

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

_____, Individually and on Behalf of All
Others Similarly Situated,

Plaintiff,

v.

EVERUS CONSTRUCTION GROUP, INC.,
JEFFREY S. THIEDEAND, and
MAXIMILLIAN J. MARCY,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

DEMAND FOR JURY TRIAL

Plaintiff ___ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Everus Construction Group, Inc. (“Everus” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Everus; and (c) review of other publicly available information concerning Everus.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Everus common stock between October 31, 2024 and February 11, 2025, inclusive (the “Class Period”), including investors who held MDU Resources Group, Inc. (“MDU Resources”) common stock as of October 21, 2024 and acquired Everus common stock issued in connection with the spinoff of Everus Construction (defined below) on or about October 31, 2024 (the “Spinoff”).¹ Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934.

2. Everus is the parent company of Everus Construction, Inc. (“Everus Construction”), which provides utility construction services. Everus Construction offers electrical line construction, pipeline construction, inside electrical wiring and cabling, and mechanical services.

¹ To effectuate the Spinoff, MDU Resources distributed one share of Everus common stock for every 4 shares of MDU Resources common stock held as of October 21, 2024. Shareholders received cash in lieu of fractional shares.

3. Everus Construction (formerly known as MDU Construction Services Group, Inc.) operated historically as a wholly owned subsidiary of CEHI, LLC, which is a wholly owned subsidiary of MDU Resources. On November 2, 2023, MDU Resources announced its intent to pursue a tax-free spinoff of Everus Construction from MDU Resources.

4. On February 11, 2025, after the market closed, Everus released its fourth quarter and full year 2024 financial results, revealing that “[g]iven the current mix of [the Company’s] backlog,” its “backlog conversion” would be “extended relative to [the] historical pattern over the coming quarters.” The Company explained its average project size had been getting “larger, more complex and longer.” The Company further revealed that, as a result of this shift in backlog composition, “heading into 2025” the Company “expect[s] revenue in the range of \$3.0 billion to \$3.1 billion and EBITDA in the range of \$210 million to \$225 million for the year.”

5. On this news, Everus’s stock price fell \$18.88, or 27.6%, over two consecutive trading days to close at \$49.54 per share on February 13, 2025, on unusually heavy trading volume.

6. Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors that: (1) the Company’s backlog conversion cycle had become elongated due to larger, more complex projects; (2) as a result, the Company’s revenue recognition would be delayed; and (3) as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

7. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

10. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

11. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

12. Plaintiff ____, as set forth in the accompanying certification, incorporated by reference herein, acquired Everus securities in connection with the Separation from MDU, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

13. Defendant Everus is incorporated under the laws of Delaware with its principal executive offices located in Bismarck, North Dakota. Everus's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "ECG."

14. Defendant Jeffrey S. Thiede (“Thiede”) was the Company’s Chief Executive Officer (“CEO”) at all relevant times.

15. Defendant Maximillian J. Marcy (“Marcy”) was the Company’s Chief Financial Officer (“CFO”) at all relevant times.

16. Defendants Thiede and Marcy (together, the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

17. Everus is the parent company of Everus Construction, which provides utility construction services. Everus Construction offers electrical line construction, pipeline construction, inside electrical wiring and cabling, and mechanical services.

18. Everus Construction (formerly known as MDU Construction Services Group, Inc.) operated historically as a wholly owned subsidiary of CEHI, LLC, which is a wholly owned subsidiary of MDU Resources. On November 2, 2023, MDU Resources announced its intent to pursue a tax-free spinoff of Everus Construction from MDU Resources.

Materially False and Misleading Statements

Issued During the Class Period

19. The Class Period begins on October 31, 2024, when the Company's stock began trading on the NYSE. The registration statement corresponding to the Spinoff, which was signed by Defendant Thiede, was first filed on Form 10 on March 22, 2024 and amended on October 9, 2024. The Form 10 stated that “[c]ertain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1” (the “Information Statement”).²

20. The Information Statement purported to list “*the most material risk factors applicable to Everus.*” Specifically, the risk factors contained within the Information Statement, as incorporated by reference into the Form 10, reported the following risk related to Everus’ business, in relevant part:

Everus’ backlog may not accurately represent future revenue.

Backlog consists of the uncompleted portion of services to be performed under job-specific contracts. Contracts are subject to delay, default or cancellation, and contracts in Everus’ backlog are subject to changes in the scope of services to be provided, as well as adjustments to the costs relating to the applicable contracts. Backlog may also be affected by project delays or cancellations resulting from weather conditions, external market factors and economic factors beyond Everus’ control, among other things. Accordingly, there is no assurance that backlog will be realized. The timing of contract awards, duration of large new contracts and the mix of services can significantly affect backlog. Backlog at any given point in time may not accurately represent the revenue or net income that is realized in any period. Also, the backlog as of the end of the year may not be indicative of the revenue and net income expected to be earned in the following year and should not be relied upon as a standalone indicator of future revenues or net income of Everus.

² Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

21. The Information Statement, as incorporated by reference into the Registration Statement, reported the Company's financial information including Management's Discussion and Analysis of Financial Condition and Results of Operations. Therein, the Company purported to report the trends and changes in operating revenues from the fiscal year 2023 compared to fiscal year 2022, as well as the three months ended June 30, 2024, compared to three months ended June 30, 2023. Specifically, the Information Statement, as incorporated by reference into the Registration Statement, reported the following in relevant part:

Consolidated Results of Operations For the Years Ended December 31, 2023, 2022 and 2021

The following table sets forth our consolidated selected statements of income data, as well as the percentage change from the prior year.

Years ended December 31,	2023	2022	2021	2023 vs 2022 % change	2022 vs 2021 % change
	(In millions, except percentages)				
Operating revenues	\$ 2,854.4	\$ 2,699.2	\$ 2,051.6	5.7 %	31.6 %
Cost of sales	2,532.5	2,423.2	1,803.7	4.5 %	34.3 %
Gross profit	321.9	276.0	247.9	16.6 %	11.3 %
Selling, general and administrative expenses	131.4	111.4	102.2	18.0 %	9.0 %
Operating income	190.5	164.6	145.7	15.7 %	13.0 %
Interest expense	17.0	6.3	3.5	169.8 %	80.0 %
Other income	4.0	1.4	1.7	185.7 %	(17.6)%
Income before income taxes and income from equity method investments	177.5	159.7	143.9	11.1 %	11.0 %
Income taxes	45.3	40.8	35.4	11.0 %	15.3 %
Income from equity method investments	5.0	5.9	0.9	(15.3)%	555.6 %
Net income	\$ 137.2	\$ 124.8	\$ 109.4	9.9 %	14.1 %

Year Ended December 31, 2023, Compared to Year Ended December 31, 2022

Operating Revenues

Operating revenues for the year ended December 31, 2023, were \$2,854.4 million, an increase of \$155.2 million, or 5.7%, from \$2,699.2 million for the year ended December 31, 2022. This increase primarily relates to an increase of \$137.1 million, or 6.9%, in E&M revenues. E&M revenues grew as a result of higher commercial revenues from increased hospitality and data center projects, higher industrial revenues from high tech and government projects and institutional revenues largely the result of higher project workloads in the health care market. Offsetting the E&M revenue increases were lower renewable revenues due to project timing.

T&D revenues increased \$17.2 million, or 2.4%, as a result of higher utility workloads for distribution, transmission, gas and underground projects. These increases were largely offset by lower workloads in utility electrical projects due to timing. The transportation market was impacted by lower workloads from the

timing of projects related to street lighting and government activity, partially offset by an increase in traffic signalization.

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Three Months Ended June 30, 2024, Compared to Three Months Ended June 30, 2023

Operating Revenues

Operating revenues in the E&M segment for the three months ended June 30, 2024, were \$503.8 million, a decrease of \$66.4 million, or 11.6%, from \$570.2 million for the three months ended June 30, 2023. The decrease primarily relates to lower revenues for the commercial, industrial and service markets, partially offset by higher revenues for the institutional market. The commercial market had lower revenues within the hospitality sector of \$149.5 million from completion of large projects during 2023, partially offset by a \$107.2 million increase in data center projects due to higher workloads. The industrial market had lower revenues on general industrial, high tech and government projects of \$25.7 million, \$18.2 million and \$5.2 million, respectively, partially offset by a higher volume of manufacturing projects of \$10.5 million. Service market revenues decreased \$7.3 million, largely the result of lower project workloads due to decreased repair and maintenance demand. Partially offsetting the E&M revenue decreases were higher institutional revenues driven by increased workloads in government, education and healthcare projects of \$22.6 million, \$8.6 million and \$3.5 million, respectively.

Operating revenues in the T&D segment for the three months ended June 30, 2024, were \$206.8 million, an increase of \$26.7 million, or 14.8%, from \$180.1 million for the three months ended June 30, 2023. The increase primarily relates to increased revenues for both utility and transportation markets. The utility market had higher revenues due to increased workloads for transmission projects of \$14.9 million, telecommunication projects of \$8.4 million, and substation projects of \$7.2 million. The utility increases were offset by lower workloads on utility distribution projects of \$18.9 million. Revenues increased in the transportation market due to higher workloads for traffic signalization projects of \$8.3 million and street lighting projects of \$7.8 million, partially offset by lower workloads for government and electric projects of \$3.6 million.

22. The Information Statement, as incorporated by reference into the Registration Statement, further reported the contents and factors impacting the Company's backlog, including statements concerning changes in backlog from period to period, as follows in relevant part:

Backlog

Backlog consists of the uncompleted portion of services to be performed under job-specific contracts. Contracts are subject to delay, default or cancellation, and contracts in our backlog are subject to changes in the scope of services to be provided, as well as adjustments to the costs. ***Backlog also may be affected by project delays or cancellations resulting from weather conditions, external market factors and economic factors beyond our control, among other things. Accordingly, there is no assurance that backlog will be realized.*** As of June 30, 2024, December 31, 2023 and December 31, 2022, we did not experience any material impacts related to customer notices indicating that they no longer wish to proceed with the planned projects that have been included in backlog. The timing of contract awards, duration of large new contracts and the mix of services can significantly affect backlog. Backlog at any given point in time may not accurately represent the revenue or net income that is realized in any period, and backlog as of the end of the fiscal year may not be indicative of the revenue or net income expected to be realized in the following fiscal year and should not be relied upon as a standalone indicator of future revenue or net income. Factors noted in “Risk Factors” included elsewhere in this information statement can cause revenues to be realized in periods and at levels that are different from originally projected.

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Changes in backlog from period to period are primarily the result of fluctuations in the timing of revenue recognition of contracts.

The increase in E&M backlog from June 30, 2024, compared to December 31, 2023, primarily reflects additional commercial, institutional, renewables and industrial projects, partially offset by completed or near completion projects during the period.

The increase in T&D backlog from June 30, 2024, compared to December 31, 2023, reflects additional utility and transportation projects, partially offset by completed or near completion projects during the period.

The decrease in E&M backlog from December 31, 2023, compared to December 31, 2022, reflects project completion on certain commercial projects.

The increase in T&D backlog from December 31, 2023, compared to December 31, 2022, reflects additional utility and transportation projects.

23. In connection with the Spinoff, Everus hosted an investor presentation on October 17, 2024 that touted the Company’s “strong backlog and revenue growth” including a purported “18% Backlog CAGR [compound annual growth rate].” The investor presentation further

“confirmed 2024 guidance” based on the Company’s strong backlog “momentum.” Specifically, the investor presentation stated the following, in relevant part:

Strong Customer Relationships

3,700+ <i>Customers</i>	44,000+ <i>Projects</i>	18% <i>Backlog CAGR⁽¹⁾</i>	30+ <i>Years Average Relationship with Top 10 Customers⁽²⁾</i>
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Strong Backlog and Revenue Growth

Track Record of Strong Backlog Growth ...

Backlog \$ in millions

Year	Backlog (\$ millions)
2019	\$1,144
2020	\$1,273
2021	\$1,385
2022	\$2,131
2023	\$2,011
As of 6/30/2024	\$2,403

... Delivering Sustained Long-Term Revenue Growth

Revenue \$ in millions

Year	Revenue (\$ millions)
2019	\$1,849
2020	\$2,096
2021	\$2,052
2022	\$2,699
2023	\$2,854
LTM ⁽¹⁾	\$2,682

* * *

Confirmed 2024 Financial Guidance

<p style="text-align: center;">Key Drivers</p> <ul style="list-style-type: none"> ▲ Confidence in the business and segment guidance that MDU previously provided ▲ Strong demand for E&M data center, government and education projects, and T&D utility and transportation work ▲ Federal funding to bolster investments in domestic manufacturing and upgrades to infrastructure ▲ Strong momentum, with backlog at all-time record \$2.4B⁽¹⁾ 	<p style="text-align: center;">Confirmed 2024 Guidance⁽²⁾</p> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px; text-align: center;"> Revenue \$2.65B – \$2.85B </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px; text-align: center;"> EBITDA \$220M – \$240M </div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> EBITDA Margins Higher than 2023 </div>
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24. On November 6, 2024, Everus announced its third quarter 2024 financial results in a press release, stating in relevant part:

Third Quarter 2024 Summary

(all comparisons versus the prior-year period unless otherwise noted)

- Revenues of \$761.0 million, +6.1%.
- Net income of \$41.8 million, +16.1%; net income margin of 5.5%, +50 basis points.
- Earnings of 82 cents per share, +15.5%.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) of \$65.0 million, +12.1%; EBITDA margin of 8.5%, +40 basis points.
- Backlog of \$2.88 billion, +43.5% from prior year-end.
- Reiterated 2024 full-year guidance.
- Completed spinoff from MDU Resources Group, Inc. on Oct. 31, 2024.

Management Commentary

“This has been a transformative period in our company’s evolution, highlighted by our successful tax-free spinoff from MDU Resources on Oct. 31,” said Jeffrey S. Thiede, president and CEO of Everus. “I want to thank our team members for their continued efforts and dedication that enabled us to successfully transition to being an independent, public company, which better positions us to effectively allocate capital and drive profitable growth while generating long-term value for our shareholders.

“Our third quarter results demonstrate the strength of our scaled national platform and market-leading local brands that are benefiting from strong secular tailwinds, including data center work,” Thiede said. “Third quarter revenue increased 6% with balanced growth across both our segments. ***With our all-time record backlog of \$2.88 billion at the end of the quarter, which is up \$873.9 million since the start of the year,*** and our disciplined focus on our 4EVER strategy, we are well-positioned to deliver on our long-term targets of 5% to 7% organic revenue growth and 7% to 9% EBITDA growth.”

Thiede said, “Based on our results through the first nine months of the year, continued strong momentum in our end markets and our disciplined focus on execution, we are reiterating our 2024 financial guidance that calls for revenues in the range of \$2.65 billion to \$2.85 billion and EBITDA in the range of \$220 million to \$240 million, with EBITDA margins expected to be higher than in 2023. We are

encouraged by the opportunities in our key markets, where we are strategically positioned to take advantage of powerful megatrends driving data center growth, grid modernization and re-shoring of high-tech manufacturing. We are excited about our trajectory and are fully focused on delivering long-term value to our shareholders.”

25. The above statements identified in ¶¶ 19-24 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company’s backlog conversion cycle had become elongated due to larger, more complex projects; (2) as a result, the Company’s revenue recognition would be delayed; and (3) as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

The Subsequent Disclosure

26. On February 11, 2025, after the market closed, Everus issued a press release announcing its fourth quarter and full year 2024 financial results, which included a backlog of \$2.8 billion. The press release also announced, “heading into 2025” it “expect[s] revenue in the range of \$3.0 billion to \$3.1 billion and EBITDA in the range of \$210 million to \$225 million for the year.” Specifically, the press release stated, in relevant part:

Full Year 2024 Summary

(all comparisons versus the prior year unless otherwise noted)

- Revenues of \$2.85 billion, comparable to \$2.85 billion in 2023.
- Net income of \$143.4 million, up 4.5%; net income margin of 5.0%, up 20 basis points.
- Diluted EPS of \$2.81, up 4.5%.
- EBITDA of \$232.2 million, up 4.3%; EBITDA margin of 8.1%, up 30 basis points.
- Backlog of \$2.8 billion, up 38.3% from prior year-end.

For definitions and reconciliations of EBITDA and EBITDA margin, see the Non-GAAP Measures sections of this news release.

Management Commentary

“Everus ended 2024 with strong results, including solid fourth quarter revenue and robust backlog. Our disciplined focus on our 4EVER strategy has ensured strong project execution, positive safety results and a year-end net leverage ratio well below our long-term target,” said Jeffrey S. Thiede, president and CEO of Everus. “Our 2024 EBITDA of \$232 million was up 4% compared to 2023, with growth in both our E&M and T&D segments. With continued strong demand for our services, our backlog at Dec. 31 increased 38%, to \$2.8 billion, compared to Dec. 31, 2023.

“We have strong momentum heading into 2025, and with our advantageous competitive position in diversified end markets that have ongoing favorable trends, we expect revenue in the range of \$3.0 billion to \$3.1 billion and EBITDA in the range of \$210 million to \$225 million for the year. This guidance reflects typical prudent projection of project timing and a shift in overall project mix compared to 2024. As we enter our first full year as a stand-alone company, we are well-positioned financially to continue executing on our capital allocation strategy that prioritizes investments in organic growth and strategic acquisitions while maintaining financial flexibility. We are extremely proud of our team’s dedication and excellent work as we continue safely Building America’s Future.”

27. On the same day, the Company hosted an earnings call in connection with the fourth quarter 2024 earnings results (the “4Q24 Earnings Call”). During the 4Q24 Earnings Call, Defendant Marcy revealed that “[g]iven the current mix of [the Company’s] backlog”, the Company’s “backlog conversion may be extended relative to [the] historical pattern over the coming quarters.” Specifically, Defendant Marcy stated, in relevant part:

Given the current mix of our backlog, which includes some larger multi-year projects, our backlog conversion may be extended relative to our historical pattern over the coming quarters.

28. During the same 4Q24 Earnings Call, Defendant Thiede was asked to explain more regarding “the backlog taking longer” to which he confirmed that the Company’s average project size is getting “larger, more complex and longer.” Specifically, Defendant Thiede stated, in relevant part:

Yeah. So as I mentioned earlier, the average project size is getting slightly larger and our ability to handle those projects and get on board early with our customers is really adjusting or changing slightly the backlog burn as those projects are larger, more complex and longer. That has changed in the mix of all of our work, which is fairly diversified.

29. On this news, Everus's stock price fell \$18.88, or 27.6%, over two consecutive trading days to close at \$49.54 per share on February 13, 2025, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

30. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Everus common stock between October 31, 2024 and February 11, 2025, inclusive and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

31. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Everus or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

32. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

33. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

34. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public omitted and/or misrepresented material facts about the business, operations, and prospects of Everus; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

35. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

36. The market for Everus's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Everus's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Everus's securities relying upon the integrity of the market price of the Company's securities and market information relating to Everus, and have been damaged thereby.

37. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Everus's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Everus's business, operations, and prospects as alleged herein.

38. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, Defendants made or caused to be made a series of materially false and/or misleading statements about Everus's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

39. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

40. During the Class Period, Plaintiff and the Class acquired Everus's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information

alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

41. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Everus, their control over, and/or receipt and/or modification of Everus's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Everus, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE

(FRAUD-ON-THE-MARKET DOCTRINE)

42. The market for Everus's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Everus's securities traded at artificially inflated prices pursuant to the Registration Statement. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Everus's securities and market information relating to Everus, and have been damaged thereby.

43. The artificial inflation of Everus's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, pursuant to the

Distribution, Defendants made or caused to be made a series of materially false and/or misleading statements about Everus's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Everus and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements made during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

44. At all relevant times, the market for Everus's securities was an efficient market for the following reasons, among others:

(a) Everus shares met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Everus filed periodic public reports with the SEC and/or the NYSE;

(c) Everus regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Everus was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

45. As a result of the foregoing, the market for Everus's securities promptly digested current information regarding Everus from all publicly available sources and reflected such information in Everus's share price. Under these circumstances, all persons who purchased or otherwise acquired Everus common stock during the Class Period suffered similar injury through their purchase of Everus's securities at artificially inflated prices and a presumption of reliance applies.

46. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Registration Statement's material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

47. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements.

In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Everus who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Promulgated Thereunder

Against All Defendants

48. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

49. Defendants carried out a plan, scheme and course of conduct which was intended to and, during the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Everus's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

50. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Everus's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

51. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Everus's financial well-being and prospects, as specified herein.

52. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Everus's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Everus and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the persons and entities that acquired the Company's securities pursuant to the Registration Statement.

53. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the relevant period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances,

operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

54. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Everus's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Registration Statement, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

55. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Everus's securities was artificially inflated during Distribution. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Everus's securities at artificially high prices and were damaged thereby.

56. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Everus was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Everus securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

57. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

59. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

60. Individual Defendants acted as controlling persons of Everus within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff

contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

61. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

62. As set forth above, Everus and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their acquisition of the Company's securities during the Distribution.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by

jury. Dated:
