



**Fourth Quarter and
Fiscal Year 2024
Results**



Safe Harbor Statement

All statements in this presentation that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by words such as “believe,” “intend,” “expect,” “may,” “could,” “would,” “will,” “should,” “plan,” “project,” “contemplate,” “anticipate,” or similar statements. Because these statements reflect the current views of Argan, Inc. (“Argan” or the “Company”) concerning future events, these forward-looking statements are subject to risks and uncertainties. Argan’s actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, which are described under the caption “Risk Factors” in Argan’s most recent Form 10-K filed with the Securities and Exchange Commission. Argan undertakes no obligation to update publicly any forward-looking statements contained in this presentation.

Q4 and FY 2024 Highlights

- **Consolidated revenues increased 38.5%** in Q4 and **26.0%** for FY
- Power Industry Services Q4 revenues **increased 32.6%**; FY revenues **grew 20.3%**
- Industrial Construction Services Q4 revenues **increased 64.5%**; FY revenues **grew 53.9%**
- **Earnings per diluted share** of **\$0.89** for Q4 and **\$2.39** for FY
- **Healthy backlog of \$0.8 billion** including new gas & renewable project agreements awarded subsequent to year end
- **Solid balance sheet:** large cash and net liquidity position; no debt
- **Repurchased 303,160 shares of common stock** at a cost of 12.5M during FY 2024
- **Quarterly dividend increased 20%** during the year to \$0.30 per common share, totaling \$1.10 per share for FY 2024

Argan At-A-Glance

Power Industry Services



Building innovative **power** solutions for the transition to low-carbon/zero-carbon emissions: efficient gas-fired power plants, biomass projects, solar energy facilities, wind farms, waste-to-energy facilities

Industrial Construction Services



Servicing heavy and light industrial clients, particularly in new industries as well as agriculture, petrochemical, pulp & paper, water and **power**

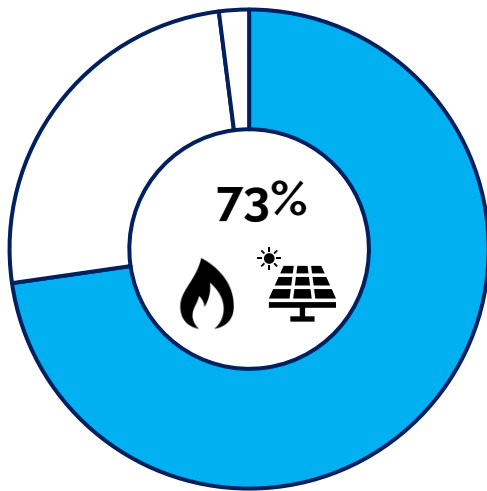
Telecommunications Infrastructure Services



Constructing and connecting technology, telecommunications and **power**

Business Segments

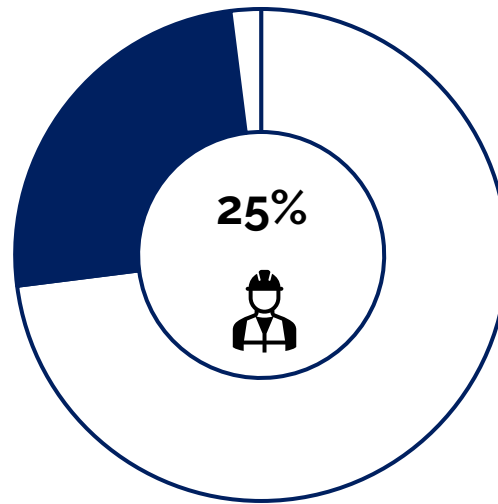
Power Industry Services



Q4 Revenues: \$119M

Pre-Tax Income: \$15M

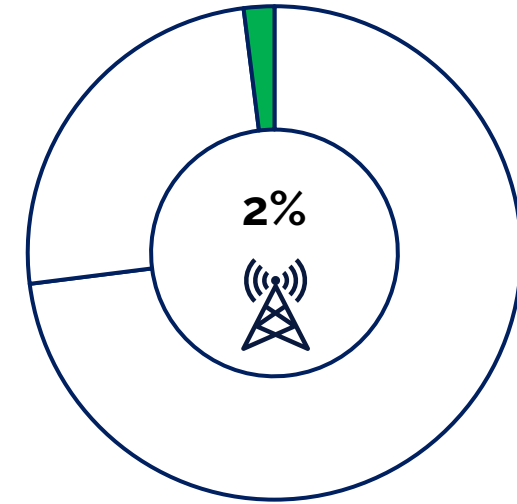
Industrial Construction Services



Q4 Revenues: \$41M

Pre-Tax Income: \$4M

Telecommunications Infrastructure Services

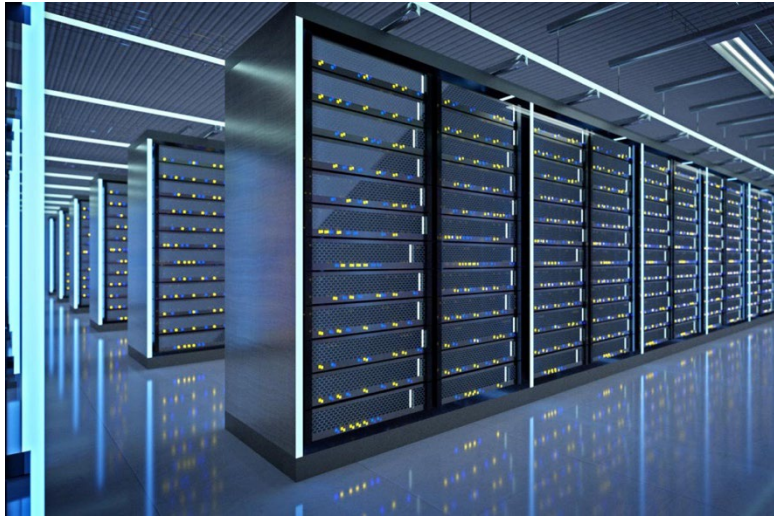


Q4 Revenues: \$4M

Pre-Tax Income: \$1M

Demand in Electricity Projected to Surge

Natural Gas & Renewables will be Needed to Support Increased Demand for Reliable Energy



AI & Data Centers

The growth of generative AI is driving the increase in the number of data centers

AI power demand is **projected to grow at annual average of 70% through 2027¹**

¹ Source: Morgan Stanley, Powering the AI Revolution, March 2024

² Source: Price Waterhouse Cooper, Strategy and analysis of forecasted US EV utilization and the corresponding electricity load, 2024

³ Source: The New York Times, March 2024



Electric Vehicles & Charging

Federal incentives and state mandates are driving EV adoption across the US

By 2040, EVs adoption is projected to grow 20-fold, **increasing the average total annual EV load in the U.S. to 468,000 GWh from 24,000 GWh in 2023²**



Solar & Battery Factories

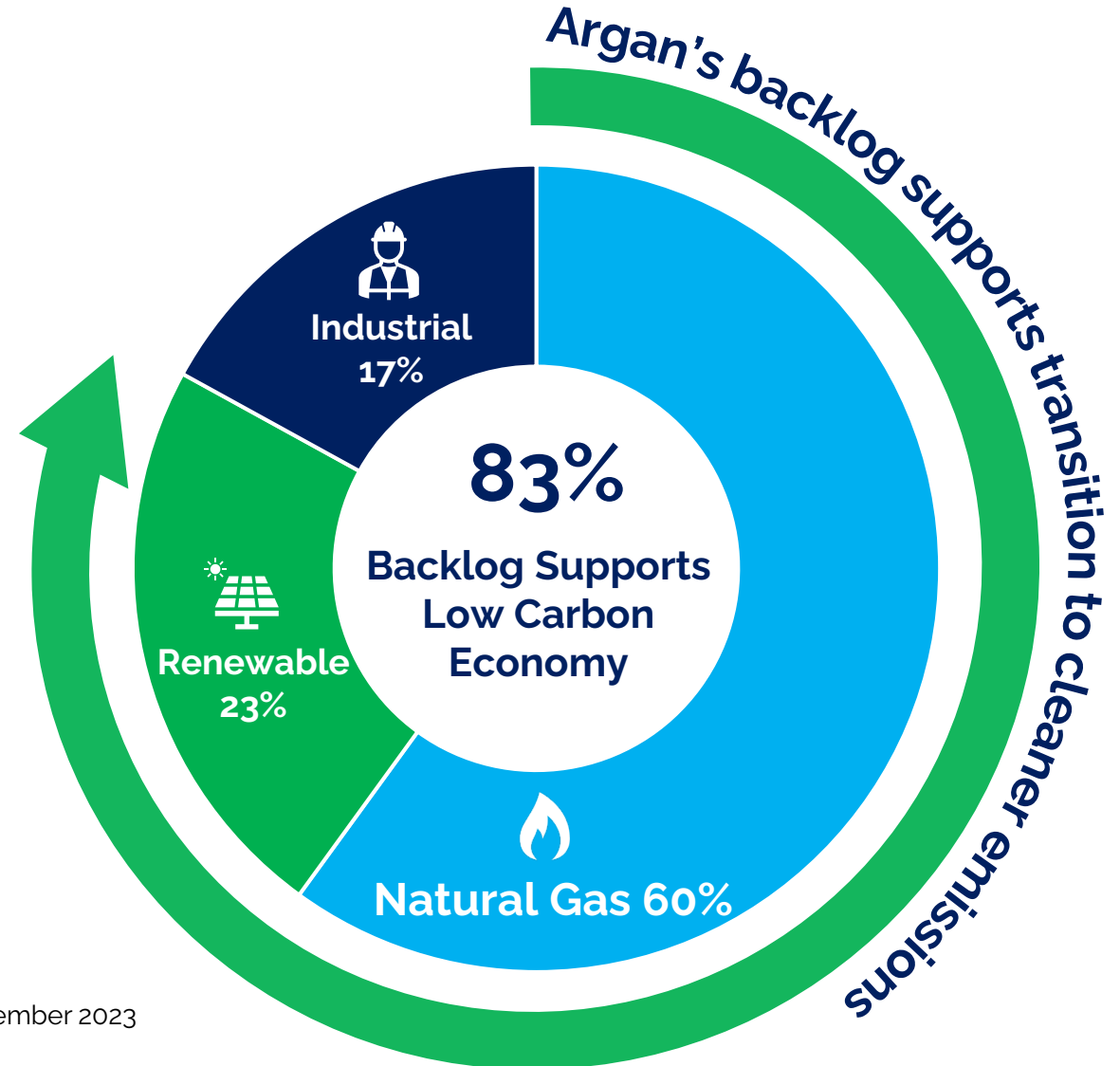
Federal tax incentives are driving a 50-year high in American manufacturing

Since 2021 **companies have committed \$525 billion towards the construction of factories** making semiconductors, microchips, batteries and solar panels³

Enabling the Shift to Low-/Zero-Carbon Emissions

Industry Drivers

- Growing electricity demand
- Availability of cheap, domestic natural gas
- Growing renewables & need for storage solutions
- Economy and population dependent on **reliable** and **affordable** electricity
- Aging power plants – **83 GW of planned retirements** in the next 10 years¹
- Technology advancements
- Power market dynamics and capacity auctions
- Green hydrogen and carbon capture
- Aspirational climate goals vs. energy dependability
- Government infrastructure investment (i.e., IRA)



¹ North American Electric Reliability Corp. 2023 Long-Term Reliability Assessment, December 2023

Project Spotlight: Trumbull Energy Center – Ohio



- Gemma Power Services is executing an EPC services contract for a 950MW natural gas-fired power plant in Lordstown, Ohio
- The combined cycle power station and will consist of **two gas-fired, high efficiency, combustion turbines** with **two heat recovery steam** generators and a single steam turbine
- The project will help meet electricity demand in the region driven by recent and planned retirements of existing coal-fired generating assets
- Project is currently under construction and completion is scheduled for 2026

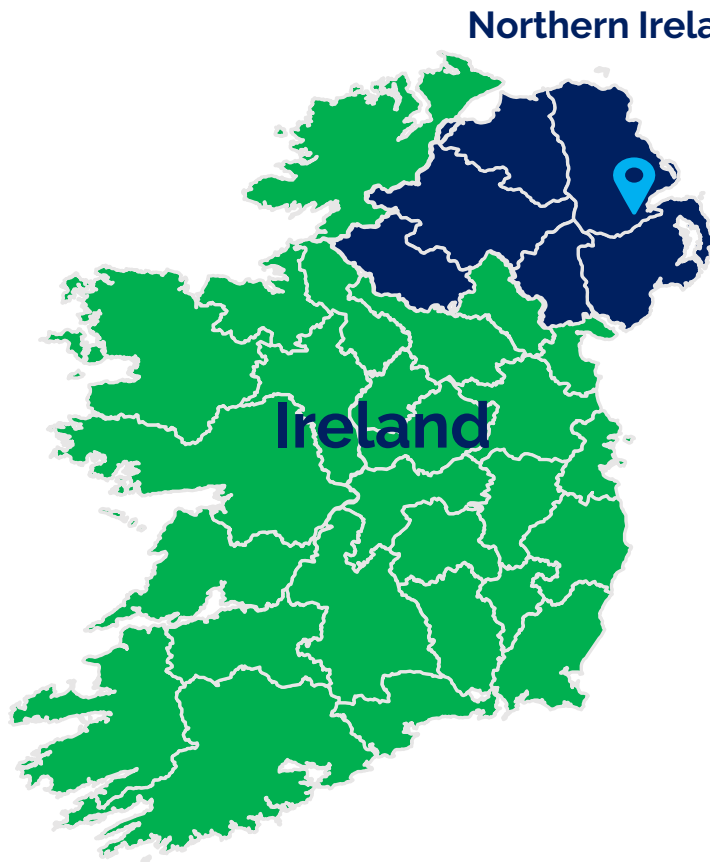
Project Spotlight: Solar & Battery Plants-Illinois



- Gemma continues to grow its position as an industry leading EPC provider
- Teams are progressing on limited notices to proceed on **3 solar and battery storage projects**
- Gemma recently **received full notices to proceed** on 2 of the projects
- The converted plants will represent 160 MW of electrical power and 22 MW of energy storage
- **Gemma has commenced early engineering and design activities** as well as procurement of major equipment

Project Update:

Kilroot Power Station - County Antrim, Northern Ireland

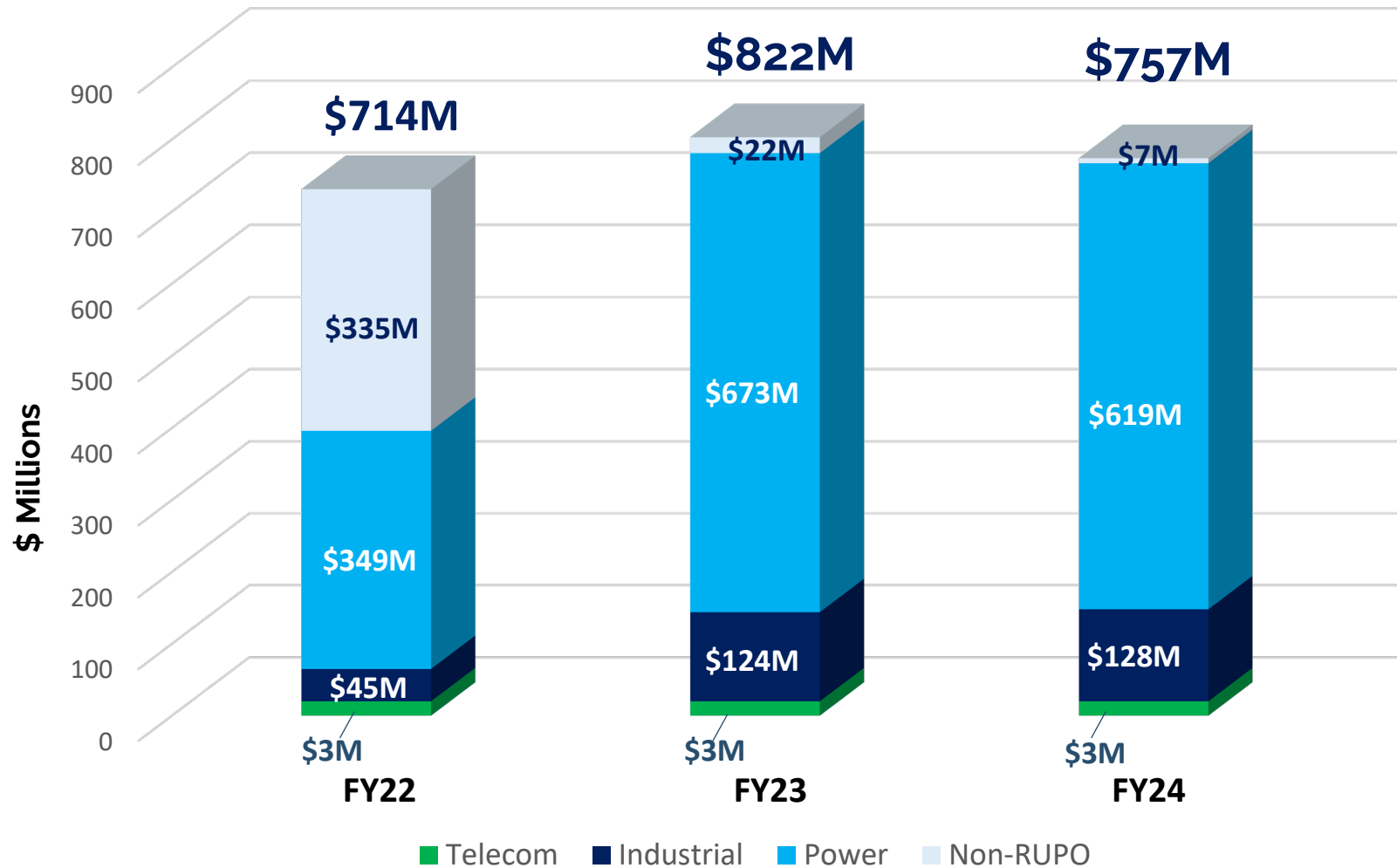


- 660 MW gas-fired power plant project in Belfast, Ireland; brownfield project is in a structure first built in the 1980s to house coal-fired power generation assets
 - Project encountered operational and contractual challenges throughout fiscal 2024, including supply chain delays, material changes to the project, the COVID-19 omicron outbreak, the war in Ukraine and extreme weather
 - Scope of work substantially completed with one of the two power units turned over to owner, the second expected to be turned over this week
 - First fire achieved for one unit in March 2024 with project completion expected in the first half of calendar 2024
- APC continuing its efforts to resolve open variations and claims to mitigate losses

Consolidated Financial Results




(\$ in millions, except per share amounts)	Three Months Ended January 31		Year Ended January 31,	
	2024	2023	2024	2023
Revenues	\$165	\$119	\$573	\$455
Gross Profit	\$24	\$20	\$81	\$86
Gross margin %	14.4%	16.9%	14.1%	19.0%
SG&A	\$12	\$10	\$44	\$45
Net Income	\$12	\$14	\$32	\$33
Diluted per share	\$0.89	\$1.00	\$2.39	\$2.33
EBITDA	\$18	\$11	\$51	\$48
Cash dividends per share	\$0.30	\$0.25	\$1.10	\$1.00

Healthy Project Backlog



- Remaining Unsatisfied Performance Obligations (“RUPO”) is a measure that represents the unrecognized value of active contracts with customers as determined under the revenue recognition rules of U.S. GAAP
- Project backlog as of January 31, 2024, is fully committed by customers and actively being worked on today

Strong Backlog Composition

Business Segment	Project	Description	Location	Size	Project Start	Estimated Completion
	Trumbull Energy Center	<ul style="list-style-type: none"> Natural gas-fired combined cycle power station 2 gas-fired turbines with heat recovery steam generators and one steam turbine 	Ohio	950 MW	Nov 2022	2026
	Kilroot Power Station	<ul style="list-style-type: none"> 2 x 330 MW natural gas-fired power plant Siemens 5GT5-4000F gas turbines 	Northern Ireland	660 MW	Oct 2021	2024
	ESB FlexGen Peaker Plants	Three 65 MW gas turbine peaker power plants in the Dublin area	Ireland	195 MW	June 2022	2024
	Shannonbridge	Full notice to proceed on emergency thermal power plant	Ireland	264 MW	2023	2024
	Three Solar and Battery Projects Midwest U.S.	Full notice to proceed on two and a limited notice to proceed on one solar plus battery power projects	Illinois	182 MW	2023	Not disclosed
	Water Waste Treatment Facility	TRC to complete the mechanical and electrical scope for the plant	North Carolina	\$40 million	Summer 2023	2025
	Water Treatment Plant	TRC to complete the electrical scope of work	North Carolina	\$25 million	May 2023	2025
Subsequent to FYE 2024						
	Gas Power Project	Consulting agreement and letter of intent for EPC	Texas	1,200 MW	TBD	TBD
	Solar Project	Limited notices to proceed on solar project	Illinois	405 MW	2024	TBD

Balance Sheet Strength

Balance Sheet Data	January 31, 2024	January 31, 2023
Cash, cash equivalents, and investments	\$412 M	\$325 M
Net liquidity ¹	\$245 M	\$236 M
Debt	Nil	Nil
Shareholders' equity	\$ 291M	\$281 M
Shares outstanding	13,243,000	13,442,000

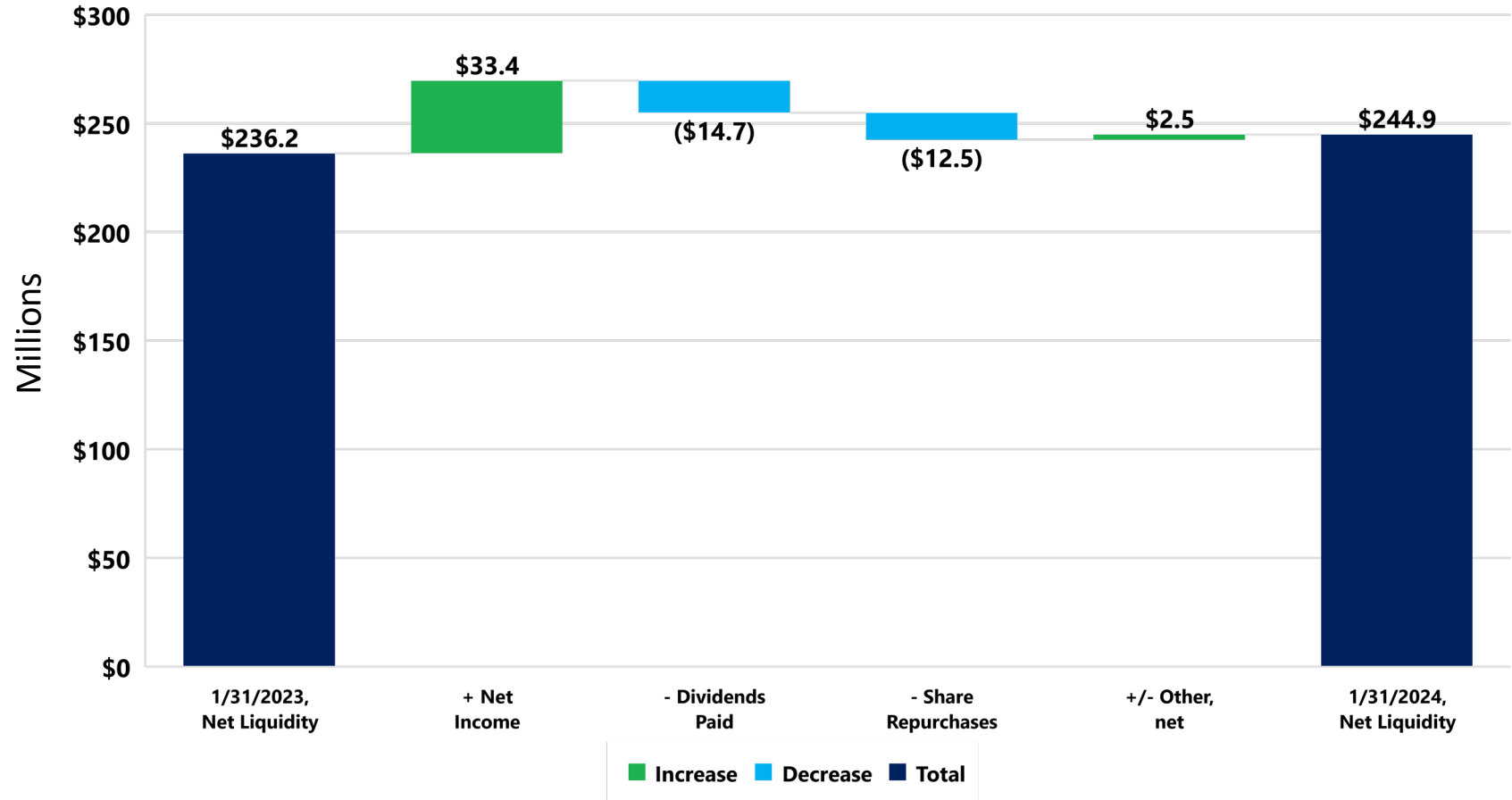
¹ Total current assets minus total current liabilities

Strong cash position, no debt and significant bonding capacity to support future growth and shareholder value

Fiscal 2024 Net Liquidity Bridge

Given the variability of our cash balance due to prepayments and the cash flow cycle of our long-term projects, we believe net liquidity provides a conservative measure of unencumbered liquid capital; we have no debt.

Flexible business model with minimal capital expenditures



Returning Capital

Since November 2021, Argan has **returned** a total of

\$101.2 million

to shareholders through our share repurchase program in addition to our regular quarterly dividends

To date, Argan has **repurchased**

2.7 million shares

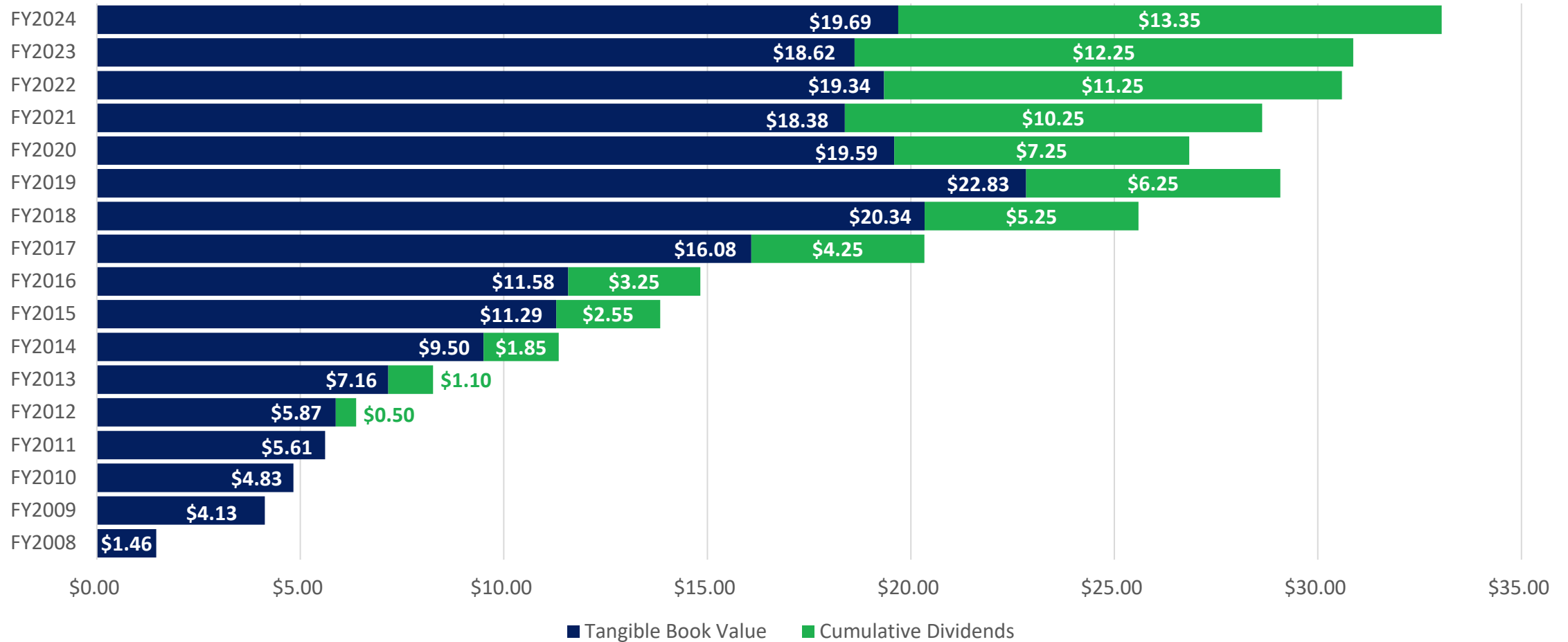
at an average price of \$37.60 per share, approximately 17% of the outstanding shares at the start of the repurchase program

Current **run rate** based on the increased quarterly dividend

\$1.20 per share annually

Long-Term Value Creation

Tangible Book Value¹ & Cumulative Dividends Per Share



¹ Tangible book value = (total stockholders' equity – goodwill – other intangible assets)/shares outstanding

Outlook

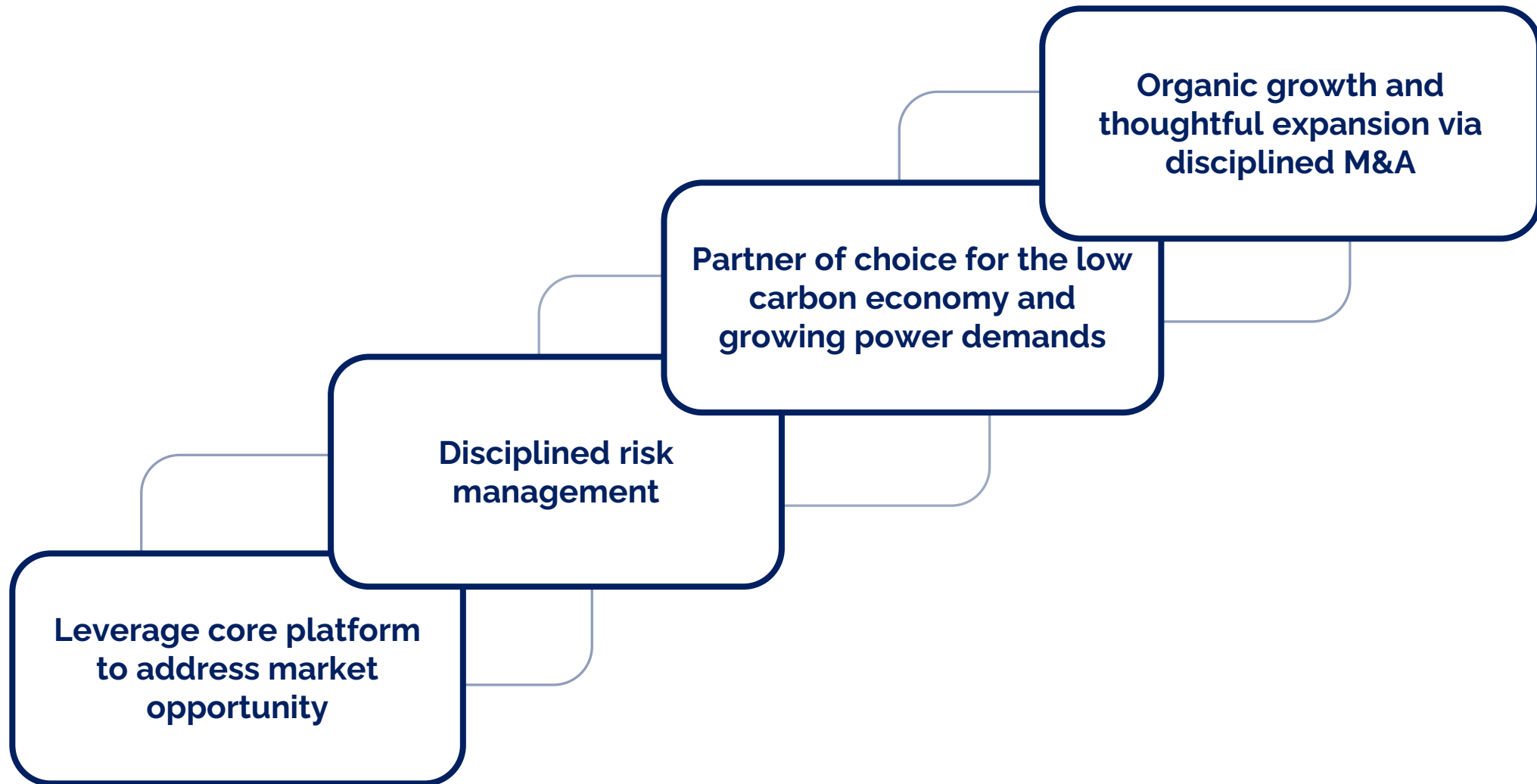
- **Partner of choice** for innovative energy solutions as demand on power grid intensifies
- **Well-positioned for growth** with strong and diversified backlog
- **Multiple industry growth drivers**
- **Strong balance sheet** supports M&A opportunities
- Argan remains confident in its strategy to promote **long-term shareholder value** through the diversification of revenues

Argan is positioned to support the growth in electricity demand:

Recent forecasts indicate a 4.7% rise in US electricity demand over the next five years, approximately doubling previous estimates of 2.5%¹

¹Grid Strategies, The Era of Flat Power Demand is Over, December 2023

Long-Term Growth Strategy



Q & A

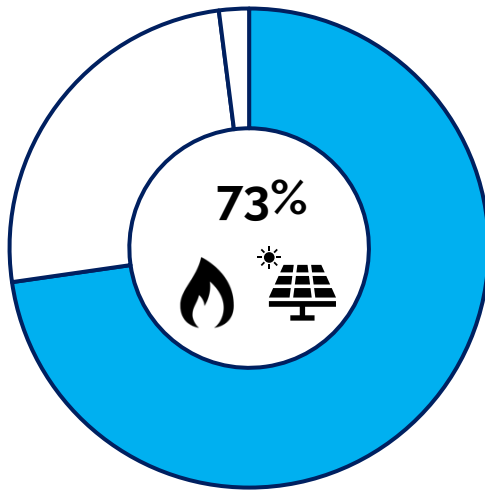




APPENDIX

Business Segments

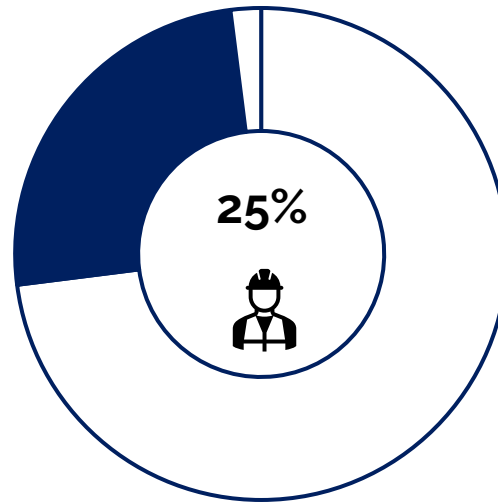
Power Industry Services



FY Revenues: \$416M

Pre-Tax Income: \$48M

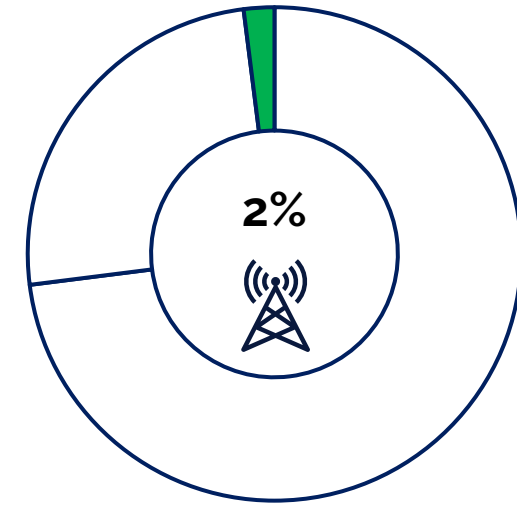
Industrial Construction Services



FY Revenues: \$143M

Pre-Tax Income: \$12M

Telecommunications Infrastructure Services



FY Revenues: \$14M

Pre-Tax Income: \$1M

Reconciliation of Consolidated Net Income to EBITDA

(\$ in thousands)	Three Months Ended January 31,		Year Ended January 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income, as reported	\$ 12,018	\$ 15,239	\$ 32,358	\$ 34,704
Income tax expense (benefit)	4,959	(3,214)	16,575	11,296
Depreciation	489	687	2,013	2,983
Amortization of purchased intangible assets	98	121	392	732
EBITDA	\$ 17,564	\$ 11,227	\$ 51,338	\$ 48,109