— Procore Financial Management for Specialty Contractors:

Take Back Control of Your Projects Cash Flow

Wednesday Nov 9, 2:50 PM-3:30 PM CST

PROCORE

Safe Harbor – Forward Looking Statements

This presentation and the accompanying commentary may contain forward-looking statements that are based on our management's current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results and growth prospects. Forward-looking statements include all statements other than statements of historical fact, including information relating to future events, our future financial or operating performance, projections of product or service availability, and statements concerning new, planned or upgraded services or technology developments. Forward-looking statements are subject to substantial risks, uncertainties and other factors. These factors may cause our actual results, events or circumstances to differ materially from those described in our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

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Our forward-looking statements relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

Today's Groundbreakers

Frank Matz

President

Central Air & Heating Services Inc

Nate Tockerman

Product Marketing Manager

Procore Technologies Inc.

Scott Meeker

COO

Pueblo Mechanical & Controls LLC

Specialty Contractors Work Tirelessly to Build Projects, We Work Even Harder to Get Paid For It.

COST	TIME	GROWTH
$40B	**83 Days**	**4%**
Slow payments cost specialty contractors 40 billion yearly	Average days outstanding payment (DSO)	The construction industry is projected to grow 4%

Cost data and DSO data is from Levelset 2021. Industry growth data per Oxford Economics

Cash Flow for Specialty Contractors: Ours is Among the Poorest Performing Industries

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Why Should The Client Care About Our Cash Flow?

Shared Pain

Not making payroll effects schedule

Poor credit and limited access to capital affects material lead times

Higher cost of goods impacts CapX budgets

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Why Are Late Payments Out of Our Control?

Why We’re Late Paid

GC-controlled process

Disjointed systems

Lots of hands in the pot

Our Traditional Credit Solutions Are Unfavorable

Limited Options

Banks don't understand construction

Invoicing factoring is expensive and unreliable

Credit card limits are not high enough

The Ability to Accurately Forecast Cost at Completion Takes Center Stage

Know Actual Cost

Visibility into what the labor and non-labor cost are is the starting point

Forecast Costs

Anticipating upcoming cost that fall between the current draw and next months is critical.

Prioritize Billings

Collections is always months out, billings need to be all-inclusive and timely

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Understand Your Financial Systems

Construction Cost Management

Connects cost to scope

Predict and track cost

Specific to construction operations workflows

Purpose built for project managers

OPS & FINANCE

ERP (Enterprise Resource Planning)

Human resource management, CRM, accounting

Purpose built for accountants and finance teams (GAAP)

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Central Air & Heating Struggled with Cost Controls due to

01 Lack of Standardization

02 Inability to Scale

03 Teams Lacked the Privilege of Focus

04 The Right Tools to Train New Employees

Technology Ensured We Would Solve These Challenges

Save IT resources with out of the box solutions

Be **an industry leader** and outpace our competition

Enforce **standards** and provide guide rails

How to **collaborate** beyond email

Multi Market and Private Equity Backed Businesses View of Tomorrow

Pueblo Must Haves:

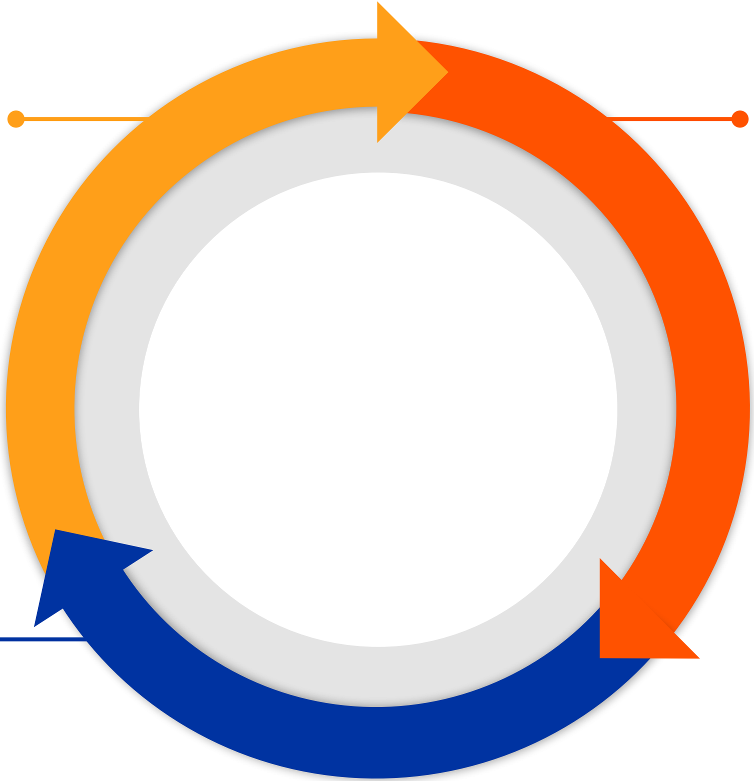
Visibility For Scale

Standardization

Steps To Positive Cash Flow

1. PROJECT COSTING

Visibility and structure of your projects cost is priority #1



2. FORECASTING

Anticipating what costs are coming takes the whole team

3. INVOICING

Compiling all your project cost data to get ahead of billings

Steps To Positive Cash Flow

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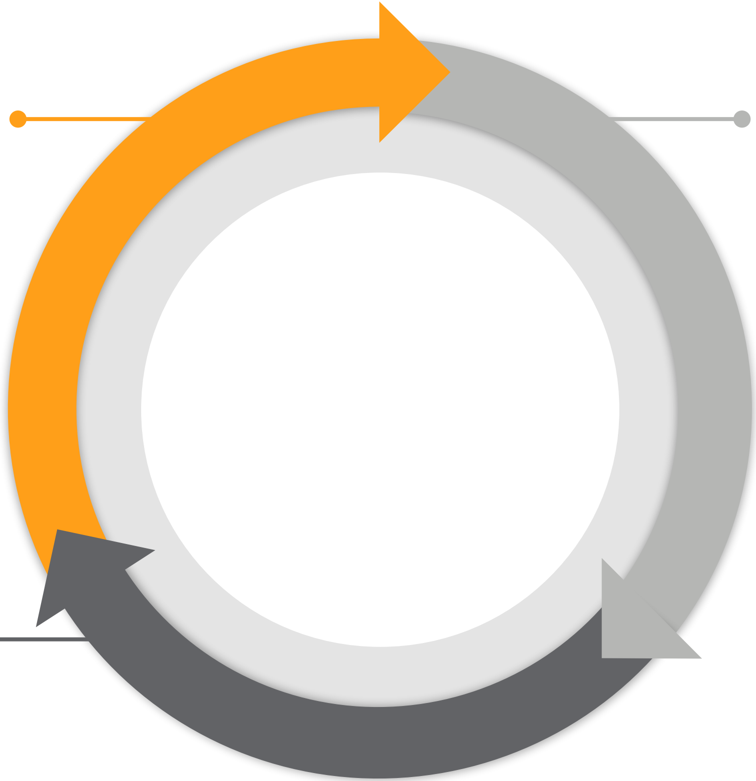

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Budget Code Structure and Setup for Visibility

Real-Time Labor & Materials Costing

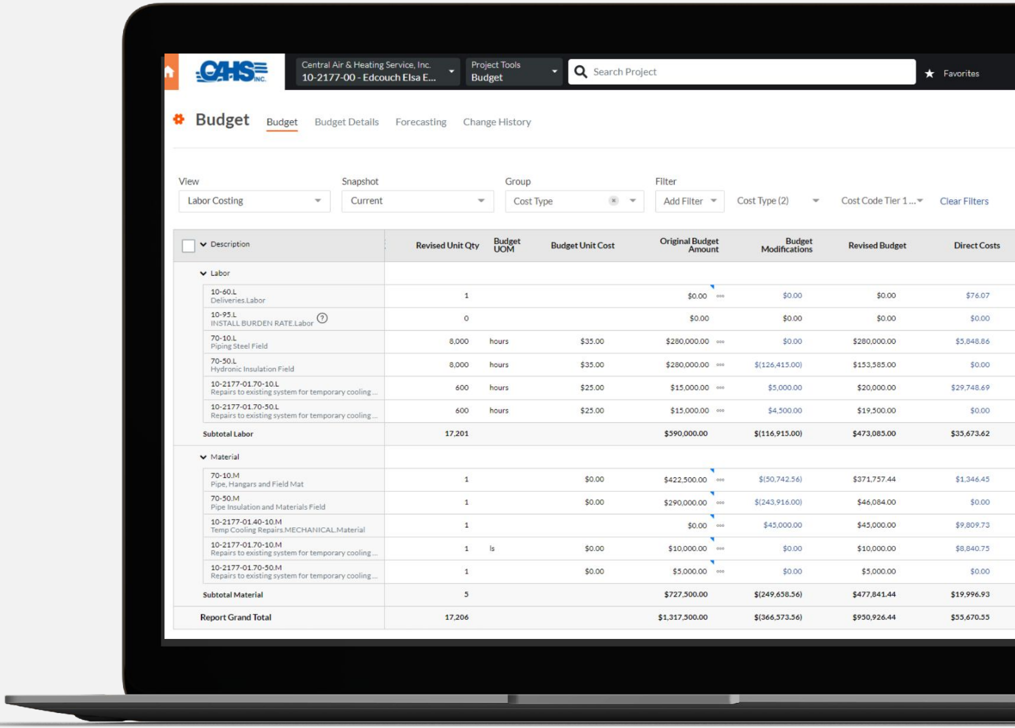
Up-to-date financial cost information shows if you're over or under budget.

Field Progress at a Glance

Real-time labor data is required to see progress of the work.

Labor Cost is Our Measured Mile

Budget against actual cost is our first check in validating progress



Description	Revised Unit Qty	Budget UOM	Budget Unit Cost	Original Budget Amount	Budget Modifications	Revised Budget	Direct Costs
Labor							
10-60.L Deliveries.Labor	1			$0.00	$0.00	$0.00	$76.07
10-95.L INSTALL BURDEN RATE.Labor	0			$0.00	$0.00	$0.00	$0.00
70-10.L Piping Steel Field	8,000	hours	$35.00	$280,000.00	$0.00	$280,000.00	$5,848.86
70-50.L Hydronic Insulation Field	8,000	hours	$35.00	$280,000.00	$(126,415.00)	$153,585.00	$0.00
10-2177-01.70-10.L Repairs to existing system for temporary cooling ...	600	hours	$25.00	$15,000.00	$5,000.00	$20,000.00	$29,748.69
10-2177-01.70-50.L Repairs to existing system for temporary cooling ...	600	hours	$25.00	$15,000.00	$4,500.00	$19,500.00	$0.00
Subtotal Labor	17,201			$590,000.00	$(116,915.00)	$473,085.00	$35,673.62
Material							
70-10.M Pipe, Hangars and Field Mat	1		$0.00	$422,500.00	$(50,742.56)	$371,757.44	$1,346.45
70-50.M Pipe Insulation and Materials Field	1		$0.00	$290,000.00	$(243,916.00)	$46,084.00	$0.00
10-2177-01.40-10.M Temp Cooling Repairs.MECHANICAL.Material	1			$0.00	$45,000.00	$45,000.00	$9,809.73
10-2177-01.70-10.M Repairs to existing system for temporary cooling ...	1	ls	$0.00	$10,000.00	$0.00	$10,000.00	$8,840.75
10-2177-01.70-50.M Repairs to existing system for temporary cooling ...	1		$0.00	$5,000.00	$0.00	$5,000.00	$0.00
Subtotal Material	5			$727,500.00	$(249,658.56)	$477,841.44	$19,996.93
Report Grand Total	17,206			$1,317,500.00	$(366,573.56)	$950,926.44	$55,670.55

*Sample Data

Project Financials

Company-Wide View Into Project Health

Audit Change Orders and Cost / Sell

Manage Change Orders Quickly

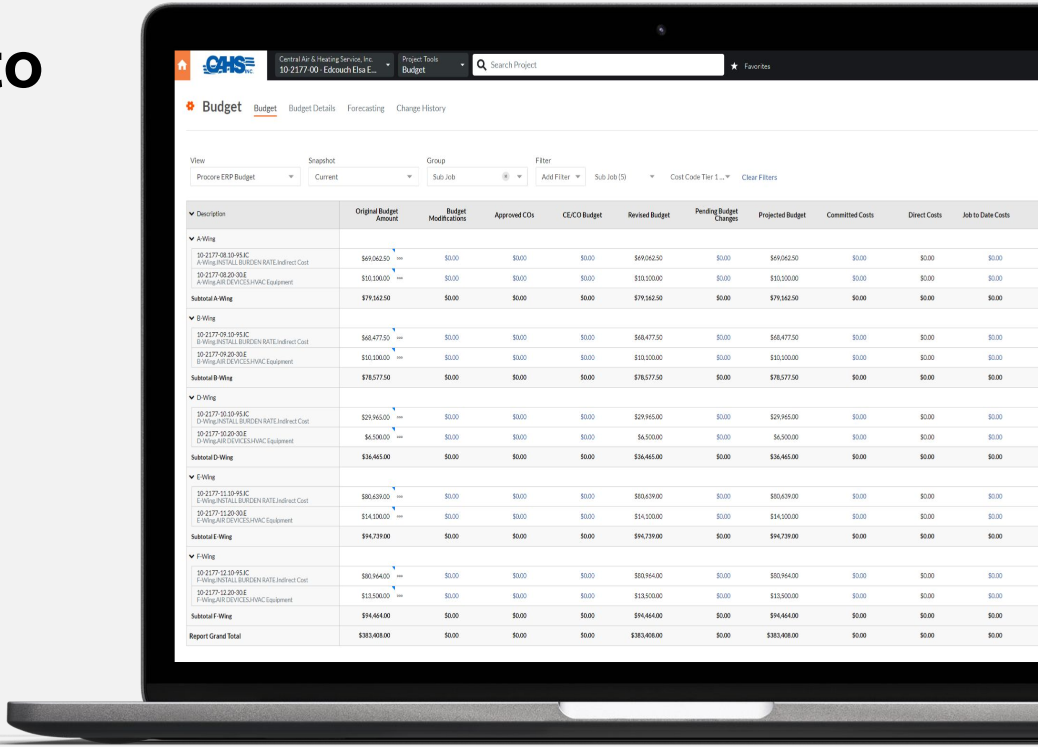
React to our customers via change orders in Procore

Communication and Tracking

Swapping between sub jobs and cost codes easily is our solution

Protecting Entitlements

It’s easy to tell a story and speak to the history of the changes.



Description	Original Budget Amount	Budget Modifications	Approved COs	CE/CO Budget	Revised Budget	Pending Budget Changes	Projected Budget	Committed Costs	Direct Costs	Job to Date Costs
A-Wing										
10-2177-08.10-95.IC A-Wing.INSTALL BURDEN RATE.Indirect Cost	$69,062.50	$0.00	$0.00	$0.00	$69,062.50	$0.00	$69,062.50	$0.00	$0.00	$0.00
10-2177-08.20-30.E A-Wing.AIR DEVICES.HVAC Equipment	$10,100.00	$0.00	$0.00	$0.00	$10,100.00	$0.00	$10,100.00	$0.00	$0.00	$0.00
Subtotal A-Wing	$79,162.50	$0.00	$0.00	$0.00	$79,162.50	$0.00	$79,162.50	$0.00	$0.00	$0.00
B-Wing										
10-2177-09.10-95.IC B-Wing.INSTALL BURDEN RATE.Indirect Cost	$68,477.50	$0.00	$0.00	$0.00	$68,477.50	$0.00	$68,477.50	$0.00	$0.00	$0.00
10-2177-09.20-30.E B-Wing.AIR DEVICES.HVAC Equipment	$10,100.00	$0.00	$0.00	$0.00	$10,100.00	$0.00	$10,100.00	$0.00	$0.00	$0.00
Subtotal B-Wing	$78,577.50	$0.00	$0.00	$0.00	$78,577.50	$0.00	$78,577.50	$0.00	$0.00	$0.00
D-Wing										
10-2177-10.10-95.IC D-Wing.INSTALL BURDEN RATE.Indirect Cost	$29,965.00	$0.00	$0.00	$0.00	$29,965.00	$0.00	$29,965.00	$0.00	$0.00	$0.00
10-2177-10.20-30.E D-Wing.AIR DEVICES.HVAC Equipment	$6,500.00	$0.00	$0.00	$0.00	$6,500.00	$0.00	$6,500.00	$0.00	$0.00	$0.00
Subtotal D-Wing	$36,465.00	$0.00	$0.00	$0.00	$36,465.00	$0.00	$36,465.00	$0.00	$0.00	$0.00
E-Wing										
10-2177-11.10-95.IC E-Wing.INSTALL BURDEN RATE.Indirect Cost	$80,639.00	$0.00	$0.00	$0.00	$80,639.00	$0.00	$80,639.00	$0.00	$0.00	$0.00
10-2177-11.20-30.E E-Wing.AIR DEVICES.HVAC Equipment	$14,100.00	$0.00	$0.00	$0.00	$14,100.00	$0.00	$14,100.00	$0.00	$0.00	$0.00
Subtotal E-Wing	$94,739.00	$0.00	$0.00	$0.00	$94,739.00	$0.00	$94,739.00	$0.00	$0.00	$0.00
F-Wing										
10-2177-12.10-95.IC F-Wing.INSTALL BURDEN RATE.Indirect Cost	$80,964.00	$0.00	$0.00	$0.00	$80,964.00	$0.00	$80,964.00	$0.00	$0.00	$0.00
10-2177-12.20-30.E F-Wing.AIR DEVICES.HVAC Equipment	$13,500.00	$0.00	$0.00	$0.00	$13,500.00	$0.00	$13,500.00	$0.00	$0.00	$0.00
Subtotal F-Wing	$94,464.00	$0.00	$0.00	$0.00	$94,464.00	$0.00	$94,464.00	$0.00	$0.00	$0.00
Report Grand Total	$383,408.00	$0.00	$0.00	$0.00	$383,408.00	$0.00	$383,408.00	$0.00	$0.00	$0.00

*Sample Data

Project Financials

Does Percent Spent Equal Percent Complete?

Multiple Ways to View Progress

Install Rates

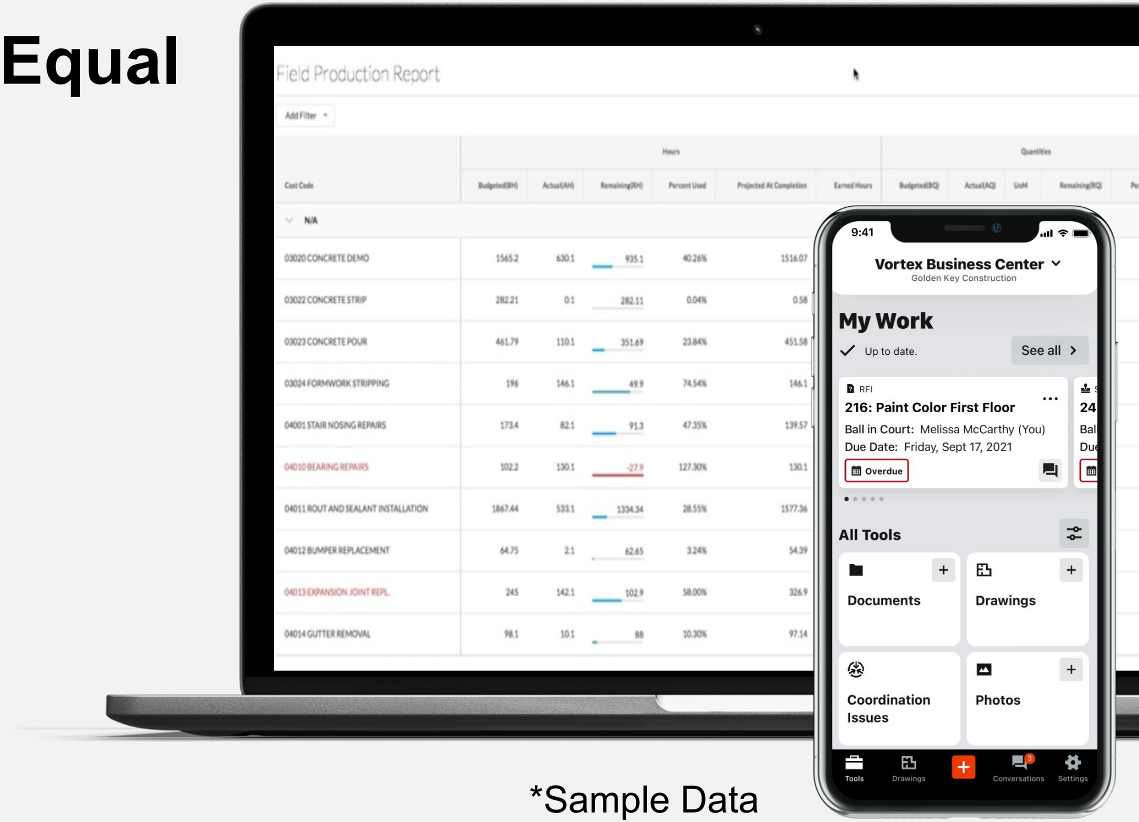
Estimated vs actuals - earliest possible indicator

Hours Spent

Easiest consumable data for the field

Overage Reporting

Engage purchasing for the material story



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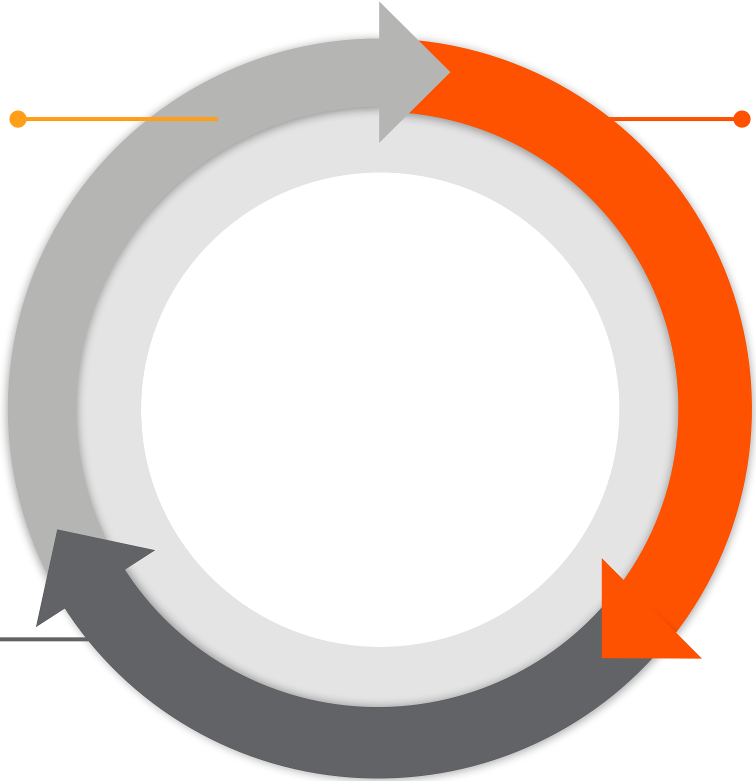
Steps To Positive Cash Flow



1. PROJECT COSTING

Visibility and structure of your projects cost is priority #1

2. FORECASTING

Anticipating what costs are coming takes the whole team

3. INVOICING

Compiling all your project cost data to get ahead of billings

Project Financials

Materials: Cost and Scheduled

Field generates their own material orders

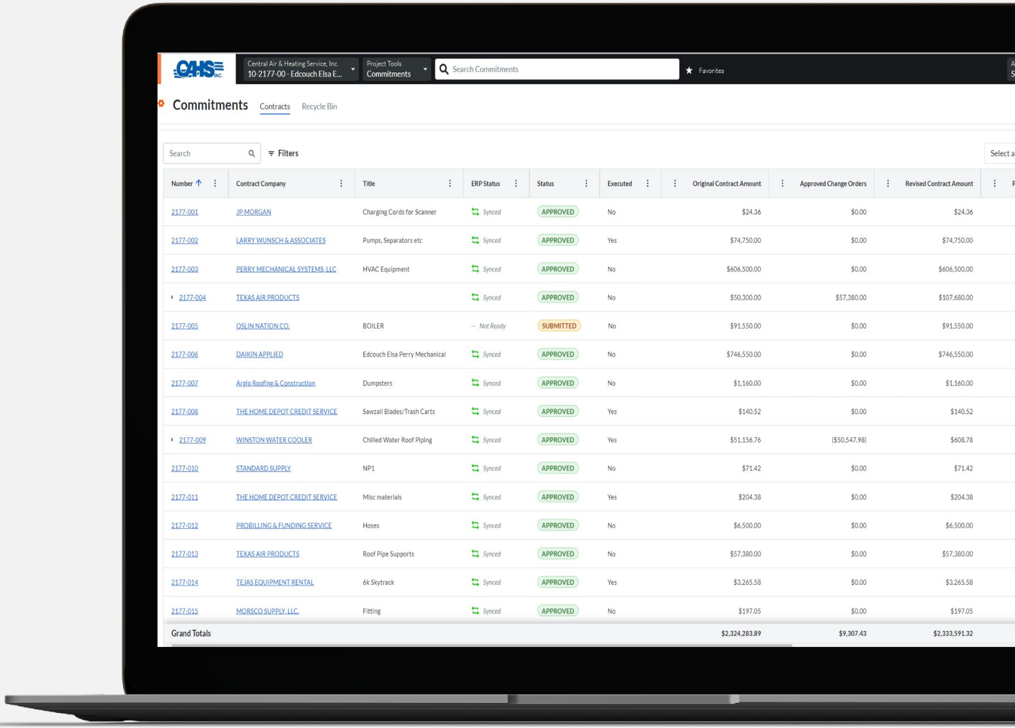
All POs are entered in Procore by the supers

Visibility into PO status

We can see the commits generated by the field in real time and monitor their spend

We empower our field to buy

The office isn't holding up the procurement process but also is not blind to it



Number	Contract Company	Title	ERP Status	Status	Executed	Original Contract Amount	Approved Change Orders	Revised Contract Amount
2177-001	JP MORGAN	Charging Cords for Scanner	Synced	APPROVED	No	$24.36	$0.00	$24.36
2177-002	LARRY WUNSCH & ASSOCIATES	Pumps, Separators etc	Synced	APPROVED	Yes	$74,750.00	$0.00	$74,750.00
2177-003	PERRY MECHANICAL SYSTEMS, LLC	HVAC Equipment	Synced	APPROVED	No	$606,500.00	$0.00	$606,500.00
2177-004	TEXAS AIR PRODUCTS		Synced	APPROVED	No	$50,300.00	$57,380.00	$107,680.00
2177-005	OSLIN NATION CO.	BOILER	-- Not Ready	SUBMITTED	No	$91,550.00	$0.00	$91,550.00
2177-006	DAIKIN APPLIED	Edcouch Elsa Perry Mechanical	Synced	APPROVED	No	$746,550.00	$0.00	$746,550.00
2177-007	Argio Roofing & Construction	Dumpsters	Synced	APPROVED	No	$1,160.00	$0.00	$1,160.00
2177-008	THE HOME DEPOT CREDIT SERVICE	Sawzall Blades/Trash Carts	Synced	APPROVED	Yes	$140.52	$0.00	$140.52
2177-009	WINSTON WATER COOLER	Chilled Water Roof Piping	Synced	APPROVED	Yes	$51,156.76	($50,547.98)	$608.78
2177-010	STANDARD SUPPLY	NP1	Synced	APPROVED	No	$71.42	$0.00	$71.42
2177-011	THE HOME DEPOT CREDIT SERVICE	Misc materials	Synced	APPROVED	Yes	$204.38	$0.00	$204.38
2177-012	PROBILLING & FUNDING SERVICE	Hoses	Synced	APPROVED	No	$6,500.00	$0.00	$6,500.00
2177-013	TEXAS AIR PRODUCTS	Roof Pipe Supports	Synced	APPROVED	No	$57,380.00	$0.00	$57,380.00
2177-014	TEJAS EQUIPMENT RENTAL	6k Skytrack	Synced	APPROVED	Yes	$3,265.58	$0.00	$3,265.58
2177-015	MORSCO SUPPLY, LLC.	Fitting	Synced	APPROVED	No	$197.05	$0.00	$197.05
Grand Totals						$2,324,283.89	$9,307.43	$2,333,591.32

*Sample Data

Project Financials

Accurate Forecasts Draw From Multiple Inputs

Cost Reports + Submittals

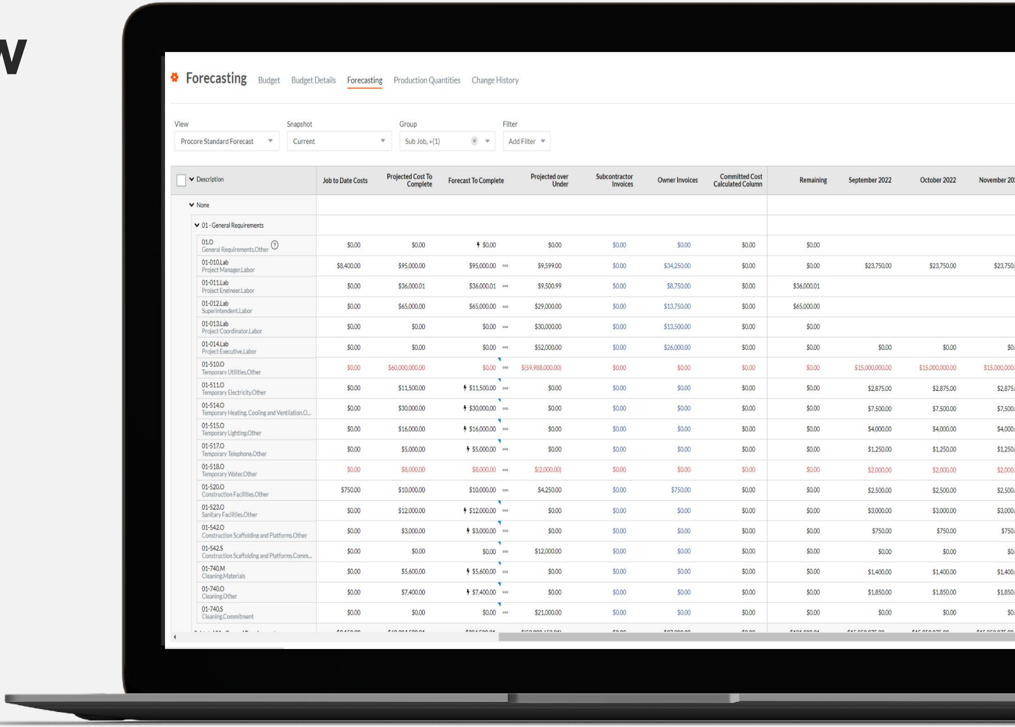
Look for month over month trends in spending as well as large onsite deliveries in the next pay period

Use the Schedule of Values

First check for reference on billed to date and remaining. This is how the owner checks our work

ERP + Procore

Comparing the SOV and cost reports informs billings that include earned revenue and margin



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Steps To Positive Cash Flow

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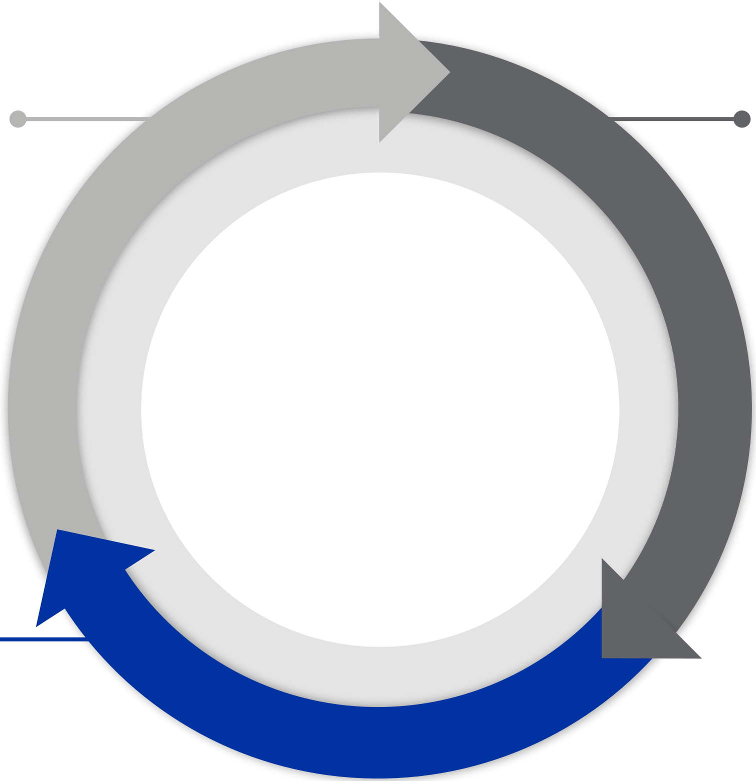


3. INVOICING

Compiling all you project cost data to get ahead of billings

Project Financials

Billing to Installed vs Spent

Capitalize on earned revenue

Back to the SOV

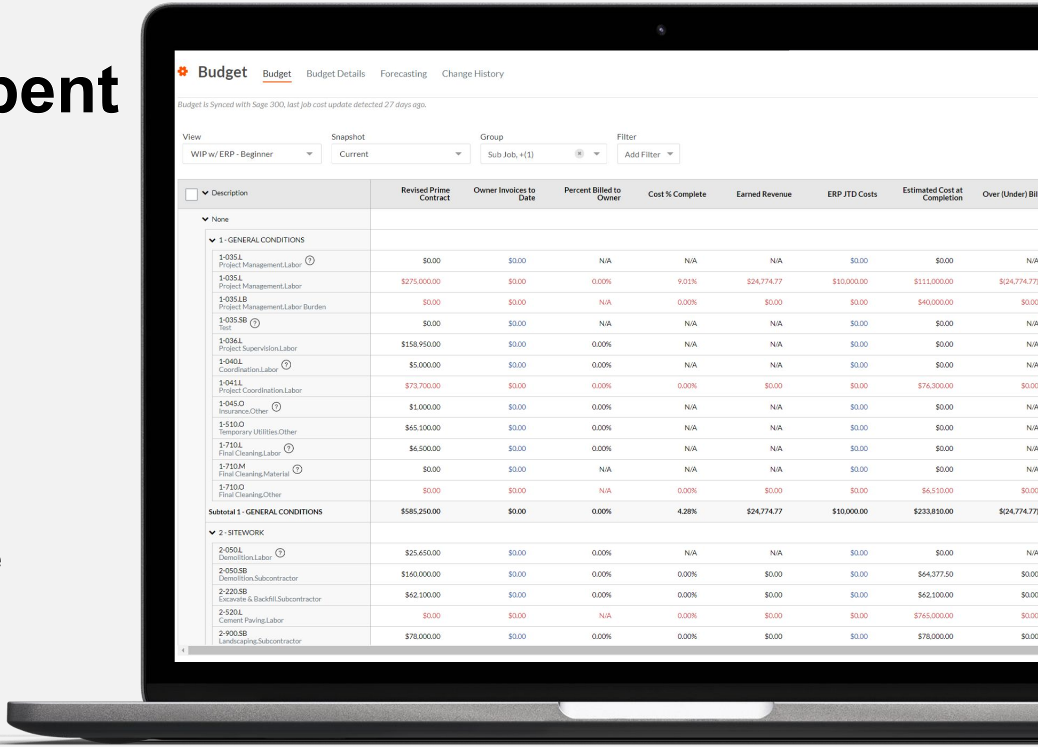
Line items are roll ups of multiple codes. It’s the percent complete not percent spent here

Cost code structure is the key to visibility

With sub jobs and phases we can tell if we’re beating the SOV when compared to Cost

Data sharing between roles

Accounting, purchasing and operational teams inform each others roles for the benefit of the business



Budget | Budget | Budget Details | Forecasting | Change History

Budget is Synced with Sage 300, last job cost update detected 27 days ago.

View: WIP w/ ERP - Beginner | Snapshot: Current | Group: Sub Job, +(1) | Filter: Add Filter

Description	Revised Prime Contract	Owner Invoices to Date	Percent Billed to Owner	Cost % Complete	Earned Revenue	ERP JTD Costs	Estimated Cost at Completion	Over (Under) Bil
None								
1 - GENERAL CONDITIONS								
1-035.L Project Management.Labor	$0.00	$0.00	N/A	N/A	N/A	$0.00	$0.00	N/A
1-035.L Project Management.Labor	$275,000.00	$0.00	0.00%	9.01%	$24,774.77	$10,000.00	$111,000.00	$(24,774.77)
1-035.LB Project Management.Labor Burden	$0.00	$0.00	N/A	0.00%	$0.00	$0.00	$40,000.00	$0.00
1-035.SB Test	$0.00	$0.00	N/A	N/A	N/A	$0.00	$0.00	N/A
1-036.L Project Supervision.Labor	$158,950.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
1-040.L Coordination.Labor	$5,000.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
1-041.L Project Coordination.Labor	$73,700.00	$0.00	0.00%	0.00%	$0.00	$0.00	$76,300.00	$0.00
1-045.O Insurance.Other	$1,000.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
1-510.O Temporary Utilities.Other	$65,100.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
1-710.L Final Cleaning.Labor	$6,500.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
1-710.M Final Cleaning.Material	$0.00	$0.00	N/A	N/A	N/A	$0.00	$0.00	N/A
1-710.O Final Cleaning.Other	$0.00	$0.00	N/A	0.00%	$0.00	$0.00	$6,510.00	$0.00
Subtotal 1 - GENERAL CONDITIONS	**$585,250.00**	**$0.00**	**0.00%**	**4.28%**	**$24,774.77**	**$10,000.00**	**$233,810.00**	**$(24,774.77)**
2 - SITEWORK								
2-050.L Demolition.Labor	$25,650.00	$0.00	0.00%	N/A	N/A	$0.00	$0.00	N/A
2-050.SB Demolition.Subcontractor	$160,000.00	$0.00	0.00%	0.00%	$0.00	$0.00	$64,377.50	$0.00
2-220.SB Excavate & Backfill.Subcontractor	$62,100.00	$0.00	0.00%	0.00%	$0.00	$0.00	$62,100.00	$0.00
2-520.L Cement Paving.Labor	$0.00	$0.00	N/A	0.00%	$0.00	$0.00	$765,000.00	$0.00
2-900.SB Landscaping.Subcontractor	$78,000.00	$0.00	0.00%	0.00%	$0.00	$0.00	$78,000.00	$0.00

*Sample Data

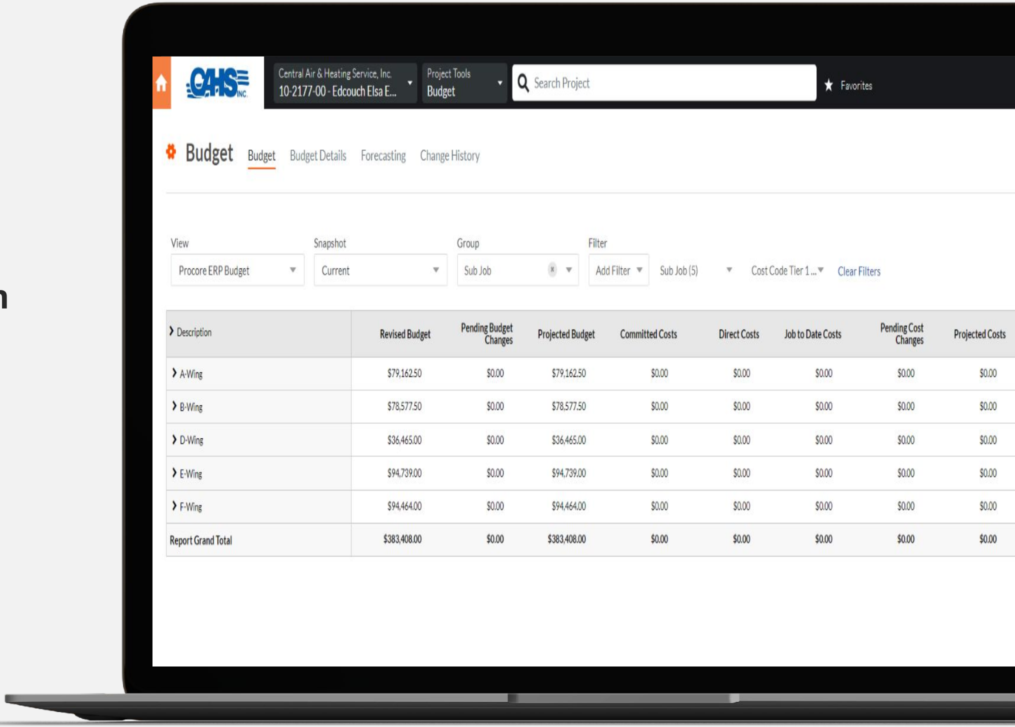
Budgets and Projections Don’t Mirror Billings, They Inform Them

Earned Revenue, margin & adjust for retention

Ensure you are billing for what’s installed, justifiable, and covers the business OH&P

Invoice accuracy and completeness

AIA format, lien releases, backup



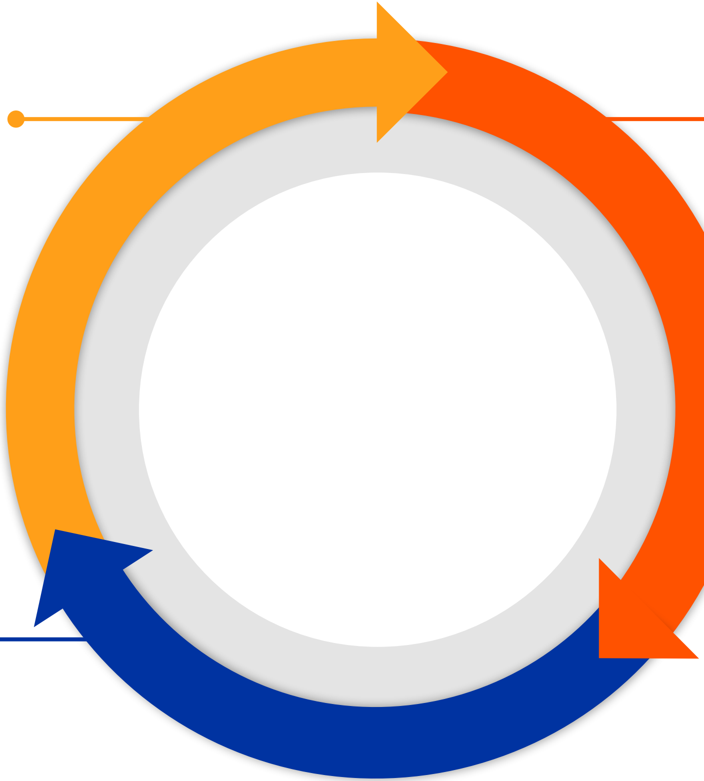
*Sample Data

Business Growth and AR Ownership

What we do with cash as it relates to growth

- Cash flow dictates most business growth initiatives
  - AR - How revenue is recognized and reported
  - How much do we finance (cost of money)
  - Move into a new markets
  - Hiring
  - Building vs renting space

Steps To Positive Cash Flow



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Achieving Positive Cash Flow Requires

Visibility & Standardization

Consolidating information & Aligning project stakeholders

Project Costing, Projecting & Billing

Operations owns this, accounting supports us

Healthy AR Aging

This is the measured mile for success

Want to learn more about the solution in this session?

Scan the QR code to talk to a product expert, or visit the expo hall to get connected with a product expert today.

GROUNDBREAK

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