

SALAS O'BRIEN

2022 Annual Report





2022 was another year of record growth for Salas O'Brien

Our success continues to be a direct result of the dedication and expertise of our team members.

We have a lot to celebrate and are excited to share our story and highlight our team and the impact they've had on our clients, company, and society.

2022 ANNUAL REPORT

Our Impact on the Built Environment





Designing for Tomorrow

Our team members touch all aspects of the built environment, delivering high-quality, innovative solutions in support of our clients' goals.

The work we do shapes and prepares our communities for a more sustainable future, with a focus on decarbonization, clean power generation, and adoption of energy-efficient practices.

2,300+

Clients Served

11,000+

Average Annual Projects

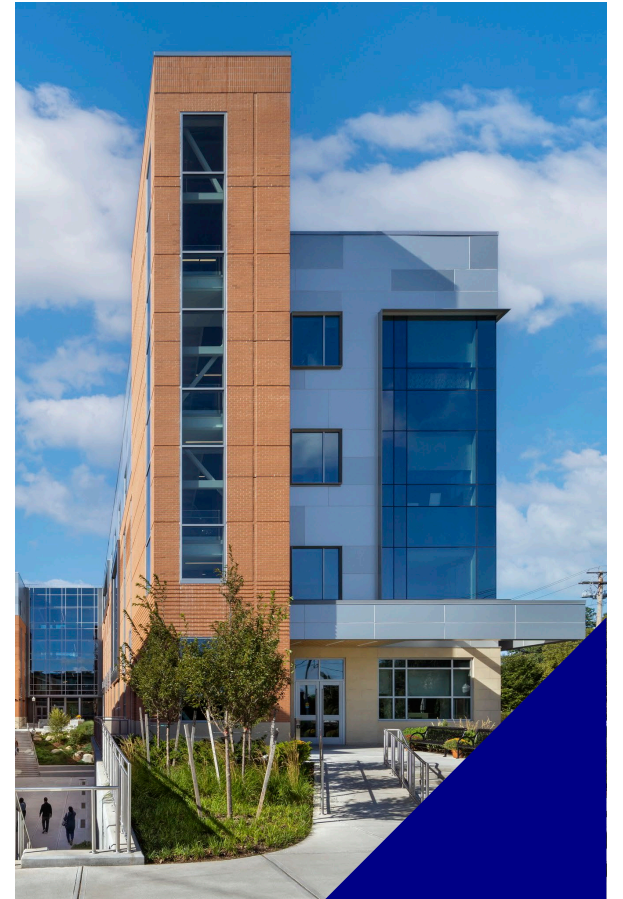
\$11B

Construction Value



Markets that Impact Everyday Life

- ▲ Corporate
- ▲ Data Centers & Telecom
- ▲ Entertainment & Arts
- ▲ Federal
- ▲ Food & Beverage
- ▲ Healthcare
- ▲ Higher Education
- ▲ High-Rise
- ▲ Hospitality
- ▲ Industrial Manufacturing
- ▲ K-12
- ▲ Military
- ▲ Mixed-Use
- ▲ Multi-Family
- ▲ Pharmaceuticals
- ▲ Retail
- ▲ Science & Technology
- ▲ Sports
- ▲ State & Local
- ▲ Tenant Improvement
- ▲ Theme Parks
- ▲ Transportation



Advancing Our Clients' Missions

We reduce dependence on natural resources while supporting our clients' goals, which are often linked directly to strategic sustainability goals and climate action pledges.



Celebrating 15 Years of Commitments





Designing a More Sustainable Future

Our designs meet the latest standards for energy, environmental, and human health while delivering optimal performance, improving property value, and generating financial savings on utilities.



“ I’m incredibly proud of the work our team does. We are saving precious natural resources and creating a more sustainable world. It isn’t always easy, but it’s measurable, and can be done. It takes courage and knowledge to make a better world, and Salas O’Brien is uniquely positioned to carry our tangible impact far into the future.

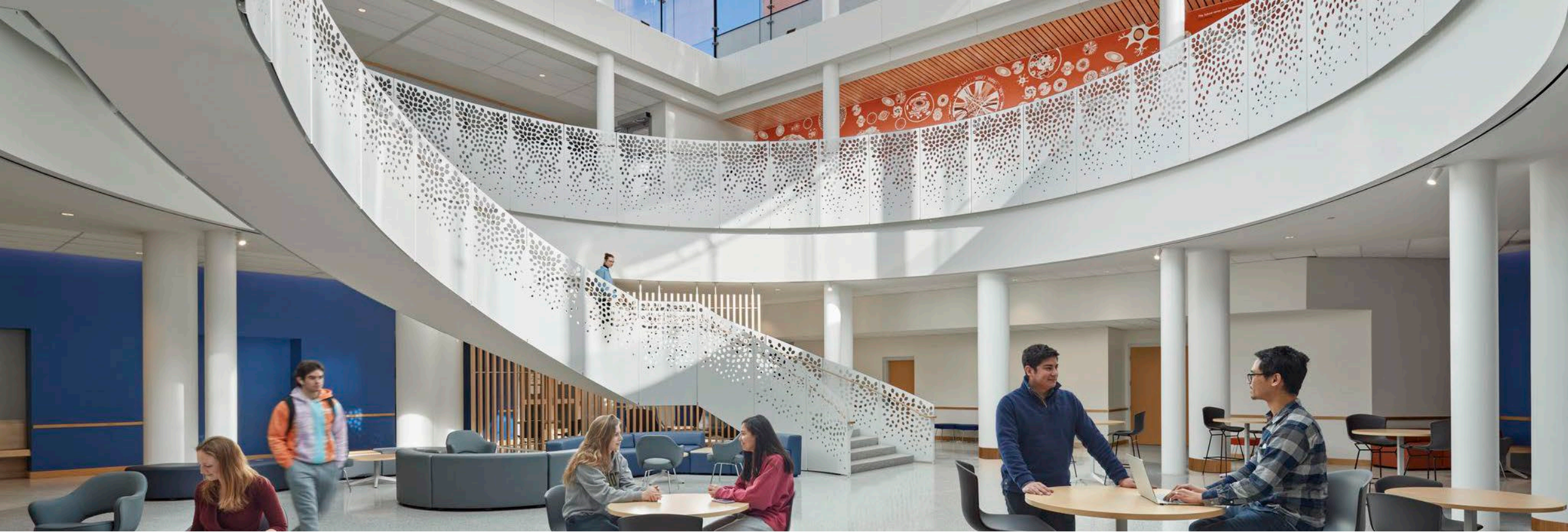


Darin Anderson
CHAIRMAN AND CEO

2022 ANNUAL REPORT

Solving Unique Challenges





Holistic Engineering and Design Solutions

Our passionate and diverse team of experts works diligently to find the best solutions for our clients—from relatively simple projects to the most complex challenges.

HIGHER EDUCATION

Eastern Wake 4.0 Central Energy Plant



CLIENT

Wake Technical
Community College

LOCATION

Wendell, NC

We use cutting-edge technologies to maximize energy efficiency and reduce carbon emissions, helping higher education campuses across the nation achieve their sustainability and decarbonization goals.

At Wake Tech, the largest community college in North Carolina, our geexchange and piping distribution design resulted in 1/3 BAU energy use and 50% carbon reduction.

SCIENCE & TECHNOLOGY

Foster City Campus & Wellbeing Center



CLIENT

Gilead Sciences

LOCATION

Foster City, CA

We support the latest technological advancements with our extensive experience designing for critical environments like labs, clean rooms, and research facilities.

For this project, every building is uniquely designed to meet the client's needs—from a four-story steel-framed R&D facility designed with highly sensitive vibration isolation, to buildings with elevated trussed bridges, and the LEED® Platinum certified and WELL Gold registered employee Wellbeing Center with recreation spaces and a meditation garden.

FEDERAL

Photovoltaic & Battery Storage Program



CLIENT

US Department
of Defense

LOCATION

Edwards
AFB, CA

We lead some of the most demanding public/private and public/public relationships for the Department of Defense, including this five-year solar project at Edwards Air Force Base.

This is one of the largest photovoltaic arrays in North America made possible through a long-term lease agreement we facilitated between the DOD and a private developer. Completed in February 2023, the project produces 1,300 MW, 320,000 tons of carbon offset, and provides power for up to 164,000 nearby homes.



“ The Edwards Sanborn Solar Project epitomizes the power of public-private partnerships in delivering carbon-free electricity and advancing the Department of Defense's renewable, resilient, and assured energy objectives. By harnessing P3 collaborations and effective procurement strategies, our team has achieved remarkable milestones that not only benefit the environment and bolster domestic energy security, but also provide steadfast support to the DoD and our warfighters.

Patrick Giardina, CEM, PMP
SVP, ENERGY & INFRASTRUCTURE

PHARMACEUTICALS

Carbon Neutral Pharmaceutical Manufacturing



CLIENT

Confidential
International Co.

LOCATION

Ohio

Our solutions help life science facilities adapt to changing scale, emerging testing needs, and sustainability goals.

We designed a 4.5 MW combined heat and power system for this international pharmaceutical manufacturing company, resulting in decreased overall energy consumption and operating costs, and increased production capabilities, all while supporting their goal of being carbon neutral by 2025 and carbon negative by 2030.

HEALTHCARE

Medical Center Microgrid Planning



CLIENT

Kaiser Permanente

LOCATION

San Marcos, CA

Healthcare facilities are increasingly seeking innovative ways to improve efficiencies and operational resilience while decreasing operating costs.

At this medical center in Southern California, we provided electrical engineering for the first new hospital developed with a microgrid. The seven-story medical tower and 28,000 SF central utility plant include 1.75 MW of Bloom Energy fuel cells for onsite power generation and provision for photovoltaic and battery connection.

“ Hospital organizations across the country are focused on innovation, sustainable design, clean energy, electrification, decarbonization and total ownership cost management, which all go hand-in-hand. Additionally, the merging of patient experience with patient care has become a top priority. In many hospital projects, our design solutions are bringing together technology and hospitality to enhance the experience while also reducing the length of stay, which has a direct impact on costs.

Duc Bui, PE
PRINCIPAL



FOOD & BEVERAGE

Cheese & Whey Protein Facility Design



CLIENT

Confidential
International Co.

LOCATION

Dodge City, KS

We partner with large, multinational food production companies to design systems that are efficient, effective, and achieve sustainability goals.

One of the largest cheese companies in the U.S. enlisted our expertise for detailed engineering and design for this new manufacturing plant, including all process, electrical, automation, packaging, and warehouse systems.

DATA CENTERS

Data Center Prototype Design



CLIENT

Confidential
Tech Company

LOCATION

California

Efficient and reliable data centers require careful planning and specialized expertise, and this massive project is no exception.

This \$600 million data center prototype was executed simultaneously across two campuses and included solar-ready roof designs, LED lighting, EV charging stations, clean air spaces, and bicycle parking. Mechanical designs accounted for an evaporative cooling system and water treatment for additional water cycling by reducing byproducts created by evaporation.



“ As an architect, you think about designing buildings for people, but I’ve spent most of my career designing buildings for machines. Data centers are so important to our everyday lives. The phrase ‘it’s all in the cloud’ is common and behind every computer, phone, and cloud is a data center. We are interdependent.

Brenda Ross, NCARB, AIA, LEED AP

PRINCIPAL

INDUSTRIAL MANUFACTURING

Waxdale Low Carbon Energy Master Plan



CLIENT

SC Johnson

LOCATION

Mount Pleasant, WI

We use our process development and sustainable design experience to help industrial manufacturing clients achieve greater operational efficiencies and energy-related goals.

SC Johnson's Waxdale Facility is the company's largest manufacturing operation worldwide. We are providing energy analysis, economic analysis, and carbon emission reduction models to take Waxdale to near carbon zero status.

2022 ANNUAL REPORT

Developing Our Team Members





Opportunities for Growth

Supporting individual team member growth and achievement is a fundamental characteristic of our organization.

We strive to create an environment of empowerment, trust, and shared success at every level, where team members are uplifted and encouraged to pursue their passions.



Professional Development

Over 14% of team members participated in an innovative “grow and connect” leadership development program powered by the NeuroLeadership Institute (NLI).

270

Team Member
Participation in NLI

6,373

Annual Professional
Development Hours

380

Registered
Professionals

“ The NLI series provided a sturdy baseline to bring awareness to the mental positivity needed in a rapid and ever-changing corporate environment. The concepts discussed validated some of the “soft-skills” with actual scientific data that promotes a modern business model which is very desirable.

Arnold Morrison, AIA, NCARB, PMP
VICE PRESIDENT & ARCHITECT



Contributing Value Leading by Example

We are committed to providing team members with unlimited opportunities for growth.

One way we do this is through our annual leadership recognitions, celebrating those who set themselves apart by contributing value to the organization while delivering quality outcomes and leading by example.

Leadership Recognitions by the Numbers

134

Nominations
in 2023

84%

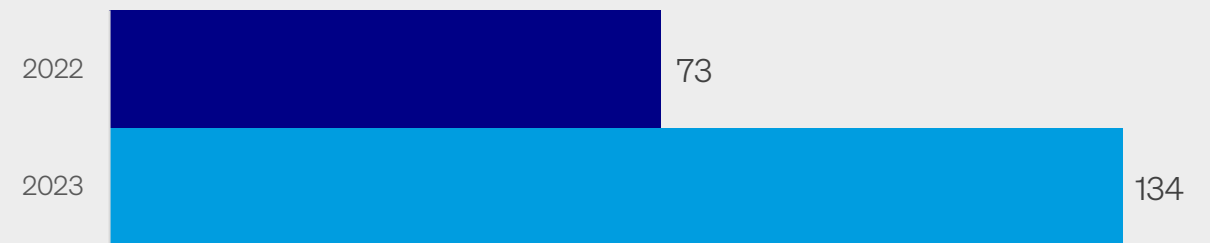
Annual Increase
in Nominations

39%

Nominees with DEI
Representation*
*200% Increase
from 2022*

27%

Nominees who
Participated in NLI
Leadership
Development
Program



Leadership Recognitions by Year



Empowering You to Pursue Your Passion

As we grow as a company, so do the opportunities for our people.

We boast limitless opportunities, not as a catchphrase but as a genuine belief in supporting individual goals and passions at any career stage.



Success Through Internal Mobility

“ My career path has been anything but linear, and I am beyond grateful to be at an organization that values people first, genuinely supporting opportunities from within. Stepping further away from engineering design was a big decision, but the right one for me and my family and I’m excited to apply my experience and skills to bring new partners into our rapidly growing organization.

Sandy Matthews, PE

VP & INTEGRATION MANAGER

Through thoughtful discussion about her professional goals with leadership team members, Sandy moved into the role of integration manager. This role is new to both Sandy and the company and allows her to apply her technical and strategic development background to support the success of future mergers.

Success in Early Career

Justin joined Salas O'Brien after graduating with a bachelor's in electrical and electronics engineering from Texas Christian University. With an interest in building design, he joined Salas O'Brien to benefit from the many learning opportunities provided by the company.



“Right away, Salas O'Brien gave me the opportunity to further my knowledge and interest in building design. I'm getting hands-on experience with real projects and real clients and am learning from people who have been in the industry for decades.”

Justin Coar
ELECTRICAL DESIGNER

Team Members Join Us & Choose to Stay with Us



Sandra Cullen, PE, LEED AP

50 years

- ▲ Sandra Cullen

40 years

- ▲ Doug Diel
- ▲ Elaine Anderson

35 years

- ▲ Munaf Bhura
- ▲ Lindsay Huff
- ▲ Dennis McVay
- ▲ Jeffrey Overmyer
- ▲ Jeff Zabransky

30 years

- ▲ Keith Barton
- ▲ Mark Branconnier
- ▲ Vance Breshears
- ▲ Craig Janssen
- ▲ Ray Komorowski
- ▲ Kirt Meyer
- ▲ Tom St. Denis
- ▲ Dan Stephens
- ▲ Walter Smith
- ▲ Farzad Tadayon
- ▲ Len White

25 years

- ▲ Jodie Sherven
- ▲ Bob Burns
- ▲ Paul Moxom
- ▲ John Narlock
- ▲ Tim Brawner
- ▲ Kyle Cartier
- ▲ Tim Orndorf
- ▲ Lakisha Grays
- ▲ David Wathen
- ▲ Michael Thompson
- ▲ Duc Bui
- ▲ Maria Loitz
- ▲ Jeff Strand
- ▲ Brian Elwell

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Advancing Our Culture & Leading the Industry





Our Relentless Pursuit for Progress

We strive to be a model for other organizations in our industry and beyond by:

- promoting sustainable solutions and practices
- empowering team members and nurturing future talent
- fostering a diverse, equitable, and inclusive environment
- embodying transparent and fair governance

Everything we do and every decision we make is with progress in mind—for our team, our clients, and society.



It Starts with Our Ownership Values

- ▲ Leadership
- ▲ Results
- ▲ Relationship

2022 Focus Value:

- ▲ Organic Growth



“ Before joining Salas O’Brien, I heard all the typical things you hear about ‘work family,’ ‘great people,’ and of course ‘opportunities.’ Since joining, I can attest that it is all true and even better. The company is all about the people, empowering them to go as far as their desire and drive will allow them.

Ginny Gribble

ASSOCIATE VICE PRESIDENT & PROJECT MANAGER

Our Commitment to Diversity, Equity & Inclusion

At Salas O'Brien, we are committed to attracting and retaining exceptional people, and we want everyone to feel welcome, valued, and included.

Our focus extends beyond our immediate team members, to our network of suppliers and partners, and to nurturing future talent in the AEC industry.



Women of Impact Interest Group

- ▲ The group formed in 2022 with the mission to empower, inspire, and connect women within Salas O'Brien in support of our DEI mission
- ▲ Open to all team members interested in elevating women
- ▲ Educational programs and events kicking off in 2023

Supplier Diversity Committee

- ▲ Committee formed in 2022 with goal of strategically increasing our spend with diverse suppliers
- ▲ Supports client goals and expands our company-wide network of trusted contacts
- ▲ Established Deltek Vision database and monthly dashboard w/ spend targets (% of net revenue)

ACE Mentorship Program

- ▲ Salas O'Brien's support of this important program continued throughout 2022
- ▲ Active participation across multiple chapters, including Connecticut, SF Bay Area, Washington DC, & Washington State
- ▲ Providing mentorship and sponsoring scholarships for high school students entering careers in the AEC industry



“ I studied architecture, learning drafting techniques and how to use AutoCAD. Through ACE, I was able to see what engineers and architects do and how the construction process works.”

Carlos Viramontes, PE, CPD, LEED Green Assoc.
SENIOR MECHANICAL ENGINEER

ACE MENTORSHIP PROGRAM

From Student to Mentor

Carlos became involved with ACE as a student at Chicago's Curie High School. Today, he gives back as an ACE mentor sharing his experience and knowledge with the next generation of engineers and advocating for students in the Chicago Public Schools.



“ We have made great progress toward our goal of being the model for leadership in the AEC industry, but there is a lot of work to do. We will continue working toward a day when our organization fully reflects the diversity of the world around us.



Darin Anderson
CHAIRMAN AND CEO

2022 ANNUAL REPORT

Year of Growth





Increasing Our Value and Our Impact

In 2022 we grew our revenue, team member and client bases, and deepened our technical capabilities.

All leading to increased value for our employee owners.

Financial Growth

Our strong financial performance is a result of our dedicated and skilled team members and allows us to continue our impact well into the future.

59%

Annual Revenue Growth

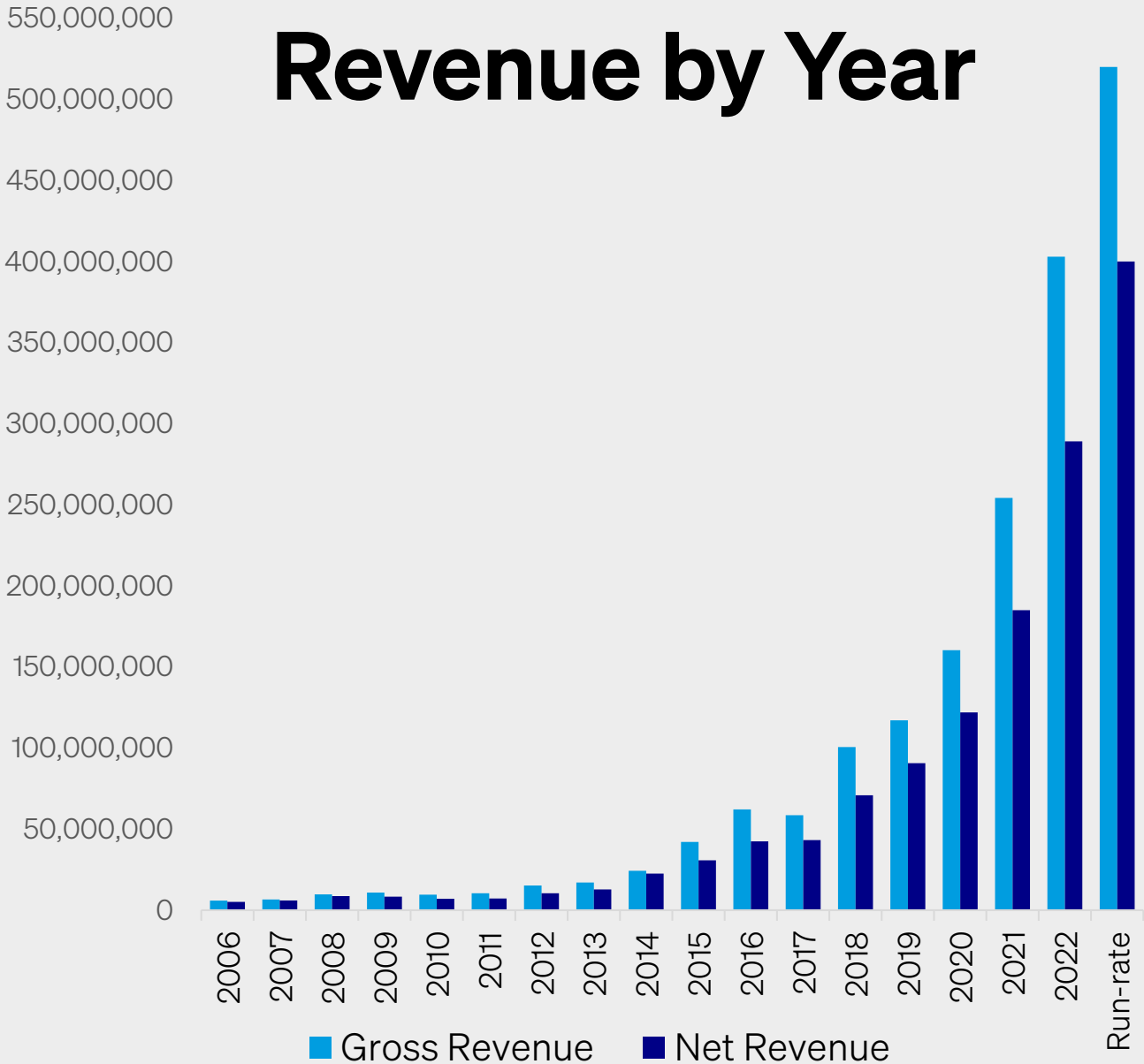
19%

Annual Organic Growth

19%

Annual Avg. Post-Bonus EBITDA

Revenue by Year





Backlog

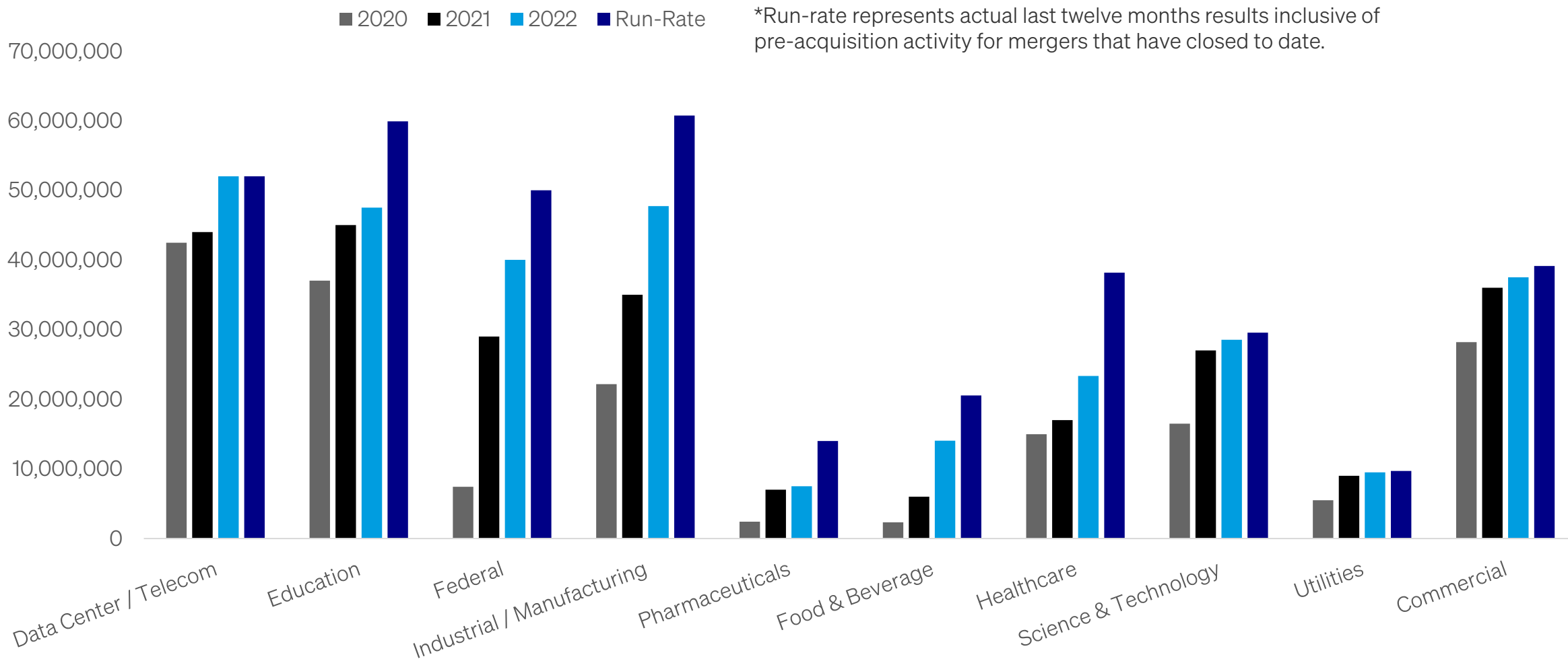
We maintain a steady flow of projected work, with nearly \$278 million in backlog (labor fees) at year-end 2022.

11 months

Labor equivalent

63% increase

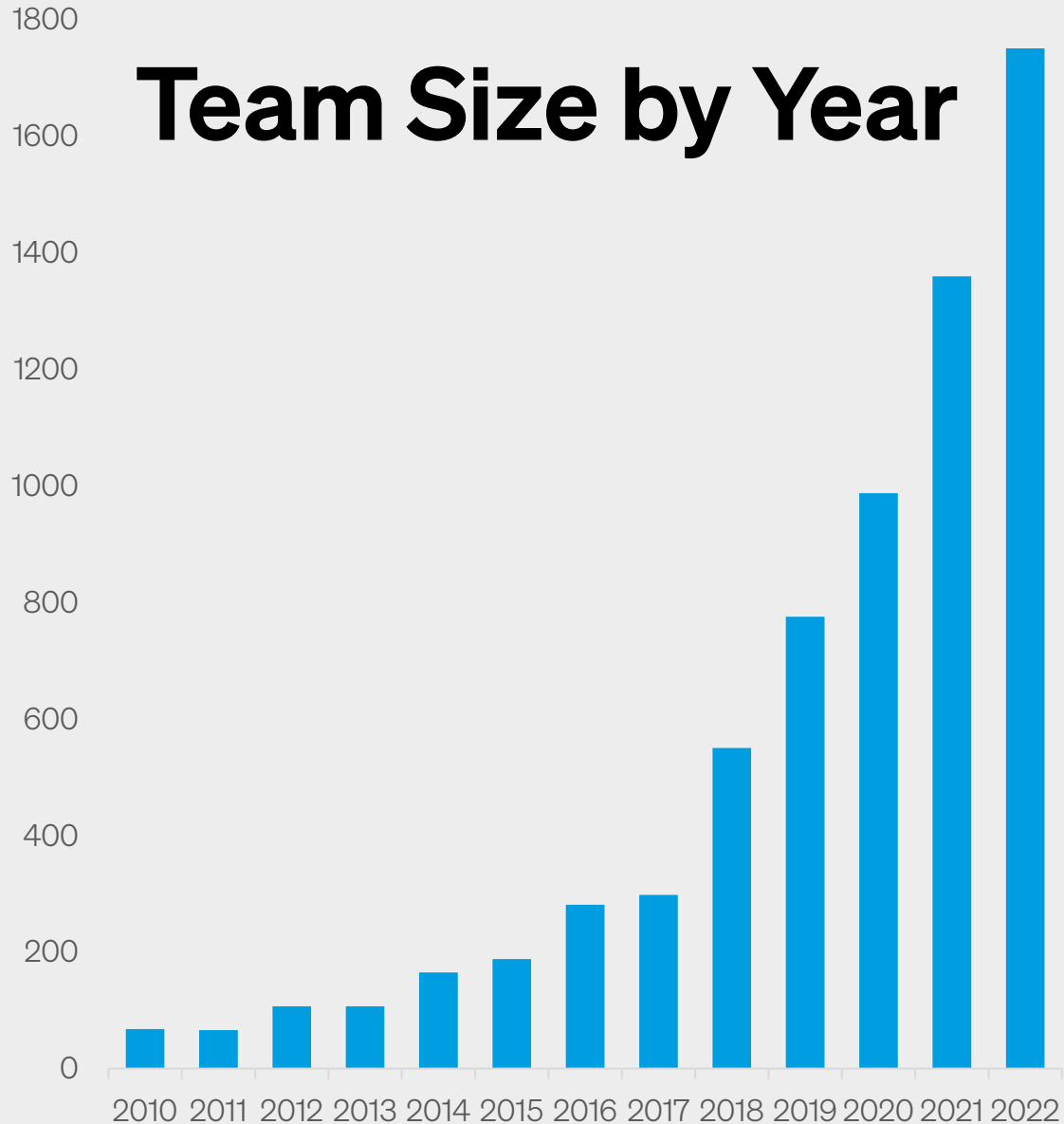
in backlog from year-end 2021



Revenue by Market Sector

Our work spans industries, minimizing concentration within a single market or with a single customer, providing resilience through industry fluctuations.

Team Size by Year



Team Member Base

We continue to expand our team of talented individuals. In 2022 we welcomed nearly 600 new people, and in the last year, our team member base increased by 28%!

1750

Total Team
Members at end
of 2022

588

New Team
Members (Hires
and Mergers)

90%

Team Member
Retention

Employee Ownership

We strive to provide continued value to our employee owners, to support their personal and professional goals and enhance their financial wellbeing.



80%

Team Members
with Company
Ownership

109%

Annual Increase
in Share value

96%

Annual Average
Increase in
Share Value
since 2006



Mergers

We continually seek like-minded partners who naturally fit our vision.

In 2022, we welcomed 8 new entities and 225 team members through mergers.

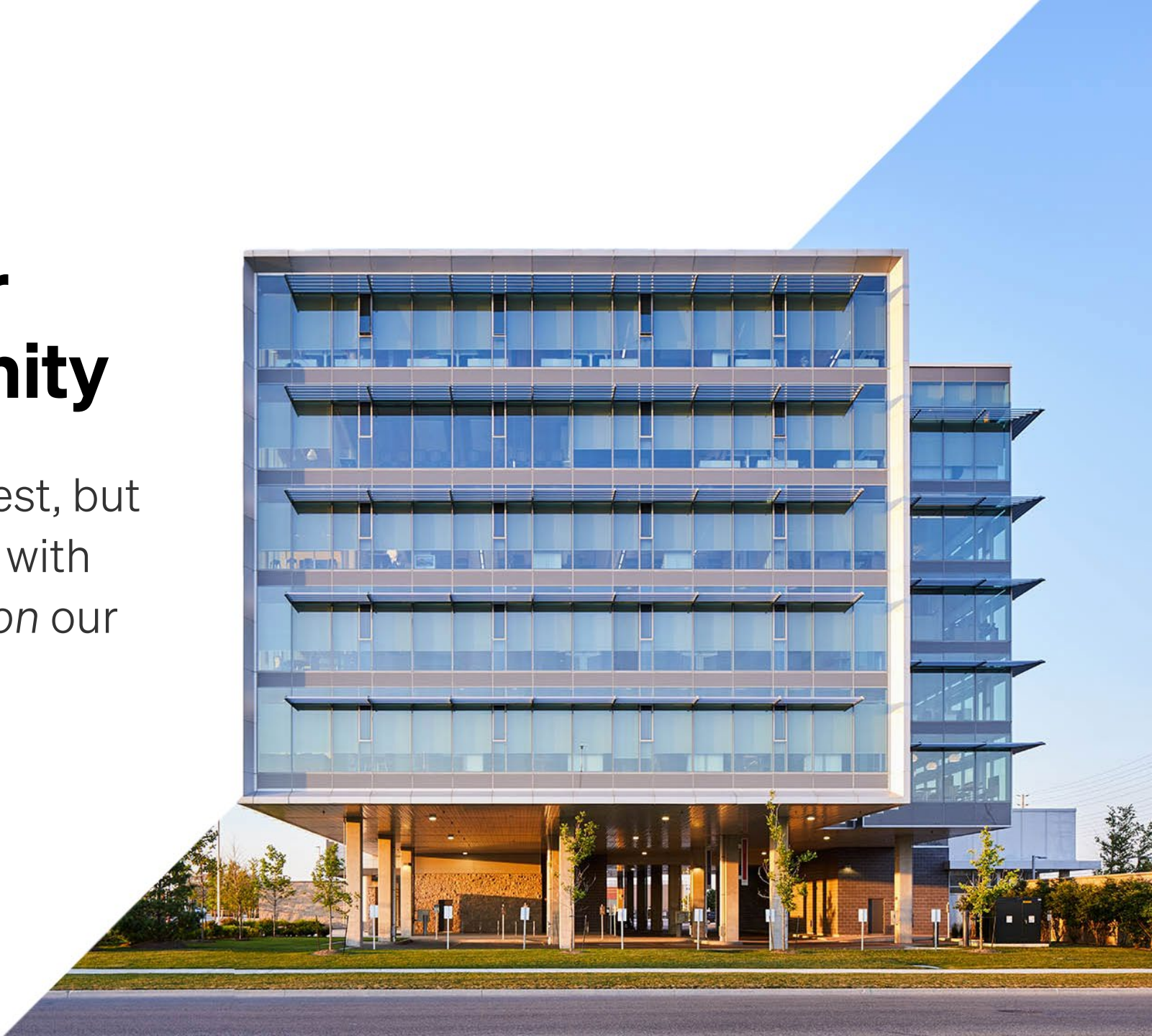


“As an entrepreneur, entertaining the thought about merging with Salas O’Brien was difficult. But Darin’s personal approach to mergers, organizational values alignment, and the employee-ownership concept ultimately gave us strong confidence. Now, almost two years after the merger, I continue to be delighted that our merger with Salas O’Brien was one of the best decisions we made.

Srini Neralla, PhD
MANAGING PRINCIPAL

Stable Growth for Greater Opportunity

Our goal is not to be the biggest, but the best and most respected, with the most technical expertise *on* our team with the most growth opportunity *for* our team.



Elevating our Industry Presence & Reputation

People outside our organization notice our talent and expertise. We have a loyal customer base, well-regarded leadership, and are regularly recognized by leading publications and lists.

— +66 NPS

A strong indicator of customer loyalty.

— 91 percent

Glassdoor CEO rating
vs. 73% average (Source: Glassdoor)

BUILDING DESIGN
+ CONSTRUCTION
#10 - TOP 45 E/A FIRMS 2022

2022 **HOT FIRM**
ZWEIG GROUP

Inc. 5000
10x
HONOREE 2022
AMERICA'S FASTEST-GROWING PRIVATE COMPANIES

MEP
GIANTS
#13 2022

2022
ENR
TOP 500
#78

Elevating our Industry Presence & Reputation

Our team members believe in who we are and what we do. We are actively living our goal of being the most respected engineering and technical services company in the galaxy!

✓ **+44 eNPS**

A strong indicator of employee engagement and loyalty

✓ **88 percent**

Glassdoor Positive Business Outlook rating

✓ **92 percent**

Strong team member retention, with a rate of 98% from internal referrals



Looking Ahead to 2023





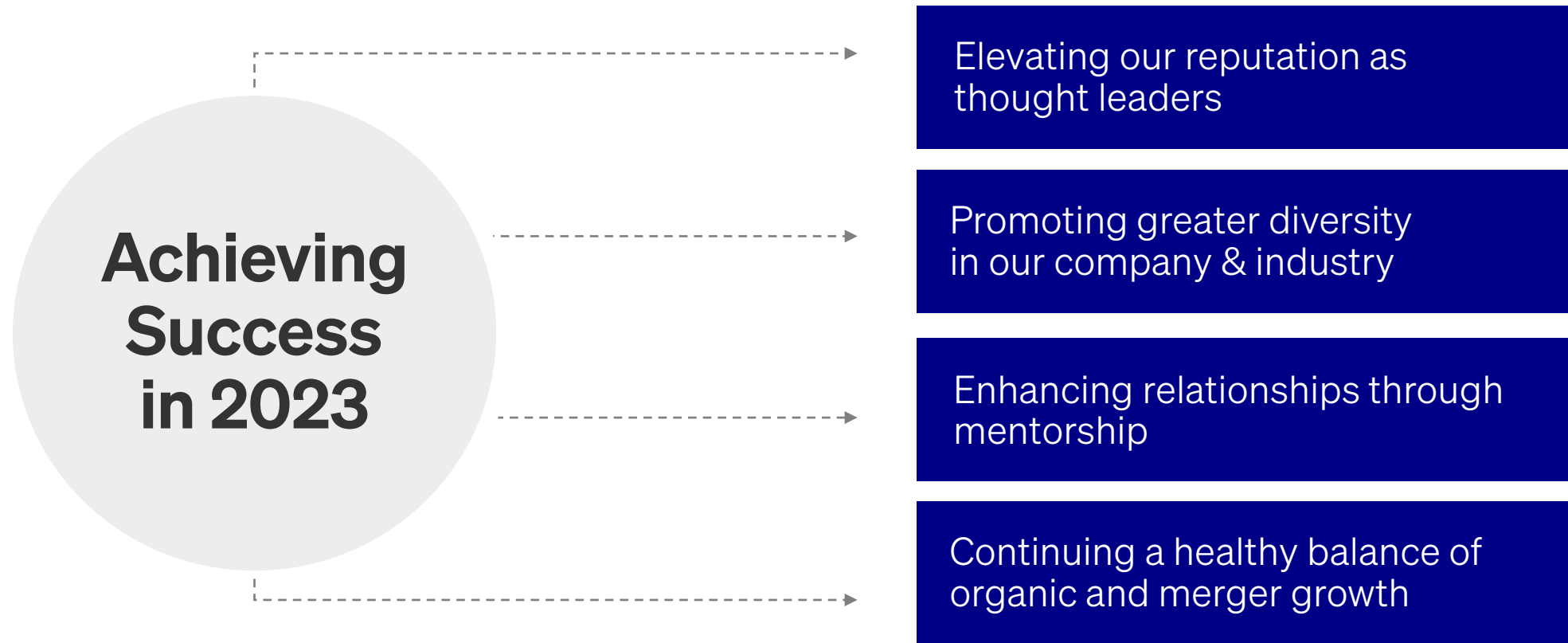
It's who we are and how we're wired.

Our determination to provide clients with the most optimal solutions.

Our passion for providing individuals with limitless opportunities for growth.

Our drive to advance the human experience.

We are **engineered for impact.**



Always staying true to our Ownership Values and our commitment to do what is right for our team members, clients, and society.



Salas O'Brien™

ENGINEERED FOR IMPACT™

www.salasobrien.com

