UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

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 001-42838

Legence Corp.
(Exact name of registrant as specified in its charter)

Delaware	**33-2905250**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1601 Las Plumas Avenue **San Jose, CA**	**95133**
(Address of Principal Executive Offices)	(Zip Code)

(833) 534-3623
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	LGN	The Nasdaq Stock Market LLC

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

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 Act). Yes ☐ No ☒

As of August 10, 2026, there were 108,075,480 shares of total common stock of the Registrant outstanding, including 76,904,346 shares of Class A common stock, par value $0.01 per share, and 31,171,134 shares of Class B common stock, par value $0.01 per share.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q (this "Quarterly Report") may contain "forward-looking statements." All statements, other than statements of historical fact included in this Quarterly Report regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report, words such as "may," "assume," "forecast," "could," "should," "will," "plan," "believe," "anticipate," "intend," "estimate," "expect," "project," "budget" and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events at the time such statements were made. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this Quarterly Report. Examples of forward-looking statements include, among others, statements we make regarding:

- our business strategy, including with respect to our supply chain, expanded or new service offerings and potential expansion into new domestic or international markets;
- expectations regarding our business or financial outlook;
- expectations regarding opportunities, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries;
- the business plans or financial condition of our customers;
- our ability to achieve or maintain certain financial and operational metrics;
- our ability to comply with and liabilities related to environmental, health and safety laws, regulations and obligations;
- our ability to obtain, maintain and comply with permits and governmental approvals;
- our ability to remain competitive and adapt to developments in the industries in which we operate;
- our ability to secure contracts and maintain relationships with our existing customers;
- our ability to comply with increasing scrutiny, regulatory requirements and changing stakeholder expectations with respect to sustainability and environmental, social and governance matters, including changes in state or local government policies, permitting requirements or land use regulations resulting from community opposition to data center development;
- potential benefits from, and future financial and operational performance of, acquired businesses and our investments;
- expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any awarded or expected projects;
- the expected future value of our intangible assets;
- expectations regarding the future availability and price of materials and equipment necessary for the performance of our business;
- the expected impact of global and domestic economic or political conditions on our business, financial condition, results of operations, cash flows, liquidity, and demand for our services, including inflation, interest rates, tariffs, recessionary economic conditions and commodity prices;
- the expected impact of changes and potential changes in climate and the physical and transition risks associated with climate change;
- the expected impact of existing or potential legislation or regulation;
- the future demand for, availability of and costs related to labor resources in the industries we serve;

- the expected recognition and realization of our remaining performance obligations or backlog;
- credit markets;
- our pending legal matters; and
- our plans, objectives, expectations and intentions contained in this Quarterly Report that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties incident to the business in which we operate, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the risks described under “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our annual report on Form 10-K for the year ended December 31, 2025 (the “2025 Annual Report”) and “Part II, Item 1A. Risk Factors” of this Quarterly Report.

Should one or more of the risks or uncertainties referred to in the 2025 Annual Report or this Quarterly Report occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified in their entirety by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Legence Corp.
Condensed Consolidated Balance Sheets
(In thousands, except par value and share amounts)
(Unaudited)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 291,980	$ 230,166
Accounts receivable, net	918,930	584,060
Contract assets, net	382,167	259,941
Prepaid expenses and other current assets	55,099	36,179
Total current assets	1,648,176	1,110,346
Property and equipment, net of accumulated depreciation of $115,490 and $98,650 as of June 30, 2026 and December 31, 2025, respectively	130,412	92,333
Operating lease right-of-use assets (including $18,598 and $20,025 as of June 30, 2026 and December 31, 2025, respectively, from related parties)	153,536	117,139
Goodwill	822,521	764,336
Intangible assets, net	792,175	551,420
Other assets	192,869	43,822
Total assets[(a)]	$ 3,739,689	$ 2,679,396
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 428,988	$ 246,161
Accrued compensation and benefits	139,133	68,064
Accrued and other current liabilities	81,405	16,475
Contract liabilities	517,932	339,462
Current portion of operating lease liabilities (including $3,889 and $3,920 as of June 30, 2026 and December 31, 2025, respectively, from related parties)	31,008	21,300
Current portion of long-term debt	26,201	16,694
Total current liabilities	1,224,667	708,156
Long-term debt, net of current portion (including $97,162 and $84,735 as of June 30, 2026 and December 31, 2025, respectively, from related parties)	1,008,336	812,398
Operating lease liabilities, net of current portion (including $15,759 and $17,282 as of June 30, 2026 and December 31, 2025, respectively, from related parties)	130,023	103,762
Tax receivable agreement liability - related party	342,729	207,448
Deferred tax liabilities, net	43,397	46,714
Other long-term liabilities	12,997	12,123
Total liabilities[(a)]	2,762,149	1,890,601
Commitments and contingencies (Note 18)		
Stockholders' equity		
Preferred stock, $0.01 par value, 50,000,000 shares authorized, no shares issued or outstanding as of June 30, 2026 and December 31, 2025	—	—
Class A common stock, $0.01 par value, 1,000,000,000 shares authorized, 76,881,291 and 63,856,975 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	768	638
Class B common stock, $0.01 par value, 200,000,000 shares authorized, 31,171,134 and 41,479,954 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	312	415
Additional paid-in capital	917,012	701,791
Accumulated deficit	(321,696)	(309,949)
Accumulated other comprehensive income (loss)	4,067	(698)
Total Legence stockholders' equity	600,463	392,197
Noncontrolling interests	377,077	396,598
Total stockholders' equity	977,540	788,795
Total liabilities and stockholders' equity	$ 3,739,689	$ 2,679,396

[(a)] As of June 30, 2026, total assets include $23.2 million and total liabilities include $8.7 million for consolidated variable interest PCs as defined in "Note 6—Variable Interest Entities and Equity Method Investments". As of December 31, 2025, total assets include $21.8 million and total liabilities include $9.4 million for consolidated variable interest PCs. Substantially all of the remaining total assets and total liabilities are attributable to the consolidated Legence Holdings variable interest entity, excluding the Tax receivable agreement liability (refer to "Note 14—Tax Receivable Agreement"), deferred tax assets net of valuation allowance of $174.9 million and $29.5 million included in Other assets as of June 30, 2026 and December 31, 2025, respectively, as well as income tax payable of $6.9 million and $2.0 million included in Accrued and other current liabilities as of June 30, 2026 and December 31, 2025, respectively. Assets of the variable interest entities can only be used to settle the liabilities of those entities. Refer to "Note 6—Variable Interest Entities and Equity Method Investments" for additional information.

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 1,262,127	$ 598,890	$ 2,300,020	$ 1,104,843
Cost of revenue	1,041,896	470,216	1,893,635	864,465
Gross profit	220,231	128,674	406,385	240,378
Selling, general and administrative	147,591	72,468	263,686	141,927
Depreciation and amortization	37,972	25,344	74,800	51,436
Acquisition-related costs	415	19	11,847	176
Gain on sale of property and equipment	(118)	(122)	(182)	(220)
Goodwill impairment	21,586	—	21,586	—
Long-lived asset impairment	19,491	—	19,491	—
Equity in earnings of joint venture	(88)	(364)	(592)	(824)
(Loss) income from operations	(6,618)	31,329	15,749	47,883
Other expense (income):				
Interest expense (including $1,567 and $4,169 for the three months in 2026 and 2025, respectively, and $3,247 and $8,465 for the six months in 2026 and 2025, respectively, from related parties)	16,911	30,404	33,911	60,045
Interest income	(1,914)	(764)	(3,234)	(1,519)
Credit agreement amendment fees	2,014	49	5,257	2,926
Loss on debt extinguishment	13	—	13	—
Other income, net	(169)	(37)	(738)	(145)
Total other expense, net	16,855	29,652	35,209	61,307
(Loss) income before income tax	(23,473)	1,677	(19,460)	(13,424)
Income tax expense (benefit)	11,091	5,546	(2,290)	9,584
Net loss	(34,564)	(3,869)	(17,170)	(23,008)
Net (loss) income attributable to noncontrolling interests	(6,723)	1,401	(5,423)	3,475
Net loss attributable to Legence	$ (27,841)	$ (5,270)	$ (11,747)	$ (26,483)
Loss per share:				
Basic	$ (0.37)		$ (0.16)	
Diluted	$ (0.37)		$ (0.23)	
Weighted-average Class A Common Stock outstanding:				
Basic	76,032		71,616	
Diluted	76,032		107,976	

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net loss	$ (34,564)	$ (3,869)	$ (17,170)	$ (23,008)
Other comprehensive income (loss), net:				
Gain (loss) related to interest rate swaps, net of tax	3,756	(2,057)	6,866	(8,271)
Other comprehensive income (loss)	3,756	(2,057)	6,866	(8,271)
Comprehensive loss	(30,808)	(5,926)	(10,304)	(31,279)
Comprehensive (loss) income attributable to noncontrolling interests	(5,619)	1,401	(3,147)	3,475
Comprehensive loss attributable to Legence	$ (25,189)	$ (7,327)	$ (7,157)	$ (34,754)

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Changes in Equity
(In thousands, except share amounts)
(Unaudited)

	Class A Common Stock		Class B Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Legence Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
Balance, December 31, 2025	63,856,975	$ 638	41,479,954	$ 415	$ 701,791	$ (309,949)	$ (698)	392,197	396,598	788,795
Tax receivable agreement liability and deferred taxes arising from exchanges of Class B Common Stock	—	—	—	—	(5,112)	—	—	(5,112)	—	(5,112)
Stock-based compensation for RSUs and stock options	—	—	—	—	4,025	—	—	4,025	—	4,025
Issuance of Class A Common Stock for acquisitions	2,701,003	27	—	—	106,410	—	—	106,437	—	106,437
Noncontrolling interest adjustment for changes in proportionate ownership in Legence Holdings LLC and issuances of Class A Common Stock	—	—	—	—	(23,681)	—	(19)	(23,700)	23,700	—
Exchange of Class B Common Stock to Class A Common Stock	780,121	8	(780,121)	(8)	—	—	—	—	—	—
Contribution from Legence Parent for Series A Interests and Restricted Series C Interests	—	—	—	—	—	—	—	—	22,825	22,825
Contribution from Legence Parent II for Series A Interests	—	—	—	—	13,565	—	—	13,565	—	13,565
Other comprehensive income	—	—	—	—	—	—	1,938	1,938	1,172	3,110
Net income	—	—	—	—	—	16,094	—	16,094	1,300	17,394
Balance, March 31, 2026	67,338,099	673	40,699,833	407	796,998	(293,855)	1,221	505,444	445,595	951,039

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Changes in Equity - (Continued)
(In thousands, except share amounts)
(Unaudited)

	Class A Common Stock		Class B Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Legence Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
Balance, March 31, 2026	67,338,099	673	40,699,833	407	796,998	(293,855)	1,221	505,444	445,595	951,039
Tax receivable agreement liability and deferred taxes arising from exchanges of Class B Common Stock	—	—	—	—	(16,437)	—	—	(16,437)	—	(16,437)
Stock-based compensation for RSUs and stock options	—	—	—	—	6,148	—	—	6,148	—	6,148
Issuance of Class A Common Stock under stock-based compensation plans	14,493	—	—	—	—	—	—	—	—	—
Noncontrolling interest adjustment for changes in proportionate ownership in Legence Holdings LLC and issuances of Class A Common Stock	—	—	—	—	105,636	—	194	105,830	(105,830)	—
Exchange of Class B Common Stock to Class A Common Stock	9,528,699	95	(9,528,699)	(95)	—	—	—	—	—	—
Contribution from Legence Parent for Series A Interests and related, and, Restricted Series C Interests	—	—	—	—	—	—	—	—	42,931	42,931
Contribution from Legence Parent II for Series A Interests and related	—	—	—	—	24,667	—	—	24,667	—	24,667
Other comprehensive income	—	—	—	—	—	—	2,652	2,652	1,104	3,756
Net loss	—	—	—	—	—	(27,841)	—	(27,841)	(6,723)	(34,564)
Balance, June 30, 2026	76,881,291	$ 768	31,171,134	$ 312	$ 917,012	$ (321,696)	$ 4,067	$ 600,463	$ 377,077	$ 977,540

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Changes in Equity - (Continued)
(In thousands)
(Unaudited)

	Member's Equity	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Member's Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2024	$ 443,738	$ (250,169)	$ 9,111	$ 202,680	$ 912	$ 203,592
Reclassification of vested Legence Parent Series A Interests from liabilities	33	—	—	33	—	33
Other comprehensive loss	—	—	(6,214)	(6,214)	—	(6,214)
Net (loss) income	—	(21,213)	—	(21,213)	2,074	(19,139)
Balance, March 31, 2025	443,771	(271,382)	2,897	175,286	2,986	178,272
Reclassification of vested Legence Parent Series A Interests from liabilities	228	—	—	228	—	228
Other comprehensive loss	—	—	(2,057)	(2,057)	—	(2,057)
Net (loss) income	—	(5,270)	—	(5,270)	1,401	(3,869)
Balance, June 30, 2025	$ 443,999	$ (276,652)	$ 840	$ 168,187	$ 4,387	$ 172,574

See Notes to Condensed Consolidated Financial Statements.

Legence Corp.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (17,170)	$ (23,008)
Adjustments to reconcile net loss to cash provided by operating activities:		
Amortization of intangible assets	65,954	42,237
Depreciation of property and equipment	20,512	15,884
Goodwill impairment	21,586	—
Long-lived asset impairment	19,491	—
Amortization of debt issuance costs and discounts	859	2,065
Stock-based compensation	96,478	3,241
Compensation expense - Performance Interests	15,554	—
Deferred taxes	(26,647)	(3,929)
Equity in earnings of joint venture	(592)	(824)
Operating lease right-of-use asset lease expense	14,413	8,301
Other	755	430
Changes in operating assets and liabilities:		
Accounts receivable, net	(151,052)	(41,071)
Contract assets	(53,696)	(24,516)
Prepaid expenses and other current assets	(2,934)	3,887
Accounts payable	105,297	46,514
Accrued compensation and benefits	42,716	21,771
Accrued and other current liabilities	1,908	(2,410)
Contract liabilities	51,421	20,039
Operating lease liabilities, current and long-term	(12,051)	(6,652)
Other long-term assets and liabilities	1,692	583
Cash provided by operating activities	194,494	62,542
Cash flows from investing activities:		
Purchases of property and equipment	(41,867)	(14,164)
Consideration paid for acquisitions, net of cash acquired	(281,293)	(453)
Proceeds from sale of property and equipment	220	166
Cash used in investing activities	(322,940)	(14,451)
Cash flows from financing activities:		
Term loan borrowings (including $15,000 and $2,495 in 2026 and 2025, respectively, from related parties)	200,000	2,495
Term loan payments	(4,983)	(10,714)
Revolver borrowings	25,000	—
Revolver payments	(25,000)	—
Notes payable payments	(3,273)	(4,354)
Finance lease payments	(2,855)	(1,813)
Payments for deferred offering costs	(60)	(16,973)
Other	1,431	—
Cash provided by (used in) financing activities	190,260	(31,359)
Increase in cash and cash equivalents	61,814	16,732
Cash and cash equivalents, beginning of period	230,166	81,167
Cash and cash equivalents, end of period	$ 291,980	$ 97,899

The supplemental disclosures to the Condensed Consolidated Statements of Cash Flows are included in "Note 19 – Other Financial Information."

See Notes to Condensed Consolidated Financial Statements.

Note 1 - Nature of Operations and Basis of Presentation

Organization

Legence Corp. was incorporated as a Delaware corporation on January 9, 2025 as a holding company for the purpose of facilitating an initial public offering ("IPO") and other related transactions in order to carry on the business of Legence Holdings LLC ("Legence Holdings"). Legence Holdings and its subsidiaries are a leading provider of engineering, installation and maintenance services for mission-critical systems in buildings. The Company focuses on high-growth sectors that have technically demanding buildings, including technology, life sciences, healthcare and education. The Company specializes in designing, fabricating and installing complex heating, ventilation and air conditioning ("HVAC"), process piping and other mechanical, electrical and plumbing ("MEP") systems for new facilities and upgrading HVAC, lighting and building controls in existing facilities to enhance building performance, improve reliability and drive efficiency. Services are primarily provided on a fixed price basis.

All references to the "Company" or "Legence" in this report are to Legence Corp. and its consolidated subsidiaries.

Initial Public Offering and Organizational Transactions

On September 15, 2025, the Company completed its IPO. In connection with the IPO, the Company completed a corporate reorganization (the "Corporate Reorganization") that established an UP-C structure in which Legence Corp. became the managing member of Legence Holdings, Legence Holdings interests were recapitalized into LGN A Units and LGN B Units (collectively, "LGN Units"), Legence Parent II LLC ("Legence Parent II"), Legence Parent Management Aggregator LLC ("Management Aggregator I") and Legence Parent II Management Aggregator LLC ("Management Aggregator II," and together with Management Aggregator I, the "Management Aggregators") were formed, and Legence Parent LLC ("Legence Parent") subscribed for Class B common stock ("Class B Common Stock") for nominal consideration and retained a portion of its pre-IPO ownership in Legence Holdings through LGN B Units. The number of LGN A Units corresponds on a one-for-one basis with shares of the Company's Class A common stock, par value $0.01 (the "Class A Common Stock"), while the number of LGN B Units corresponds on a one-for-one basis with shares of the Company's Class B Common Stock. Class A Common Stock (corresponding to LGN A Units) is held by Legence Parent and Legence Parent II (through their respective wholly-owned subsidiaries, since the fourth quarter of 2025, as described below) and public shareholders.

The Corporate Reorganization was accounted for in a manner consistent with a reorganization of entities under common control. The unaudited Condensed Consolidated Financial Statements for periods prior to the IPO and Corporate Reorganization relate to Legence Holdings. Prior to the Corporate Reorganization, Legence Corp. had no operations.

Additionally, as part of the Corporate Reorganization, Legence Corp. entered into an exchange agreement (the "Exchange Agreement") in which the holders of LGN B Units may exchange their LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for shares of Class A Common Stock of Legence Corp. on a one-for-one basis or the cash equivalent thereof (based on the 10-day volume weighted average price of the shares of Class A Common Stock at the time of exchange) as determined by Legence (the "Exchange Right"). If the Company elects the exchange to be settled in cash, the cash used to settle the redemption must be funded through a private sale or public offering of Class A Common Stock.

In the fourth quarter of 2025, Legence Parent and Legence Parent II formed Legence Parent ML LLC and Legence Parent II ML LLC (together, the "ML Entities"), which now hold the interests in Legence Holdings and Legence Corp. previously held by Legence Parent and Legence Parent II (collectively, the "Parent Entities").

The accompanying unaudited Condensed Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Regulation S-X. Accordingly, these unaudited Condensed Consolidated Financial Statements do not include all information or notes required by GAAP for annual financial statements and should be read together with the Company's audited Consolidated Financial Statements and notes thereto from the Form 10-K for the year ended December 31, 2025, filed with the SEC on March 30, 2026 (the "2025 Annual Report"). In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements include all adjustments (consisting of normal recurring adjustments) that are necessary for a fair presentation of the Company's financial position, results of operations, comprehensive income (loss) and cash flows for the interim periods presented. The December 31, 2025 Condensed Consolidated Balance Sheet data was derived from the 2025 audited Consolidated Financial Statements but does not include all disclosures required by GAAP. The preparation of the unaudited Condensed Consolidated Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures as of the date of the financial statements. Actual results could differ from those estimates.

Results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results that will be realized for the year ended December 31, 2026, or for any future period. These condensed consolidated financial statements should be read in conjunction with the 2025 Annual Report.

Note 2 - Summary of Significant Accounting Policies

Refer to "Note 2. Summary of Significant Accounting Policies" in the 2025 Annual Report for the discussion of our significant accounting policies.

Recent Accounting Pronouncements

Hedge Accounting Improvements - In December 2025, the FASB issued Accounting Standards Update ASU 2025-09, "*Derivatives and Hedging (Topic 815): Hedge Accounting Improvements"* ("Update 2025-09"). The guidance introduces targeted refinements intended to align hedge accounting with risk management activities, including greater flexibility in hedge designation and clarifications for certain instruments. Update 2025-09 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact that the adoption of Update 2025-09 will have on the Consolidated Financial Statements.

Targeted Improvements to the Accounting for Internal-Use Software - In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-06, "*Intangibles-Goodwill and Other- Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software"* ("Update 2025-06"), which removes references to the project stages and requires entities to begin capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. Update 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption and a prospective, retrospective or modified transition approach are permitted. The Company is currently evaluating the impact that the adoption of Update 2025-06 will have on its Consolidated Financial Statements.

Measurement of Credit Losses for Accounts Receivable and Contract Assets - In July 2025, the FASB issued ASU 2025-05, *"Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets"* ("Update 2025-05"), which allows entities to elect a practical expedient for current accounts receivables and contract assets to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The Company adopted Update 2025-05 as of January 1, 2026, on a prospective basis, and it did not have a material impact on the Condensed Consolidated Financial Statements.

Business Combinations and Consolidation - In May 2025, the FASB issued ASU 2025-03, "*Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity"* ("Update 2025-03"). This update revises current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. It requires that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. Update 2025-03 is effective for fiscal years beginning after December 15, 2026 and interim reporting periods within those annual reporting periods, with early adoption permitted. Update 2025-03 requires that an entity apply the new guidance prospectively to any acquisition that occurs after the initial application date. The Company is currently evaluating the impact that the adoption of Update 2025-03 will have on its Consolidated Financial Statements.

Income Statement - Expense Disaggregation - In November 2024, the FASB issued ASU 2024-03, "*Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures"* ("Update 2024-03"). This update requires disclosure, in the notes to the financial statements, of disaggregated information about certain income statement costs and expenses on an interim and annual basis. Update 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that the adoption of Update 2024-03 will have on its Consolidated Financial Statements.

Note 3 - Revenue Recognition and Related Balance Sheet Accounts

Revenue is recognized when control of the promised goods or services is transferred to the customer, either at a point-in-time or over-time, as the performance obligation is satisfied. The amount of revenue recognized reflects the transaction price, which is the consideration that the Company expects to receive in exchange for those goods or services provided. Most of the Company's contracts are considered to have a single performance obligation satisfied over time using the input method (i.e., “Cost-to-Cost Input Method”).

The consideration promised in a contract with customers may include fixed amounts, variable amounts, or both. The Company estimates variable consideration and includes it in the transaction price to the extent it is probable that a significant future reversal in the amount of cumulative revenue recognized under the contract will not occur when the uncertainty associated with the variable consideration is resolved.

Management reassesses the amount of variable consideration each reporting period, and changes to estimated variable consideration are accounted for as a cumulative adjustment to revenue recognized in the current period. Recognizing changes in the transaction price requires significant judgments of various factors, including, but not limited to, dispute resolution developments and outcomes and anticipated negotiation results.

In satisfying the Company’s performance obligations to its customers, the Company routinely procures goods and services from third parties that are inputs into an integrated single performance obligation typically under fixed-price contracts. Procurement from third parties often consists of goods and services provided by subcontractors that the Company engages to perform specified tasks on its behalf and/or under its direction. The Company earns a margin related to these costs under either fixed-margin or fixed-price arrangements with its customers. The Company determined that it is the principal in these arrangements as the Company controls the goods and services procured from third parties.

For some transactions, customers may withhold a portion of the contract price as a contract retention until the project is substantially complete or completed to ensure performance; however, these arrangements typically do not constitute a significant financing component.

Contract Estimates and Changes in Estimates

After contract inception, the transaction price may change for various reasons, including executed or unresolved change orders, executed or unresolved contract modifications, claims to or from the customer or owner, and back-charge recoveries. The customers may partially or fully agree with such modifications or affirmative claims. Most changes are considered variable consideration until approved by both parties.

Contracts with customers are often modified through change orders. Many change orders are for goods or services that are not distinct within the context of the original contract, and, therefore, are not treated as separate performance obligations.

For contracts where the Company applies the Cost-to-Cost Input Method, the accuracy of the Company’s revenue and profit recognition in each reporting period depends on the accuracy of management’s estimates of the cost to complete each project. Contract costs include labor, material, subcontractors and various overhead costs such as maintenance, depreciation, consumables, or equipment rentals, which are either directly related to the fulfillment of specific contract performance obligations or indirectly contribute to the overall customer service delivery fulfillment of multiple contracts and obligations. Costs associated with change orders, unresolved contract modifications, claims to or from owners and back-charge recoveries are recorded as incurred. Revisions to estimated total costs are reflected in the Company’s measure of progress.

These revisions, as well as the stage of completion of contracts in process and the mix of contracts at different margins, may cause fluctuations in gross profit from period to period, which may have a significant impact on the Condensed Consolidated Financial Statements. At the time a loss on a contract becomes probable, the entire amount of the estimated loss is accrued. Management monitors for circumstances that may affect the accuracy of its estimates.

Disaggregation of Revenue

The Company's revenue was derived from contracts to provide goods or services in the Engineering & Consulting and Installation & Maintenance segments. Refer to "Note 16—Segment Information" for additional information on reportable segments.

The Company disaggregates revenue by service line as management believes this category best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See details in the following table (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue by Service Line and Segment	2026	2025	2026	2025
Engineering & Consulting:				
Engineering & Design	$ 102,348	$ 106,685	$ 199,919	$ 213,227
Program & Project Management	104,545	89,409	172,775	128,314
Total Engineering & Consulting segment	206,893	196,094	372,694	341,541
Installation & Maintenance:				
Installation & Fabrication	924,884	320,025	1,683,476	609,707
Maintenance & Service	130,350	82,771	243,850	153,595
Total Installation & Maintenance segment	1,055,234	402,796	1,927,326	763,302
Revenue	$ 1,262,127	$ 598,890	$ 2,300,020	$ 1,104,843

One customer of the Installation & Maintenance segment represented 17.2% and 17.6% of the Company's revenue for the three and six months ended June 30, 2026, respectively, and 5.7% and 5.9% of the Company's revenue for the three and six months ended June 30, 2025, respectively. No other single customer accounted for more than 10% of revenue for the three and six months ended June 30, 2026 and 2025.

Contract Assets and Liabilities

Due to the nature of the Company's performance obligations and the timing of contractual payment terms, the Company has material contract asset and liability balances.

Contract assets include $158.0 million and $98.5 million of contract retentions as of June 30, 2026 and December 31, 2025, respectively. Contract retentions included in contract assets are generally subject to substantial project completion and acceptance by the customer.

Contract assets and contract liabilities fluctuate based on factors that occur in the normal course of business, including the volume of projects in progress at period end, the timing of negotiated payment terms, billing frequency and other differences in payment terms relative to revenue recognition.

The Company recognized $68.5 million of contract assets and $127.1 million of contract liabilities as part of purchased assets and liabilities related to acquisitions completed during the six months ended June 30, 2026. Refer to "Note 4—Acquisitions" for further information. The remaining increase in contract assets from December 31, 2025 to June 30, 2026 was primarily due to the increase in the Company's volume of project activity from both Installation & Maintenance and Engineering & Consulting segments, as reflected in increased revenue from these segments for the six months ended June 30, 2026. The remaining change in contract liabilities from December 31, 2025 to June 30, 2026 is primarily due to the timing and amount of revenue recognized.

During the three and six months ended June 30, 2026, the Company recognized revenue of $74.2 million and $274.9 million, respectively, related to contract liabilities outstanding as of December 31, 2025. During the three and six months ended June 30, 2025, the Company recognized revenue of $24.5 million and $97.3 million, respectively, related to contract liabilities outstanding as of December 31, 2024.

Contracts Receivable

Included in the contracts receivable balance is retention for which the Company has an unconditional right to payment and is only subject to the passage of time. Retentions included in Contracts Receivable as of June 30, 2026 and December 31, 2025 were $41.8 million and $9.6 million, respectively.

Remaining Performance Obligations

The Company had approximately $4,017.8 million in remaining performance obligations as of June 30, 2026, which represent the expected remaining revenue values under the Company's contracted or otherwise secured fixed-price project commitments. The Company expects to recognize approximately 65% to 75% of the remaining performance obligations within the next 12 months. The majority of the remaining performance obligations after the first 12 months are expected to be recognized within the following two years.

Although remaining performance obligations reflect expected revenue values that are considered to be firm, cancellations, scope adjustments or project deferrals may occur that impact their volume or the expected timing of their recognition.

Note 4 - Acquisitions

Acquisitions are recorded under the acquisition method of accounting, and the total consideration transferred is allocated to the acquired net tangible and identifiable intangible assets based primarily on their fair values as of the acquisition dates. The estimated fair value of identified intangible assets are Level 3 fair value measurements and are determined using discounted cash flow techniques. Such fair value is estimated using a multi-period excess earnings method for customer relationships and backlog and a relief from royalty method for trade names. The significant assumptions used in estimating fair value of customer relationships and backlog include (i) the estimated life the asset will contribute to cash flows, such as remaining contractual terms, (ii) revenue growth rates and EBITDA margins, (iii) attrition rate of customers, and (iv) the estimated discount rates that reflect the level of risk associated with receiving future cash flows. The significant assumptions used in estimating fair value of trade names include estimated discount rates and estimated royalties that would be paid to license a comparable asset. The royalty rates used in this method are based on published comparable market royalty transactions.

2026 Acquisitions:

On November 13, 2025, the Company entered into an equity purchase agreement to acquire all of the outstanding equity of The Bowers Group, Inc. ("Bowers"). The acquisition was completed on January 2, 2026. Bowers is a mechanical contracting company based in Maryland. This acquisition adds mechanical contracting capabilities to the Company's existing electrical contracting capabilities in the mid-Atlantic region. The Bowers operations and associated goodwill are included in the Installation & Maintenance segment.

On March 1, 2026, the Company acquired Metrix Engineers, LLC ("Metrix"). Metrix is an MEP engineering business based in Washington. This acquisition expands the Company's geographic footprint in engineering services. The Metrix operations and associated goodwill are included in the Engineering & Consulting segment.

Total consideration transferred of $460.0 million for the 2026 acquisitions consists of the following, subject to customary post-closing purchase price adjustments (in thousands):

	Bowers	Metrix	Total
Cash	$ 283,104	$ 25,181	$ 308,285
Issuance of Legence Corp. Class A Common Stock	98,635	7,802	106,437
Deferred consideration	44,941	—	44,941
Holdback	—	299	299
Total consideration transferred	$ 426,680	$ 33,282	$ 459,962

For the Bowers acquisition, the Company issued 2,551,672 shares of Class A Common Stock. The deferred consideration is payable on December 31, 2026, in cash, Class A Common Stock, or a combination, at the Company's discretion. The

Company incurred incremental term loan borrowings of $200.0 million to partially finance the Bowers acquisition. Refer to "Note 7—Debt." For the Metrix acquisition, the Company issued 149,331 shares of Class A Common Stock.

A summary of the purchased assets and liabilities for the 2026 acquisitions acquired at their fair value was as follows (in thousands):

	Bowers	Metrix	Total
Cash	$ 27,934	$ 34	$ 27,968
Accounts receivable	180,536	3,267	183,803
Contract assets	67,416	1,115	68,531
Prepaid expenses and other current assets	3,432	81	3,513
Property and equipment	15,611	359	15,970
Operating lease right-of-use assets	21,679	902	22,581
Goodwill	72,197	7,574	79,771
Intangible assets	302,000	24,200	326,200
Other assets	468	—	468
	691,273	37,532	728,805
Accounts payable	(79,834)	(47)	(79,881)
Accrued compensation and benefits	(28,156)	—	(28,156)
Accrued and other current liabilities	(11,505)	(4)	(11,509)
Contract liabilities	(123,752)	(3,298)	(127,050)
Current portion of operating lease liabilities	(4,000)	(180)	(4,180)
Current portion of long-term debt	(1,276)	—	(1,276)
Long-term debt, net of current portion	(1,391)	—	(1,391)
Operating lease liabilities, net of current portion	(14,679)	(721)	(15,400)
	(264,593)	(4,250)	(268,843)
Net acquired assets	$ 426,680	$ 33,282	$ 459,962

Finite-lived intangible assets that are being amortized using the straight-line method over their estimated lives at the applicable acquisition dates in 2026 consist of the following (in thousands, except weighted-average useful lives):

	Bowers	Metrix	Total	Weighted-average Useful Life (in years)
Customer relationships	$ 199,900	$ 19,100	$ 219,000	11.0
Trade names	46,600	—	46,600	10.0
Contract backlog	55,500	5,100	60,600	2.0
	$ 302,000	$ 24,200	$ 326,200	

Goodwill arising from acquisitions is derived largely from expected synergies and growth as well as the acquired assembled workforces. Goodwill is deductible for tax purposes for the 2026 acquisitions.

During the three and six months ended June 30, 2026, the Company incurred acquisition-related costs for Bowers of $0.2 million and $10.7 million, respectively, which are included in Acquisition-related costs on the Condensed Consolidated Statements of Operations.

The purchase price allocation presented above reflects preliminary fair value estimates. The Company is in the process of finalizing working capital amounts and valuation amounts for certain intangible assets acquired. The Company has recorded preliminary estimates for these items and will record adjustments, if any, upon finalization of the respective valuations. The Company expects to complete the purchase price allocations of the 2026 acquisitions as soon as practicable but no later than one year from the respective acquisition dates.

2025 Acquisitions:

On October 1, 2025, the Company acquired Innovative Mechanical & Design, LLC ("IMD"). IMD is a mechanical contracting business based in Colorado. This acquisition expands the Company's geographic footprint in mechanical services. The IMD operations and associated goodwill are included in the Installation & Maintenance segment.

During the year ended December 31, 2025, the Company completed one other immaterial acquisition ("Other 2025 Acquisition"). The business is a part of the Engineering & Consulting segment and is an MEP engineering business based in Arizona. This acquisition expands the Company's customer base and provides additional opportunities for cross-selling.

Total consideration transferred of $21.5 million for the 2025 acquisitions consists of the following (in thousands):

	IMD	Other 2025 Acquisition	Total
Cash	$ 9,265	$ 6,909	$ 16,174
Issuance of Legence Corp. Class A Common Stock	3,589	449	4,038
Holdback	1,000	250	1,250
Total consideration transferred	$ 13,854	$ 7,608	$ 21,462

The Company issued 145,600 shares of Class A Common Stock as part of the 2025 acquisitions. Holdback amounts reflect consideration transferred to be paid in cash after the acquisition date assuming conditions for release of the holdback are met. As of June 30, 2026, there was $1.3 million in holdback included in Accrued and other current liabilities on the Condensed Consolidated Balance Sheets related to 2025 acquisitions.

A summary of the purchased assets and liabilities for the 2025 acquisitions acquired at their fair value was as follows (in thousands):

	IMD	Other 2025 Acquisition	Total
Cash	$ —	$ 76	$ 76
Accounts receivable	3,293	989	4,282
Contract assets	419	225	644
Prepaid expenses and other current assets	—	3	3
Property and equipment	1,318	23	1,341
Operating lease right-of-use assets	634	121	755
Goodwill	3,232	3,139	6,371
Intangible assets	7,690	4,070	11,760
Other assets	—	8	8
	16,586	8,654	25,240
Accounts payable	(1,100)	(64)	(1,164)
Accrued compensation and benefits	(215)	(74)	(289)
Accrued and other current liabilities	(152)	(18)	(170)
Contract liabilities	(631)	(769)	(1,400)
Current portion of operating lease liabilities	(238)	(104)	(342)
Operating lease liabilities, net of current portion	(396)	(17)	(413)
	(2,732)	(1,046)	(3,778)
Net acquired assets	$ 13,854	$ 7,608	$ 21,462

Goodwill arising from acquisitions is derived largely from expected synergies and growth as well as the acquired assembled workforces. Goodwill is deductible for tax purposes for the 2025 acquisitions.

Supplemental Pro Forma Information

The following unaudited supplemental pro forma results of operations for Legence are presented as if the Bowers acquisition had been consummated on January 1, 2025. There is no pro forma information included for the three and six months ended June 30, 2026, as the Company's actual financial results for the period fully reflect the acquisition of Bowers. Pro forma results for the Metrix acquisition are not presented as they are not material to the Company's Condensed Consolidated Financial Statements. These unaudited supplemental pro forma results are provided for illustrative purposes only and may not be indicative of the actual results that would have been achieved by the combined companies or the future results of the combined companies (in thousands).

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Revenue	$ 795,369	$ 1,478,106
Net income (loss) attributable to Legence	$ (7,790)	$ (39,351)

These pro forma combined historical results were adjusted for: an increase in interest expense for debt incurred by the Company to finance the transactions, increased depreciation and amortization expense due to the fair value of fixed assets and intangible assets, adjustments for operating lease right-of-use asset lease expense, recognition of retention bonuses and other share-based payments as compensation expense, accretion of deferred consideration, reclassification of transaction expenses to the beginning of the pro forma period, and other adjustments including income tax effects and noncontrolling interests. The pro forma combined historical results do not eliminate the impact of acquisition-related costs or any cost savings or other synergies that may result from the acquisitions. The pro forma results include $14.5 million of acquisition-related costs that are not expected to have a continuing impact on the Company's operations.

Results of Operations

For the three and six months ended June 30, 2026, Revenue of $303.8 million and $547.1 million, respectively, and Net income of $9.6 million and $0.4 million, respectively, are included in the Condensed Consolidated Statements of Operations for the Bowers acquisition. Results of operations for the Metrix acquisition are not disclosed as they are not material to the Company's Condensed Consolidated Financial Statements.

Note 5 - Goodwill and Intangible Assets

The following is a summary of changes in the carrying value of Goodwill by segment (in thousands):

Carrying value of Goodwill	Engineering & Consulting	Installation & Maintenance	Total
Balance, December 31, 2025	$ 412,987	$ 351,349	$ 764,336
Acquisitions	5,425	72,197	77,622
Measurement period adjustments	2,149	—	2,149
Impairment	(21,586)	—	(21,586)
Balance, June 30, 2026	$ 398,975	$ 423,546	$ 822,521
Accumulated goodwill impairment			
Balance, December 31, 2025	$ 47,821	$ 47,407	$ 95,228
Balance, June 30, 2026	$ 69,407	$ 47,407	$ 116,814

During the three months ended June 30, 2026, the Company determined that the carrying amount of Goodwill for one reporting unit in the Engineering & Consulting segment exceeded fair value, resulting in a Goodwill impairment of $21.6 million recognized in Goodwill impairment on the Condensed Consolidated Statement of Operations during the three and six months ended June 30, 2026. The impairment was primarily driven by a decline in new contracts during the three months ended June 30, 2026, due to lower customer demand for sustainability services, which resulted in declining revenue, margins and cash flow projections.

The Company's identifiable intangible assets consist of the following (in thousands, except weighted-average remaining lives):

	June 30, 2026			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Remaining Life (in years)
Customer relationships	$ 846,090	$ (233,357)	$ 612,733	8.5
Trade names	223,787	(91,028)	132,759	5.9
Contract backlog	62,170	(15,487)	46,683	1.5
	$ 1,132,047	$ (339,872)	$ 792,175	

During the three months ended June 30, 2026, the Company determined that a triggering event had occurred for long-lived assets related to one asset group in the Engineering & Consulting segment. The triggering event occurred as a result of a decline in new contracts during the three months ended June 30, 2026, due to lower customer demand for sustainability services, which resulted in declining revenue, margins and cash flow projections. The Company determined that the carrying amount of long-lived assets for the asset group exceeded fair value, resulting in a long-lived asset impairment of $19.5 million recognized in Long-lived asset impairment on the Condensed Consolidated Statement of Operations during the three and six months ended June 30, 2026. The asset group's fair value was estimated using an income approach. The income approach utilizes discounted future cash flows and key assumptions including the estimated life the asset will contribute to cash flows, revenue growth rates and EBITDA margins, attrition rate of customers, as well as the estimated discount rate that reflects the level of risk associated with receiving future cash flows.

	December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Remaining Life (in years)
Customer relationships	$ 658,798	$ (209,054)	$ 449,744	8.3
Trade names	180,428	(80,068)	100,360	5.4
Contract backlog	1,570	(254)	1,316	1.4
	$ 840,796	$ (289,376)	$ 551,420	

The value of acquired identifiable intangibles at the applicable acquisition dates in 2026 is $326.2 million. Refer to "Note 4—Acquisitions" for further information.

Future amortization of intangible assets as of June 30, 2026 was as follows (in thousands):

Year ended December 31:	
2026 (six months remaining)	$ 65,258
2027	126,215
2028	96,040
2029	95,615
2030	94,826
Thereafter	314,221
	$ 792,175

Note 6 - Variable Interest Entities and Equity Method Investments

The Company holds interests in a number of joint ventures and other entities, some of which are VIEs. The Company consolidates a VIE when it is the primary beneficiary. For unconsolidated joint ventures, the Company accounts for its investment using the equity method.

Consolidated Variable Interest Entities

In connection with the Corporate Reorganization, Legence Corp. became the sole managing member of Legence Holdings, in which Legence Corp. operates and controls all of the business and affairs of Legence Holdings, and has the obligation to absorb losses and receive benefits from Legence Holdings. Accordingly, Legence Holdings is evaluated under the guidance for limited partnerships and similar entities in ASC 810, Consolidation, and is considered a variable interest entity. Legence Corp. has both (i) the power to direct the activities that most significantly impact Legence Holdings' economic performance and (ii) the right to receive benefits or the obligation to absorb losses that could be significant to Legence Holdings. Accordingly, Legence Corp. is the primary beneficiary and consolidates Legence Holdings in its consolidated financial statements. The assets of Legence Holdings can only be used to settle its own obligations. Refer to "Note 12—Noncontrolling Interests".

The Company has various contractual relationships with two professional corporations ("PCs") that provide engineering and design services in New York and California. The Company does not own any equity interest in the PCs but provides most of the administrative functions, personnel and other resources required for the PCs to fulfill contracts with their customers. The Company receives fees from the PCs for these services. The Company is the primary beneficiary of the PCs. As such, the Company consolidates the PCs within the Condensed Consolidated Financial Statements.

The table below shows the carrying amounts and classification of the PCs' assets and liabilities included on the Company's Condensed Consolidated Balance Sheets, excluding intercompany balances (in thousands):

	June 30, 2026	December 31, 2025
Cash	$ 4,165	$ 5,019
Accounts receivable, net	15,351	12,868
Contract assets, net	3,564	3,699
Total current assets	23,080	21,586
Other assets	130	224
Total assets	$ 23,210	$ 21,810
Accrued and other current liabilities	$ 1,237	$ 2,359
Contract liabilities	7,484	7,012
Total liabilities	$ 8,721	$ 9,371

The assets of the PCs can only be used to settle their own obligations. The Company and the PCs have a promissory note agreement that allows each PC to borrow up to $1.0 million from the Company; however, no amounts have been borrowed. The Company's Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows, net of intercompany eliminations, are impacted by the performance of the PCs. The Company's Condensed Consolidated Financial Statements show noncontrolling interests, which represent the equity owned by the PCs' owner.

Equity Method Investments

The Company has investments in, and transactions with, a number of unconsolidated joint ventures. The investments and earnings are immaterial. In addition, the Company recognized immaterial related-party revenue from subcontracts with these joint ventures during the three and six months ended June 30, 2026 and 2025. These amounts are included in Revenue on the Condensed Consolidated Statements of Operations.

Note 7 - Debt

Debt obligations consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Term loan	$ 992,790	$ 797,772
Notes payable	33,589	27,345
Finance lease liabilities	14,972	10,642
Total debt	1,041,351	835,759
Less: Current portion	(26,201)	(16,694)
Less: Unamortized debt issuance costs and discounts	(6,814)	(6,667)
Long-term debt, net of current portion	$ 1,008,336	$ 812,398

Term loan

Legence Holdings has entered into a credit agreement (as amended from time to time) with Jefferies Finance LLC as the administrative agent for a group of lenders, which provides for a term loan credit facility and a revolving credit facility. The term loan matures on December 2031, and is secured by a lien on substantially all assets of Legence Holdings and its wholly-owned subsidiaries, subject to customary exclusions. A portion of the term loan is held by lenders associated with the Company and BX Aggregators. They are subject to the same terms described below, including interest payments, principal payments and maturity. The credit agreement has been amended from time to time, including as described below:

- On January 2, 2026, Legence Holdings obtained a $200.0 million incremental term loan, and used the proceeds to fund acquisition-related payments. In connection with the amendment, Legence Holdings incurred $4.1 million of fees, of which $3.2 million relate to third parties and are recognized in Credit agreement amendment fees on the Condensed Consolidated Statements of Operations.
- On January 15, 2026, Legence Holdings amended its credit agreement to modify and clarify the terms governing letters of credit, while confirming that all existing letters of credit remain in effect and all other provisions of the agreement remain unchanged.
- On May 27, 2026, Legence Holdings amended its credit agreement to reduce the interest rate applicable to the term loan by 0.25%. The amendment provides for an additional 0.25% reduction of the interest rate applicable to the term loan if the Company maintains certain credit ratings.

Prior to the May 27, 2026 amendment, Secured Overnight Financing Rate ("SOFR") rate term loans bore interest at SOFR plus 2.25% with a SOFR floor of 0.75%. Base rate loans bear interest at 1.25% plus the base rate, which is the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate and (c) the SOFR rate for one month plus 1.00% ("Base Rate").

After the May 27, 2026 amendment, SOFR rate term loans bear interest at SOFR plus 2.00% with a SOFR floor of 0.75%. Base rate term loans bear interest at 1.00% plus the Base Rate.

Interest on SOFR rate term loans is payable based on the selected interest period if less than three months or quarterly if the selected interest period is three months or longer. Interest on base rate loans is payable quarterly.

As of June 30, 2026, principal payments on the term loans of $2.5 million are payable quarterly, with any remaining principal balance due on December 16, 2031. Subject to the requirements of the agreement, Legence Holdings may also be required, as applicable, to make additional principal payments based on its excess cash flow, as defined in the credit agreement. The credit agreement contains customary representations and warranties and customary events of default, as well as certain affirmative and negative covenants. Legence Holdings is in compliance with the financial covenants as of June 30, 2026.

Revolving Credit Facility

The credit agreement provides Legence Holdings with a revolving credit facility in an aggregate principal amount of $200.0 million. Borrowings under the revolving credit facility are secured by a lien on substantially all the assets of Legence Holdings and its wholly-owned subsidiaries on a pari passu basis with the term loan facility.

Advances, including standby letters of credit, under the revolving credit facility may be elected to be treated as either SOFR rate loans or base rate loans.

SOFR rate revolving loans bear interest at SOFR plus 2.25% and base rate revolving loans bear interest at 1.25% plus the base rate which is the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate and (c) the SOFR rate for one month plus 1.00%. Interest on SOFR rate revolving loans is payable based on the selected interest period if less than three months or quarterly if the selected interest period is three months or longer. Interest on base rate revolving loans is payable quarterly.

In January 2026, Legence Holdings borrowed and repaid $25.0 million under the revolving credit facility. The weighted-average interest rate was 5.95%.

In addition, a revolver commitment fee is payable quarterly for the unused portion of the revolving credit facility at a rate of 0.38% to 0.50% based on Legence Holdings' Net Leverage Ratio. As of June 30, 2026, the rate for the unused portion of the revolving credit facility is 0.38%. The revolving credit facility may be used to issue standby letters of credit, which reduce the amount available for borrowings. As of June 30, 2026, there are $30.7 million letters of credit outstanding under the revolving credit facility, with an interest rate of 2.38%, leaving $169.3 million remaining available to be borrowed under the facility. There were no outstanding borrowings under the revolving credit facility as of June 30, 2026 and December 31, 2025.

The credit agreement, in addition to customary affirmative covenants, contains a springing financial maintenance covenant that requires the Consolidated First Lien Net Leverage Ratio to be less than 8.50 to 1.00 if certain testing conditions are satisfied. The springing financial maintenance covenant is only tested if as of the last day of a Test Period (generally quarterly) the amount of loans and/or letters of credit outstanding under the revolving credit facility is greater than 35% of the facility size. The springing financial maintenance covenant was not required to be tested during the periods presented in the Condensed Consolidated Financial Statements, and the Company is in compliance with the financial covenant as of June 30, 2026.

Notes payable

As part of the consideration transferred to acquire certain companies in prior years, the Company issued notes payable to former owners of acquired companies. The former owners are considered related parties when they are employees or Parent interests holders. The Company can prepay these notes without penalty.

The Company issued a promissory note payable in connection with a 2022 acquisition. As of June 30, 2026 and December 31, 2025, the outstanding balance is $10.9 million and $10.6 million, respectively, and the carrying value is $10.5 million and $10.1 million, respectively, recorded in Long-term debt, net of current portion on the Condensed Consolidated Balance Sheets. The stated interest rate is 5.5%. All principal and interest are due at the earlier of the end of the 5-year term in 2027 or upon a sale event as defined in the note agreement.

The Company issued promissory notes payable in connection with a 2023 acquisition and a 2022 acquisition, and the holders of the promissory notes were related parties as of June 30, 2026 and December 31, 2025. As of both June 30, 2026 and December 31, 2025, the outstanding balance is $13.7 million. As of June 30, 2026 and December 31, 2025, the carrying value is $13.0 million and $12.8 million, respectively. As of June 30, 2026 and December 31, 2025, $11.0 million and $10.8 million, respectively, are recorded in Long-term debt, net of current portion on the Condensed Consolidated Balance Sheets. As of both June 30, 2026 and December 31, 2025, $2.0 million is recorded in Current portion of long-term debt on the Condensed Consolidated Balance Sheets. The promissory notes have a range of stated interest rates from 5.5% to 6.0% and maturities ranging from 2026 to 2028, at which time all principal and interest are due. The promissory note related to the 2022 acquisition requires the Company to repay all principal and interest earlier if the Company undergoes a change of control as defined in the note agreement.

Note 8 - Fair Value Measurements

The Company recognizes certain financial assets and liabilities at fair value on a recurring basis following the fair value hierarchy detailed in ASC Topic 820, *Fair Value Measurement:*

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2: Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3: Inputs are unobservable inputs that reflect the reporting entity's own assumptions on which assumptions the market participants would use in pricing the asset or liability based on the best available information.

The following table presents the input level used to determine the fair value of the financial instruments measured at fair value on a recurring basis (in thousands):

	June 30, 2026		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents - money market	$ 219,920	$ —	$ —
Interest rate swap instruments	$ —	$ 5,833	$ —
Liabilities:			
Interest rate swap instruments	$ —	$ 119	$ —

	December 31, 2025		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents - money market	$ 572	$ —	$ —
Interest rate swap instruments	$ —	$ 42	$ —
Liabilities:			
Interest rate swap instruments	$ —	$ 1,194	$ —

The carrying value of Cash approximates fair value due to its short-term nature.

Interest Rate Swap Instruments: Additional derivative instrument disclosures for the Company's interest rate swaps can be found in "Note 9—Derivatives."

For determining the fair value of the interest rate swap contracts, the Company uses significant observable market data or assumptions (Level 2 inputs) that market participants use in pricing similar assets or liabilities, including assumptions about counterparty risk. The fair value estimates reflect an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data, including interest rate curves.

Financial Instruments Not Carried at Fair Value: The table below shows the fair value and carrying value of the term loan and promissory notes (a component of notes payable) included in Total debt as shown in "Note 7—Debt" (in thousands):

	June 30, 2026		December 31, 2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Term loan	$ 991,747	$ 987,094	$ 803,995	$ 792,515
Promissory notes	$ 24,575	$ 23,488	$ 21,490	$ 22,906

The fair value of the term loan as of June 30, 2026 and December 31, 2025 was derived by taking the mid-point of the trading prices from observable market inputs in the secondary bond market for the term loan (Level 2 measurement) and multiplying it by the outstanding face value of the term loan.

The fair value of the promissory notes as of June 30, 2026 and December 31, 2025 was calculated using a discounted cash flow methodology under the income approach, using interest rate indices, risk premiums, and adjustments for the size, subordination of the instrument, and contractual prepayment features (Level 3 measurement).

The carrying value of the remaining notes payable and finance lease liabilities approximates fair value as of June 30, 2026 and December 31, 2025.

Note 9 - Derivatives

Interest Rate Swaps: The Company has multiple interest rate swap agreements designated as cash flow hedges. The Company utilizes these interest rate swap agreements to reduce exposure to fluctuations in variable interest rates for future interest payments on its term loan. The total notional amount is $785.0 million as of June 30, 2026 and December 31, 2025. Failure of the interest rate swap counterparties to make payments may result in the loss of any potential benefit to the Company under the interest rate swap agreements. The Company mitigates risk of non-performance by counterparties by dealing with highly rated counterparties. The Company does not use financial instruments for trading or speculative purposes. Additional information regarding the fair value of the Company's interest rate swaps can be found in "Note 8—Fair Value Measurements".

The fair value of derivative instruments is presented on the Condensed Consolidated Balance Sheets, as follows (in thousands):

	Balance Sheet Location	June 30, 2026	December 31, 2025
Derivatives designated as hedging instruments			
Interest rate swap asset (short-term)	Prepaid expenses and other current assets	$ 3,464	$ 42
Interest rate swap asset (long-term)	Other assets	$ 2,369	$ —
Interest rate swap liability (short-term)	Accrued and other current liabilities	$ 119	$ 886
Interest rate swap liability (long-term)	Other long-term liabilities	$ —	$ 308

The following table presents the gross changes in Accumulated Other Comprehensive Income ("AOCI") from the Company's cash flow hedges (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Beginning balance	$ 1,221	$ 2,897	$ (698)	$ 9,111
Unrealized gain (loss) recognized in AOCI	4,052	(392)	7,535	(3,790)
Gain reclassified from AOCI to Interest expense	(296)	(1,665)	(669)	(4,481)
Other comprehensive income (loss)	3,756	(2,057)	6,866	(8,271)
Other comprehensive income attributable to noncontrolling interests	910	—	2,101	—
Ending balance	$ 4,067	$ 840	$ 4,067	$ 840

For the three and six months ended June 30, 2026 and 2025, there was no ineffectiveness recognized in earnings.

The following table provides additional details related to the interest rate swap agreements, as amended, that were in effect as of June 30, 2026 (notional in thousands):

Effective Date (1)	Maturity Date	Notional Amount	Fixed Interest Rate (2)
February 28, 2023	December 31, 2026	$337,500	3.4396%
February 28, 2023	December 31, 2026	$337,500	3.3750%
January 31, 2024	December 31, 2026	$110,000	4.0433%
December 31, 2026	December 31, 2027	$200,000	3.2480%
December 31, 2026	December 31, 2027	$200,000	3.2480%
December 31, 2026	December 31, 2028	$100,000	3.4581%
December 31, 2026	December 31, 2028	$100,000	3.6995%

(1) The interest rate swaps with effective dates of December 31, 2026 were added in July 2025 and March 2026 and are not included in the notional amount as of June 30, 2026.
(2) Payments will be made to the Company if the one-month SOFR exceeds the fixed interest rates for the respective interest rate swaps.

The following table provides additional details related to the interest rate swap agreements, as amended, that were in effect as of December 31, 2025 (notional in thousands):

Effective Date [1]	Maturity Date	Notional Amount [2]	Fixed Interest Rate [3]
February 28, 2023	December 31, 2026	$337,500	3.4396%
February 28, 2023	December 31, 2026	$337,500	3.3750%
January 31, 2024	December 31, 2026	$110,000 —$140,000	4.0433%
December 31, 2026	December 31, 2027	$200,000	3.2480%
December 31, 2026	December 31, 2027	$200,000	3.2480%

(1) The interest rate swaps with effective dates of December 31, 2026 were added during July 2025 and are not included in the notional amount as of December 31, 2025.
(2) For interest rate swaps with ranges, the notional amount is $140,000 from January 31, 2024 to September 14, 2025 and $110,000 from September 15, 2025 to December 31, 2026, due to a $30,000 reduction in notional amount in connection with a debt prepayment on September 15, 2025.
(3) Payments will be made to the Company if the one-month SOFR exceeds the fixed interest rates for the respective interest rate swaps.

Note 10 - Stockholders’ Equity

Secondary offering transactions

On January 8, 2026, the underwriters fully exercised their 30-day overallotment option related to the secondary offering completed on December 16, 2025, to purchase from the ML Entities up to 1,260,326 shares of Class A Common Stock, 780,121 of which were issued in exchange for LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, held by Legence Parent ML. As a result of the exchanges, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing the Company’s ownership interest in Legence Holdings. The Company did not issue or sell any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in connection with the foregoing transactions.

On April 9, 2026, the Company completed a secondary offering of 15,394,112 shares of Class A Common Stock on behalf of the ML Entities at a public offering price of $54.00 per share, including the full exercise by the underwriters of their overallotment option to purchase up to an additional 2,007,927 shares (the “Subsequent Secondary Offering”). In connection with the Subsequent Secondary Offering, Legence Parent ML exchanged 9,528,699 issued and outstanding LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for an equal number of shares of Class A Common Stock. As a result of the exchange, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing the Company’s ownership interest in Legence Holdings. The Company did not issue or sell any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in the Subsequent Secondary Offering.

Acquisition issuances

In connection with the 2026 acquisitions described in "Note 4—Acquisitions", the Company issued 2,701,003 shares of Class A Common Stock as noncash consideration.

ESPP Plan

On February 25, 2026, the Company’s board of directors (the “Board”) adopted the 2026 Employee Stock Purchase Plan (“2026 ESPP”), including the reservation of 1,580,053 shares of Class A Common Stock for issuance under the 2026 ESPP. The 2026 ESPP was approved by the Company’s stockholders on June 11, 2026. Pursuant to the 2026 ESPP, eligible employees may contribute up to 15% of their eligible cash compensation during quarterly offering periods for the purchase of Class A Common Stock up to an annual maximum of $25,000 per employee. The maximum number of shares that may be purchased by an eligible employee during an offering period is 1,000 shares. On each purchase date, participants are entitled to acquire shares of Class A Common Stock at 90% of the Company's closing price on such date. The Company’s first offering period ended June 30, 2026.

Note 11 - Stock-Based Compensation and Long-term Incentive Awards

Management Aggregator I and Management Aggregator II issue Series A Interests and Restricted Series C Interests to the Company's employees. Series A Interests awards are comprised of time vesting interests (60%) ("Time Interests"), performance vesting interests (20%) ("Performance Interests"), and exit vesting interests (20%) ("Exit Interests"). The Management Aggregators are solely responsible for settling these awards and cannot direct Legence Holdings to settle or declare distributions for such purpose. The Time Interests and Restricted Series C Interests are remeasured at fair value each period, with changes recognized as capital contributions from the Management Aggregators through Legence Parent and Legence Parent II.

Series A Interests

The compensation expense for Time Interests was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Selling, general and administrative	$ 41,783	$ 5,918	$ 67,067	$ 2,275
Cost of revenue	10,200	1,509	16,754	666
Compensation expense	$ 51,983	$ 7,427	$ 83,821	$ 2,941

For the three and six months ended June 30, 2026, the Parent Entities distributed $34.7 million and $45.8 million, respectively, to holders of Time Interests, which are included in the Company's compensation expense. There were no distributions for Time Interests for the three and six months ended June 30, 2025. As of June 30, 2026, the unrecognized compensation expense related to Time Interests is approximately $24.6 million to be recognized over a remaining weighted-average term of 3.2 years.

The compensation expense for Performance Interests was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Selling, general and administrative	$ 9,538	$ —	$ 12,593	$ —
Cost of revenue	2,253	—	2,961	—
Compensation expense	$ 11,791	$ —	$ 15,554	$ —

Payments related to the Performance Interests and Exit Interests are contingent upon the achievement of specified market thresholds and require the recipient's continued employment through distribution dates. Once the applicable thresholds are achieved, holders are entitled to receive payments upon each qualifying distribution from the Parent Entities. For the three and six months ended June 30, 2026, the Parent Entities distributed $11.8 million and $15.6 million, respectively, to holders of Performance Interests, which are included in the Company's compensation expense. There were no distributions for Performance Interests for the three and six months ended June 30, 2025. There were no distributions for Exit Interests and no compensation expense recorded for Exit Interests for the three and six months ended June 30, 2026 or 2025. Because additional distributions are dependent on future liquidity events that are not considered probable as of the financial statement dates, no compensation was accrued for these awards as of June 30, 2026 or December 31, 2025.

Restricted Series C Interests

The compensation expense for Restricted Series C Interests was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Selling, general and administrative	$ 682	$ 124	$ 1,041	$ 137
Cost of revenue	817	148	1,247	163
Compensation expense	$ 1,499	$ 272	$ 2,288	$ 300

For the three and six months ended June 30, 2026, the Parent Entities distributed $1.0 million and $1.3 million, respectively, to holders of Restricted Series C Interests, which are included in the Company's compensation expense. There were no distributions for Restricted Series C Interests for the three and six months ended June 30, 2025. As of June 30, 2026, the unrecognized compensation expense related to Restricted Series C Interests is approximately $2.0 million to be recognized over a remaining weighted-average term of 2.4 years.

Note 12 - Noncontrolling Interests

Legence Corp. is the sole managing member of Legence Holdings, and the Company consolidates the financial results of Legence Holdings. Therefore, the Company reports a noncontrolling interest on the portion of net assets and income not attributable to Legence.

The following table summarizes the change in ownership of Legence Holdings during the six months ended June 30, 2026. Please refer to "Note 10—Stockholders' Equity" for additional information related to activity during the six months ended June 30, 2026.

	Ownership			Ownership Percentage		
	Legence Corp. (LGN A Units)	Non-controlling interests (LGN B Units)	Total	Legence Corp. (LGN A Units)	Non-controlling interests (LGN B Units)	Total
Balance, December 31, 2025	63,856,975	41,479,954	105,336,929	60.6 %	39.4 %	100.0 %
Issuance of Class A Common Stock for acquisitions	2,701,003	—	2,701,003	1.0 %	(1.0)%	— %
Effects of exercise of underwriters' overallotment option	780,121	(780,121)	—	0.7 %	(0.7)%	— %
Balance, March 31, 2026	67,338,099	40,699,833	108,037,932	62.3 %	37.7 %	100.0 %
Effects of Subsequent Secondary Offering	9,528,699	(9,528,699)	—	8.9 %	(8.9)%	— %
Issuance of Class A Common Stock for vested RSUs	14,493	—	14,493	— %	— %	— %
Balance at June 30, 2026	76,881,291	31,171,134	108,052,425	71.2 %	28.8 %	100.0 %

Net income (loss) attributable to Legence Holdings is attributed to the Company and the noncontrolling interest based on their relative ownership percentages. Changes in ownership that do not result in a loss of control are accounted for as equity transactions in accordance with ASC Topic 810, Consolidation.

Noncontrolling interests as presented on the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations reflect balances and activity related to the following:

a. Legence Parent ML's ownership of Legence Holdings.
b. Contributions from Legence Parent for Series A Interests and related based on the percentage that Legence Parent contributes relative to the total contributions of Series A Interests and related from Legence Parent and Legence Parent II. These capital contributions from Legence Parent recorded in noncontrolling interests are reclassified to additional paid-in capital on a proportional basis when a change in ownership occurs related to an exchange of LGN B Units.

c. Contributions from Legence Parent for Restricted Series C Interests. These capital contributions from Legence Parent recorded in noncontrolling interests are reclassified to additional paid-in capital on a proportional basis when a change in ownership occurs related to an exchange of LGN B Units.
d. Noncontrolling interests for the PCs, as discussed in "Note 6—Variable Interest Entities and Equity Method Investments."

Note 13 - Earnings Per Share

The Company calculates basic and diluted earnings per share ("EPS") in accordance with ASC Topic 260, Earnings Per Share. Basic EPS is calculated using Net income (loss) attributable to Legence divided by the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted EPS is calculated using Net income (loss) attributable to Legence divided by the weighted-average number of shares of Class A Common Stock outstanding during the period, adjusted to give effect to potentially dilutive securities. The effect of potentially dilutive securities under the treasury stock method and under the contingently issuable share guidance are evaluated each period and are not included in the computation of diluted EPS in periods in which the effect would be anti-dilutive. Potentially dilutive securities evaluated under the if-converted method are assessed each reporting period to determine their impact on diluted EPS. Class B Common Stock does not have economic rights in the Company, including no rights to dividends or distributions upon liquidation, and as a result, is not considered a participating security for basic and diluted EPS. As such, basic and diluted EPS of Class B Common Stock has not been presented.

The Company's potentially dilutive securities consist of (i) unvested restricted stock units ("RSUs") and unexercised stock options, with the dilutive effect calculated using the treasury stock method, (ii) exchange of LGN B Units to shares of Class A Common Stock, with the dilutive effect calculated using the if-converted method, (iii) settlement of deferred consideration related to the Bowers acquisition with shares of Class A Common Stock using the if-converted method and (iv) shares to be issued under the ESPP using the contingently issuable shares guidance.

The following table sets forth the computation of basic and diluted EPS. Prior to the IPO, Legence Holdings was a single-member limited liability company and did not present earnings per share. Due to the IPO and Corporate Reorganization, the Company's capital structure before and after the IPO is not comparable and would not be meaningful to the users of these Condensed Consolidated financial statements. As a result, only earnings per share for the three and six months ended June 30, 2026 are presented.

(in thousands, except per share data)	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
Numerator—basic:		
Net loss	$ (34,564)	$ (17,170)
Less: Net loss attributable to noncontrolling interests	(6,723)	(5,423)
Net loss attributable to Legence—basic	$ (27,841)	$ (11,747)
Denominator—basic:		
Weighted-average Class A Common Stock outstanding—basic	76,032	71,616
Loss per share—basic	$ (0.37)	$ (0.16)
Numerator—diluted:		
Net loss attributable to Class A Common Stockholders—basic	$ (27,841)	$ (11,747)
Effect of assumed exchange of LGN B Units	—	(10,873)
Effect of exchange of LGN B Units related to exercise of underwriters' overallotment option and Subsequent Secondary Offering	—	(1,810)
Net loss attributable to Class A Common Stockholders—diluted	$ (27,841)	$ (24,430)
Denominator—diluted:		
Weighted-average Class A Common Stock outstanding—basic	76,032	71,616
Weighted-average effect of dilutive securities:		
Effect of assumed exchange of LGN B Units	—	31,171
Effect of exchange of LGN B Units related to exercise of underwriters' overallotment option and Subsequent Secondary Offering	—	5,189
Weighted-average Class A Common Stock outstanding—diluted	76,032	107,976
Loss per share—diluted	$ (0.37)	$ (0.23)

Anti-dilutive securities that could potentially dilute EPS in the future are set forth below (in thousands):

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
Stock options	845	845
RSUs	1,417	1,417
LGN B Units exchangeable for Class A Common Stock	31,171	—
Deferred consideration related to Bowers acquisition	612	612

Note 14 - Tax Receivable Agreement

In connection with the IPO and Corporate Reorganization, the Company entered into the Tax Receivable Agreement (“TRA”) with Legence Parent and Legence Parent II (the “TRA Members”), which are related parties. The TRA generally provides for the payment by the Company to the TRA Members of 85% of the net cash tax savings, if any, in U.S. federal, state and local income tax the Company realizes, or is deemed to realize, as a result of the Company’s (i) allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis; (ii) the utilization of certain tax attributes of the blocker entities that became subsidiaries of the Company pursuant to the Corporate Reorganization; (iii) increases in tax basis resulting from future redemptions or exchanges (or deemed exchanges in certain circumstances) of Legence Holdings LGN B Units for Class A Common Stock or cash and certain distributions (or deemed distributions) by Legence Holdings pursuant to the Exchange Agreement; and (iv) certain additional tax benefits arising from payments made under the TRA. The annual tax benefits are computed on a with and without basis by calculating the income taxes due including such tax benefits, and the income taxes due without such benefits. The Company retains the benefit of the remaining 15% of these cash savings, if any. Payments under the TRA are not conditioned upon any continued ownership interest in Legence Holdings or the Company.

On January 8, 2026, the underwriters fully exercised their 30-day overallotment option related to the secondary offering completed on December 16, 2025. The exchange resulted in an increase to the TRA liability of $9.8 million. The exercise of the overallotment option and the impact on future TRA payments resulted in an increase to net deferred tax assets of $4.7 million. The net impact is a decrease to Additional paid-in capital of $5.1 million. Refer to "Note 10—Stockholders' Equity" for additional information.

On April 9, 2026, the Company completed the Subsequent Secondary Offering. The exchange resulted in an increase to the TRA liability of $133.8 million. The exchange impact on future TRA payments resulted in an increase to net deferred tax assets of $117.4 million. The net impact is a decrease to Additional paid-in capital of $16.4 million. Refer to "Note 10—Stockholders' Equity" for additional information.

The TRA liability is classified as current or long term based on the expected date of payment. As of June 30, 2026, the current portion of the TRA liability is $8.2 million and is included in Accrued and other current liabilities on the Condensed Consolidated Balance Sheet.

Note 15 - Income Taxes

The income tax expense (benefit) and effective income tax rate were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income tax expense (benefit)	$ 11,091	$ 5,546	$ (2,290)	$ 9,584
Effective income tax rate	(47.3)%	330.7 %	11.8 %	(71.4)%

The Company evaluates its estimated annual effective income tax rate based on current and forecasted business results and enacted tax laws on a quarterly basis and applies this tax rate to ordinary income or loss to calculate the estimated tax liability or benefit, adjusted for discrete events arising in each respective quarter. Due to the nature of the legal structure, the effective tax rate is impacted by changes in the mix of earnings because some of the pass-through earnings are taxed at the Company level or through other corporations.

For the three months ended June 30, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to non-deductible compensation expense related to Series A Interests. For the three months ended June 30, 2025, the effective tax rate was higher than the U.S. federal statutory rate of 21%, primarily due to the loss before income tax from pass-through business not subject to income taxes at the Company level.

For the six months ended June 30, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the release of valuation allowance on deferred tax assets related to the future TRA payments. For the six months ended June 30, 2025, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the loss before income tax from pass-through business not subject to income taxes at the Company level.

A valuation allowance is provided when it is more likely than not that a portion or all of a deferred tax asset will not be realized. In prior periods, a partial valuation allowance was maintained against the deferred tax assets based on management's assessment of the amount that was more-likely-than not to be realized. Each reporting period, management evaluates the realizability of deferred tax assets by considering all available positive and negative evidence, including forecasted taxable income, character of deductions, reversals of taxable temporary differences, and tax planning strategies. As of June 30, 2026, in part from the impact of the exercise of the underwriters' overallotment option, management determined that there was sufficient positive evidence to conclude that it is more-likely-than-not that the deferred tax asset of $20.3 million associated with future TRA payments is realizable. The Company maintains a partial valuation allowance associated with the Company’s investment in Legence Holdings that would only be fully realized upon the sale of the Company’s interest in Legence Holdings.

Note 16 - Segment Information

Legence reports its results under two reportable segments: (1) Engineering & Consulting, and (2) Installation & Maintenance. Segments are presented according to the nature of the business activities, and reflect the Company’s consideration of financial information provided to the chief executive officer, who is the Chief Operating Decision Maker (“CODM”). The CODM primarily uses gross profit to assess performance and allocate resources, including decisions such as the annual budget review and approval, allocation of resources to hire additional key personnel, entering new markets and development of new technologies, evaluating executive performance, and determining performance-related bonus plans in each segment.

Engineering & Consulting: The Engineering & Consulting segment designs HVAC and other MEP systems for buildings, develops strategies to reduce energy usage and enhance building performance, improve reliability and drive efficiency and provides program and project management services for customers’ installation and retrofit projects. Within this segment, there are two primary service offerings – Engineering & Design and Program & Project Management.

Installation & Maintenance: The Installation & Maintenance segment fabricates and installs HVAC systems, process piping and other MEP systems in new and existing industrial, commercial and institutional buildings and provides ongoing preventive and corrective maintenance services for those systems. Within this segment, there are two primary service offerings – Installation & Fabrication and Maintenance & Service.

All intercompany transactions are eliminated in the Company's Condensed Consolidated Statements of Operations.

The following table presents relevant segment information (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Engineering & Consulting	$ 206,893	$ 196,094	$ 372,694	$ 341,541
Installation & Maintenance	1,055,234	402,796	1,927,326	763,302
Revenue	$ 1,262,127	$ 598,890	$ 2,300,020	$ 1,104,843
Cost of revenue:				
Engineering & Consulting	$ 150,745	$ 131,983	$ 266,133	$ 217,777
Installation & Maintenance	$ 891,151	$ 338,233	$ 1,627,502	$ 646,688
Gross profit:				
Engineering & Consulting	$ 56,148	$ 64,111	$ 106,561	$ 123,764
Installation & Maintenance	164,083	64,563	299,824	116,614
Gross profit	$ 220,231	$ 128,674	$ 406,385	$ 240,378

The following table presents the reconciliation from Gross profit to Income (loss) before income tax (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Gross profit	$ 220,231	$ 128,674	$ 406,385	$ 240,378
Selling, general and administrative	147,591	72,468	263,686	141,927
Depreciation and amortization	37,972	25,344	74,800	51,436
Acquisition-related costs	415	19	11,847	176
Gain on sale of property and equipment	(118)	(122)	(182)	(220)
Goodwill impairment	21,586	—	21,586	—
Long-lived asset impairment	19,491	—	19,491	—
Equity in earnings of joint venture	(88)	(364)	(592)	(824)
Interest expense	16,911	30,404	33,911	60,045
Interest income	(1,914)	(764)	(3,234)	(1,519)
Credit agreement amendment fees	2,014	49	5,257	2,926
Loss on debt extinguishment	13	—	13	—
Other income, net	(169)	(37)	(738)	(145)
(Loss) income before income tax	$ (23,473)	$ 1,677	$ (19,460)	$ (13,424)

Separate measures of Legence's assets, including capital expenditures, are not produced or utilized by management to evaluate segment performance.

Note 17 - Related Party Transactions

The Company's related party transactions include transactions with certain entities associated with the Company and BX Aggregators.

As discussed in "Note 6—Variable Interest Entities and Equity Method Investments", the Company had related-party revenue from certain unconsolidated joint ventures.

As discussed in "Note 7—Debt", a portion of the Company's term loan is held by entities associated with the Company and BX Aggregators. As discussed in "Note 7—Debt", the Company issued certain related party promissory notes in connection with certain acquisitions.

As discussed in "Note 14—Tax Receivable Agreement", the Company entered into the TRA with TRA Members, which are related parties.

The Company has various lease agreements with entities owned by members of its management team and/or owners of the Parent Entities.

Note 18 - Commitments and Contingencies

Legal Proceedings

The Company is involved in various claims and legal proceedings incidental to its normal business activities. When a potential loss from a proceeding or claim is considered probable and the amount can be reasonably estimated or a range of loss can be determined, a loss contingency is recorded. The Company also provides disclosure when it is reasonably possible that a material loss will be incurred. Although the outcome of such claims and proceedings cannot be predicted with certainty, the Company vigorously defends its position in all such matters. The Company is not aware of any known contingencies, claims or lawsuits that will have a material effect on its financial position, results of operations or cash flows other than those described herein.

Insurance

The Company carries various insurance policies to address identified risks of loss including cyber, general liability, workers' compensation, automobile liability and professional liability risks. As of June 30, 2026 and December 31, 2025, a liability for known and expected but not yet reported claims of $3.3 million and $2.6 million, respectively, was reflected in Accrued and other current liabilities on the Condensed Consolidated Balance Sheets. The determination of such claims and expenses and the appropriateness of the related liability is continually reviewed and updated by management.

The Company is self-insured for its medical coverage. The Company is responsible for the first $0.3 million of claims for each participant enrolled in the medical coverage plan. Any claims exceeding $0.3 million are covered through a stop-loss insurance plan. A liability for expected but not yet reported claims in the amount of $2.9 million and $3.2 million was reflected in Accrued compensation and benefits on the Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, respectively.

Surety

As a requirement under certain contracts, various Legence subsidiaries procure performance and payment bonds through surety underwriters. As a condition for having surety companies write bonds on Legence subsidiaries' behalf, Legence enters into indemnification agreements with the surety companies. Total outstanding bonds were approximately $1,449.5 million and $561.5 million as of June 30, 2026 and December 31, 2025, respectively.

Customer Guarantees

As part of its normal course of business, the Company offers guaranteed energy savings to customers under certain contracts. As of June 30, 2026 and December 31, 2025, total guarantees were $272.0 million and $307.4 million, respectively. Historically, the Company has not incurred material losses in connection with these guarantees. Further, management is not aware of any changes in the ability of the Company to meet these guarantees and does not expect to incur significant losses related to these guarantees in the foreseeable future.

Letters of Credit

As discussed in "Note 7—Debt", the standby letters of credit are secured through the revolving credit facility. As of June 30, 2026 and December 31, 2025, the Company had $30.7 million and $5.7 million, respectively, in standby letters of credit primarily related to surety bonds and the deductibles of insurance policies.

Tax Receivable Agreement

Amounts payable under the TRA are accounted for in accordance with ASC Topic 450, Contingencies. Refer to "Note 14—Tax Receivable Agreement" for additional information.

Note 19 - Other Financial Information

Accounts receivable, net consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Contracts receivable, net	$ 906,776	$ 569,812
Accounts receivable—other	12,154	14,248
Accounts receivable, net	$ 918,930	$ 584,060

Prepaid expenses and other current assets consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Prepaid expenses	$ 33,562	$ 22,597
Inventories	14,171	11,303
Interest rate swaps	3,464	42
Deferred contract costs	3,902	2,237
Prepaid expenses and other current assets	$ 55,099	$ 36,179

Accrued and other current liabilities consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Deferred consideration	$ 47,375	$ —
Other accrued liabilities	25,880	16,475
Current portion of tax receivable agreement liability - related party	8,150	—
Accrued and other current liabilities	$ 81,405	$ 16,475

Condensed Consolidated Statements of Cash Flows Information

Additional cash flow information was as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Cash paid for interest and taxes		
Interest paid, net of interest rate swaps[(1)]	$ 30,102	$ 57,001
Income taxes paid, net of refunds	$ 15,090	$ 14,187
Non-cash investing activities		
(Decrease) increase in Property and equipment additions included in Accounts payable	$ (2,198)	$ 324
Non-cash financing activities		
Deferred offering costs included in Accounts payable	$ —	$ 2,905
Deferred offering costs included in Accrued and other current liabilities	$ —	$ 938
Contribution from Legence Parent for Series A Interests and Restricted Series C Interests	$ 64,317	$ —
Contribution from Legence Parent II for Series A Interests	$ 37,346	$ —
Tax receivable agreement liability and deferred taxes arising from exchanges of Class B Common Stock	$ 143,593	$ —
Supplemental non-cash lease information		
Right-of-use assets obtained in exchange for new operating lease liabilities[(2)]	$ 32,214	$ 15,545
Right-of-use assets obtained in exchange for new finance lease liabilities[(2)]	$ 5,202	$ 3,299
Right-of-use asset modifications for operating leases	$ 15,807	$ 1,821

(1) The Company classifies the cash flows resulting from its interest rate swaps in Cash provided by operating activities on the Condensed Consolidated Statements of Cash Flows consistent with the interest that is hedged. Refer to "Note 9—Derivatives" for additional information on the Company's interest rate swaps.
(2) Includes right-of-use assets acquired. Refer to "Note 4—Acquisitions".

Refer to "Note 4—Acquisitions" for disclosure of non-cash financing of acquisitions through issuance of Class A Common Stock and deferred consideration.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and the related notes thereto that appear elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and the related notes thereto contained in our 2025 Annual Report. In addition to historical consolidated financial information, the following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described or referenced under "Cautionary Statement Regarding Forward-Looking Statements" and "Part II. Other Information, Item 1A. Risk Factors" in this Quarterly Report and under"Cautionary Statement Regarding Forward-Looking Statements" and "Part I, Item 1A. Risk Factors" in our 2025 Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements. We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law. The following management's discussion and analysis reflects the historical results of operations and financial position of Legence Holdings LLC prior to our initial public offering (the "IPO") and the series of organizational transactions completed in connection therewith (the "Corporate Reorganization") and that of Legence Corp. and its consolidated subsidiaries, including Legence Holdings LLC, following the completion of the Corporate Reorganization and the IPO.

Overview

We are a leading provider of engineering, installation and maintenance services for mission-critical systems in buildings. We focus on high-growth sectors that have technically demanding buildings, including technology, life sciences, healthcare and education. We specialize in designing, fabricating and installing complex HVAC, process piping and other mechanical, electrical and plumbing ("MEP") systems for new facilities and upgrading HVAC, lighting and building controls in existing facilities to enhance building performance, improve reliability and drive efficiency. Our clients include large technology and industrial companies and public sector institutions who contract with us directly to provide services, as well as intermediaries such as architects and general contractors who subcontract MEP services to us as part of a larger project.

Highlights and Recent Developments

On April 9, 2026, the Company completed a secondary offering of 15,394,112 shares of Class A Common Stock on behalf of the ML Entities at a public offering price of $54.00 per share, including the full exercise by the underwriters of their option to purchase up to an additional 2,007,927 shares. In connection with the transaction, Legence Parent ML exchanged 9,528,699 issued and outstanding LGN B Units, together with an equal number of corresponding shares of Class B Common Stock, for an equal number of shares of Class A Common Stock. As a result of the exchange, the LGN B Units that were previously classified as noncontrolling interests were converted into LGN A Units held by Legence Corp. and its subsidiaries, thereby increasing the Company's ownership interest in Legence Holdings. The Company did not issue or sell any shares of Class A Common Stock and did not receive any proceeds from the sale of shares by the ML Entities in the offering.

On May 27, 2026, Legence Holdings amended its credit agreement to refinance and replace the previously existing $995.3 million term loan facility with a $995.3 million term loan facility that (i) reduces its applicable interest rate on SOFR rate term loans by 0.25% to the SOFR plus 2.00% and (ii) reduces its applicable interest rate on base rate term loans by 0.25% to the base rate (the "Base Rate"), which is the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate and (c) the SOFR rate for one month plus 1.00%, plus 1.00%. The amendment provided for an additional 0.25% reduction of the interest rate applicable to the term loan if the Company maintains certain credit ratings. On June 5, 2026, S&P Global Ratings upgraded the Company's issuer credit rating. On June 24, 2026, Moody's Ratings upgraded the Company's issuer credit rating. As such, an incremental 0.25% interest rate reduction will have full effect upon the delivery of the Company's second quarter lender compliance certificate related to the filing of this Quarterly Report.

On June 11, 2026, the Company's stockholders approved the Legence Corp. 2026 Employee Stock Purchase Plan, which had been previously approved by the Board, subject to stockholder approval. The 2026 ESPP is designed to allow eligible employees of the Company and certain designated subsidiaries of the Company to purchase shares of Class A Common Stock, at a discount to the market price, subject to the terms of the 2026 ESPP. Up to 1,580,053 shares of Class A Common

Stock are authorized for issuance pursuant to the 2026 ESPP, which number is subject to adjustment for certain corporate and recapitalization events as described in the 2026 ESPP.

These items are further described under "Note 7—Debt" and "Note 10—Stockholders' Equity" in Notes to Condensed Consolidated Financial Statements included in "Item 1. Financial Statements".

Disaggregation of Revenue

The contribution to our revenue by building type and client end market is as follows (dollars in thousands):

	Three Months Ended June 30,					
	2026			2025		
	$		%	$		%
Revenue by Building Type						
Existing building	$	476,932	37.8 %	$	410,395	68.5 %
New building		785,195	62.2 %		188,495	31.5 %
Revenue	$	1,262,127	100.0 %	$	598,890	100.0 %
Revenue by Client End Market[1]						
Data centers & technology[2]	$	789,492	62.5 %	$	215,086	35.9 %
Life sciences & healthcare[3]		151,153	12.0 %		115,698	19.3 %
Education[4]		132,422	10.5 %		124,653	20.8 %
Mixed-use[5]		27,453	2.2 %		30,795	5.2 %
State & local government[6]		38,776	3.1 %		23,353	3.9 %
Other[7]		122,831	9.7 %		89,305	14.9 %
Revenue	$	1,262,127	100.0 %	$	598,890	100.0 %

	Six Months Ended June 30,					
	2026			2025		
	$		%	$		%
Revenue by Building Type						
Existing building	$	886,543	38.5 %	$	726,926	65.8 %
New building		1,413,477	61.5 %		377,917	34.2 %
Revenue	$	2,300,020	100.0 %	$	1,104,843	100.0 %
Revenue by Client End Market[1]						
Data centers & technology[2]	$	1,432,740	62.3 %	$	415,513	37.6 %
Life sciences & healthcare[3]		288,942	12.6 %		213,318	19.3 %
Education[4]		226,146	9.8 %		203,573	18.4 %
Mixed-use[5]		54,792	2.4 %		66,190	6.0 %
State & local government[6]		67,160	2.9 %		44,654	4.1 %
Other[7]		230,240	10.0 %		161,595	14.6 %
Revenue	$	2,300,020	100.0 %	$	1,104,843	100.0 %

(1) The information provided in the table under "Revenue by Client End Market" represents the revenue generated from clients in each of the end markets indicated in that period; provided, that where the client is a lessor, we use the lessee's end market.
(2) Includes facilities housing servers, networking equipment, systems critical for storing and managing data, operational facilities for internet service providers, software companies, IT development hubs, AI development facilities, and high-precision manufacturing plants producing semiconductor chips and electronics.
(3) Includes facilities supporting life sciences research and development, pharmaceutical manufacturing and healthcare facilities providing inpatient and outpatient health services.

(4) Includes kindergarten through twelfth-grade educational facilities, as well as colleges, universities and research facilities.
(5) Includes buildings or complexes combining commercial and retail.
(6) Includes facilities owned or operated by state and municipal government agencies to the extent not otherwise included in the education client end market.
(7) Includes a variety of other industries such as manufacturing, aerospace & defense, energy, agriculture, multi-family, and hospitality & entertainment, among others, as well as the federal government.

We operate through two segments: Engineering & Consulting and Installation & Maintenance.

Engineering & Consulting

Our Engineering & Consulting segment designs HVAC and other MEP systems for buildings, develops strategies to help reduce energy usage and enhance building performance, improve reliability and drive efficiency and provides program and project management services for clients' installation and retrofit projects. Our Engineering & Consulting segment has two principal service offerings:

- *Engineering & Design*. We provide planning, design and engineering services for HVAC, process piping and other MEP systems in both new and existing buildings. We also develop strategies for building owners and operators to help reduce their utility consumption and enhance building performance, improve reliability, and drive efficiency.

- *Program & Project Management.* We provide comprehensive program and project management services, including facility condition and operational assessments, space utilization and capacity analyses, funding source identification and construction management. For certain clients, we provide design-build services through energy savings performance contracts ("ESPC") for building retrofits. Under ESPC contracts, financing sources provide the funds required to pay us for the upgrades and receive a portion of the client's energy savings to recoup their investment and generate a return.

Installation & Maintenance

Our Installation & Maintenance segment fabricates and installs HVAC systems, process piping and other MEP systems in new and existing industrial, commercial and institutional buildings and provides ongoing preventive and corrective maintenance services for those systems. Our Installation & Maintenance segment has two principal service offerings:

- *Installation & Fabrication.* We provide HVAC, electrical, plumbing, process and control system installations, refurbishments and renovations in technically demanding new and existing buildings. We perform both "design-build" and "plan and specification" ("P&S") projects. Under design-build projects, we provide the design for the project and install it. Under P&S projects, our client is responsible for designing the project and we install it to their specifications. For certain jobs, we also fabricate customized components that are not readily available for purchase from other third-party vendors or provide modular construction services based on a client's specifications.

- *Maintenance & Service.* We provide preventive maintenance, emergency repair and break-fix services over the life of a building's mechanical systems. Our services include regular inspections and maintenance to prevent downtime; responding to calls and sending technicians onsite to repair a system failure or malfunction; and other complementary services such as facility energy analysis, automation and optimization, system certification and testing. We typically provide preventive maintenance services under annual or longer-term agreements that range from one to five years. The majority of these services are provided using a cost-plus contract type.

Key Factors Affecting Our Performance

We believe that our financial performance, results of operations and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those described below and in the information contained or referenced under "Part II. Other Information, Item 1A. Risk Factors" below.

Commercial Construction Activity

Demand for our services depends in part on commercial construction activity, which is subject to business and economic cycles. We typically see greater demand for our services when the economy is growing and interest rates are stable or falling because these conditions encourage businesses to invest in their facilities. We typically see less demand for our services when the economy is contracting and interest rates are rising. To mitigate the impact of downturns in the economy on our business, we have focused on sectors with strong secular growth that we believe are less sensitive to macroeconomic conditions, including technology, life sciences and education, and on services that help clients reduce their energy costs because we believe cost reduction is attractive to clients in all economic environments.

Investment in Technology and Related Infrastructure

We derive a significant portion of our revenues from technology companies, and demand for our services depends, in part, on technology companies making continued investments in their facilities. Investment in technology is subject to a number of factors, including the frequency and nature of innovations, whether or not developing or implementing those innovations requires new physical infrastructure, the impact on demand caused by evolving state or local government policies, permitting requirements or land use regulations, and the availability of capital to fund investments in such infrastructure.

Service Mix

The margin we earn can vary significantly based on the type of service we perform, the size of the job as well as other factors. We typically earn higher margins on engineering and design, program and project management, consulting and maintenance services than we earn on installation and fabrication services and higher margins on smaller jobs than we earn on larger jobs. Our overall margins can vary between quarters based on service mix in the period.

Labor Costs and Productivity

Our largest expense is the wages and salaries of our employees. Our margins depend on our ability to accurately estimate the amount of labor that each job will require because our customer contracts are typically fixed-price. We have a long track record of accurately estimating our job costs.

Subcontractor and Equipment Expenses

We subcontract certain scopes of work to third parties, particularly in our Program & Project Management service line within our Engineering & Consulting segment. We record the amounts we pay to subcontractors as subcontractor expense in our cost of revenue.

We also purchase certain types of equipment that we install in our clients' facilities, including chillers, heat pumps, packaged HVAC systems, pumps, valves and switchgear, primarily in our Installation & Fabrication service line within our Installation & Maintenance segment. We record the amounts we pay for equipment in our cost of revenue.

We may pass both subcontractor and equipment costs on directly to our customers as a specific line item or incorporate them into our overall price for the job. Variability in the amount of subcontracting that we do, subcontractor pricing, equipment purchases, including equipment that is fabricated in-house, and associated markups can impact our margins. Generally, these markups may not be as large as the markup on our labor and, therefore, the volume of subcontractor and equipment costs can also impact our margins.

The following table presents our subcontractor and equipment expenses (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Subcontractor Expense	$ 213,018	$ 116,083	$ 369,127	$ 187,666
Equipment Expense	$ 342,142	$ 124,721	$ 624,824	$ 234,323

Acquisitions

We have a pipeline of acquisition opportunities and intend to continue to pursue acquisitions as part of our strategy to increase our scale, expand existing or acquire new capabilities, access new clients, or broaden our geographic reach. While we target acquisitions that will enhance our growth and profitability, they may add redundant operating expenses in the short-term. Our ability to successfully execute strategic acquisitions depends upon a number of factors, including sustained execution of a disciplined acquisition strategy and our ability to effectively integrate acquired companies or assets into our business.

Effects of Seasonality

Our revenues are subject to seasonal fluctuations, particularly in regions with colder winter climates and areas prone to extreme weather events, such as wildfires, storms, flooding, and hurricanes. We generally see greater levels of activity in the spring and summer months than we do in the winter months due to reduced construction activity during inclement weather and less use of air conditioning during colder months. Activity in our business also fluctuates with the academic calendar, as most schools and colleges prefer to have work performed on their facilities when classes are not in session, which drives increased revenue from education clients during the second and third quarters of the year. Additionally, activity levels in our business can be affected by state and local government spending cycles and fiscal calendars, which can be impacted by a wide variety of factors. Consequently, we may occasionally experience consecutive quarterly declines in revenues or earnings that are not indicative of the future performance of our business.

Supply Chain Disruptions and Other Global Factors

We continue to monitor the impact of global economic conditions on our operations, financial results and liquidity, such as the impact of tariffs, supply chain challenges and geopolitical tensions. Import duties, tariffs and other import restrictions restrict the global supply of, and raise prices for, supplies needed for our business. In addition, the imposition of tariffs on certain foreign goods and the occurrence of a trade war or other governmental action related to tariffs or trade agreements or policies may adversely impact demand for our services, our costs, our customers and the U.S. economy. The impact on our future operations and results of operations as a result of these global trends remains uncertain and we may face challenges including increases in costs for logistics and supply chains, intermittent supplier delays and shortages of certain components needed for our business, such as HVAC equipment, electrical equipment, steel and aluminum. These tariffs, restrictions and strained trade relations may affect our ability to source materials and products, potentially leading to increased costs and operational challenges and decreased demand for our offerings. We are closely monitoring the regulatory environment and actions of the current U.S. administration that could impact our business.

From time to time, as a result of macroeconomic conditions, we have been impacted by inflation, including escalating transportation, commodity and other supply chain costs and disruptions. We continue to monitor macroeconomic conditions to remain flexible and to optimize and enable our business to evolve as appropriate to address the challenges presented from these conditions. If our costs are subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases, which could adversely affect our business, results of operations or financial condition.

Results of Operations

For the Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

A summary of our consolidated results of operations as well as the dollar and percentage change from the prior year period is presented as follows (dollars in thousands):

	Three Months Ended June 30,		Year over Year Change	
	2026	2025		
	$	$	$	%
Revenue	$ 1,262,127	$ 598,890	$ 663,237	110.7 %
Cost of revenue	1,041,896	470,216	571,680	121.6 %
Gross profit	220,231	128,674	91,557	71.2 %
Selling, general and administrative	147,591	72,468	75,123	103.7 %
Depreciation and amortization	37,972	25,344	12,628	49.8 %
Acquisition-related costs	415	19	396	*
Gain on sale of property and equipment	(118)	(122)	4	(3.3)%
Goodwill impairment	21,586	—	21,586	*
Long-lived asset impairment	19,491	—	19,491	*
Equity in earnings of joint venture	(88)	(364)	276	(75.8)%
(Loss) income from operations	(6,618)	31,329	(37,947)	*
Interest expense	16,911	30,404	(13,493)	(44.4)%
Interest income	(1,914)	(764)	(1,150)	150.5 %
Credit agreement amendment fees	2,014	49	1,965	*
Loss on debt extinguishment	13	—	13	*
Other income, net	(169)	(37)	(132)	356.8 %
Total other expense, net	16,855	29,652	(12,797)	(43.2)%
(Loss) income before income tax	(23,473)	1,677	(25,150)	*
Income tax expense	11,091	5,546	5,545	100.0 %
Net loss	(34,564)	(3,869)	(30,695)	793.4 %
Net (loss) income attributable to noncontrolling interests	(6,723)	1,401	(8,124)	*
Net loss attributable to Legence	$ (27,841)	$ (5,270)	$ (22,571)	428.3 %

* Not meaningful.

Revenue

Consolidated revenue increased $663.2 million, or 110.7%, during the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is attributable to the results of our operating segments, which are discussed below.

The following table presents our revenue by reportable segment, as well as our primary service lines (dollars in thousands):

	Three Months Ended June 30,				Year over Year Change	
	2026		2025			
	$	% of Total	$	% of Total	$	%
Revenue:						
Engineering & Consulting						
Engineering & Design	$ 102,348	8.1 %	$ 106,685	17.8 %	$ (4,337)	(4.1)%
Program & Project Management	104,545	8.3 %	89,409	14.9 %	15,136	16.9 %
Total Engineering & Consulting segment	206,893	16.4 %	196,094	32.7 %	10,799	5.5 %
Installation & Maintenance						
Installation & Fabrication	924,884	73.3 %	320,025	53.5 %	604,859	189.0 %
Maintenance & Service	130,350	10.3 %	82,771	13.8 %	47,579	57.5 %
Total Installation & Maintenance segment	1,055,234	83.6 %	402,796	67.3 %	652,438	162.0 %
Revenue	$ 1,262,127	100.0 %	$ 598,890	100.0 %	$ 663,237	110.7 %

Engineering & Consulting: Engineering & Consulting segment revenue increased $10.8 million, or 5.5%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Engineering & Design service line revenue decreased $4.3 million, or 4.1%, during the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The decrease is attributable to lower demand, primarily from mixed-use clients.

Program & Project Management service line revenue increased $15.1 million, or 16.9%, during the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is attributable to higher demand, primarily from state & local government and data centers & technology clients.

Installation & Maintenance: Installation & Maintenance segment revenue increased $652.4 million, or 162.0%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Organic revenue growth drove over half of the overall segment revenue growth. Substantially all of the remaining increase in the Installation & Maintenance segment revenue resulted from the acquisition of Bowers on January 2, 2026.

Installation & Fabrication service line accounted for $604.9 million, or 92.7%, of the increase in Installation & Maintenance segment revenue. Installation & Fabrication service line revenue growth originated in the data centers & technology end market.

The Maintenance & Service service line accounted for $47.6 million, or 7.3%, of the increase in Installation & Maintenance segment revenue. Approximately 60% of the increase in Maintenance & Service service line revenue resulted from the acquisition of Bowers. Organic revenue growth accounted for the majority of the remaining increase in Maintenance & Service service line revenue, primarily from data centers & technology, education, state & local government and life sciences & healthcare end market clients.

Gross Profit

Consolidated gross profit increased $91.6 million, or 71.2%, during the three months ended June 30, 2026 compared to the three months ended June 30, 2025. The increase is attributable to the results of our Installation & Maintenance segment, as discussed below.

The following table presents our consolidated gross profit by reportable segment (dollars in thousands):

	Three Months Ended June 30,						
	2026		2025		Year over Year Change		
	$	% Margin	$	% Margin	$	%	% Margin
Gross profit:							
Engineering & Consulting segment	$ 56,148	27.1 %	$ 64,111	32.7 %	$ (7,963)	(12.4)%	(5.6)%
Installation & Maintenance segment	164,083	15.5 %	64,563	16.0 %	99,520	154.1 %	(0.5)%
Gross profit	$ 220,231	17.4 %	$ 128,674	21.5 %	$ 91,557	71.2 %	(4.1)%

Engineering & Consulting: The $8.0 million, or 12.4%, decrease in gross profit for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was driven by a lower % margin, partially offset by higher revenue. The lower gross profit reflects the combined effect of higher customer fulfillment support costs, including the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence, and a revenue mix shift toward our lower % margin Program & Project Management service line.

Installation & Maintenance: The $99.5 million, or 154.1%, increase in gross profit for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to organic revenue growth, partially offset by a slightly lower % margin. The decrease in the Installation & Maintenance % margin was primarily due to lower project % margins in both our Installation & Fabrication and Maintenance & Service service lines, a revenue mix shift toward our lower % margin Installation & Fabrication service line and the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence, largely offset by greater economies of scale in customer fulfillment support costs. Approximately one-third of the increase in gross profit resulted from the acquisition of Bowers.

Selling, General & Administrative

Selling, general and administrative expenses increased $75.1 million during the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to $64.4 million higher compensation expense reflecting the combined effect of higher expense related to legacy Series A Interests paid for by entities outside of Legence and higher headcount. Professional services and lease & related expenses increased $2.8 million and $2.7 million, respectively. Selling, general and administrative expenses as a percentage of revenue declined from 12.1%, during the three months ended June 30, 2025, to 11.7% during the three months ended June 30, 2026.

Depreciation and Amortization

The increase in depreciation and amortization is primarily attributable to an increase in the amortization of intangible assets associated with acquisitions completed in late 2025 and early 2026.

Goodwill Impairment

During the three months ended June 30, 2026, it was determined the carrying amount of goodwill for one reporting unit in the Engineering & Consulting segment exceeded fair value, resulting in goodwill impairment of $21.6 million. The impairment was primarily driven by a decline in projected cash flows due to lower customer demand for sustainability services.

Long-Lived Asset Impairment

Long-lived asset impairment of $19.5 million for the three months ended June 30, 2026 was primarily driven by a decline in revenue, margins and cash flow projections due to lower customer demand for sustainability services.

Interest Expense

The decrease in interest expense is primarily attributable to lower average borrowings as well as lower average interest rates during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025.

Income Tax Expense

Income tax expense was $11.1 million for the three months ended June 30, 2026, and resulted in an effective tax rate of negative 47.3%, as compared to income tax expense of $5.5 million for the three months ended June 30, 2025 and an effective tax rate of 330.7%. For the three months ended June 30, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to non-deductible compensation expense related to Series A Interests. For the three months ended June 30, 2025, the effective tax rate was higher than the U.S. federal statutory rate of 21% primarily due to the loss before income tax from pass-through entities that are not subject to income taxes at the Company level.

Results of Operations

For the Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

A summary of our consolidated results of operations as well as the dollar and percentage change from the prior year period is presented as follows (dollars in thousands):

	Six Months Ended June 30,		Year over Year Change	
	2026	2025		
	$	$	$	%
Revenue	$ 2,300,020	$ 1,104,843	$ 1,195,177	108.2 %
Cost of revenue	1,893,635	864,465	1,029,170	119.1 %
Gross profit	406,385	240,378	166,007	69.1 %
Selling, general and administrative	263,686	141,927	121,759	85.8 %
Depreciation and amortization	74,800	51,436	23,364	45.4 %
Acquisition-related costs	11,847	176	11,671	*
Gain on sale of property and equipment	(182)	(220)	38	(17.3)%
Goodwill impairment	21,586	—	21,586	*
Long-lived asset impairment	19,491	—	19,491	*
Equity in earnings of joint venture	(592)	(824)	232	(28.2)%
Income from operations	15,749	47,883	(32,134)	(67.1)%
Interest expense	33,911	60,045	(26,134)	(43.5)%
Interest income	(3,234)	(1,519)	(1,715)	112.9 %
Credit agreement amendment fees	5,257	2,926	2,331	79.7 %
Loss on debt extinguishment	13	—	13	*
Other income, net	(738)	(145)	(593)	409.0 %
Total other expense, net	35,209	61,307	(26,098)	(42.6)%
Loss before income tax	(19,460)	(13,424)	(6,036)	45.0 %
Income tax (benefit) expense	(2,290)	9,584	(11,874)	*
Net loss	(17,170)	(23,008)	5,838	(25.4)%
Net (loss) income attributable to noncontrolling interests	(5,423)	3,475	(8,898)	*
Net loss attributable to Legence	$ (11,747)	$ (26,483)	$ 14,736	(55.6)%

* Not meaningful.

Revenue

Consolidated revenue increased $1.2 billion, or 108.2%, during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is attributable to the results of our operating segments, which are discussed below.

The following table presents our revenue by reportable segment, as well as our primary service lines (dollars in thousands):

	Six Months Ended June 30,				Year over Year Change	
	2026		2025			
	$	% of Total	$	% of Total	$	%
Revenue:						
Engineering & Consulting						
Engineering & Design	$ 199,919	8.7 %	$ 213,227	19.3 %	$ (13,308)	(6.2)%
Program & Project Management	172,775	7.5 %	128,314	11.6 %	44,461	34.7 %
Total Engineering & Consulting segment	372,694	16.2 %	341,541	30.9 %	31,153	9.1 %
Installation & Maintenance						
Installation & Fabrication	1,683,476	73.2 %	609,707	55.2 %	1,073,769	176.1 %
Maintenance & Service	243,850	10.6 %	153,595	13.9 %	90,255	58.8 %
Total Installation & Maintenance segment	1,927,326	83.8 %	763,302	69.1 %	1,164,024	152.5 %
Revenue	$ 2,300,020	100.0 %	$ 1,104,843	100.0 %	$ 1,195,177	108.2 %

Engineering & Consulting: Engineering & Consulting segment revenue increased $31.2 million, or 9.1%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

The Engineering & Design service line revenue decreased $13.3 million, or 6.2%, during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The decrease is attributable to lower demand, primarily from mixed-use and data centers & technology clients.

The Program & Project Management service line revenue increased $44.5 million, or 34.7%, during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is attributable to higher demand, primarily from data centers & technology, education, and state and local government clients.

Installation & Maintenance: Installation & Maintenance segment revenue increased $1.2 billion, or 152.5%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

The Installation & Fabrication service line accounted for $1.1 billion, or 92.2%, of the increase in Installation & Maintenance segment revenue. Organic revenue growth, driven mainly by data centers & technology clients, accounted for slightly over half of the increase in Installation & Fabrication service line revenue. The majority of the remaining increase in the Installation & Fabrication service line revenue resulted from the acquisition of Bowers on January 2, 2026.

The Maintenance & Service service line accounted for $90.3 million, or 7.8% of the increase in the Installation & Maintenance segment revenue. Approximately two-thirds of the increase in Maintenance & Service service line revenue resulted from the acquisition of Bowers. Organic revenue growth accounted for the majority of the remaining increase in Maintenance & Service service line revenue, primarily from data centers & technology, education, life sciences & healthcare and state & local government clients.

Gross Profit

Consolidated gross profit increased $166.0 million, or 69.1%, during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is attributable to the results of our Installation & Maintenance segment, as discussed below.

The following table presents our consolidated gross profit by reportable segment (dollars in thousands):

	Six Months Ended June 30,						
	2026		2025		Year over Year Change		
	$	% Margin	$	% Margin	$	%	% Margin
Gross profit:							
Engineering & Consulting segment	$ 106,561	28.6 %	$ 123,764	36.2 %	$ (17,203)	(13.9)%	(7.6)%
Installation & Maintenance segment	299,824	15.6 %	116,614	15.3 %	183,210	157.1 %	0.3 %
Gross profit	$ 406,385	17.7 %	$ 240,378	21.8 %	$ 166,007	69.1 %	(4.1)%

Engineering & Consulting: The $17.2 million, or 13.9%, decrease in gross profit for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was driven by a lower % margin, partially offset by higher revenue. The lower % margin primarily reflects higher customer fulfillment support costs, including the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence, a revenue mix shift toward our lower % margin Program & Project Management service line and lower project % margins in our Engineering & Design service line.

Installation & Maintenance: The $183.2 million, or 157.1%, increase in gross profit for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to organic revenue growth and a slight increase in % margin. The modest increase in % margin was primarily due to greater economies of scale in customer fulfillment support costs, the effect of which was largely offset by lower % margins in both our Installation & Fabrication and Maintenance & Service service lines, a revenue mix shift toward our lower % margin Installation & Fabrication service line and the impact of higher compensation expense related to legacy Series A Interests paid for by entities outside of Legence. Approximately one-third of the increase in gross profit resulted from the acquisition of Bowers.

Selling, General & Administrative

Selling, general and administrative expenses increased $121.8 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to $105.0 million higher compensation expense reflecting the combined effect of higher expense related to legacy Series A Interests paid for by entities outside of Legence and higher headcount. Lease and related expenses increased $5.6 million. Selling, general and administrative expenses as a percentage of revenue declined from 12.8%, during the six months ended June 30, 2025, to 11.5% during the six months ended June 30, 2026.

Depreciation and Amortization

The increase in depreciation and amortization is primarily attributable to an increase in the amortization of intangible assets associated with acquisitions completed in late 2025 and early 2026.

Acquisition-related costs

The increase in acquisition-related costs of $11.7 million is primarily due to costs associated with the Bowers acquisition, including $9.3 million of transaction compensation expense.

Goodwill Impairment

During the six months ended June 30, 2026, it was determined the carrying amount of goodwill for one reporting unit in the Engineering & Consulting segment exceeded fair value, resulting in goodwill impairment of $21.6 million. The impairment was primarily driven by a decline in projected cash flows due to lower customer demand for sustainability services.

Long-Lived Asset Impairment

Long-lived asset impairment of $19.5 million for the six months ended June 30, 2026 was primarily driven by a decline in revenue, margins and cash flow projections due to lower customer demand for sustainability services.

Interest Expense

The decrease in interest expense is primarily attributable to lower average borrowings as well as lower average interest rates during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025.

Income Tax (Benefit) Expense

Income tax benefit was $2.3 million for the six months ended June 30, 2026, and resulted in an effective tax rate of 11.8%, as compared to income tax expense of $9.6 million for the six months ended June 30, 2025 and an effective tax rate of negative 71.4%. For the six months ended June 30, 2026, the effective tax rate was lower than the U.S. federal statutory rate of 21%, primarily due to the release of valuation allowance on deferred tax assets related to the future TRA payments. For the six months ended June 30, 2025, the effective tax rate was lower than the U.S. federal statutory rate of 21% primarily due to the loss before income tax from pass-through entities that are not subject to income taxes at the Company level.

Liquidity and Capital Resources

Overview

As of June 30, 2026 and December 31, 2025, our primary sources of liquidity included $292.0 million and $230.2 million, respectively, of cash and cash equivalents, $169.3 million and $194.3 million, respectively, available to be borrowed under the revolving credit facility, as well as cash flows from operations. We expect our primary sources of liquidity to be cash flows from operations, which may be supplemented, as needed, with borrowings incurred under our revolving credit facility or proceeds from offerings of debt or equity securities. Access to additional liquidity, such as a further increase in the borrowing capacity under our existing revolving credit facility or a new financing arrangement, will depend upon our future financial position and debt market conditions.

To date, our primary uses of capital have included working capital funding, capital expenditures for equipment used in our business, acquisitions as well as refinancing or repayment of debt and associated interest. Although our capital expenditures have historically been low relative to our revenues, we expect an increase in future periods due to our investment in fabrication capacity expansion within our Installation & Maintenance segment.

Although we cannot provide any assurance that our cash flows from operations will be sufficient to fund our operations or that additional capital will be available to us on acceptable terms, or at all, we believe our primary sources of liquidity are sufficient to fund our ongoing working capital, investing and financing requirements for at least the next twelve months and beyond. In the event that we require additional capital, we may seek to raise funds at any time through equity, equity-linked arrangements and debt. If we are unable to raise additional capital when desired and on reasonable terms, our business, results of operations, and financial condition would be adversely affected. Refer to “Part II, Item 1A. Risk Factors” for additional information.

Cash Flows

The information presented below was derived from our Condensed Consolidated Statements of Cash Flows within the Condensed Consolidated Financial Statements and summarizes cash flow activity (dollars in thousands):

	Six Months Ended June 30,	
	2026	**2025**
Cash provided by (used in):		
Operating activities	$ 194,494	$ 62,542
Investing activities	(322,940)	(14,451)
Financing activities	190,260	(31,359)
Increase in cash and cash equivalents	$ 61,814	$ 16,732

Please refer to the supplemental cash flow information included in “Item 1. Financial Statements, Note 19—Other Financial Information” in Notes to Condensed Consolidated Financial Statements for further details.

Operating Activities

Cash flow from operating activities is primarily influenced by the level of revenue we generate and the margin we earn on that revenue. It is also influenced by the timing of working capital investment associated with the services that we provide. Our working capital needs may increase when we commence large volumes of work under circumstances where project costs are required to be paid before such costs are billed and associated receivables are collected. Conversely, on some projects we receive up-front payments before project commencement. Our management strives to negotiate payment terms that minimize the working capital investment that we are required to make in connection with large projects. Additionally, changes in project timing due to delays or accelerations and other economic, regulatory, market and political factors may affect customer spending and, thus, impact cash flows from operating activities. We typically require higher working capital investment during the second half of the year as activity levels increase in the spring and summer months and lower working capital investment during the first half of the year as activity levels decrease while we receive final payments on services deliver during the previous period.

Cash flows provided by operating activities increased $132.0 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase is primarily due to higher activity in the Installation and Maintenance segment, including the impact of the Bowers acquisition, partially offset by changes in working capital, as detailed in the Condensed Consolidated Statements of Cash Flows. Working capital activity from contract liabilities increased $31.4 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025, reflecting increased billings net of recognized revenue. Operating cash flows from accounts payable increased $58.8 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to increased business activity and timing of payments. The $139.2 million decrease in operating cash flows from accounts receivable and contract assets during the six months ended June 30, 2026 compared to the six months ended June 30, 2025 is primarily driven by higher revenue and the timing of billing and collections during the period.

Investing Activities

Cash flows used in investing activities primarily consist of payments for the acquisition of businesses, capital expenditures and proceeds from the sale of property and equipment.

Cash flows used in investing activities increased $308.5 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 due to the acquisition of Bowers and Metrix during the six months ended June 30, 2026.

Financing Activities

Financing cash flows primarily consist of the issuance and repayment of short-term and long-term debt and financing lease payments.

For the six months ended June 30, 2026, cash provided by financing activities was $190.3 million, compared to cash used in financing activities of $31.4 million for the six months ended June 30, 2025. The $221.6 million increase in cash flows from financing activities is attributable to term loan and revolver borrowings of $200.0 million and $25.0 million, respectively, offset by revolver payments of $25.0 million during the six months ended June 30, 2026.

Debt

The ensuing discussion is not a complete description of all of the terms of our significant debt instruments. Please refer to “Note 7—Debt” and “Note 17—Related Party Transactions” in Notes to Condensed Consolidated Financial Statements included in “Item 1. Financial Statements” for further information.

Credit Agreement

On December 16, 2020, Legence Holdings entered into a credit agreement with Jefferies Finance LLC as the administrative agent for a group of lenders, which provides for a term loan credit facility and a revolving credit facility. The term loan matures on December 16, 2031, and is secured by substantially all assets of the Company, subject to customary exclusions.

On January 2, 2026, Legence Holdings obtained a $200.0 million incremental term loan, and used the proceeds to fund acquisition-related payments. The incremental term loan increased the quarterly principal payments to $2.5 million.

On January 15, 2026, Legence Holdings amended its credit agreement to modify and clarify the terms governing letters of credit, while confirming that all existing letters of credit remain in effect and all other provisions of the agreement remain unchanged.

On May 27, 2026, Legence Holdings amended its credit agreement to refinance and replace the previously existing $995.3 million term loan facility with a $995.3 million term loan facility that (i) reduces its applicable interest rate on SOFR rate term loans by 0.25% to the SOFR plus 2.00% and (ii) reduces its applicable interest rate on base rate term loans by 0.25% to the Base Rate plus 1.00% . The amendment provided for an additional 0.25% reduction of the interest rate applicable to the term loan if the Company maintains certain credit ratings. On June 5, 2026, S&P Global Ratings upgraded the Company's issuer credit rating. On June 24, 2026, Moody's Ratings upgraded the Company's issuer credit rating. As such, an incremental 0.25% interest rate reduction will have full effect upon the delivery of the Company's second quarter lender compliance certificate related to the filing of this Quarterly Report.

Subject to the requirements of the credit agreement, Legence Holdings may also be required, as applicable, to make additional principal payments based on its excess cash flow, as defined in the agreement.

Under the terms of the Credit Agreement, Legence Holdings and its subsidiaries may be able to incur substantial additional indebtedness in the future, subject to certain conditions.

The credit agreement contains a springing financial maintenance covenant that requires the First Lien Net Leverage Ratio not to exceed 8.50 to 1.00 if certain testing conditions are satisfied. The credit agreement generally defines this as the ratio of first lien secured indebtedness (net of cash) to consolidated pro forma adjusted EBITDA for the preceding four fiscal quarters. The springing financial maintenance covenant is only tested if, as of the last day of each fiscal quarter, the amount of loans and/or letters of credit outstanding under the revolving credit facility is greater than 35% of the aggregate revolving credit commitments. The springing financial maintenance covenant was not required to be tested during the periods presented in the Condensed Consolidated Financial Statements.

The credit agreement includes customary covenants restricting the ability of Legence Holdings and its subsidiaries to, among other things, incur additional indebtedness, sell or convey assets, make loans to or investments in others, enter into mergers, incur liens and pay dividends or distributions.

Tax Receivable Agreement

In connection with the Corporate Reorganization and the IPO, the Company entered into the TRA with Legence Parent and Legence Parent II (the "TRA Members"). This agreement generally provides for the payment by us to the TRA Members of 85% of the net cash savings, if any, in U.S. federal, state and local income tax that we (a) actually realize with respect to taxable periods ending after the IPO or (b) are deemed to realize in the event the TRA terminates early at our election, as a result of our breach or upon a change of control (as defined under the TRA, which includes certain mergers, asset sales and other forms of business combinations and certain changes to the composition of our board of directors) with respect to any taxable periods ending on or after such early termination event, in each case, as a result of (i) our allocable share of existing tax basis acquired in connection with the IPO and increases to such allocable share of existing tax basis; (ii) our utilization of certain tax attributes of the blocker entities that became subsidiaries of the Company pursuant to the Corporate Reorganization; (iii) increases in tax basis resulting from future redemptions or exchanges (or deemed exchanges in certain circumstances) of Legence Holdings interests for Class A Common Stock or cash and certain distributions (or deemed distributions) by Legence Holdings pursuant to the Exchange Agreement; and (iv) certain additional tax benefits arising from payments made under the TRA. We will retain the benefit of the remaining 15% of these cash savings, if any. If the TRA terminates early, we could be required to make a substantial, immediate lump-sum payment.

We expect that the payments that we will be required to make under the TRA could be substantial. The exact amount of expected future payments under the TRA is dependent upon a number of factors, including the Company's cash tax savings, the timing of exercises of the Exchange Right, the enacted tax rate in the years in which it utilizes tax attributes subject to the TRA, and current taxable income forecasts. These estimated rates and forecasts are subject to change based on actual results and realizations, which could have a material impact on the liability to be paid. Due to the uncertainty of these factors, we cannot precisely quantify the likely tax benefits we will realize. Any payments made by us to the TRA Members under the TRA will not be available for reinvestment in Legence Holdings (or indirectly, its business) and generally will reduce the amount of overall cash flow that might have otherwise been available to us. We expect to fund the required payments under the TRA with our actual cash tax savings generated by the exchanges of LGN B Units in the UP-C structure. Our ability to satisfy our long-term liquidity requirements depends on our future operating performance, which is affected by and subject to prevailing economic conditions, market conditions in our industry and financial, business and other factors that we will not be able to predict or control.

The term of the TRA commenced upon the IPO and will continue until all such tax benefits have been utilized or expired and all required payments are made, unless we exercise our right to terminate the TRA (or the TRA is terminated due to other circumstances, including our breach of a material obligation thereunder or certain mergers or other changes of control) by making the termination payment specified in the agreement.

Our current and long-term TRA liability is $8.2 million and $342.7 million, respectively, as of June 30, 2026. Please refer to "Item 1. Financial Statements, Note 14—Tax Receivable Agreement" and "Note 17—Related Party Transactions" in Notes to Condensed Consolidated Financial Statements for further information.

Material Cash Requirements

As of June 30, 2026, our material cash requirements primarily consist of obligations under our financing arrangements and lease arrangements. As of June 30, 2026, the outstanding term loan balance is $992.8 million and the estimated future interest payments are $306.1 million. Future interest payments are estimated using the interest rate applicable as of June 30, 2026 applied to the outstanding balance, which decreases each quarter by principal payments of $2.5 million until the debt matures on December 16, 2031.

Additionally, we have various contingent obligations that we anticipate could require the use of cash based on contractual obligations as of June 30, 2026; however, the final amount payable or the timing may not be fixed and determinable. Such contingent obligations include the following:

- Some of our customers require us to secure surety bonds from reputable financial institutions to guarantee execution on certain projects. In the event Legence or its subcontractors fail to meet its performance obligations, customers have the option to request that the surety bond provider fund the completion of the project using other service providers. Under the terms of these agreements, we are liable for any disbursement made by the bonding company because of our failure to perform. Surety bonds expire at various times ranging from final completion of a project to a period extending beyond contract completion in certain circumstances. Such amounts can also fluctuate from period to period based upon the mix and level of our bonded operating activity. For example, public sector contracts require surety bonds more frequently than private sector contracts, and accordingly, our bonding requirements typically increase as the amount of our public sector work increases. Our estimated maximum exposure as it relates to the value of the surety bonds outstanding is lowered on each bonded project as the cost to complete is reduced, and each commitment under a surety bond generally extinguishes concurrently with the expiration of its related contractual obligation. As of June 30, 2026 and December 31, 2025, $1,449.5 million and $561.5 million, respectively, of backlog and awarded contracts was subject to surety bond obligations.
- As part of our normal course of business, we offer guaranteed energy savings to customers under certain contracts. As of June 30, 2026 and December 31, 2025, total guarantees were $272.0 million and $307.4 million, respectively. Should the guaranteed energy savings not be achieved, these guarantees would become due to the customers. Historically, we have not incurred notable losses in connection with these guarantees.
- We have standby letters of credit that are secured through the revolving credit facility. Please refer to "Item 1. Financial Statements, Note 7—Debt" in Notes to Condensed Consolidated Financial Statements for further information. Obligations under these letters of credit are not normally called, as we typically comply with the underlying requirements. As of June 30, 2026 and December 31, 2025, we had $30.7 million and $5.7 million, respectively, in standby letters of credit primarily related to surety bonds and the deductibles of insurance policies. Please refer to "Item 1. Financial Statements, Note 18—Commitments and Contingencies" in Notes to Condensed Consolidated Financial Statements for further information.
- Payments for collective bargaining agreements, multiemployer pension plan liabilities and liabilities related to our deferred compensation and other employee benefit plans.
- Payments under the TRA.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin are financial measures not presented in accordance with GAAP but are intended to provide useful and supplemental information to investors and analysts as they evaluate our performance. Adjusted EBITDA is defined as net income (loss) adjusted to exclude, or otherwise reflect, interest expense, interest income, income tax (benefit) expense, depreciation and amortization, credit agreement amendment fees, goodwill impairment, long-lived asset impairment, net gain on sale and disposition of property and equipment, loss on debt extinguishment, acquisition and integration costs, system deployment costs, strategic initiative costs, indemnification asset adjustments, Tax Receivable Agreement liability remeasurements and stock-based and other non-cash compensation expense (benefit). Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. Adjusted EBITDA should not be considered an alternative to net income (loss) that is derived in accordance with GAAP. Management believes that the exclusion of the above-described items from net income (loss) in the presentation of the non-GAAP measures identified above enables us and our investors to more effectively evaluate our operations period over period and to identify operating trends that might not be apparent due to, among other reasons, the variable nature of these items, both in value and frequency, period over period. In addition, management believes these measures may be useful for investors in comparing our operating results with those of other companies.

Our non-GAAP financial measures may not be comparable to similarly titled measures used by other companies, have limitations as analytical tools and should not be considered in isolation, or substitutes for analysis of our operating results as reported under GAAP. Additionally, we do not consider our non-GAAP financial measures superior to, or a substitute for, the equivalent measures calculated and presented in accordance with GAAP. Some of the limitations are that such non-GAAP measures:

- may exclude the recurring expenses of depreciation and amortization of property and equipment and definite-lived intangible assets and the assets being depreciated and amortized may have to be replaced in the future;
- do not reflect changes in our working capital needs;
- do not reflect the interest (income) expense on our indebtedness; or
- do not reflect the income tax (benefit) expense we are required to make.

In order to evaluate our business, we encourage you to review the financial statements included elsewhere in this Quarterly Report, and not rely on a single financial measure to evaluate our business.

The following table provides a reconciliation of our net loss, the most directly comparable financial measure presented in accordance with GAAP, to Adjusted EBITDA, and a calculation of Adjusted EBITDA Margin for the periods presented herein (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net loss	$ (34,564)	$ (3,869)	$ (17,170)	$ (23,008)
Interest expense	16,911	30,404	33,911	60,045
Interest income	(1,914)	(764)	(3,234)	(1,519)
Income tax expense (benefit)	11,091	5,546	(2,290)	9,584
Depreciation and amortization	44,190	28,770	86,466	58,121
Credit agreement amendment fees[(1)]	2,014	49	5,257	2,926
Goodwill impairment	21,586	—	21,586	—
Long-lived asset impairment	19,491	—	19,491	—
Net gain on sale and disposition of property and equipment	(118)	(122)	(182)	(220)
Loss on debt extinguishment	13	—	13	—
Acquisition and integration costs[(2)]	420	298	12,113	1,766
System deployment costs[(3)]	—	1,034	—	2,140
Strategic initiative costs[(4)]	1,512	3,159	2,711	9,947
Indemnification asset adjustments[(5)]	(93)	—	(198)	—
Tax Receivable Agreement liability remeasurements[(6)]	88	—	(161)	—
Stock-based and other non-cash compensation expense[(7)]	73,942	7,699	114,357	3,241
Adjusted EBITDA	$ 154,569	$ 72,204	$ 272,670	$ 123,023
Net loss margin	(2.7)%	(0.6)%	(0.7)%	(2.1)%
Adjusted EBITDA margin	12.2 %	12.1 %	11.9 %	11.1 %

(1) Represents costs incurred in connection with our debt refinancings in each of the periods presented.
(2) For the three months ended June 30, 2026 and 2025, $0.4 million relates to acquisition costs recorded in acquisition-related costs and $0.3 million relates to acquisition integration costs recorded in selling, general and administrative costs, respectively, in the Condensed Consolidated Statements of Operations. For the six months ended June 30, 2026 and 2025, the figures include $11.8 million and $0.2 million, respectively, of acquisition costs recorded in acquisition-related costs and $0.3 million and $1.6 million, respectively, of acquisition integration costs recorded in selling, general and administrative costs in the Condensed Consolidated Statements of Operations.
(3) Represents consulting and initial upfront costs associated with implementing and optimizing certain enterprise resource planning systems.
(4) Represents (i) consulting, legal, accounting, and other expenses in connection with non-recurring extraordinary company transactions, including fees related to our IPO that did not meet the requirements to be deferred issuance costs and (ii) consulting, legal, accounting, and other expenses in connection with secondary offerings conducted on behalf of our selling shareholders.
(5) Represents adjustments to an indemnification asset related to unrecognized tax benefits acquired in a prior acquisition recorded in Other income, net in the Condensed Consolidated Statements of Operations and is fully offset in Income tax expense (benefit) in the Condensed Consolidated Statements of Operations.
(6) TRA liability remeasurements are recorded in Other income, net in the Condensed Consolidated Statements of Operations.
(7) Includes compensation expense relating to legacy Series A Interests and Restricted Series C Interests as well as RSUs, stock options, and ESPP.

Backlog and Awarded Contracts and Book-to-Bill Ratio

We track backlog and awarded contracts. Our backlog and awarded contracts measure has two components: backlog and awarded contracts. Backlog represents, as of any date of determination, the expected revenue values of the remaining performance obligations under our contracted fixed-price projects. Awarded contracts represent, as of any date of determination, the expected revenue values of projects awarded to us following a request for proposals but for which a formal contract has not yet been signed.

We believe that these measures enable us to more effectively forecast our future results and working capital needs, as well as better identify future operating trends that may not otherwise be apparent. We believe this measure is also useful for investors in forecasting our future results and comparing us to our competitors. We also track our book-to-bill ratio, based on backlog and awarded contracts, for the same reasons. Our backlog is equivalent to our remaining performance obligations. Our awarded contracts are not performance obligations. As a result, there are no adjustments being made that would be reflected in a reconciliation. Our methodology for calculating backlog and awarded contracts or book-to-bill ratio may not be consistent with methodologies used by other companies.

We only include fixed-price contracts in our backlog and awarded contracts because they have defined revenue values. We do not include cost-plus contracts, which are primarily generated in our Maintenance & Service service line, in our backlog and awarded contracts because their total revenue values are not known. Historically, cost-plus projects have comprised a relatively small portion of our revenue. We calculate our book-to-bill ratio by taking our additions to backlog and awarded contracts, excluding additions that were attained through acquisition, for the period, and dividing it by revenue from fixed-price contracts for the same period. A book-to-bill ratio of 1.0 indicates that we are booking backlog and awarded contracts at the same pace as we are recognizing revenue, suggesting stable revenue in future periods. A book-to-bill ratio above 1.0 indicates that backlog and awarded contracts are outpacing revenue, which could indicate an increase in revenue in future periods. Conversely, a book-to-bill ratio below 1.0 indicates that backlog and awarded contracts are trailing revenue, which could indicate a decrease in future revenue. Given that backlog and awarded contracts and book-to-bill ratio are operational measures and that our methodology for calculating backlog and awarded contracts and book-to-bill ratio does not meet the definition of a non-GAAP measure, as that term is defined by the Commission, a quantitative reconciliation for each is not required nor provided.

The following table presents our backlog and awarded contracts and book-to-bill ratio by reportable segment with book-to-bill ratio calculated during the periods noted (dollars in thousands):

	June 30,	
	2026	2025
Engineering & Consulting		
Backlog	$ 661,534	$611,651
Awarded contracts	460,692	274,566
Backlog and awarded contracts	$ 1,122,226	$ 886,217
Book-to-bill ratio for the three months ended June 30	1.6x	1.0x
Book-to-bill ratio for the six months ended June 30	1.3x	1.1x
Installation & Maintenance		
Backlog	$ 3,356,279	$ 1,394,840
Awarded contracts	1,193,294	491,617
Backlog and awarded contracts	$ 4,549,573	$ 1,886,457
Book-to-bill ratio for the three months ended June 30	1.2x	1.4x
Book-to-bill ratio for the six months ended June 30	1.2x	1.4x
Total		
Backlog	$ 4,017,813	$ 2,006,491
Awarded contracts	1,653,986	766,183
Backlog and awarded contracts	$ 5,671,799	$ 2,772,674
Book-to-bill ratio for the three months ended June 30	1.2x	1.3x
Book-to-bill ratio for the six months ended June 30	1.2x	1.3x

The increase in backlog and awarded contracts from June 30, 2025 to June 30, 2026 resulted from an increase in awards in both segments. The increase in Engineering & Consulting was primarily driven by new projects within the state & local government and education end markets. The increase in Installation & Maintenance was primarily driven by new projects within the data centers & technology end market.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our Condensed Consolidated Financial Statements. The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the related revenues and expenses and disclosures in the financial statements. Actual results could differ from those estimates. Our significant accounting policies are discussed in "Item 1. Financial Statements, Note 2—Summary of Significant Accounting Policies" in Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report and in "Note 2—Summary of Significant Accounting Policies" in Notes to Consolidated Financial Statements as presented in our 2025 Annual Report. These policies, along with our underlying judgments and assumptions made in their application, have a significant impact on our Condensed Consolidated Financial Statements.

We identify our critical accounting policies as those that are the most pervasive and important to the portrayal of our financial position and operating results and that require the most difficult, subjective and/or complex judgments regarding estimates in matters that are inherently uncertain. Our critical accounting policies are those related to revenue recognition, goodwill, the TRA, income taxes, acquisitions and valuation of intangible assets. Refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" in Part II of our 2025 Annual Report.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable assets and liabilities of the acquired business. Goodwill is not subject to amortization but is tested for impairment at the reporting unit level, which represents the operating segment level or one level below the operating segment level for which discrete information is available. Goodwill is evaluated for impairment on an annual basis in the fourth quarter of the fiscal year and on an interim basis if events or circumstances arise which indicate that the carrying value of goodwill may not be recoverable from future cash flows.

Fair values of reporting units are estimated based on a market approach and an income approach. The income approach utilizes discounted future cash flows and assumptions critical to the fair value estimate of the discounted cash flow model including revenue growth rates, forecasted EBITDA margins and discount rate. The market approach utilizes market multiples of EBITDA margin on invested capital from comparable publicly traded companies.

During the three months ended June 30, 2026, it was determined the carrying amount of goodwill for one reporting unit in the Engineering & Consulting segment exceeded fair value, resulting in a goodwill impairment of $21.6 million. The impairment was primarily driven by a decline in new contracts during the three months ended June 30, 2026, due to lower customer demand for sustainability services, which resulted in declining revenue, margins and cash flow projections.

There are inherent uncertainties related to these assumptions, market factors and management's judgment in applying them to the analysis of goodwill impairment. It is possible that changes in facts, judgments and assumptions made in estimating the fair value of reporting units could occur, resulting in possible impairment in the future.

Recent Accounting Pronouncements

Refer to "Item 1. Financial Statements, Note 2—Summary of Significant Accounting Policies" in Notes to Condensed Consolidated Financial Statements for more information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to financial risks such as changes in interest rates and inflation risk associated with our input costs. We utilize derivative instruments, classified as cash flow hedges, to manage interest rate exposures on our floating rate debt.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt. The interest expense associated with our long-term debt will vary with market rates. We seek to mitigate this risk with an appropriate amount of fixed rate debt obligations through interest rate derivative contracts that fix the interest rate on the respective floating rate debt obligations. Without taking into consideration the effect of our interest rate swap agreements, based upon our outstanding principal amount of floating rate debt of $992.8 million as of June 30, 2026, and $797.8 million as of December 31, 2025, an increase in the current interest rate levels of 1.0% would result in an increase in our annual interest expense of $9.9 million and $8.0 million, respectively.

Inflation Risk

Rising or consistently high rates of inflation, including as a result of geopolitical tensions and trade wars, have the potential to increase costs of labor and other inputs for our services. We have experienced, and may experience in the future, higher than expected inflation, including escalating transportation, commodity and other supply chain costs and disruptions. If our costs are subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases, which could adversely affect our business, results of operations or financial condition.

Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist principally of contract assets and accounts receivable. Although the Company does not currently foresee a significant credit risk associated with the outstanding accounts receivable, exposure to losses on receivables is principally dependent on each customer's financial condition. We monitor our exposure for credit losses and maintain allowances for anticipated losses. We may also require prepayments for certain of our services. With the exception of one customer of our Installation & Maintenance segment, no single customer accounted for more than 10% of revenue for the three and six months ended June 30, 2026, as such concentrations of credit risk with respect to our receivables are generally limited by the large number of customers comprising our customer base and their dispersion among many different geographies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026, the end of the period covered by this Quarterly Report. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses in our internal control over financial reporting described below. However, after giving full consideration to such material weaknesses, and the additional analyses and other procedures that we performed to ensure that our Condensed Consolidated Financial Statements included in this Quarterly Report were prepared in accordance with U.S. GAAP, our management has concluded that such Condensed Consolidated Financial Statements present fairly, in all material respects, our financial position, results of operations and cash flows for the periods disclosed in conformity with U.S. GAAP.

We and our independent registered public accounting firm have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Specifically, we did not (i) design and implement effective general information technology controls ("GITCs") for multiple business units' information systems that are relevant to the preparation of the consolidated financial statements and which provide appropriate segregation of duties to adequately restrict general user and privileged access to financial information systems to appropriate Company personnel or (ii) fully maintain certain components of the Committee of Sponsoring Organizations of the Treadway Commission framework, including elements of information and communication and control activities. As a result, we have observed at a few business units a lack of evidence of sufficient journal entry review as well as conflicts whereby personnel have the ability to both prepare and post journal entries to the general ledger. The Company's business process controls that are dependent on these ineffective controls, or that rely on data produced from these systems, could be adversely affected. We determined that these material weaknesses remained unremediated as of June 30, 2026.

Remediation Plan for the Material Weaknesses

In response to the material weaknesses described above, our management, with the oversight of the Audit Committee, is in the process of developing and implementing a remediation plan. During the first half of 2026, we have continued to implement a more robust internal control IT framework that includes bolstered enterprise-wide access request protocols. We have also made personnel changes and have rolled out bolstered processes at multiple business units to document and verify the journal entry review process and remove existing conflicts. To support those efforts, we have engaged a third-party firm to assist with the documentation of our processes and internal controls and to identify additional control owner training gaps that should be addressed in support of the implementation of effective GITCs and other controls. Such training includes best practices on how to sufficiently document and evidence the operation of such GITCs and adequate journal entry review processes. We have also hired a Chief Information Officer with extensive knowledge in enterprise-wide technology strategy and integration who is assisting in the supervision of the remediation of the GITC deficiencies. We will continue to dedicate significant efforts and resources to ensure reporting requirements are met and proper segregation of duties are maintained to address the material weaknesses identified above.

The material weaknesses will be considered remediated when our management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. Our management will monitor the effectiveness of its remediation plans and will make changes it determines to be appropriate. We have not incurred any material costs to date and do not expect to incur any material costs in connection with the remediation of the material weaknesses in the future, based on our current remediation plan. We cannot assure you that the measures that we have taken, and that will be taken will remedy the material weaknesses or will be sufficient to prevent future material weaknesses from occurring. We also cannot assure you that we have identified all of our existing material weaknesses.

If we are unable to remediate our existing material weaknesses or identify additional material weaknesses and are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, in a timely manner or attest, starting with the filing of our Annual Report on Form 10-K for the year ended December 31, 2026, that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, starting with the filing our Annual Report on Form 10-K for the year ended December 31, 2026, our business processes controls that are dependent on these ineffective controls, or that rely on data produced from these systems, could be adversely affected, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A Common Stock could be negatively affected. In such cases, we also could become subject to investigations by the Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our internal control system is supported by written policies and procedures and contains self-monitoring mechanisms. Appropriate actions are taken by management to correct deficiencies as they are identified.

Changes in Internal Control over Financial Reporting

Except for the remediation efforts related to the material weaknesses described above, there was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we and our subsidiaries may be involved in various legal proceedings, claims and litigation arising in the ordinary course of business. We believe these matters will not have a material adverse effect on our business, financial condition or results of operations. Refer to "Part I. Financial Information, Item 1. Financial Statements, Note 18—Commitments and Contingencies" in Notes to Condensed Consolidated Financial Statements for additional information.

Item 1A. Risk Factors

Our business faces many risks. In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under "Item 1A. Risk Factors" in our 2025 Annual Report, and the risk factors and other cautionary statements contained in our subsequent SEC filings. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in our risk factors from those described in the 2025 Annual Report.

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

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

We did not repurchase any equity securities registered under Section 12 of the Exchange Act during the second quarter of 2026.

Item 5. Other Information

Trading Plans

Other than as described below, during the quarter ended June 30, 2026, no directors or officers, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408. The trading plan described below was adopted during an open trading window.

Name / Title	Type of Plan	Action	Adoption Date	End Date	Aggregate Number of Securities to be Sold	Plan Description
Philippe Le Bris / Chief Accounting Officer	Rule 10b5-1 trading arrangement [(1)]	Adoption	6/16/2026	6/17/2027	7,448.00	Sale of shares, and exercise and sale of stock options

(1) This trading arrangement is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act ("Rule 10b5-1(c)"), and, among other things, only permits transactions upon expiration of the applicable mandatory cooling-off period under the Rule 10b5-1(c).

Item 6. Exhibits

Exhibit Number	Description
2.1	Equity Purchase Agreement, dated as of November 13, 2025, by and among The Bowers Group, Inc., a Maryland corporation, Wayne E. Bowers Revocable Living Trust, Quiet Harbor Trust and The David O'Donnell Revocable Trust dated Nov. 15, 2008, collectively as the sellers, Legence Subsidiary Holdings, LLC, as the purchaser, and Legence Corp., as parent of the purchaser (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the SEC on November 14, 2025).
3.1	Amended and Restated Certificate of Incorporation of Legence Corp. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
3.2	Amended and Restated Bylaws of Legence Corp.(incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
3.3	Amended and Restated Limited Liability Company Agreement of Legence Holdings LLC, dated as of September 11, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-42838, filed with the Commission on September 15, 2025).
*†10.1	Amendment No. 14 to Credit Agreement, dated as of May 27, 2026.
10.2+	Legence Corp. 2026 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-8 filed on March 6, 2026).
*31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because 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 (embedded within the Inline XBRL document).

* Filed herewith.

† Certain of the schedules and exhibits to the agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the U.S. Securities and Exchange Commission upon request.

\+ Indicates management contract or compensatory plan.

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 thereto duly authorized.

Date: August 13, 2026

LEGENCE CORP.

By: /s/ Stephen Butz

Stephen Butz

Chief Financial Officer

(principal financial officer)

By: /s/ Philippe Le Bris

Philippe Le Bris

Chief Accounting Officer

(principal accounting officer)

AMENDMENT NO. 14 TO CREDIT AGREEMENT

AMENDMENT NO. 14, dated as of May 27, 2026 (this "Amendment") to the Credit Agreement, dated as of December 16, 2020, among Legence Holdings LLC (f/k/a Refficiency Holdings LLC), a Delaware limited liability company (the "Borrower"), the other Guarantors party thereto, the lenders party thereto and Jefferies Finance LLC, as Administrative Agent (in such capacity, the "Administrative Agent"), Collateral Agent, Swing Line Lender and an L/C Issuer (as amended, restated, amended and restated, modified and supplemented from time to time prior to the date hereof, the "Credit Agreement" and as further amended by this Amendment, the "Amended Credit Agreement"); capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, the Borrower has requested that certain amendments and modifications to the Credit Agreement be effected pursuant to Section 2.15 of the Credit Agreement, which permits the Borrower to obtain Refinancing Term Loans (or Commitments in respect of Refinancing Term Loans) from Additional Amendment No. 14 Refinancing Lenders (as defined below) in respect of all or a portion of any existing Refinancing Term Loans;

WHEREAS, in connection with the foregoing, it is intended that (a) the Borrower will amend and modify the Credit Agreement to incur Credit Agreement Refinancing Indebtedness consisting of Refinancing Term Loans in an aggregate principal amount of $995,277,753.08 (the "Amendment No. 14 Refinancing Term Loans") on the Amendment No. 14 Effective Date (as defined below) and (b) the proceeds of the Amendment No. 14 Refinancing Term Loans will be used to replace all outstanding Initial Term Loans;

WHEREAS, pursuant to Section 2.15(d) of the Credit Agreement, the Borrower, the Administrative Agent and the Additional Amendment No. 14 Refinancing Lenders may enter into the Amendment without the consent of any other Agents or Lenders, and amend any other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of Section 2.15 of the Credit Agreement;

WHEREAS, each Lender holding Term Loans outstanding immediately prior to giving effect to this Amendment (the "Existing Term Loans") that executes and delivers a consent to this Amendment substantially in the form of Exhibit A hereto (an "Amendment No. 14 Consent") shall be deemed, upon effectiveness of this Amendment, to have consented to (x) the amendments to the Credit Agreement set forth herein, including, without limitation, the reduction of the Applicable Rate and (y) the continuation of all (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers (as defined below) and notified to such Lender) of its outstanding Existing Term Loans as Amendment No. 14 Refinancing Term Loans (such continued Existing Term Loans, the "Continued Term Loans"), and Lenders consenting with Continued Term Loans, (the "Consenting Lenders") in a principal amount equal to the aggregate principal amount of such Existing Term Loans, so continued (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers);

WHEREAS, each Lender that executes and delivers a signature page to this Amendment as an Additional Amendment No. 14 Refinancing Lender consents to this Amendment and agrees to make Amendment No. 14 Refinancing Term Loans (collectively, the "Additional Amendment No. 14 Refinancing Lenders") to the Borrower on the Amendment No. 14 Effective Date in such amount (not in excess of its commitment) as determined by the Amendment No. 14 Lead Arrangers and notified to such Additional Amendment No. 14 Refinancing Lender;

WHEREAS, the Consenting Lenders and the Additional Amendment No. 14 Refinancing Lenders (collectively, the "New Term Lenders") are severally willing to continue all (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers and notified to such Lender) of their Existing Term Loans as Amendment No. 14 Refinancing Term Loans and/or to make Amendment No. 14 Refinancing Term Loans, as the case may be, subject to the terms and conditions set forth in this Amendment;

WHEREAS, the New Term Lenders are willing to provide Amendment No. 14 Refinancing Term Loans to the Borrower on the Amendment No. 14 Effective Date, and the New Term Lenders are willing to amend the Credit Agreement to reduce the Applicable Rate on the terms and subject to the conditions set forth herein and in the Credit Agreement;

WHEREAS, it is hereby acknowledged that the Borrower and the Administrative Agent have determined, in their reasonable opinion and pursuant to their authority in Section 2.15 of the Credit Agreement, that the amendments to the Credit Agreement effected hereby are necessary and appropriate to effectuate the incurrence of the Amendment No. 14 Refinancing Term Loans and the transactions contemplated hereby;

WHEREAS, pursuant to Sections 2.15(b) and 11.02 of the Credit Agreement, the Administrative Agent, the New Term Lenders and the Borrower hereby agree to amend certain provisions of the Credit Agreement to effectuate the foregoing; and

WHEREAS, each of Jefferies Finance LLC, Goldman Sachs Bank USA, Barclays Bank PLC, BMO Capital Markets Corp., BofA Securities, Inc., MUFG (as defined below), Royal Bank of Canada and Société Générale are acting as joint lead arrangers and joint bookrunners with respect to the Amendment No. 14 Refinancing Term Loans (collectively, the "Amendment No. 14 Lead Arrangers"). "MUFG" means MUFG Bank, Ltd., MUFG Securities Americas Inc. and/or any affiliates of MUFG as determined to be appropriate by MUFG.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

ARTICLE I
Amendment No. 14 Refinancing Term Loans

This Amendment is a Refinancing Amendment referred to in Section 2.15 of the Credit Agreement, and the Borrower, the Consenting Lenders, the Additional Amendment No. 14 Refinancing Lenders and the Administrative Agent hereby agree that:

A. Subject to the terms and conditions set forth herein,

1. each Consenting Lender agrees to continue all (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers and notified to such Lender) of its Existing Term Loans as Amendment No. 14 Refinancing Term Loans on the Amendment No. 14 Effective Date in a principal amount equal to such Existing Term Loans (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers and notified to such Lender), and

2. each Additional Amendment No. 14 Refinancing Lender agrees to make an Amendment No. 14 Refinancing Term Loan on such date to the Borrower in a principal amount

equal to such Additional Amendment No. 14 Refinancing Lender's Amendment No. 14 Refinancing Term Loan Commitment (as defined below).

B. Subject to the requirements of Section 10.07 of the Credit Agreement, a Person shall become a party to this Amendment and to the Credit Agreement as an Additional Amendment No. 14 Refinancing Lender as of the Amendment No. 14 Effective Date by executing and delivering to the Administrative Agent on or prior to the Amendment No. 14 Effective Date an Amendment No. 14 Consent in its capacity as an Additional Amendment No. 14 Refinancing Lender.

C. Each Additional Amendment No. 14 Refinancing Lender will make its Amendment No. 14 Refinancing Term Loan on the Amendment No. 14 Effective Date by making available to the Administrative Agent (for the account of the Borrower), in accordance with the Credit Agreement, an aggregate principal amount equal to the amount set forth opposite such Additional Amendment No. 14 Refinancing Lender's name on Annex I hereto (the "Amendment No. 14 Refinancing Term Loan Commitments"). The commitments of the Additional Amendment No. 14 Refinancing Lenders and the continuation of undertakings of the Consenting Lenders are several, and no such Lender will be responsible for any other such Lender's failure to make or acquire by continuation its Amendment No. 14 Refinancing Term Loan. The Amendment No. 14 Refinancing Term Loans may from time to time be Base Rate Loans or Term SOFR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with the Amended Credit Agreement.

D. Each Additional Amendment No. 14 Refinancing Lender and each Consenting Lender hereby agrees to waive the minimum aggregate principal amounts set forth in Section 2.15(c) of the Credit Agreement. The Consenting Lenders hereby agree to waive any breakage costs under Section 3.05 of the Credit Agreement incurred by any such Person.

E. The obligation of each Additional Amendment No. 14 Refinancing Lender and each Consenting Lender to make or acquire by continuation, as applicable, Amendment No. 14 Refinancing Term Loans on the Amendment No. 14 Effective Date is subject to the satisfaction or waiver of the conditions set forth in Article IV of this Amendment.

F. On and after the Amendment No. 14 Effective Date, (i) each reference in the Loan Documents to "Term Loans" shall be deemed to include the Amendment No. 14 Refinancing Term Loans contemplated hereby, except as the context may otherwise require and (ii) each reference to "Lenders" shall be deemed to include the Additional Amendment No. 14 Refinancing Lenders. Notwithstanding the foregoing, the provisions of the Credit Agreement with respect to indemnification, reimbursement of costs and expenses, increased costs and break funding payments (other than to the extent waived pursuant to Section I(D) above) shall continue in full force and effect with respect to, and for the benefit of, each existing Term Lender in respect of such Lender's Existing Term Loans.

G. The continuation of Continued Term Loans may be implemented pursuant to other procedures specified by the Amendment No. 14 Lead Arrangers (in consultation with the Borrower), including (i) by repayment of Continued Term Loans of a Consenting Lender from the proceeds of Amendment No. 14 Refinancing Term Loans followed by a subsequent assignment to such Consenting Lender of Amendment No. 14 Refinancing Term Loans in the same amount or (ii) by each Consenting Lender cashlessly rolling all (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers and notified to such Lender) of its Existing Term Loans (or in the case of Jefferies Finance LLC as a Consenting Lender, all or a portion of its Existing Term Loans) as an Amendment No. 14 Refinancing Term Loan in a principal amount equal to such Existing Term Loans (or such lesser amount as allocated to such Lender by the Amendment No. 14 Lead Arrangers and notified to such Lender), and each Consenting Lender hereby agrees to execute such other documentation as may be required to evidence such Consenting Lender's Amendment No. 14 Refinancing Term Loan Commitment.

H. Each Additional Amendment No. 14 Refinancing Lender hereby (i) confirms that a copy of the Credit Agreement, the Amended Credit Agreement and the other applicable Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this

Amendment and make an Amendment No. 14 Refinancing Term Loan, has been made available to such Additional Amendment No. 14 Refinancing Lender by the Administrative Agent, (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the Amended Credit Agreement or the other applicable Loan Documents, including this Amendment, (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement, the Amended Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto and (iv) acknowledges and agrees that, upon the Amendment No. 14 Effective Date, such Additional Amendment No. 14 Refinancing Lender shall be a "Lender", under, and for all purposes of, the Amended Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms hereof and thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

I. Each Additional Amendment No. 14 Refinancing Lender hereby consents and authorizes the Administrative Agent to execute this Amendment on their behalf.

ARTICLE II

Credit Agreement Amendments

A. Pursuant to Sections 2.15 and 10.01 of Credit Agreement, and subject to satisfaction of the conditions precedent in Article IV below, the Credit Agreement shall be, effective as of the Amendment No. 14 Effective Date, amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the document attached as Exhibit B hereto.

B. Except as specifically amended by this Amendment, the Amended Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants, as of the Amendment No. 14 Effective Date, to the Administrative Agent and the New Term Lenders:

A. This Amendment has been duly executed and delivered by such Loan Party and constitutes the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except to the extent that the enforceability thereof may be limited by Debtor Relief Laws and by general principles of equity.

B. The representations and warranties of each Loan Party set forth in Article 5 of the Credit Agreement or any other Loan Document (including, for the avoidance of doubt, this Amendment as a Loan Document) are true and correct in all material respects (except that any such representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" are true and correct in all respects as so qualified) on and as of the date such representation and warranty is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date).

C. At the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

ARTICLE IV

Conditions to Effectiveness

This Amendment shall become effective on the date (the "Amendment No. 14 Effective Date") on which each of the following conditions is satisfied:

A. the Administrative Agent shall have received a counterpart signature page of this Amendment, executed and delivered by (i) the Borrower, (ii) each other Loan Party, (iii) the Administrative Agent and (iv) the Additional Amendment No. 14 Refinancing Lenders and the Consenting Lenders (which, together with the Additional Amendment No. 14 Refinancing Lenders, shall constitute 100% of all Lenders holding Initial Term Loans);

B. the Administrative Agent (or its counsel) shall have received a legal opinion from Kirkland & Ellis LLP, New York counsel to the Loan Parties;

C. the Administrative Agent (or its counsel) shall have received a solvency certificate from the chief financial officer, chief accounting officer or other officer with equivalent duties of the Borrower (after giving effect to the Amendment No. 14 Refinancing Term Loans) substantially in the form attached as Exhibit E-2 to the Credit Agreement;

D. the Administrative Agent (or its counsel) shall have received such certificates of good standing (or certificates of compliance) (in each case to the extent such concept exists) from the applicable secretary of state (or other Governmental Authority) of the jurisdiction of incorporation or organization of each Loan Party, certificates of resolutions or other action (including board resolutions), incumbency certificates, certificates of incorporation and/or other certificates of a Responsible Officer of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment;

E. the Borrower shall have paid all fees and expenses due to the Amendment No. 14 Lead Arrangers and their respective Affiliates (including, if applicable, as a New Term Lender) required to be paid on the Amendment No. 14 Effective Date, and (in the case of expenses) invoiced at least three (3) Business Days before the Amendment No. 14 Effective Date (except as otherwise reasonably agreed by the Borrower);

F. the Borrower shall have delivered to the Administrative Agent and the New Term Lenders a certificate of a Responsible Officer, dated the date of borrowing, in form and substance reasonably satisfactory to the Administrative Agent, certifying as of Amendment No. 14 Effective Date to the representations and warranties set forth in clauses B and C of Article III above;

G. the Borrower shall have delivered to the Administrative Agent such notice of borrowing with respect to the Amendment No. 14 Refinancing Term Loans as required by Section 2.02 of the Credit Agreement; and

H. the Borrower shall have paid to the Administrative Agent, for the ratable account of the Lenders holding Initial Term Loans immediately prior to the Amendment No. 14 Effective Date, all accrued and unpaid interest and fees to, but not including, the Amendment No. 14 Effective Date.

ARTICLE V

Further Acknowledgments

I. The Borrower (A) acknowledges and agrees that (i) it shall be liable for all Obligations with respect to the Amendment No. 14 Refinancing Term Loans and Amendment No. 14 Refinancing Term Loan Commitments provided hereby including, without limitation, all Amendment No. 14 Refinancing Term Loans made pursuant hereto and (ii) all such Obligations (including in respect of all such Amendment No. 14 Refinancing Term Loans) shall be entitled to the benefits of the Collateral Documents and the Guaranty and (B) (i) acknowledges and agrees that after giving effect to this Amendment, the Collateral Documents continue to be in full force and effect and (ii) affirms and confirms the pledge of and/or grant of security interest in its assets constituting Collateral to secure the Obligations, which continue in full force and effect.

J. Each Guarantor acknowledges and agrees to each of the provisions of this Amendment and to the incurrence of the Amendment No. 14 Refinancing Term Loans to be made pursuant hereto and the Amendment No. 14 Refinancing Term Loan Commitments established hereby. Each Guarantor (A) acknowledges and agrees that all Obligations with respect to the Amendment No. 14 Refinancing Term Loan Commitments and Amendment No. 14 Refinancing Term Loans made pursuant hereto shall (i) be fully guaranteed pursuant to the Guaranty as, and to the extent, provided herein and in the Amended Credit Agreement and (ii) be entitled to the benefits of the Loan Documents as, and to the extent, provided herein and in the Amended Credit Agreement and (B) (i) acknowledges and agrees that after giving effect to this Amendment, the Guaranty and the Collateral Documents continue to be in full force and effect and (ii) affirms and confirms its guarantee of the Obligations and the pledge of and/or grant of security interest in its assets constituting Collateral to secure the Obligations, which continue in full force and effect.

K. Each of the Borrower and each Guarantor acknowledges and agrees that (i) from and after the date hereof, all Amendment No. 14 Refinancing Term Loans and all obligations in respect thereof and in respect of the Amendment No. 14 Refinancing Term Loan Commitments shall be deemed to be “Obligations” under the Amended Credit Agreement and each other Loan Document to which it is a party and (ii) each New Term Lender (and any assignee thereof) is a “Lender” and a “Secured Party” for all purposes under the Loan Documents to which such Loan Party is a party.

ARTICLE VI

Miscellaneous

A. Credit Agreement. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Borrower or any other Loan Party under the Amended Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect after giving effect to this Amendment. After the Amendment No. 14 Effective Date, any reference to the Credit Agreement shall mean the Credit Agreement as modified hereby. This Amendment shall constitute a “Loan Document” for all purposes of the Amended Credit Agreement and the other Loan Documents.

B. No Novation. This Amendment shall not extinguish the Obligations for the payment of money outstanding under the Credit Agreement or discharge or release the lien or priority of any Loan Document or any other security therefor or any guarantee thereof and the liens and security interests existing immediately prior to the Amendment No. 14 Effective Date in favor of the Collateral Agent for the benefit of the Secured Parties securing payment of the Obligations are in all respects continuing and in full force and effect with respect to all Obligations. Except as expressly provided, nothing herein contained shall be construed as a substitution or novation, or a payment and reborrowing, or a termination, of the Obligations outstanding under the Credit Agreement or instruments guaranteeing or securing the same, which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith. Nothing expressed or implied in this Amendment or any other document contemplated hereby shall be construed as a release or other discharge of any Loan Party under the Credit Agreement or any Loan Document from any of its obligations and liabilities thereunder, and except as expressly provided, such obligations are in all respects continuing with only the terms being modified as provided in this Amendment.

C. Successors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of each New Term Lender (it being understood that rights of assignment of the parties hereto are subject to the further provisions of Section 10.07 of the Amended Credit Agreement).

D. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The provisions of Sections 10.15(b) and 10.16 of the Credit Agreement are incorporated herein and apply to this Amendment *mutatis mutandis*.

E. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent. This Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

F. Headings. The headings of the several sections and subsections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

G. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

LEGENCE HOLDINGS LLC, as the Borrower

By: /s/ Stephen Butz
Name: Stephen Butz
Title: Chief Financial Officer

GUARANTORS:

A.O. REED & CO., LLC
AMA COMMISSIONING + BUILDING SYSTEMS, LLC
AMA CONSULTING ENGINEERS HOLDINGS LLC
AMA DESIGN BUILD LLC
AMA DESIGN-BUILD, LLC
AMA MANAGEMENT SERVICES LLC
BEL-AIRE MECHANICAL, LLC
BLACK BEAR ENERGY, INC.
BOWERS NATIONAL, LLC
BUILDINGS SYSTEMS HOLDINGS, LLC
CMTA, INC.
CMTA FACILITY SOLUTIONS LLC
G-1 THERMA BLOCKER, LLC
GILBERT MECHANICAL CONTRACTORS, LLC
INNOVATIVE MECHANICAL & DESIGN, LLC
LEGENCE SUBSIDIARY HOLDINGS, LLC
LEGENCE THERMA LLC
LORD GREEN REAL ESTATE STRATEGIES, LLC
OCI ASSOCIATES, LLC
P2S LP
RE-TECH ADVISORS, LLC
SAN JOSE BOILER WORKS, INC.
SHADPOUR CONSULTING ENGINEERS, LP
SKYLINE ENGINEERING, L.L.C.
TECHNICAL SYSTEMS SOLUTIONS & MEASUREMENT, LLC
THE BOWERS AUTOMOTIVE GROUP, LLC
THERMA INTERMEDIATE LLC
THERMA LLC
TM TECHNOLOGY PARTNERS, LLC
VARCOMAC LLC
W.E. BOWERS GROUP, LLC
W.E. BOWERS & ASSOCIATES, LLC
W.E. BOWERS, LLC
YEAROUT LLC
YEAROUT MECHANICAL, LLC
YEAROUT SERVICE, LLC

By: /s/ Stephen Butz________________________
Name: Stephen Butz
Title: Chief Financial Officer

JEFFERIES FINANCE LLC, as
Administrative Agent

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Managing Director

JEFFERIES FINANCE LLC, as the
Additional Amendment No. 14
Refinancing Lender

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Managing Director

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jeffrey Sprau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of Legence Corp. (the “registrant”);
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(s) 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)) 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. 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
    c. 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(s) 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 (or persons performing the equivalent functions):
    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.

By: /s/ Jeffrey Sprau
Jeffrey Sprau
Chief Executive Officer

Date: August 13, 2026

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Stephen Butz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of Legence Corp. (the "registrant");
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(s) 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)) 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. 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
   c. 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(s) 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 (or persons performing the equivalent functions):
   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.

By: /s/ Stephen Butz
Stephen Butz
Chief Financial Officer

Date: August 13, 2026

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 the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of Legence Corp. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey Sprau, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2026

/s/ Jeffrey Sprau
Jeffrey Sprau
Chief Executive Officer

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 the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 of Legence Corp. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen Butz, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2026

/s/ Stephen Butz
Stephen Butz
Chief Financial Officer