DYCOM

THE PEOPLE CONNECTING AMERICA®

1st Quarter Fiscal 2017

Results Conference Call

November 22, 2016

Forward Looking Statements and Non-GAAP

This presentation contains “forward-looking statements”. Other than statements of historical facts, all statements contained in this presentation, including statements regarding the Company’s future financial position, future revenue, prospects, plans and objectives of management, are forward-looking statements. Words such as “outlook,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “should,” “could,” “project,” and similar expressions, as well as statements in future tense, identify forward-looking statements. You should not consider forward-looking statements as a guarantee of future performance or results. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief at that time with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors, assumptions, uncertainties, and risks that could cause such differences are discussed in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on August 31, 2016 and other filings with the SEC. The forward-looking statements in this presentation are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to update these forward-looking statements to reflect new information, or events or circumstances arising after such date.

This presentation includes certain “Non-GAAP” financial measures as defined by Regulation G of the SEC. As required by the SEC, we have provided a reconciliation of those measures to the most directly comparable GAAP measures on the Regulation G slides included as slides 13 through 19 of this presentation. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, our reported GAAP results.

Participants and Agenda

Participants

Steven E. Nielsen
President & Chief Executive Officer

Timothy R. Estes
Chief Operating Officer

H. Andrew DeFerrari
Chief Financial Officer

Richard B. Vilsoet
General Counsel

Agenda

Introduction and Q1-17 Overview

Industry Update

Financial & Operational Highlights

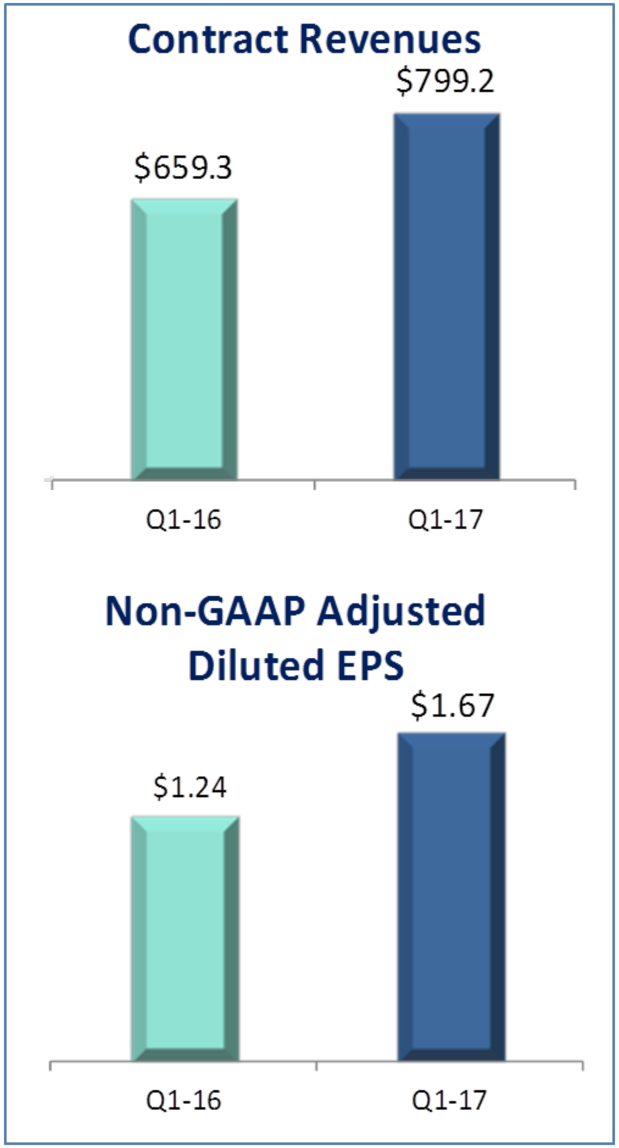
Outlook

Conclusion

Q&A

Q1-17 Overview and Highlights

Financial charts - $ in millions, except earnings per share amounts



- **Strong demand and revenue growth**
  - Contract revenues of $799.2 million in Q1-17 compared to $659.3 million in Q1-16
  - Organic growth of 18.0% excluding contract revenues of acquired businesses not included for the entire period of Q1-17 and Q1-16
- **Strong operating performance**
  - Non-GAAP Adjusted EBITDA of $129.2 million, or 16.2% of revenues in Q1-17, compared to $105.7 million, or 16.0% in Q1-16
  - Non-GAAP Adjusted Diluted EPS increased to $1.67 in Q1-17 compared to $1.24 per share in Q1-16
- **Strong balance sheet and robust liquidity of $346.1 million**

See "Regulation G Disclosure" slides 13-19 for a reconciliation of GAAP to Non-GAAP financial measures.

Industry Update

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❖ ***Industry increasing network bandwidth dramatically***

- Major industry participants deploying significant wireline networks
- Newly deployed networks provisioning 1 gigabit speeds; multi-gigabit speeds planned by some industry participants
- Industry developments have produced opportunities which in aggregate are without precedent

❖ ***Delivering valuable service to customers***

- Currently providing services for 1 gigabit full deployments across the country in dozens of metropolitan areas to a number of customers
- Revenues and opportunities driven by this industry standard continue to grow meaningfully
- Customers are revealing with more specificity multi-year initiatives that are being implemented and managed locally. Calendar 2016 performance to date and outlook clearly demonstrate a massive investment cycle in wireline networks

❖ ***Increasingly encouraged that newly emerging wireless technologies will drive significant additional wireline growth opportunities***

❖ ***Dycom's scale, market position and financial strength position it well as opportunities continue to expand***

Revenue Highlights

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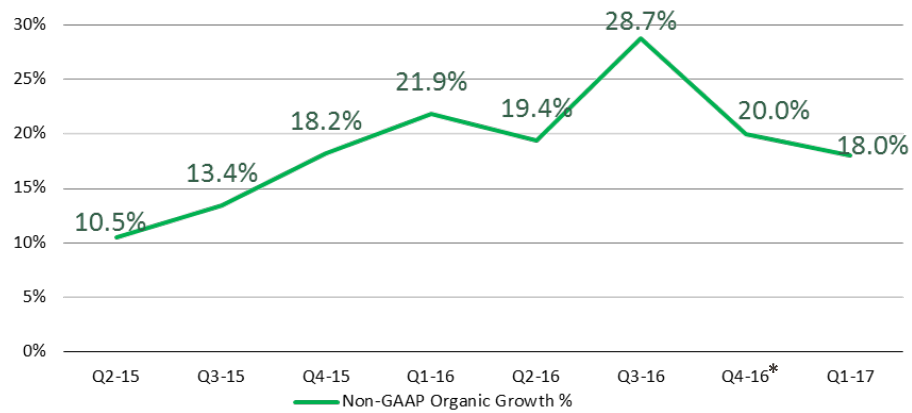
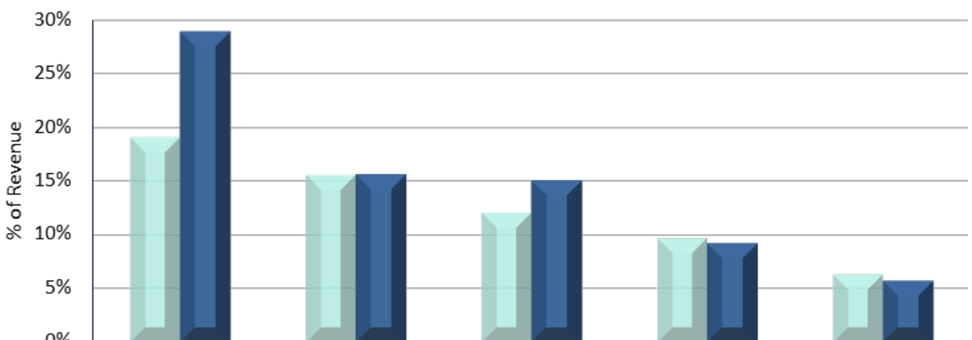
Non-GAAP Organic Growth %



*Q4-16 organic % growth adjusted for additional week in Q4-16

Revenue % of Top 5 Customers



	AT&T	CenturyLink	Comcast	Verizon	Windstream
Q1-16	19.1%	15.6%	12.0%	9.7%	6.4%
Q1-17	29.0%	15.7%	15.1%	9.3%	5.8%

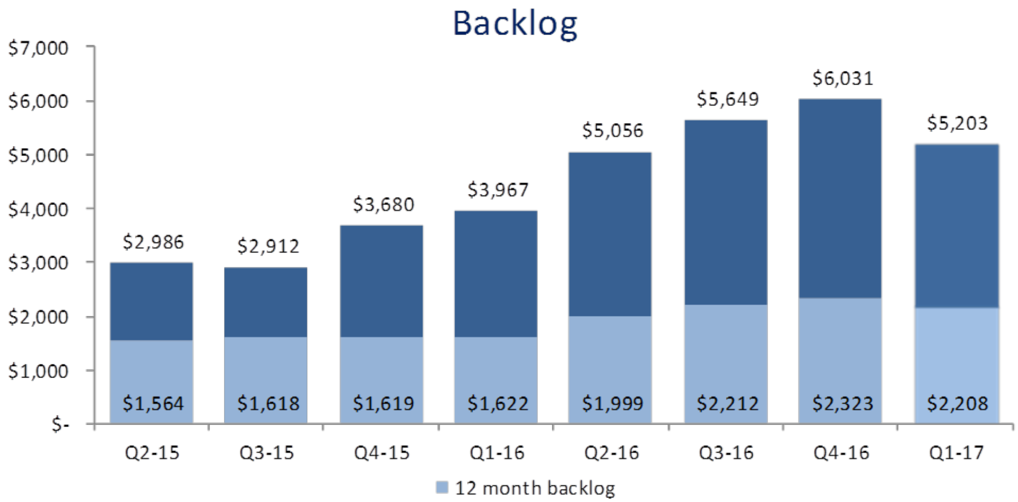
- Q1-17 organic growth of 18.0%, eighth straight quarter with double digit organic growth
- Revenues from Q1-17 Top 5 customers increased 39.5% organically. All other customers decreased 18.0% organically
- Top 5 customers in each period represented 74.9% of revenues in Q1-17 compared to 64.9% in Q1-16
- Each top 5 customer experienced organic growth in Q1-17:
  - AT&T 72.4%
  - CenturyLink 12.0%
  - Comcast 52.3%
  - Verizon 16.2%
  - Windstream 7.5%

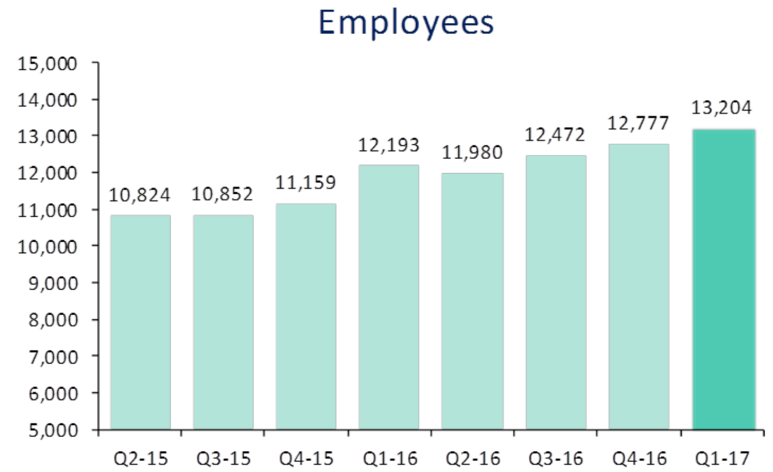
Organic growth over the last 8 quarters reflects Dycom's continued ability to gain share and expand geographic reach, meaningfully increasing the long-term value of our maintenance business

See "Regulation G Disclosure" slides 13-19 for a reconciliation of GAAP to Non-GAAP financial measures.

Backlog and Awards

Financial charts - $ in millions





The sequential decline in total backlog at the end of Q1-17 is the result of $211 million in reduced backlog from lower revenue expectations from a business acquired in July 2016 and $413 million in reduced backlog for one project as a customer modified its plans.

Selected Current Awards and Extensions

Customers	***Description***	***Area***	***Approximate Term (in years)***
Comcast	Construction Services	California	3
AT&T	Engineering Services	Illinois, Indiana, Georgia	3
CenturyLink	Construction & Maintenance Services	Virginia, Tennessee, North Carolina, Florida	3
Various	Rural Broadband	North Dakota, Kentucky, Oklahoma, Arkansas	1 - 3

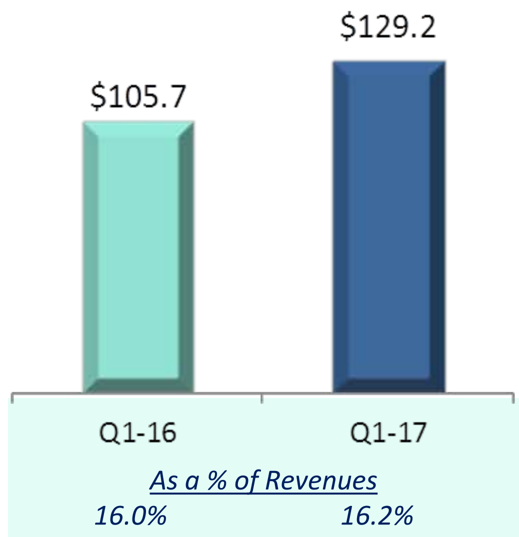
Notes: Our backlog estimates represent amounts under master service agreements and other contractual agreements for services projected to be performed over the terms of the contracts and are based on contract terms, our historical experience with customers and, more generally, our experience in similar procurements. Backlog is not a measure defined by United States generally accepted accounting principles; however, it is a common measurement used in our industry. Our methodology for determining backlog may not be comparable to the methodologies used by others.

Financial Highlights

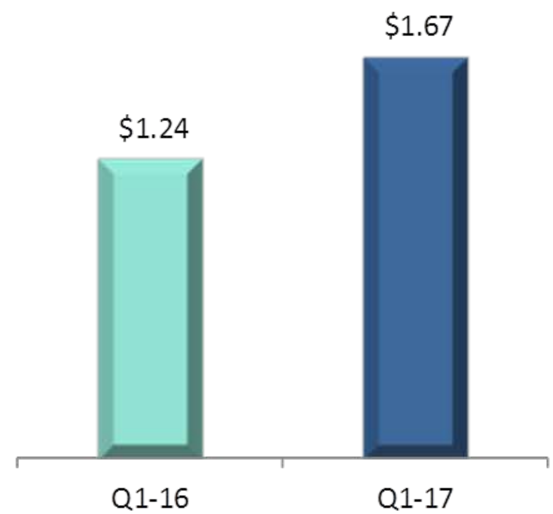
Financial charts - $ in millions, except earnings per share amounts

Contract Revenues

Non-GAAP Adjusted EBITDA



Non-GAAP Adjusted Diluted EPS



- Revenues of $799.2 million and organic growth of 18.0%. Revenues from acquired businesses contributed $56.6 million in Q1-17 and $29.9 million in Q1-16
- Non-GAAP Adjusted EBITDA increased to 16.2% of revenue in Q1-17 compared to 16.0% in Q1-16
  - Gross margin % in-line with prior year. G&A decreased 27 basis points from improved performance and operating leverage on our increased scale
- Non-GAAP Adjusted Diluted EPS of $1.67 in Q1-17 compared to $1.24 diluted EPS in Q1-16, a 34.7% increase

See "Regulation G Disclosure" slides 13-19 for a reconciliation of GAAP to Non-GAAP financial measures

Liquidity Overview

Financial tables - $ in millions

Strong balance sheet and liquidity

Liquidity Summary

	Q4-16	Q1-17
Cash and equivalents	$ 33.8	$ 21.7
Senior Credit Facility, matures April 2020:		
$450 million revolver	$ -	$ 68.0
Term Loan Facilities	346.3	346.3
0.75% Convertible Senior Notes, matures September 2021:		
Notional Value	485.0	485.0
Total Notional Debt	$ 831.3	$ 899.3
Net Debt (Notional Debt less Cash)	$ 797.5	$ 877.5
Total Notional Debt (see above)	$ 831.3	$ 899.3
Unamortized debt discount and debt fees on 0.75% Convertible Senior Notes	(111.9)	(107.2)
Debt, net of debt discount and fees	$ 719.3	$ 792.0
Availability on revolver(a)	$ 392.4	$ 324.4
Letters of Credit outstanding	$ 57.6	$ 57.6
Cash and availability on revolver	$ 426.1	$ 346.1

(a) Availability on Revolver presented net of $57.6 million for outstanding L/C's under the Senior Credit Agreement at each of Q4-16 and Q1-17.

- Liquidity of $346.1 million at the end of Q1-17 consisting of availability under our Credit Facility and cash on hand

Operating cash activity support growth

Cash Flow Summary

	Q1-16	Q1-17
Cash used in operating activities	$ (28.9)	$ (41.6)
Capital expenditures, net of disposals	$ (39.4)	$ (37.8)
Cash paid for acquisitions	$ (48.6)	$ -
Borrowings on credit facility	$ 36.0	$ 68.0
Share repurchases	$ (70.0)	$ -
Prior year debt financing transactions, net	$ 151.9	$ -
Other financing & investing activities, net	$ (0.5)	$ (0.8)

	Q1-16	Q4-16	Q1-17
DSO - Accounts receivable	50	41	38
DSO - CIEB, net	44	44	54
Total DSO *	94	85	91

- Operating cash activity support strong sequential growth in Q1-17 and normal fiscal payment patterns for annual performance compensation and other costs
- Total DSO's at 91 days at Q1-17, down year-over-year and up sequentially from 85 days in Q4-16

* Amounts may not add due to rounding. Total days sales outstanding ("DSO") is calculated as the summation of current accounts receivable, plus costs and estimated earnings in excess of billings, less billings in excess of costs and estimated earnings, ("CIEB, net") divided by average revenue per day during the respective quarter (Q4-16 contained 98 days while Q1-16 and Q1-17 contained 91 days).

Q2-2017 Outlook

Financial table- $ in millions, except earnings per share amounts (% as a percent of contract revenues)

	Q2-2016 Included for comparison	Q2-2017 Outlook and Commentary	
Contract Revenues	$ 559.5	**$640 - $670**	➢ Expectations of normal winter weather ➢ Broad range of demand from several large customers ➢ Robust 1 gigabit deployments, cable capacity projects accelerating, CAF II firmly underway, core market share growth ➢ Total revenue expected to include approximately $10.0 million in Q2-17 from businesses acquired in Q4-16. For organic growth calculations, there were no acquired revenues in Q2-16
Gross Margin %	19.5%	Gross Margin % which increases from Q2-16	➢ Solid mix of customer growth opportunities ➢ Q2 margins display impacts of seasonality including: * inclement winter weather * fewer available workdays due to holidays * reduced daylight work hours * restart of calendar payroll taxes
G&A Expense %	8.4%	G&A as a % of revenue which increases from Q2-16	➢ G&A as a % of revenue supports our increased scale
Share-based compensation	$ 4.2	$ 5.3	➢ Outlook for G&A expense % includes share-based compensation
Depreciation & Amortization	$ 29.9	$35.6 - $36.3	➢ Depreciation reflects cap-ex supporting growth and maintenance ➢ Includes amortization of approximately $6.1 million in Q2-17 compared to $4.7 million in Q2-16
Non-GAAP Adjusted Interest Expense	$ 3.7	Approximately $ 4.8	➢ Non-GAAP Adjusted Interest Expense excludes non-cash amortization of debt discount of $4.4 million in Q2-17 compared to $4.1 million in Q2-16
Other Income, net	$ 1.1	$ 0.6 - $ 1.1	➢ Other income, net primarily includes gain (loss) on sales of fixed assets and discount charges related to non-recourse sales of accounts receivable in connection with a customer's supplier payment program
Non-GAAP Adjusted EBITDA %	11.9%	Non-GAAP Adjusted EBITDA % which increases from Q2-16	***Adjusted EBITDA amount increases from revenue growth and strong operating performance***
Non-GAAP Adjusted Diluted Earnings per Share	$ 0.54	**$ 0.61 - $ 0.73**	➢ Non-GAAP Adjusted Diluted EPS excludes non-cash amortization of debt discount on Senior Convertible Notes. See slide 18 for reconciliation of guidance for Non-GAAP Adjusted Diluted Earnings per Common Share
Diluted Shares	33.5 million	32.3 million	

See "Regulation G Disclosure" slides 13-19 for a reconciliation of GAAP to Non-GAAP financial measures.

Looking Ahead to Q3-2017

Financial table- $ in millions (% as a percent of contract revenues)

	Q3-2016 Included for comparison	Q3-2017 Outlook and Commentary	
Contract Revenues	$ 664.6	Total revenue growth % of mid to high single digits as a % of revenue compared to Q3-16	➢ Expectation of normal winter weather ➢ Broad range of demand from several large customers ➢ Robust 1 gigabit deployments, cable capacity projects accelerating, CAF II firmly underway, core market share growth ➢ Total revenue expected to include approximately $10.0 million in Q3-17 from businesses acquired in Q4-16. For organic growth calculations, there were no acquired revenues in Q3-16
Gross Margin %	21.7%	Gross Margin % which increases from Q3-16	➢ Solid mix of customer growth opportunities
G&A Expense %	8.5%	G&A as a % of revenue which declines from Q3-16	➢ G&A as a % of revenue supports our increased scale
Share-based compensation	$ 3.9	$ 4.9	➢ Outlook for G&A expense % includes share-based compensation
Depreciation & Amortization	$ 31.6	$36.0 - $36.7	➢ Depreciation reflects cap-ex supporting growth and maintenance ➢ Includes amortization of approximately $6.1 million in Q3-17 compared to $4.5 million in Q3-16
Non-GAAP Adjusted Interest Expense	$ 3.8	Approximately $ 4.8	➢ Non-GAAP Adjusted Interest Expense excludes non-cash amortization of debt discount of $4.4 million in Q3-17 compared to $4.2 million in Q3-16
Other Income, net	$ 4.3	$ 2.6 - $ 3.2	➢ Other income, net primarily includes gain (loss) on sales of fixed assets and discount charges related to non-recourse sales of accounts receivable in connection with a customer's supplier payment program
Non-GAAP Adjusted EBITDA %	13.8%	Non-GAAP Adjusted EBITDA % which increases from Q3-16	***Adjusted EBITDA amount increases from revenue growth and strong operating performance***

See "Regulation G Disclosure" slides 13-19 for a reconciliation of GAAP to Non-GAAP financial measures.

Conclusion

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Firm and strengthening end market opportunities

- Telephone companies deploying FTTX to enable video offerings and 1 gigabit connections
- Cable operators continuing to deploy fiber to small and medium businesses with overall cable capital expenditures, new build opportunities, and capacity expansion projects increasing
- Connect America Fund (“CAF”) II projects in planning, engineering, and construction, with activity firmly underway. We are executing meaningful assignments from one recipient for fixed wireless deployments.
- Customers are consolidating supply chains creating opportunities for market share growth and increasing the long-term value of our maintenance business

Encouraged that industry participants are committed to multi-year capital spending initiatives which in most cases are meaningfully accelerating and expanding in scope

Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Organic Contract Revenue
Unaudited
($ in millions)

	Contract Revenues		NON-GAAP ADJUSTMENTS				Non-GAAP Organic Contract Revenues		Revenue Growth% GAAP %	Revenue Growth% Non-GAAP - Organic %
			Revenues from businesses acquired		*Additional week as a result of our 52/53 week fiscal year*					
Q1-17 Organic Growth:										
Q1-17	$	799.2	$	(56.6)	$	-	$	742.6	21.2%	18.0%
Q1-16	$	659.3	$	(29.9)	$	-	$	629.4		
Prior Quarters Organic Growth:										
Q4-16	$	789.2	$	(44.8)	$	(53.2)	$	691.2	36.4%	20.0%
Q4-15	$	578.5	$	(2.4)	$	-	$	576.1		
Q3-16	$	664.6	$	(30.8)	$	-	$	633.9	35.0%	28.7%
Q3-15	$	492.4	$	-	$	-	$	492.4		
Q2-16	$	559.5	$	(32.9)	$	-	$	526.6	26.8%	19.4%
Q2-15	$	441.1	$	-	$	-	$	441.1		
Q1-16	$	659.3	$	(39.5)	$	-	$	619.7	29.2%	21.9%
Q1-15	$	510.4	$	(1.9)	$	-	$	508.5		
Q4-15	$	578.5	$	(11.8)	$	-	$	566.7	20.0%	18.2%
Q4-14	$	482.1	$	(2.8)	$	-	$	479.3		
Q3-15	$	492.4	$	(8.9)	$	-	$	483.4	15.5%	13.4%
Q3-14	$	426.3	$	-	$	-	$	426.3		
Q2-15	$	441.1	$	(9.5)	$	-	$	431.5	12.9%	10.5%
Q2-14	$	390.5	$	-	$	-	$	390.5		

Use of Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In our quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, we may use or discuss Non-GAAP financial measures, as defined by Regulation G of the SEC. See Explanation of Non-GAAP Measures on slide 19.

Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted EBITDA
Unaudited
($ in 000's)

	Three Months Ended			
			For comparison purposes for slides 10 and 11	
	October 29, 2016	October 24, 2015	January 23, 2016	April 23, 2016
	Q1-17	Q1-16	Q2-16	Q3-16
Reconciliation of net income to Non-GAAP Adjusted EBITDA:				
Net income	$ 51,050	$ 30,824	$ 15,473	$ 33,083
Interest expense, net	9,067	9,131	7,872	8,007
Provision for income taxes	30,306	18,631	9,995	19,368
Depreciation and amortization	34,546	27,449	29,898	31,583
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	124,969	86,035	63,238	92,041
Gain on sale of fixed assets	(1,443)	(1,136)	(1,016)	(4,061)
Stock-based compensation expense	5,707	4,509	4,200	3,892
Loss on debt extinguishment	-	16,260	-	-
Non-GAAP Adjusted EBITDA	$ 129,233	$ 105,668	$ 66,422	$ 91,872
Contract Revenues	$ 799,223	$ 659,268	$ 559,470	$ 664,645
Non-GAAP Adjusted EBITDA as a % of contract revenues	16.2%	16.0%	11.9%	13.8%

Notes: Amounts above may not add due to rounding.

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Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Organic Contract Revenue – certain customers
Unaudited
($ in millions)

	Total Contract Revenue	Top 5 Customers combined*	All customers (excluding Top 5 Customers)	AT&T	CenturyLink	Comcast	Verizon	Windstream
GAAP Contract Revenue								
Q1-17	$ 799.2	$ 598.9	$ 200.4	$ 231.9	$ 125.6	$ 120.8	$ 74.4	$ 46.0
Q1-16	$ 659.3	$ 414.1	$ 245.2	$ 125.8	$ 102.9	$ 79.3	$ 64.1	$ 42.1
GAAP Contract Revenue - % Changes	**21.2%**	**44.6%**	**(18.3)%**	**84.4%**	**22.1%**	**52.3%**	**16.2%**	**9.4%**
Non-GAAP Adjustments								
Q1-17 - Revenue from businesses acquired in fiscal 2016	$ (56.6)	$ (48.9)	$ (7.7)	$ (16.2)	$ (31.9)	$ (0.0)	$ (0.0)	$ (0.8)
Q1-16 - Revenue from businesses acquired in fiscal 2016	$ (29.9)	$ (19.9)	$ (10.0)	$ (0.7)	$ (19.2)	$ -	$ (0.0)	$ -
Non-GAAP Organic Contract Revenue								
Q1-17	$ 742.6	$ 549.9	$ 192.7	$ 215.7	$ 93.8	$ 120.8	$ 74.4	$ 45.2
Q1-16	$ 629.4	$ 394.3	$ 235.1	$ 125.1	$ 83.8	$ 79.3	$ 64.0	$ 42.1
Non-GAAP Organic Contract Revenue - % Changes								
Organic Contract Revenue % Change	**18.0%**	**39.5%**	**(18.0)%**	**72.4%**	**12.0%**	**52.3%**	**16.2%**	**7.5%**

* Includes AT&T, CenturyLink, Comcast, Verizon, and Windstream in both Q1-17 and Q1-16.

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Earnings Per Share
Unaudited
($ in 000's, except per share amounts)

	Q1-17 Three Months Ended October 29, 2016		
	GAAP	*Reconciling Item*	*Adjusted Non-GAAP*
Contract revenues	$ 799,223	$ -	$ 799,223
Cost of earned revenues, excluding depreciation and amortization	614,990	-	614,990
General and administrative expenses	60,204	-	60,204
Depreciation and amortization	34,546	-	34,546
Total	709,740	-	709,740
Interest expense, net	(9,067)	4,307	(4,760)
Other income, net	940	-	940
Income before income taxes	81,356	4,307	85,663
Provision for income taxes	30,306	1,611	31,917
Net income	$ 51,050	$ 2,696	$ 53,746
Diluted earnings per share	$ 1.59	$ 0.08	$ 1.67
Shares used in computing Diluted EPS (in 000's):	32,200		32,200

	Q1-16 Three Months Ended October 24, 2015		
	GAAP	*Reconciling Item*	*Adjusted Non-GAAP*
Contract revenues	$ 659,268	$ -	$ 659,268
Cost of earned revenues, excluding depreciation and amortization	506,978	-	506,978
General and administrative expenses	51,464	-	51,464
Depreciation and amortization	27,449	-	27,449
Total	585,891	-	585,891
Interest expense, net	(9,131)	1,780	(7,351)
Loss on debt extinguishment	(16,260)	16,260	-
Other income, net	1,469	-	1,469
Income before income taxes	49,455	18,040	67,495
Provision for income taxes	18,631	6,837	25,468
Net income	$ 30,824	$ 11,203	$ 42,027
Diluted earnings per share	$ 0.91	$ 0.33	$ 1.24
Shares used in computing Diluted EPS (in 000's):	33,887		33,887

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Earnings Per Share
Unaudited
($ in 000's, except per share amounts)

For comparison purposes for slides 10 and 11

	Q2-16 Three Months Ended January 23, 2016		
	GAAP	*Reconciling Item*	*Adjusted Non-GAAP*
Contract revenues	$ 559,470	$ -	$ 559,470
Cost of earned revenues, excluding depreciation and amortization	450,284	-	450,284
General and administrative expenses	47,020	-	47,020
Depreciation and amortization	29,898	-	29,898
Total	527,202	-	527,202
Interest expense, net	(7,872)	4,148	(3,724)
Other income, net	1,072	-	1,072
Income before income taxes	25,468	4,148	29,616
Provision for income taxes	9,995	1,628	11,623
Net income	$ 15,473	$ 2,520	$ 17,993
Diluted earnings per share	$ 0.46	$ 0.08	$ 0.54
Shares used in computing Diluted EPS (in 000's):	33,520		33,520

	Q3-16 Three Months Ended April 23, 2016		
	GAAP	*Reconciling Item*	*Adjusted Non-GAAP*
Contract revenues	$ 664,645	$ -	$ 664,645
Cost of earned revenues, excluding depreciation and amortization	520,408	-	520,408
General and administrative expenses	56,519	-	56,519
Depreciation and amortization	31,583	-	31,583
Total	608,510	-	608,510
Interest expense, net	(8,007)	4,192	(3,815)
Other income, net	4,323	-	4,323
Income before income taxes	52,451	4,192	56,643
Provision for income taxes	19,368	1,580	20,948
Net income	$ 33,083	$ 2,612	$ 35,695
Diluted earnings per share	$ 1.00	$ 0.08	$ 1.08
Shares used in computing Diluted EPS (in 000's):	33,051		33,051

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In our quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, we may use or discuss Non-GAAP financial measures, as defined by Regulation G of the SEC. See Explanation of Non-GAAP Measures on slide 19.

Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Outlook – Diluted Earnings per Common Share
Unaudited

	Outlook for the Three Months Ending January 28, 2017(a)
Diluted earnings per common share	\$0.53 - \$ 0.65
Adjustment	
After-tax non-cash amortization of debt discount (b)	\$ 0.08
Non-GAAP Adjusted Diluted Earnings per Common Share	\$0.61 - \$ 0.73

(a) Guidance for diluted earnings per common share and Non-GAAP Adjusted Diluted Earnings per Common Share for the three months ending January 28, 2017 were computed using approximately 32.3 million in diluted weighted average shares outstanding.

(b) The Company expects to recognize approximately \$4.4 million in pre-tax interest expense during the three months ending January 28, 2017 for non-cash amortization of the debt discount associated with its 0.75% Senior Convertible Notes. The Company excludes the effect of this non-cash amortization in its Non-GAAP financial measures.

Use of Non-GAAP Financial Measures
The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In our quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, we may use or discuss Non-GAAP financial measures, as defined by Regulation G of the SEC. See Explanation of Non-GAAP Measures on slide 19.

Appendix: Regulation G Disclosure

Explanation of Non-GAAP Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In the Company's quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, it may use or discuss Non-GAAP financial measures, as defined by Regulation G of the Securities and Exchange Commission. The Company believes that the presentation of certain Non-GAAP financial measures in these materials provides information that is useful to investors because it allows for a more direct comparison of the Company's performance for the period reported with the Company's performance in prior periods. The Company cautions that Non-GAAP financial measures should be considered in addition to, but not as a substitute for, the Company's reported GAAP results. Management defines the Non-GAAP financial measures as follows:

- Non-GAAP Organic Contract Revenues - contract revenues from businesses that are included for the entire period in both the current and prior year periods and adjusted for the additional week in Q4-16 as a result of our 52/53 week fiscal year. Non-GAAP Organic Revenue growth (decline) is calculated as the percentage change in Non-GAAP Organic Contract Revenues over those of the comparable prior year period. Management believes organic growth (decline) is a helpful measure for comparing the Company's revenue performance with prior periods.

- Non-GAAP Adjusted EBITDA - net income before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, and certain non-recurring items. Management believes Non-GAAP Adjusted EBITDA is a helpful measure for comparing the Company's operating performance with prior periods as well as with the performance of other companies with different capital structures or tax rates.

- Non-GAAP Adjusted Net Income - GAAP net income before loss on debt extinguishment, non-cash amortization of the debt discount, certain non-recurring items and any tax impact related to these items. Non-GAAP Adjusted Diluted Earnings per Common Share - Non-GAAP Adjusted Net Income divided by weighted average diluted shares outstanding. Management excludes or adjusts each of the items identified below from Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Diluted Earnings per Common Share:

    - Non-cash amortization of the debt discount - The Company's 0.75% convertible senior notes due 2021 (the "Notes") were allocated between debt and equity components. The difference between the principal amount and the carrying amount of the liability component of the Notes represents a debt discount. The debt discount will be amortized over the term of the Notes but will not result in periodic cash interest payments. The Company has excluded the non-cash amortization of the debt discount from its Non-GAAP financial measures because it believes it is useful to analyze the component of interest expense for the Notes that will be paid in cash. The exclusion of the non-cash amortization from the Company's Non-GAAP financial measures provides management with a consistent measure for assessing financial results.

    - Loss on debt extinguishment - The Company incurred a pre-tax charge of approximately $16.3 million for early extinguishment of debt in connection with the redemption of its 7.125% senior subordinated notes during the first quarter of fiscal 2016. Management believes excluding the loss on debt extinguishment from the Company's Non-GAAP financial measures assists investors' overall understanding of the Company's current financial performance. The Company believes this type of charge is not indicative of its core operating results. The exclusion of the loss on debt extinguishment from the Company's Non-GAAP financial measures provides management with a consistent measure for assessing the current and historical financial results.

    - Tax impact of adjusted results - The tax impact of the adjusted results was calculated utilizing a Non-GAAP effective tax rate which approximates the Company's effective tax rate used for financial planning. The tax impact included in the Company's guidance for the quarter ending January 28, 2017 was calculated using an effective tax rate used for financial planning and forecasting future results.

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Results Conference Call

November 22, 2016