Project Pioneer

Materials Prepared for the Pioneer Special Committee

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Bank of America Merrill Lynch

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Key Observations Regarding CSC Presentation to the Special Committee Provided July 2, 2014

- **Negative Momentum in Core Business**
  - Management estimates the EBITDA impact from the Duke/Progress transition and the loss of the PPL contract to be $4 million, not $7 million as stated by CSC
    - As management indicated previously, their estimate of the negative profitability impact of the lost Duke/Progress business is approximately $2 million
    - Management estimates the PPL contract loss to be a maximum of $2 million of gross margin
  - CSC's due diligence included management discussion around a degradation of core business performance due to two additional factors: (1) wet weather in April and (2) temporary margin pressure on the new customers from Duke transition due to learning curve
  - According to Management, the most significant driver of underperformance versus the FY2014 forecast was due to lower storm activity, which reduced revenue by $9.8 million and gross margin by $3.6 million
- **Klondyke and Pine Valley Underperformance**
  - CSC references management-provided numbers in their commentary around recent performance (figures on page 3 of CSC Presentation)
  - Management has provided CSC with significant detail on the backlog and pipeline for these businesses and remains confident in the business turnaround
  - Additionally, the businesses have performed in line with previously provided Management projections for 2014E (Gross Profit of $1.5 million versus prior forecast of $0.5 million)
- **Risk Associated with "New Opportunities" Growth**
  - Based on our discussions with Management, CSC's characterization of Opportunity 6 is only partially accurate. The contract is being put out to RFP but management has a high degree of confidence that Pioneer will win the business and it is expected to be sole-sourced
  - While Pioneer was not a finalist for Opportunity 1's 7-year MSA contract, Management has indicated that Pioneer plans to bid for smaller projects with potentially higher margins. Therefore the profitability impact of this lost contract may be limited; additionally, the lost MSA business had ~$15 million of associated capex included in the model provided on April 9th

Source: Management views and forecasts from Pioneer Management; CSC views from CourtSquare Presentation dated July 2, 2014.

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- **Quality of Earnings**
  - Management does not agree with CSC's QoE adjustments to EBITDA (see next page)
  - In the management forecast calculation of Adjusted EBITDA, public company costs were reduced by 50% pro forma (i.e. $900k audit costs versus $1.8 million current) which management believes is very reasonable and should not be further adjusted
  - The $3 million adjustment for California job losses at Klondyke/PVP is, according to Management, believed to be one-time in nature and a result of start-up costs for the business and part of the learning curve of entering new territories
  - CSC did not provide any visibility into the other PELLC adjustment of $0.8 million in their presentation and Management would need further information from CSC to respond appropriately

- **FCF Underperformance and Debt-Like Items**
  - CSC has cited a management provided estimate of $197.1 million for 6/30/14 net debt. Management's current estimate is $196.2 million and includes Storm AR of $4.5 million which will be collected early in Q1 2015
  - Debt-like items that CSC appeared to include are:
    - RSI-related deferred compensation liability, which is disclosed in the Pioneer 2013 Form 10-K and has a total obligation with net present value of $5.3 million at April 27. This does not appear to be a valid adjustment given the disclosure and the fact that only $2.1 million out of the $6.6 million is due before 2018
    - Unfunded liability from multi-employer pension, which Pioneer management and labor attorneys engaged by Pioneer view to be no liability. CSC has included a $5 million adjustment. Management indicated that any obligation would only be triggered in the unlikely event that Pioneer exited the union pension plan and reenters the market in a non-union capacity. Additionally the obligation would only be triggered if Pioneer was in the plan for a minimum of 8 years, which has not occurred

Source: Management views and forecasts from Pioneer Management; CSC views from Court Square Presentation dated July 2, 2014.

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Value Perspectives

	Court Square Perspective	Management Perspective	Comments
2014 Adj. EBITDA as of Apr-14	$83.1	$83.1	Per April Executive Presentation to Court Square
Less: Underperformance	(5.3)	(3.5)	
Revised Adj. EBITDA	**$77.8**	**$79.6**	$79.6 is based on April and May actuals and latest June management flash as of July 5
QoE Adjustments:			
Public Company	($1.1)	--	For the calculation of Adj. EBITDA, Management reduced audit/internal controls costs by 50% or ~$900K for internal audit costs
Klondyke / PVP	(3.0)	--	These costs are associated with the CA job losses and are viewed as one-time/non-recurring
Other PELLC	(0.8)	--	No details on this adjustment
Total QoE Adjustments	**($4.8)**	--	
2014E CSC EBITDA	**$73.0**	**$79.6**	
6/30/14E Net Debt Forecast as of Apr-14	$191.2	$191.2	Per April Executive Presentation to Court Square
Free Cash Flow Underperformance	5.9	5.0	
6/30/14E Net Debt Forecast as of Jun-14	**$197.1**	**$196.2**	$196.2 is latest Management estimate as of 7/3/14
Plus: Debt-like Items	10.3	--	Appears to include adjustment for RSI deferred compensation liability, which is disclosed in the Pioneer 2013 Form 10-K and which is partially contained in the cash flow projections and for a perceived multi-employer union pension underfunding obligation, which Management believes is unlikely to be triggered.
Current Estimated Total Net Debt	**$207.4**	**$196.2**	

	CSC Revised ($11.00)	CSC Revised ($11.00)	At Original CSC LOI ($12.85)
TEV [1]	**$573**	**$561**	**$619**
'14E Adj. EBITDA	73.0	79.6	83.1
'14E Adj. EBITDA - Norm. Capex ($35mm)	38.0	44.6	48.1
TEV / EBITDA	**7.8x**	**7.0x**	**7.4x**
TEV / (EBITDA - Capex)	**15.1x**	**12.6x**	**12.9x**

Source: Pioneer Management and Court Square presentation dated July 2, 2014.
Note: Dollars in millions, except per share figures.
(1) Net Debt as of 6/30/14E. Includes $3.8mm bonus payments accelerated to be paid at change of control.

Appendix

Appendix
Pioneer Storm Performance and Outlook

Estimate as of July 5, 2014 indicates 2014 storm revenue of $64mm

	2014E			Q4 2014E		Full Year 2014E		April 9 Forecast			
	Q1A	Q2A	Q3A	Apr-9 Forecast	June Estimate	Apr-9 Forecast	June Estimate	2015E	2016E	2017E	2018E
Revenue	$3.1	$21.8	$32.1	$13.8	$3.9	$70.8	$60.9	$75.0	$75.0	$75.0	$75.0
Gross Profit	$0.9	$11.7	$10.7	$4.1	$1.1	$28.0	$24.4	$22.5	$22.5	$22.5	$22.5
% Margin	*29.0%*	*53.7%*	*33.5%*	*30.0%*	*27.0%*	*39.5%*	*40.1%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*

Source: Management views and forecasts from Pioneer Management.