close of business on the 120th day prior to such Special Meeting and not later than the close of business on the later of the 90th day prior to such Special Meeting or the 10th day following the day on which public announcement of the date of such Special Meeting is first made. In no event shall the public announcement of an adjournment, recess or postponement of an Annual or Special Meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above, and a stockholder shall not be entitled to make additional or substitute nominations following the expirations of the time periods set forth in these Bylaws. The minimum timeliness requirements of this Section 2.7(b) shall apply despite any different timeline described in Rule 14a-19 or elsewhere in Regulation 14A of the Exchange Act, including with respect to any statements or information required to be provided to the Corporation pursuant to Rule 14a-19 of the Exchange Act by a stockholder and not otherwise specified herein. The number of nominees a stockholder may nominate for election at the Annual or Special Meeting (or in the case of a stockholder giving the notice on behalf of the beneficial owner, the number of nominees a stockholder may nominate for election at the Annual or Special Meeting on behalf of the beneficial owner) shall not exceed the number of directors to be elected as such Annual or Special Meeting. Such stockholder's notice shall set forth: i. as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in any proxy statement, form of proxy and ballot for the meeting as a nominee and to serving as a director for the full term if elected); ii. as to the nominee, the stockholder giving the notice and any Stockholder Associated Person (as such term is defined below in subpart (d)) (i) the name and address, as they appear on the Corporation's books, of such nominee, stockholder and any Stockholder Associated Person; and (ii) the class, series and number of shares of the Corporation which are directly or indirectly owned beneficially or of record by such nominee, stockholder and any Stockholder Associated Person, or which they have the right to acquire beneficial ownership of; iii. a description of any agreement, arrangement or understanding with respect to the nomination between or among such nominee, stockholder and any Stockholder Associated Person;



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Page 7 of 21 #102763740v1 iv. a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such nominee, stockholder or any Stockholder Associated Person has a right to vote, directly or indirectly; any stock of the Corporation or pursuant to which any other person has the right to vote, directly or indirectly; any stock owned by such nominee, stockholder or Stockholder Associated Person; v. a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such nominee, stockholder and any Stockholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power or pecuniary or economic interest of, such nominee, stockholder and Stockholder Associated Person with respect to shares of stock of the Corporation; vi. a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination; vii. information on compensation by third parties related to the nomination for the election or re-election of the nominee as a director of the Corporation; viii. a representation that the nominee, stockholder or any Stockholder Associated Person intends, or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of record of at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by the stockholder or beneficial holder, as the case may be, to be sufficient to elect the nominee or nominees proposed to be nominated by the stockholder, (ii) otherwise to solicit proxies from stockholders in support of such nomination, or (iii) solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of director nominees other than the Corporation's nominees pursuant to Rule 14a-19 under the Exchange Act; ix. reasonable documentary evidence (as determined by the Secretary of the Corporation in good faith) that such stockholder and Stockholder Associated Person complied with such representations not later than five business days after the stockholder giving notice files a definitive proxy statement in connection with the meeting; and x. any other information relating to the stockholder giving the notice, and on whose behalf the nomination is being made, or any Stockholder Associated



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Page 8 of 21 #102763740v1 Person, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies with respect to business brought at an Annual or Special Meeting pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. The nominee shall provide all completed and signed questionnaires prepared by the Corporation (including those questionnaires required of the Board by the Corporation and any other questionnaire the Corporation determines is necessary or advisable to assess whether a nominee will satisfy any qualifications or requirements imposed by the Certificate of Incorporation, these By-laws, any law, rule, regulation or listing standard that may be applicable to the Corporation, and the Corporation's policies and guidelines applicable to the Board, which policies and guidelines shall be provided upon request), which shall be supplemented promptly upon request by the Corporation. At the request of the Board any person nominated by the Board for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination pursuant to this Section 2.7(b) which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the requirements set forth in this Section 2.7(b). The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this Section 2.7(b), and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded; notwithstanding that proxies or votes in respect of such nomination may have been received by the Corporation (which proxies and votes shall be disregarded). Notwithstanding the foregoing provisions of this Section 2.7(b), unless otherwise required by law or otherwise determined by the chairman of the meeting, if the stockholder does not appear in person or by proxy at the meeting to present the proposed nomination, such proposed nomination shall not be made or considered, notwithstanding that proxies or votes in respect of such nomination may have been received by the Corporation (which proxies and votes shall be disregarded). Nothing in this Section 2.7(b) shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation. Notwithstanding anything to the contrary in this Section 2.7(b), unless otherwise required by law, if a stockholder (a) provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any proposed nominee for election as a director of the Corporation and (b) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such

stockholder has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request



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Page 9 of 21 #102763740v1 by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act. c. A stockholder providing notice pursuant to this Section 2.7 of a nomination or business to be brought before a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.7 shall be true and correct as of the record date for determining stockholders entitled to notice of the meeting and as of the date that is 15 days prior to the meeting or any adjournment or postponement thereof; such update and supplement shall be delivered to and received by the Secretary at the headquarters of the Corporation not later than five business days after the record date for determining stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of such record date), and not later than ten days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of 15 days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 2.7 or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any stockholder's notice, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a stockholder who has previously submitted a stockholder's notice under these Bylaws to amend or update any proposal or to submit any new proposal or nominee, including by changing or adding matters, business and/or resolutions proposed to be brought before a meeting. d. For purposes of this Section 2.7, (1) the "close of business" shall mean 5:00 p.m. local time at the headquarters of the Corporation on any calendar day, whether or not the day is a business day, (2) a "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act, (3) "beneficial owner," "affiliate" and "associate" shall have the meaning given in the Exchange Act and (4) "Stockholder Associated Person" of any stockholder shall mean (a) any beneficial owner of shares of stock of the Corporation on whose behalf any nomination or proposal is made by such stockholder, and (b) any affiliates or associates of such stockholder or any beneficial owner described in clause (a). e. In addition to the provisions of this Section 2.7, a stockholder shall also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth herein. f. Nothing in this Section 2.7 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation or the rights of a stockholder pursuant to Rule 14a-8 under the Exchange Act.



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Page 10 of 21 #102763740v1 q. As provided in Section 2.3(a) of these Bylaws, only such business (except for the election of directors in accordance with the procedures below in subpart (b) of this Section 2.7) shall be conducted at a Special Meeting as shall have been brought before the meeting pursuant to the Corporation's notice of Special Meeting. Section 2.8 List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of the stockholder. The list shall be open to the examination by any stockholder in the manner provided by law for a period of at least ten (10) days prior to the meeting, ending on the day before the meeting date. The list shall presumptively determine the identity of the stockholders entitled to vote in person or by proxy at the meeting and entitled to examine the list required by this Section 2.8. Section 2.9 Organization of Stockholders' Meetings. a. At every meeting of the stockholders, the Chairman of the Board, or in the absence of the Chairman, the Chief Executive Officer, or if both offices shall be held by the same person and such person is absent, any vice president shall call the meeting to order and shall act as chairman of the meeting. The Secretary of the Corporation, or in the absence of the Secretary, any Assistant Secretary or other person designated by the chairman of the meeting shall act as secretary of the meeting. b. The Board or the chairman of the meeting shall be entitled to make such rules or regulations for the conduct of meetings of stockholders and to do all such acts as in the judgment of the Board or the chairman are necessary, appropriate or convenient for the proper conduct of the meeting, including, but not limited to establishing an agenda or order of business for the meeting; rules and procedures for maintaining order at the meeting and the safety of those present; limitations on attendance and participation in the meeting; limitations on the time allotted to questions or comments by participants; and regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot. Section 2.10 Order of Business. No formal order of business need be followed in at any Annual or Special Meeting of Stockholders; provided, however, that at any Special Meeting, no business other than that included in the notice of the Special Meeting or incidental thereto shall be transacted. Section 2.11 Inspectors of Election. Before any meeting of stockholders, the Board shall appoint one or more inspectors of election to act at the meeting or its adjournment. If any person appointed as inspector fails to join the meeting or fails or refuses to act, then the chairman of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy. Inspectors need not be stockholders. No director or nominee for the office of director shall be appointed such an inspector.



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Page 11 of 21 #102763740v1 Such inspectors shall — a. Determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; b. Receive votes, ballots or consents; c. Hear and determine all challenges and questions in any way arising in connection with the right to vote; d. Count and tabulate all votes; e. Determine when the polls shall close; f. Determine the results of voting; and g. Do any other acts that may be proper to conduct the election or vote with fairness to all stockholders. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. Any report or certificate made by the inspectors of election shall be prima facie evidence of the facts stated therein. Section 2.12 Treatment of Abstentions and Broker Non-Votes a. Except as otherwise required by applicable law, shares abstaining from voting shall: (i) be counted as present for purposes of determining whether a quorum is present; (ii) have the effect of a vote against a proposal where the vote required to approve such proposal is a majority of the total voting power of stock present in person (including by means of remote communication, if any) or represented by proxy and entitled to vote thereon; and (iii) have no effect on the outcome of the vote on proposals or director nominees where the vote required to approve such proposals or nominees is either a plurality of the votes cast or a majority of votes cast. b. Except as otherwise required by applicable law, a broker non-vote shall be counted as present for purposes of determining whether a quorum is present (if a discretionary matter is to be considered at the meeting) but shall have no effect on the outcome of the vote on proposals or director nominees where the vote required is majority of the total voting power of stock present in person (including by means of remote communication, if any) or represented by proxy and entitled to vote thereon, or plurality or majority of votes cast.



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Page 12 of 21 #102763740v1 ARTICLE III DIRECTORS Section 3.1 Number and Election of Directors. a. The number of directors of the Corporation which shall constitute the entire Board shall be such number as fixed exclusively by the Board in accordance with the Certificate of Incorporation. b. Except as otherwise provided in this Section 3.1 or Section 3.2 of this Article III, each director shall be elected by the vote of a majority of the votes cast with respect to such director at any meeting of stockholders held for the election of directors at which a quorum is present; provided, however, that if the number of nominees for director exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the votes cast at any such meeting. For purposes of this Section 3.1, "a majority of the votes cast" means that (i) the number of shares voted for a director exceeds the number of shares voted against that director and (ii) as provided in Section 2.12, abstentions and broker non-votes are not counted as votes cast. c. The Corporation's Corporate Governance & Nominating Committee (the "CGNC") shall establish procedures pursuant to which any incumbent director-nominee who is not re-elected shall offer to tender his or her resignation to the Board. The CGNC shall then make a recommendation to the Board as to whether to accept or reject the offer of resignation, or whether other action should be taken. The Board shall act on the CGNC's recommendation promptly after it has been received and will publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results. d. Each director shall hold office until the expiration of the term for which such director is elected, or until a successor is elected and qualified, or until the earlier resignation or removal of the director. e. Any director may resign at any time upon notice to the Corporation. Section 3.2 Vacancies on the Board. Vacancies from the death, resignation, retirement, removal from office, disqualification or other cause and newly created directorships resulting from any increase in the authorized number of directors may be filled by the directors then in office in accordance with the Certificate of Incorporation. Section 3.3 Duties and Powers of the Board. The business of

the Corporation shall be managed by, or under the direction of, the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.



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Page 13 of 21 #102763740v1 Section 3.4 Chairman of the Board. The Board from time to time may elect from its members a Chairman and may at any time remove and/or replace any Chairman. The Chairman shall preside at all meetings of the Board at which he is in attendance. Section 3.5 Meetings of the Board. The annual meeting of the Board shall be held immediately following the regular Annual Meeting, and at the same place, if any. Other regular meetings of the Board may be held either within or without the State of Delaware without notice and at such time and at such place, if any, or means of remote communication as may from time to time be determined by the Board. Special meetings of the Board may be called by the Chairman of the Board, Chief Executive Officer or by any two directors. Notice of a special meeting stating the place, if any, date and time of the meeting and means of remote communication, if any, by which directors may be deemed to be present at such meeting shall be given to each director by telephone, e-mail, text or other electronic transmission on twenty-four hours' notice, or on such shorter notice as the person or persons calling the meeting may deem necessary or appropriate under the circumstances. The notice shall state the matters expected to come before the meeting. Section 3.6 Quorum. Except as may be otherwise specifically required by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum is not present at any meeting of the Board, the directors present may adjourn the meeting from time to time without notice, other than an announcement at the meeting of the place, date and time of the adjourned meeting, until a quorum shall be present. If a quorum initially is present at any meeting of directors, the directors may continue to transact business notwithstanding the withdrawal of enough directors to leave less than a quorum, upon a resolution adopted by at least a majority of the required quorum for that meeting prior to the loss of the quorum. Common or interested directors (as defined in the DGCL) may be counted in determining the presence of a quorum at a meeting of the Board or of a committee that authorizes the contract or transaction. Section 3.7 Actions Without a Meeting. Any action required or permitted to be taken at any meeting of the Board or of any of its committees may be taken without a meeting if all the members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and if the writings or electronic transmissions are filed with the minutes of the proceedings of the Board or committee. Section 3.8 Meetings by Conference Telephone or Other Remote Communication. Participation in a meeting of the Board or of a committee may be by means of a conference telephone call, videoconference or other remote communication if all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.8 shall constitute presence in person at such meeting.



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Page 14 of 21 #102763740v1 Section 3.9 Committees of the Board. a. The Board may designate one or more committees with such delegated powers and duties as it may determine and may appoint one or more directors to serve thereon. b. The Board may at any time for any reason remove any individual committee member from a committee and may fill any committee vacancy created by death, disqualification, resignation, removal or increase in the number of members of the committee. c. Each committee shall keep regular minutes of its meetings and shall report to the Board when requested to do so. Section 3.10 Compensation of Directors. Directors may receive compensation for their services as directors as determined from time to time by the Board or by a committee thereof to which such authority has been delegated. Nothing in these Bylaws shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee or otherwise and receiving compensation therefor. Section 3.11 Emergency Bylaws. In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or in the event of any other similar emergency condition as a result of which a quorum of the Board or a standing committee of the Board cannot readily be convened for action, then during such emergency: (a) a meeting of the Board or a committee thereof may be called by any director or officer by such means as may be feasible at the time, and notice of any such meeting of the Board or any committee may be given only to such directors as it may be feasible to reach at the time and by such means as may be feasible at the time and (b) the director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board as they shall deem necessary and appropriate. Section 3.12 Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director or all directors may be removed from office at any time, but only in the manner set forth in the Certificate of Incorporation. ARTICLE IV OFFICERS AND AGENTS Section 4.1 Appointment of Officers. a. The Board shall appoint a Chief Executive Officer, a Chief Financial Officer, a President, a Treasurer and a Secretary of the Corporation. In addition to the foregoing officers, the Board may designate such other officers, agents, attorneys-in-fact



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Page 15 of 21 #102763740v1 or officials as from time to time may be deemed advisable and may prescribe their duties and powers. b. Any number of offices may be held by the same person. c. The Board shall have the power to fix salaries of all officers of the Corporation. Section 4.2 Term of Office and Removal. The officers of the Corporation shall hold office for such term as the Board may prescribe or until the officer's death, disqualification, resignation or removal. Any duty to be performed by an officer of the Corporation may be performed by the officer's duly authorized assistant officer. Any and all officers of the Corporation may be removed at any time and their successors appointed by the Board at any regular or special meeting thereof. Section 4.3 The Chief Executive Officer. The Chief Executive Officer shall have the general direction of the affairs of the Corporation except as otherwise prescribed by the Board. The Chief Executive Officer shall have general control and supervision of the policies and operations of the Corporation and shall have the authority to execute all orders and resolutions of the Board. He shall keep the Board fully informed of the business of the Corporation and he may sign and execute all authorized bonds, contracts or other obligations in the name and on behalf of the Corporation. The Chief Executive Officer shall have direction of officers of the Corporation and the authority to cause the employment of employees and the appointment of agents of the Corporation as the conduct of the business of the Corporation may require. Subject to the authorization of the Board, the Chief Executive Officer shall have the authority to appoint, establish the duties of, determine the compensation of, and remove officers, employees and agents of the Corporation. The Chief Executive Officer shall also have such duties and powers as usually and customarily associated with the office. He shall do and perform such other duties as from time to time may be assigned by the Board. Section 4.4 The Chief Financial Officer. The Chief Financial Officer shall exercise the powers and perform the duties of the office of the chief financial officer and in general shall have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall perform such other duties as may be assigned to him or her from time to time by the Board, the President or the Chief Executive Officer. The Chief Financial Officer shall also have such duties and powers as usually and customarily associated with the office. Section 4.5 The President. The President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Chief Executive Officer. In the absence or incapacity of the Chief Executive Officer or if the office of Chief Executive Officer is vacant, or if the same person is the Chief Executive Officer and the President, the President shall perform all duties and functions of the Chief Executive Officer. The President also may execute contracts in the name of the Corporation and appoint and discharge agents and employees. The President shall also have such duties and powers as usually and customarily associated with the office.



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Page 16 of 21 #102763740y1 Section 4.6 The Secretary. The Secretary shall keep the minutes of all meetings of the Board, of its committees and of the stockholders. The Secretary shall likewise attend to the giving and serving of all notices of meetings and shall in general have such duties and powers as usually and customarily associated with the office of the Secretary and shall have such other powers and duties as the Chief Executive Officer, President or the Board from time to time may prescribe. Section 4.7 The Assistant Secretary. The Board may designate and choose one or more Assistant Secretaries, who shall have the usual powers and duties pertaining to the office together with such other powers and duties as may be assigned by the Board, the Chief Executive Officer, the President or the Secretary. In case of the absence or disability of the Secretary, the duties of the Secretary shall be performed by an Assistant Secretary. Section 4.8 The Treasurer. The Treasurer shall have the custody of all the funds and securities of the Corporation and he shall generally have such duties and powers as usually and customarily associated with the office of Treasurer and shall have such further powers and duties as the Chief Executive Officer, President or the Board from time to time may prescribe. Section 4.9 The Assistant Treasurer. The Board may designate and choose one or more Assistant Treasurers, who shall have the usual powers and duties pertaining to the office, together with such other powers and duties as may be assigned by the Board, the Chief Executive Officer, the President or the Treasurer. In case of the absence or disability of the Treasurer, the duties of the Treasurer shall be performed by an Assistant Treasurer. ARTICLE V CAPITAL STOCK Section 5.1 Form of Stock Certificates. Shares of capital stock in the Corporation may be issued in uncertificated or certificated form, as determined by the Board. If the Board of Directors elects to issue certificated shares, such certificate shall be signed in the name of the Corporation by any two authorized officer of the Corporation (including the Chief Executive Officer, the President, any vice president, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary), and shall evidence the number and class (and series, if any) of shares of the Corporation's capital stock owned and contain such other information as required by law and as approved by the Board of Directors. The Board may appoint one or more transfer agents and/or registrars of transfers and may require

all certificates of shares to bear the signature of the transfer agent or registrar. Where a certificate is countersigned by a transfer agent other than the Corporation or one of its employees, or by a registrar, other than the Corporation or one of its employees, any other signature on the certificate may be a facsimile or other electronic signature permitted by law. In case any officer, transfer agent or registrar who has signed or whose facsimile or electronic signature has been placed on a certificate shall have ceased to be such officer, transfer agent or registrar before the certificate is issued, the certificate may nevertheless be issued by the Corporation with the same effect as if he, she or it were still such officer, transfer agent or registrar at the date of issue. As used herein, the term "certificated shares" means shares represented by instruments in bearer or registered form, and the term "uncertificated shares" means shares not



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Page 17 of 21 #102763740v1 represented by instruments and the transfers of which are registered upon books maintained for that purpose by or on behalf of the Corporation. Section 5.2 Lost Certificates. The Board or an authorized officer of the Corporation may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation that is alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issue of a new certificate, the Board or such authorized officer of the Corporation may in its discretion and as a condition precedent to the issue thereof require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation a bond (or other adequate security) sufficient to indemnify the Corporation against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of the certificate or the issue of a new certificate. The Board may adopt such other provisions and restrictions regarding lost certificates that are not inconsistent with applicable law as it shall in its discretion deem appropriate. Section 5.3 Transfer of Certificated Stock. Title to a stock certificate and to the shares represented thereby may be transferred only — a. By the delivery of the certificate endorsed either in blank or to a specified person by the stockholder of record according to the certificate; or b. By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same, or the shares represented thereby, signed by the stockholder of record according to the certificate. The assignment or power of attorney may be either in blank or to a specified person. The Corporation shall be entitled to recognize and enforce any lawful restriction on the transfer of any certificate representing shares of its capital stock. Section 5.4 Transfer of Uncertificated Stock. Title to uncertificated shares of capital stock may be transferred only by an instruction to the Corporation (or its transfer agent, if different) by the registered owner requesting that the transfer of the uncertificated shares be registered, or by the delivery of a document containing a written power of attorney to sell, assign, or transfer the uncertificated shares, signed by the registered owner, and an instruction that the transfer of the uncertificated shares be registered. The power of attorney may be either in blank or to a specified person. An instruction for purposes of this Section 5.4 is a writing signed by the registered owner or by a person with power of attorney requesting that the transfer be registered. The Corporation shall be entitled to recognize and enforce any lawful restriction on the transfer of any shares. Section 5.5 Record Date. In order that the Corporation may determine the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of capital stock.



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Page 18 of 21 #102763740v1 or for the purpose of any other lawful action, the Board may fix in advance a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. In that case, only stockholders of record at the close of business on the date so fixed shall be entitled to notice and to vote, or to receive the dividend, distribution or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date so fixed, except as otherwise required by law, the Certificate of Incorporation or these Bylaws. A determination of stockholders of record entitled to notice of, or to vote at, a meeting of stockholders shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. The Board shall fix a new record date if the meeting is adjourned for more than thirty (30) days from the date set for the original meeting. Section 5.6 Regulations. The Board may make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares of capital stock of the Corporation. Section 5.7 Ownership of Capital Stock. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware. ARTICLE VI NOTICES Section 6.1 Notices. Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, the notice may be given by mail, addressed to the director, member of a committee or stockholder, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and the notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice may also be given personally or by any other means authorized by applicable law, including but not limited to electronic transmission. Section 6.2 Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated in the notice, shall be deemed equivalent to notice, and to the extent permitted by law, such notice requirement will be waived by attendance at the meeting, in person (including by means of remote communication) or by proxy, except when the person objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.



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Page 19 of 21 #102763740y1 ARTICLE VII GENERAL PROVISIONS Section 7.1 Dividends. Subject to the provisions of the Certificate of Incorporation, these Bylaws or applicable law, if any, dividends on the capital stock of the Corporation may be declared by the Board at any regular or special meeting, and may be paid in cash, in property, or in shares of capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time in its absolute discretion deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve. Section 7.2 Disbursements. All checks, drafts or other demands for money and notes of the Corporation in its name and on its behalf, without further authorization, may be signed by the Chief Executive Officer, the Chief Financial Officer, the President, Treasurer or such other officer or officers or any other person or persons as are designated by the Board from time to time and any bank or depository in which the funds of the Corporation are deposited shall be conclusively protected in honoring and acting upon any check or draft signed by such officer. Section 7.3 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January in each year and shall end on December 31 of such year, unless otherwise provided by the Board. Section 7.4 Corporate Seal. The Corporation need not have a seal unless the Board determines otherwise. Section 7.5 Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be in electronic form; provided that the records so kept can be converted into clearly legible hard copy form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same. Section 7.6 Law and the Certificate of Incorporation. All powers, duties and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by applicable law and the Certificate of Incorporation. Section 7.7 Facsimile or Electronic Signatures. In addition to the provisions for use of facsimile or other electronic signatures specifically authorized in these Bylaws or applicable law, facsimile or other electronic signatures of any officer of the Corporation may be used whenever and however authorized by the Board or by a committee of the Board. Section 7.8 Time Periods. Unless provided otherwise in these Bylaws or applicable law, in applying any provision of these Bylaws that requires that an act be done or not be done a specified number of days prior to an event, or that an act be done during a period of a specified



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Page 20 of 21 #102763740v1 number of days prior to an event, calendar days shall be used and the day of the doing of the act shall be excluded and the day of the event shall be included. Section 7.9 Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for any stockholder (including for any beneficial owner, within the meaning of Section 13(d) of the Exchange Act) to bring any of the following actions: a. any derivative action or proceeding on behalf of the Corporation; b. any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, or stockholder of the Corporation in that capacity to the Corporation or the Corporation's stockholders; c. any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or these Amended and Restated Bylaws, in each case as amended from time to time, or as to which the DGCL confers jurisdiction upon the Court of Chancery of the State of Delaware; d. any action asserting a claim governed by the internal affairs doctrine; or e. any other action asserting an internal corporate claim, as defined in Section 115 of the DGCL or any successor provision, shall be the Court of Chancery of the State of Delaware, or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware does not have jurisdiction, the United States District Court for the District of Delaware, in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of, and to have consented to, the provisions of this Section 7.9. Section 7.10 Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the

name and on behalf of the Corporation by the Chief Executive Officer, the President or any vice president, and any one of those officers may in the name and on behalf of the Corporation take all such action as the officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation or other entity in which the Corporation may have an equity interest, and at any such meeting, the officer shall possess and may exercise any and all rights and power incident to the ownership of the interest that, as the owner thereof, the Corporation might have exercised and possessed if present. The Board may from time to time confer like powers upon any other person or persons.



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Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph A. Cutillo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sterling Infrastructure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joseph A. Cutillo

Joseph A. Cutillo

Chief Executive Officer

August 6, November 7, 2024

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sharon R. Villaverde, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sterling Infrastructure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sharon R. Villaverde

Sharon R. Villaverde

Chief Financial Officer

August 6, November 7, 2024

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Sterling Infrastructure, Inc. (the "Company") on Form 10-Q for the period ending **June 30, 2024** **September 30, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph A. Cutillo, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph A. Cutillo

Joseph A. Cutillo

Chief Executive Officer

August 6, November 7, 2024

This certification accompanies this Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by that act, be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Sterling Infrastructure, Inc. (the "Company") on Form 10-Q for the period ending **June 30, 2024** **September 30, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sharon R. Villaverde, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sharon R. Villaverde

Sharon R. Villaverde

Chief Financial Officer

August 6, November 7, 2024

This certification accompanies this Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by that act, be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

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