

## EMCOR Group Inc. (EME)

**\$624.21** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$707.00**

Long Term: 6-12 Months	<b>Zacks Recommendation:</b>	<b>Neutral</b>
	(Since: 11/19/25)	
	Prior Recommendation:	Outperform
Short Term: 1-3 Months	<b>Zacks Rank: (1-5)</b>	<b>3-Hold</b>
	Zacks Style Scores:	VGM: B
	Value: C	Growth: A
		Momentum: C

### Summary

EMCOR's third-quarter 2025 adjusted earnings and revenues missed the Zacks Consensus Estimate by 1.2% and 0.4%, respectively. Year over year, the metrics grew by 13.3% and 16.4%, respectively, on the back of robust demand trends across network and communications, healthcare, manufacturing and industrial, high-tech manufacturing, and institutional sectors. These trends were reflected in RPO growth of 29% year-over-year and 25% as of the 2024 end. Besides, the benefits realized from the Miller acquisition, alongside other buyouts, added to performance growth. Although the ongoing macro tensions and tariff-related risks are concerning EMCOR, the long-term prospects look promising thanks to increased public infrastructure spending. For 2025, it raised its revenue and EPS outlook. Shares of EMCOR have outperformed the industry year to date.

### Data Overview

52 Week High-Low	<b>\$778.64 - \$320.89</b>
20 Day Average Volume (sh)	<b>392,455</b>
Market Cap	<b>\$27.9 B</b>
YTD Price Change	<b>37.4%</b>
Beta	<b>1.17</b>
Dividend / Div Yld	<b>\$1.00 / 0.2%</b>
Industry	<b><u>Building Products - Heavy Construction</u></b>
Zacks Industry Rank	<b>Top 10% (25 out of 243)</b>

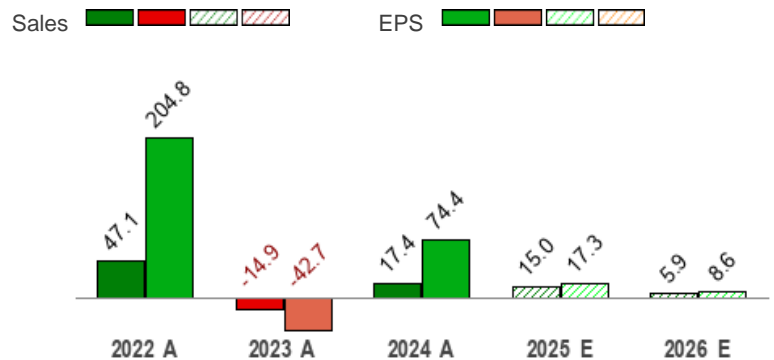
Last EPS Surprise	<b>-1.2%</b>
Last Sales Surprise	<b>-0.4%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>02/25/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>24.9</b>
P/E F1	<b>50.6</b>
PEG F1	<b>3.9</b>
P/S TTM	<b>1.7</b>

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					17,731 E
2025	3,867 A	4,304 A	4,302 A	4,272 E	16,746 E
2024	3,432 A	3,667 A	3,697 A	3,770 A	14,566 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					27.41 E
2025	5.41 A	6.72 A	6.57 A	6.66 E	25.24 E
2024	4.17 A	5.25 A	5.80 A	6.32 A	21.52 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

(2) The report's text and the price target are as of 11/19/2025.

## Overview

EMCOR Group is one of the leading providers of mechanical and electrical construction, industrial and energy infrastructure, as well as building services for a diverse range of businesses. The company serves commercial, industrial, utility and institutional clients. The company currently operates under the following reportable segments:

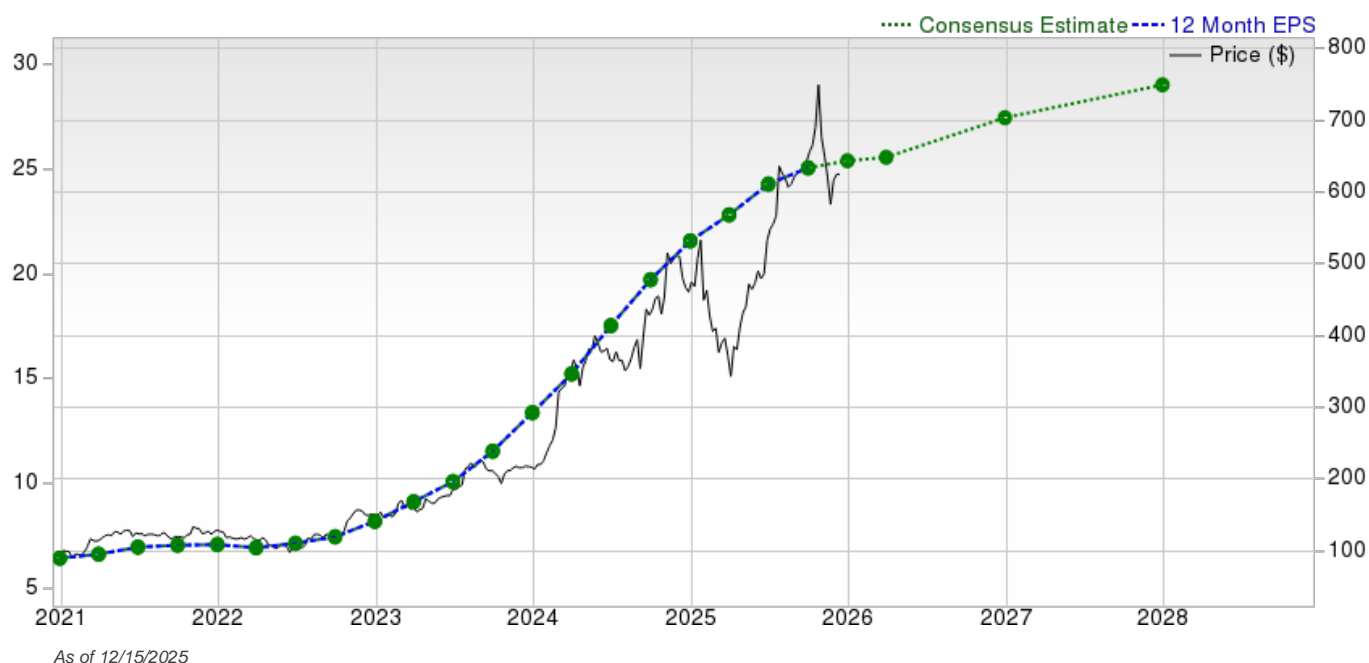
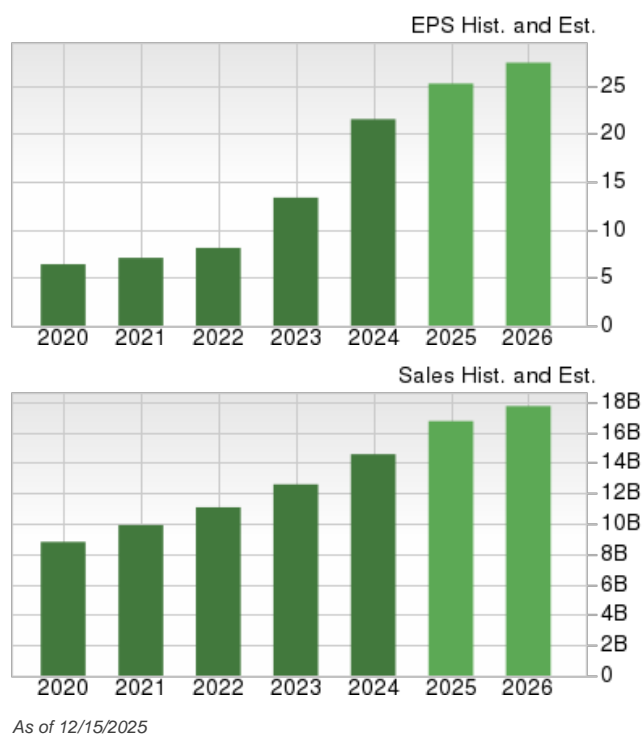
**United States Electrical Construction and Facilities Services** (contributing 23% to total revenues for 2024) – This comprises systems for premises electrical and lighting systems; electrical power transmission and distribution; roadway and transit lighting; fiber optic lines; voice and data communication; as well as low-voltage systems, such as fire alarm, security and process control.

**United States Mechanical Construction and Facilities Services** (44%) – This involves systems for fire protection; heating, ventilation, air conditioning, refrigeration and clean-room process ventilation; water and wastewater treatment and central plant heating and cooling; plumbing, process and high-purity piping; millwrighting; steel fabrication, erection and welding; as well as controls and filtration.

**United States Building Services** (21%) – This segment provides various types of support services related to the operation and maintenance of clients' facilities in the U.S. These include commercial and government site-based operations and maintenance, as well as military base operations support services and infrastructure and building projects for federal, state, and local governmental agencies.

**United States Industrial Services** (9%) – This segment comprises industrial maintenance and services required for refineries and petrochemical plants, including designing, manufacturing, repairing, and hydro-blast cleaning of shell and tube heat exchangers and related equipment, as well as overhaul and maintenance of critical process units in refineries and petrochemical plants.

**United Kingdom Building Services** (3%) – This segment provides support services related to the operation and maintenance of commercial and government client facilities in the U.K. This segment was announced for divestiture in September 2025, and is expected to close by 2025-end upon U.K. regulatory approval.



## Reasons To Buy:

▲ **Robust U.S. Construction Business Trends:** EMCOR's U.S. Construction segment, comprising Mechanical and Electrical Construction segments, has been maintaining a strong momentum. The company's two major segments continue to display significant strength amid market uncertainties. During the first nine months of 2025, the revenues from the U.S. Electrical Construction and the U.S. Mechanical Construction segments grew year over year by 54.1% to \$3.71 billion and 7.6% to \$5.11 billion, respectively. The robust trends were mainly backed by increased activity within the network and communications sector, mainly driven by data center construction projects' demand trends, alongside an uptrend across other sectors, including healthcare, commercial, manufacturing and industrial, and the high-tech manufacturing sectors. Moreover, the trends were additionally benefited from increased awards from certain food process projects and a renewable energy project.

Robust construction activity and accretive acquisitions to help EMCOR drive profit.

These construction segments have also been experiencing strong project growth for the past years. As of Sept. 30, 2025, Remaining Performance Obligations (RPOs) were \$12.61 billion, indicating 29% year-over-year growth and 25% from Dec. 31, 2024. The diversity in the company's RPOs stretches across various market segments, with the networking and communications sector contributing about \$4.3 billion (as of Sept. 30), and the healthcare sector contributing \$1.3 billion. Owing to the Miller Electric acquisition, the healthcare sector's RPOs witnessed nearly 7% growth year over year. The manufacturing and industrial sector contributed about \$1.1 billion to the RPOs as of the third quarter of 2025.

During the third quarter of 2025, EMCOR stated that it had been improving its capabilities across data center projects to serve an increasing number of data center sites with multiple trades and across a diverse set of customers. Besides, the ongoing public infrastructure spending in the United States is at its best currently and is proving beneficial for the company. The current trends are expected to benefit the company in the mid and long term.

▲ **Aggressive Acquisitions:** EMCOR is keen on the acquisition of assets and businesses. Its acquisition strategies are directed toward buying small private firms with proven management and expansion potential. During the first nine months of 2025, the company made five acquisitions for a total consideration of \$50.9 million. The acquisitions include a building automation controls and solutions provider in the Midwestern region; a mechanical construction and maintenance services provider in the Western region; a firm that complements EMCOR's national fire protection offerings; and two companies enhancing its building automation and controls or energy efficiency offering abilities. The first three companies are included under the U.S. Mechanical Construction segment, while the last two are considered under the U.S. Building Services segment.

On Feb. 3, 2025, the company acquired Miller Electric Company for \$868.6 million in cash. Headquartered in Jacksonville, FL, Miller Electric specializes in designing, installing and maintaining complex electrical systems across sectors such as data centers, manufacturing and healthcare. Being officially considered under the U.S. Electrical Construction and Facilities Services segment, this strategic addition has complemented EMCOR's existing electrical construction capabilities in high-growth end markets while expanding its geographic presence. From the acquired date till Sept. 30, 2025, Miller Electric contributed \$794.4 million to the total revenues and \$21.2 million to operating income.

▲ **Stable Balance Sheet:** As of Sept. 30, 2025, EMCOR had cash and cash equivalents of \$655.1 million compared with \$1.34 billion at 2024-end. The company ended the third quarter of 2025 with total debt of \$6.2 million (excluding operating leases), up from the 2024-end level of \$6.1 million. EMCOR has sufficient liquidity to meet its current operating lease liabilities of \$95.8 million. Under the revolving credit facility, there is about \$1.23 billion available as of Sept. 30, 2025.

▲ **Strong ROE:** EMCOR's superior return on equity (ROE) is indicative of its growth potential. The company provides solid investment returns compared with the industry's average, as reflected by its current trailing 12-month ROE of 37%. This compares favorably with the industry's ROE of 18.3%. The factor mentioned above indicates the company's efficiency in using its shareholders' funds, along with its ability to generate profit with minimum capital usage.

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## Risks<sup>(2)</sup>

- **Macroeconomic Woes:** While 2024 was a strong year, the company faced challenges, including ongoing supply-chain disruptions. With 2025 almost over, EMCOR is susceptible to tariff-related risks, whose implementation position is still ambiguous to the global market. Furthermore, the lingering macroeconomic pressures, higher interest rates, supply-chain and energy price disruptions, and global conflicts are expected to continue to pose challenges for the rest of 2025 and early 2026.
- **Volatility in Commodity Prices:** Volatility in oil prices remains a primary challenge for EMCOR's future growth. The uncertain oil and gas industry is expected to influence other industries associated with it. Apart from supply chain disruptions, material shortages and escalating commodity prices are concerns. EMCOR is vulnerable to changes in Federal decisions. Notably, other than the Facilities Services divisions, all other segments witness a significant proportion of fixed-price contracts. Such factors expose the company's business to higher risks.
- **Cyclical Nature of the Markets:** EMCOR's business, which is susceptible to the cyclical nature of the markets in which its clients operate, is dependent upon the timing and funding of new awards. The company provides construction and maintenance services to customers operating in a variety of markets, which have been cyclical and will continue to be so, subject to significant fluctuations, including economic conditions and changes in client spending.

The company's top line, during the first half of 2025, was adversely impacted by declines seen in the Commercial sector, mainly due to fewer active warehousing and distribution projects for some of EMCOR's e-commerce customers.

Investment decisions of the customers may vary in terms of location or as a result of factors like the availability of labor, relative construction costs or competitive conditions in their industries. As EMCOR is dependent on the timing and funding of new awards, it is therefore vulnerable to changes in clients' markets and investment decisions. Again, EMCOR's business may be largely affected by significant reductions in government spending or delays/disruptions in the government appropriations process. Certain businesses derive a major portion of their revenues from federal, state and local governmental agencies. As a result, reduced or delayed spending by the federal government, and/or state and local governments, may have a material and significant impact on business.

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## Last Earnings Report

### EMCOR Q3 Earnings Miss Estimates, RPOs Increase Y/Y

EMCOR reported mixed third-quarter 2025 results, with adjusted earnings and revenues missing the Zacks Consensus Estimate but increasing year over year.

The quarter's results reflect the benefits of strong demand in core end markets and customers' confidence in the company's ability to deliver on complex projects. Continued success in securing new work across various sectors and regions underscored its broad execution capabilities. Strong field leadership, disciplined planning and continued investment in construction technology further supported the overall performance.

During the quarter, the company observed significant growth across several sectors, including network and communications, healthcare, manufacturing and industrial, hospitality and entertainment, and institutional. Remaining performance obligations (RPOs) approached record levels and the pipeline remained robust.

Based on the momentum seen so far this year and factoring in the planned sale of the U.K. Building Services segment in the fourth quarter, the company revised its full-year outlook.

### EMCOR's Q3 Earnings & Revenue Discussion

The company reported adjusted earnings per share (EPS) of \$6.57, missing the Zacks Consensus Estimate of \$6.65 by 1.2%. In the year-ago quarter, the company reported adjusted EPS of \$5.80.

Revenues of \$4.30 billion also missed the consensus mark of \$4.32 billion by 0.4%, but increased 16.4% year over year from \$3.70 billion. Strength across the segments helped the company achieve 8.1% higher organic revenues.

### EME's Segment Details

EMCOR currently operates in four reportable segments, which are U.S. Construction Services (Electrical and Mechanical Construction and Facilities Services), U.S. Building Services, U.S. Industrial Services and U.K. Building Services.

**U.S. Construction Services:** This segment's revenues grew 22.2% year over year to \$3.06 billion. The segment's operating income appreciated 12.1%. The margin contracted 110 basis points (bps) year over year to 12.2%.

Within the U.S. Construction umbrella, the **U.S. Electrical Construction and Facilities Services** segment's revenues increased 52.1% year over year to \$1.29 billion. Operating income increased 21.9%, but the margin contracted 280 bps year over year to 11.3%. The **U.S. Mechanical Construction and Facilities Services** segment's revenues rose 7% year over year to \$1.78 billion. The segment's operating income rose 6.7%, but its margin remained flat year over year at 12.9%.

**U.S. Building Services:** Revenues in the segment were up 2.1% from the prior-year quarter's level to \$813.9 million. Operating income grew 6.9% year over year and the margin inched up 30 bps to 7.3%.

**U.S. Industrial Services:** This segment's revenues inched up 0.2% year over year to \$286.9 million. Operating income increased significantly by 91.1% and the margin expanded 110 bps to 2.2%.

**U.K. Building Services:** This segment's revenues moved up 28.1% from the year-ago quarter to \$136.2 million. Its operating income increased 37.6% and the margin expanded 40 bps to 5.6% year over year.

### EME's Operating Highlights

The gross margin contracted 50 bps year over year to 19.4% in the quarter. Selling, general and administrative expenses — as a percentage of revenues — remained flat year over year at 10%. Operating margin in the quarter was 9.4%, down 40 bps year over year from 9.8%.

### Liquidity & Cash Flow of EMCOR

As of Sept. 30, 2025, EMCOR had cash and cash equivalents of \$655.1 million compared with \$1.34 billion at 2024-end. Net cash provided by operating activities was \$777.7 million in the first nine months of 2025 compared with \$938.4 million in the prior year. RPOs, as of Sept. 30, 2025, increased year over year to \$12.61 billion from \$9.79 billion.

### EME's 2025 Outlook Revised

EMCOR now expects annual revenues to be in the band of \$16.7-\$16.8 billion compared with the prior expectation of \$16.4-\$16.9 billion. The new projection indicates an increase from \$14.6 billion reported in 2024.

EPS is now expected to be within \$25-\$25.75 (previously expected \$24.50-\$25.75). The projection indicates an increase from \$21.52 in 2024. Operating margin is now expected to be between 9.2% and 9.4% compared with the previous expectation of 9% to 9.4%.

### FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-0.37%
EPS Surprise	-1.20%
Quarterly EPS	6.57
Annual EPS (TTM)	25.02

## Valuation

EMCOR's shares are up 30.1% in the past six months and 19.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 32.4%, and the Zacks Construction sector is up 1.4% in the past six months. Over the past year, the Zacks sub-industry has been up 21.5% but the sector is down 10.9%.

The S&P 500 index is up 14.1% in the past six months and 14.2% in the past year.

The stock is currently trading at 22.63X forward 12-month earnings, which compares to 21.04X for the Zacks sub-industry, 18.97X for the Zacks sector, and 22.98X for the S&P 500 index.

Over the past five years, the stock has traded as high as 29.04X and as low as 11.91X, with a 5-year median of 17.32X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$707 price target reflects 26.03X forward 12-month earnings.

The table below shows the summary valuation data for EME.

Valuation Multiples - EME					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.63	21.04	18.97	22.98
	5-Year High	29.04	23.14	20.13	23.81
	5-Year Low	11.91	11.39	9.22	15.73
	5-Year Median	17.32	16.38	15.78	21.2
P/S F12M	Current	1.56	1.02	2.82	5.22
	5-Year High	1.99	1.13	3.28	5.52
	5-Year Low	0.45	0.34	1.61	3.84
	5-Year Median	0.69	0.56	2.34	5.06
EV/EBITDA TTM	Current	15.74	14.09	18.06	18.06
	5-Year High	19.99	16.48	25.31	22.58
	5-Year Low	7.2	6.51	10.76	13.97
	5-Year Median	10.71	11.03	17.71	18.09

As of 11/18/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 10% (25 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Dycom Industries, In... (DY)	Outperform	1
Comfort Systems USA,... (FIX)	Outperform	1
Great Lakes Dredge &... (GLDD)	Outperform	1
MasTec, Inc. (MTZ)	Neutral	3
Orion Group Holdings... (ORN)	Neutral	2
Quanta Services, Inc... (PWR)	Neutral	3
Tutor Perini Corpora... (TPC)	Neutral	2
Granite Construction... (GVA)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Building Products - Heavy Construction

	EME	X Industry	S&P 500	FIX	GLDD	MTZ
<b>Zacks Recommendation (Long Term)</b>	Neutral	-	-	Outperform	Outperform	Neutral
<b>Zacks Rank (Short Term)</b>	3	-	-	1	1	3
<b>VGM Score</b>	B	-	-	C	A	B
Market Cap	27.92 B	5.02 B	39.38 B	34.14 B	937.03 M	17.44 B
# of Analysts	3	2.5	22	3	3	6
Dividend Yield	0.16%	0.00%	1.41%	0.25%	0.00%	0.00%
<b>Value Score</b>	C	-	-	F	A	C
Cash/Price	0.02	0.02	0.04	0.03	0.01	0.01
EV/EBITDA	18.00	15.83	14.60	40.78	8.35	20.41
PEG Ratio	3.96	1.78	2.23	NA	1.05	NA
Price/Book (P/B)	8.37	4.18	3.35	15.29	1.87	5.48
Price/Cash Flow (P/CF)	25.15	18.33	15.20	51.53	7.45	22.08
P/E (F1)	50.87	23.02	19.78	36.79	12.56	34.64
Price/Sales (P/S)	1.72	1.16	3.06	4.10	1.12	1.27
Earnings Yield	4.05%	4.35%	4.99%	2.72%	7.98%	2.89%
Debt/Equity	0.00	0.62	0.57	0.06	0.83	0.69
Cash Flow (\$/share)	24.80	5.51	8.99	18.78	1.85	10.01
<b>Growth Score</b>	A	-	-	A	A	B
Hist. EPS Growth (3-5 yrs)	38.96%	28.01%	8.16%	49.57%	6.23%	-8.95%
Proj. EPS Growth (F1/F0)	-42.66%	46.68%	8.57%	80.21%	30.95%	61.52%
Curr. Cash Flow Growth	51.37%	13.35%	6.75%	68.86%	93.09%	8.12%
Hist. Cash Flow Growth (3-5 yrs)	22.28%	7.98%	7.43%	32.56%	5.42%	4.93%
Current Ratio	1.19	1.21	1.19	1.22	1.20	1.33
Debt/Capital	0.00%	38.27%	38.01%	5.55%	45.27%	40.89%
Net Margin	6.96%	4.02%	12.78%	10.06%	9.65%	2.41%
Return on Equity	37.04%	18.28%	17.00%	43.59%	16.84%	14.41%
Sales/Assets	1.98	1.57	0.53	1.65	0.67	1.50
Proj. Sales Growth (F1/F0)	-14.90%	12.71%	5.77%	24.40%	11.50%	14.40%
<b>Momentum Score</b>	C	-	-	B	D	B
Daily Price Chg	-2.49%	-1.61%	-1.07%	-5.56%	-0.72%	-5.12%
1 Week Price Chg	0.00%	-0.07%	-0.63%	-3.35%	7.15%	0.68%
4 Week Price Chg	0.61%	9.28%	1.39%	6.41%	11.58%	14.98%
12 Week Price Chg	-1.32%	9.24%	2.45%	21.34%	13.79%	9.98%
52 Week Price Chg	30.12%	32.84%	12.83%	109.36%	15.02%	60.41%
20 Day Average Volume	392,455	395,225	2,728,366	558,032	397,996	808,938
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 12 week change	0.49%	6.08%	0.69%	18.25%	8.05%	1.03%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

## Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	A
Momentum Score	C
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

## Disclosures

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