



## Dycom Industries, Inc. Announces Fiscal 2022 Fourth Quarter and Annual Results

March 2, 2022

PALM BEACH GARDENS, Fla., March 02, 2022 (GLOBE NEWSWIRE) -- Dycom Industries, Inc. (NYSE: DY) announced today its results for the fourth quarter and fiscal year ended January 29, 2022.

### Fourth Quarter Fiscal 2022 Highlights

- Contract revenues of \$761.5 million for the quarter ended January 29, 2022, compared to \$750.7 million for the quarter ended January 30, 2021. Contract revenues increased 10.1% on an organic basis after excluding contract revenues from storm restoration services and adjusting for the additional week of operations during the quarter ended January 30, 2021 as a result of the Company's 52/53 week fiscal year. Contract revenues from storm restoration services were \$5.7 million for the quarter ended January 30, 2021.
- Non-GAAP Adjusted EBITDA of \$43.3 million, or 5.7% of contract revenues, for the quarter ended January 29, 2022, compared to \$45.7 million, or 6.1% of contract revenues, for the quarter ended January 30, 2021.
- On a GAAP basis, net income was \$0.8 million, or \$0.03 per common share diluted, for the quarter ended January 29, 2022, compared to net loss of \$4.2 million, or a loss of \$0.13 per common share, for the quarter ended January 30, 2021. Non-GAAP Adjusted Net Income was \$0.7 million, or \$0.02 per common share diluted, for the quarter ended January 29, 2022, compared to Non-GAAP Adjusted Net Loss of \$2.3 million, or a loss of \$0.07 per common share, for the quarter ended January 30, 2021. GAAP net income and Non-GAAP Adjusted Net Income for the quarter ended January 29, 2022 include approximately \$4.2 million, or \$0.13 per common share diluted, of incremental tax benefits, including credits related to tax filings for prior periods.
- During the quarter ended January 29, 2022, the Company repurchased 600,000 common shares in open market transactions for \$56.1 million at an average price of \$93.55 per share.
- As of January 29, 2022, the Company had cash and equivalents of \$310.8 million, no outstanding borrowings on its revolving line of credit, \$350.0 million principal amount of term loan outstanding, and \$500.0 million aggregate principal amount of 4.50% senior notes due April 2029 (the "2029 Notes") outstanding.

### Fiscal 2022 Highlights

- Contract revenues of \$3.131 billion for the fiscal year ended January 29, 2022, compared to \$3.199 billion for the fiscal year ended January 30, 2021. Contract revenues decreased 0.2% on an organic basis after excluding contract revenues from storm restoration services and adjusting for the additional week of operations during the quarter ended January 30, 2021 as a result of the Company's 52/53 week fiscal year. Contract revenues from storm restoration services were \$3.9 million and \$14.6 million for the fiscal year ended January 29, 2022 and January 30, 2021, respectively.
- Non-GAAP Adjusted EBITDA of \$244.3 million, or 7.8% of contract revenues, for the fiscal year ended January 29, 2022, compared to \$311.0 million, or 9.7% of contract revenues, for the fiscal year ended January 30, 2021.
- On a GAAP basis, net income was \$48.6 million, or \$1.57 per common share diluted, for the fiscal year ended January 29, 2022, compared to \$34.3 million, or \$1.07 per common share diluted, for the fiscal year ended January 30, 2021. Non-GAAP Adjusted Net Income was \$46.9 million, or \$1.52 per common share diluted, for the fiscal year ended January 29, 2022, compared to \$81.4 million, or \$2.54 per common share diluted, for the fiscal year ended January 30, 2021.
- During the fiscal year ended January 29, 2022, the Company issued \$500.0 million in aggregate principal amount of 2029 Notes, amended its senior credit facility to extend the maturity to April 2026 and resize capacity, and, with a portion of the net proceeds from the 2029 Notes offering and available cash, repaid \$105.0 million of revolver borrowings and \$71.9 million of term loan borrowings. Additionally, the Company repaid the aggregate principal of \$58.3 million to satisfy and discharge the indenture governing the Company's 0.75% convertible senior notes at maturity in September 2021 (the "2021 Convertible Notes").
- During the fiscal year ended January 29, 2022, the Company repurchased 1,231,628 common shares in open market

transactions for \$106.1 million at an average price of \$86.17 per share. As of January 29, 2022, the company had 29,612,867 shares outstanding, excluding the dilutive effect of stock options and unvested restricted stock.

## Outlook

For the quarter ending April 30, 2022, the Company expects contract revenues to increase mid-to-high single digits as a percentage of contract revenues as compared to the quarter ended May 1, 2021. Additionally, the Company expects Non-GAAP Adjusted EBITDA as a percentage of contract revenues to increase modestly for the quarter ending April 30, 2022, as compared to the quarter ended May 1, 2021. For additional information regarding the Company's outlook, please see the presentation materials available on the Company's website posted in connection with the conference call discussed below.

## Use of Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, the Company may use or discuss Non-GAAP financial measures, as defined by Regulation G of the Securities and Exchange Commission. See Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures in the press release tables that follow.

## Conference Call Information and Other Selected Data

The Company will host a conference call to discuss fiscal 2022 fourth quarter results on Wednesday, March 2, 2022 at 9:00 a.m. Eastern time. A live webcast of the conference call and related materials will be available on the Company's Investor Center website at <https://ir.dycomind.com>. Parties interested in participating via telephone should dial (833) 519-1313 (United States) or (914) 800-3879 (International) with the conference ID 5248606, ten minutes before the conference call begins. For those who cannot participate at the scheduled time, a replay of the live webcast and the related materials will be available at <https://ir.dycomind.com> for approximately 120 days following the event.

## About Dycom Industries, Inc.

Dycom is a leading provider of specialty contracting services throughout the United States. These services include program management; planning; engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services for telecommunications providers. Additionally, Dycom provides underground facility locating services for various utilities, including telecommunications providers, and other construction and maintenance services for electric and gas utilities.

## Forward Looking Information

This press release contains forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act. These statements include those related to the outlook for the quarter ending April 30, 2022 found under the "Outlook" section of this release. These statements are subject to change. Forward-looking statements are based on management's current expectations, estimates and projections. These statements are subject to risks and uncertainties that may cause actual results for completed periods and periods in the future to differ materially from the results projected or implied in any forward-looking statements contained in this press release. The most significant of these risks and uncertainties are described in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) and include the duration and severity of a pandemic caused by COVID-19, our ability to comply with various COVID-19 legal and contractual requirements and the impacts that those requirements may have on our workforce and our ability to perform our work, vaccination rates in the areas where we operate, any worsening of the pandemic caused by increasing infection rates triggered by new variants, future economic conditions and trends including the potential impacts of an inflationary economic environment, customer capital budgets and spending priorities, the availability and cost of materials, equipment and labor necessary to perform our work, the adequacy of the Company's insurance and other reserves and allowances for doubtful accounts, whether the carrying value of the Company's assets may be impaired, the future impact of any acquisitions or dispositions, adjustments and cancellations of the Company's projects, the related impact to the Company's backlog from project cancellations, weather conditions, the anticipated outcome of other contingent events, including litigation, liquidity and other financial needs, the availability of financing, the Company's ability to generate sufficient cash to service its indebtedness, restrictions imposed by the Company's credit agreement, and the other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company does not undertake any obligation to update forward-looking statements.

## For more information, contact:

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**DYCOM INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands)  
Unaudited

	January 29, 2022	January 30, 2021
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 310,757	\$ 11,770
Accounts receivable, net	895,898	858,123
Contract assets	24,539	197,110

Inventories	81,291	70,849
Income tax receivable	12,729	1,706
Other current assets	30,876	29,072
Total current assets	1,356,090	1,168,630
Property and equipment, net	294,798	273,960
Operating lease right-of-use assets	61,101	63,179
Goodwill and other intangible assets, net	374,317	391,807
Other assets	31,918	46,589
Total assets	\$ 2,118,224	\$ 1,944,165
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 155,896	\$ 158,966
Current portion of debt	17,500	81,722
Contract liabilities	18,512	14,101
Accrued insurance claims	36,805	41,736
Operating lease liabilities	24,641	24,769
Income taxes payable	233	6,387
Other accrued liabilities	128,209	120,809
Total current liabilities	381,796	448,490
Long-term debt	823,251	501,562
Accrued insurance claims - non-current	48,238	70,224
Operating lease liabilities - non-current	36,519	38,359
Deferred tax liabilities, net - non-current	55,674	47,650
Other liabilities	14,202	26,572
Total liabilities	1,359,680	1,132,857
Total stockholders' equity	758,544	811,308
Total liabilities and stockholders' equity	\$ 2,118,224	\$ 1,944,165

**DYCOM INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands, except share amounts)  
Unaudited

	Quarter Ended January 29, 2022	Quarter Ended January 30, 2021	Fiscal Year Ended January 29, 2022	Fiscal Year Ended January 30, 2021
Contract revenues	\$ 761,481	\$ 750,665	\$ 3,130,519	\$ 3,199,165
Costs of earned revenues, excluding depreciation and amortization <sup>1</sup>	656,634	645,476	2,633,877	2,641,989
General and administrative <sup>1,2</sup>	63,792	63,898	262,432	259,770
Depreciation and amortization	37,345	43,584	152,652	175,897
Goodwill impairment charge <sup>3</sup>	—	—	—	53,264
Total	757,771	752,958	3,048,961	3,130,920
Interest expense, net <sup>4</sup>	(8,823)	(4,651)	(33,166)	(29,671)
(Loss) gain on debt extinguishment <sup>5</sup>	—	—	(62)	12,046
Other income, net	179	676	4,446	8,597
(Loss) income before income taxes	(4,934)	(6,268)	52,776	59,217
(Benefit) provision for income taxes <sup>6</sup>	(5,728)	(2,073)	4,202	24,880
Net income (loss)	\$ 794	\$ (4,195)	\$ 48,574	\$ 34,337

Earnings (loss) per common share:

Basic earnings (loss) per common share	\$ 0.03	\$ (0.13)	\$ 1.60	\$ 1.08
Diluted earnings (loss) per common share	\$ 0.03	\$ (0.13)	\$ 1.57	\$ 1.07
Shares used in computing earnings (loss) per common share:				
Basic	30,071,169	31,445,075	30,337,544	31,665,183
Diluted	30,590,076	31,445,075	30,844,211	32,090,578

**DYCOM INDUSTRIES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**TO COMPARABLE GAAP FINANCIAL MEASURES**  
(Dollars in thousands)  
Unaudited

**CONTRACT REVENUES, NON-GAAP ORGANIC CONTRACT REVENUES, AND GROWTH (DECLINE) %'s**

	Contract Revenues - GAAP	Revenues from storm restoration services	Additional week as a result of the Company's 52/53 week fiscal year	Non-GAAP - Organic Contract Revenues	GAAP - Organic Growth (Decline) %	Non-GAAP - Organic Growth (Decline) %
Quarter Ended January 29, 2022	\$ 761,481	\$ —	\$ —	\$ 761,481	1.4%	10.1%
Quarter Ended January 30, 2021 <sup>7</sup>	\$ 750,665	\$ (5,693)	\$ (53,212)	\$ 691,760		
Fiscal Year Ended January 29, 2022	\$3,130,519	\$ (3,869)	\$ —	\$ 3,126,650	(2.1)%	(0.2)%
Fiscal Year Ended January 30, 2021 <sup>7</sup>	\$3,199,165	\$ (14,587)	\$ (53,212)	\$ 3,131,366		

**NET INCOME (LOSS) AND NON-GAAP ADJUSTED EBITDA**

	Quarter Ended January 29, 2022	Quarter Ended January 30, 2021	Fiscal Year Ended January 29, 2022	Fiscal Year Ended January 30, 2021
Reconciliation of net income (loss) to Non-GAAP Adjusted EBITDA:				
Net income (loss)	\$ 794	\$ (4,195)	\$ 48,574	\$ 34,337
Interest expense, net	8,823	4,651	33,166	29,671
(Benefit) provision for income taxes	(5,728)	(2,073)	4,202	24,880
Depreciation and amortization	37,345	43,584	152,652	175,897
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	41,234	41,967	238,594	264,785
Loss (gain) on sale of fixed assets	56	(819)	(4,203)	(10,026)
Stock-based compensation expense	2,028	2,281	9,866	12,771
Charges for a wage and hour litigation settlement <sup>1</sup>	—	2,254	—	2,254
Loss (gain) on debt extinguishment <sup>5</sup>	—	—	62	(12,046)
Goodwill impairment charge <sup>3</sup>	—	—	—	53,264
Non-GAAP Adjusted EBITDA	\$ 43,318	\$ 45,683	\$ 244,319	\$ 311,002
Non-GAAP Adjusted EBITDA % of contract revenues	5.7%	6.1%	7.8%	9.7%

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
TO COMPARABLE GAAP FINANCIAL MEASURES (CONTINUED)**

(Dollars in thousands, except share amounts)

Unaudited

**NET INCOME (LOSS), NON-GAAP ADJUSTED NET INCOME (LOSS), DILUTED EARNINGS (LOSS) PER COMMON SHARE, AND NON-GAAP ADJUSTED DILUTED EARNINGS (LOSS) PER COMMON SHARE**

	Quarter Ended January 29, 2022	Quarter Ended January 30, 2021	Fiscal Year Ended January 29, 2022	Fiscal Year Ended January 30, 2021
Reconciliation of net income (loss) to Non-GAAP Adjusted Net Income (Loss):				
Net income (loss)	\$ 794	\$ (4,195)	\$ 48,574	\$ 34,337
Pre-Tax Adjustments:				
Non-cash amortization of debt discount on 2021 Convertible Notes	—	710	1,665	7,441
Charges for a wage and hour litigation settlement	—	2,254	—	2,254
Loss (gain) on debt extinguishment <sup>5</sup>	—	—	62	(12,046)
Goodwill impairment charge <sup>3</sup>	—	—	—	53,264
Tax Adjustments:				
Tax impact for the vesting and exercise of share-based awards	(92)	(255)	(2,886)	(497)
Tax effect from net operating loss carryback under enacted CARES Act <sup>6</sup>	—	—	—	(2,631)
Tax impact of pre-tax adjustments	—	(815)	(466)	(702)
Total adjustments, net of tax	(92)	1,894	(1,625)	47,083
Non-GAAP Adjusted Net Income (Loss)	<u>\$ 702</u>	<u>\$ (2,301)</u>	<u>\$ 46,949</u>	<u>\$ 81,420</u>
Reconciliation of diluted earnings (loss) per common share to Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share:				
GAAP diluted earnings (loss) per common share	\$ 0.03	\$ (0.13)	\$ 1.57	\$ 1.07
Total adjustments, net of tax	(0.00)	0.06	(0.05)	1.47
Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share	<u>\$ 0.02</u>	<u>\$ (0.07)</u>	<u>\$ 1.52</u>	<u>\$ 2.54</u>
Shares used in computing Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share	<u>30,590,076</u>	<u>31,445,075</u>	<u>30,844,211</u>	<u>32,090,578</u>

Amounts in table above may not add due to rounding.

**DYCOM INDUSTRIES, INC. AND SUBSIDIARIES  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
TO COMPARABLE GAAP FINANCIAL MEASURES (CONTINUED)**

**Explanation of Non-GAAP Financial 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 used 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, excluding contract revenues from storm restoration services, adjusted for the additional week in the fourth quarter of fiscal 2021, the quarter ended January 30, 2021, as a result of the Company's 52/53 week fiscal year. Non-GAAP Organic Contract Revenue change percentage is calculated as the change in Non-GAAP Organic Contract Revenues from the comparable prior year period divided by the comparable prior year period Non-GAAP Organic Contract Revenues. Management believes Non-GAAP Organic Contract Revenues is a helpful measure for comparing the Company's revenue performance with prior periods.
- *Non-GAAP Adjusted EBITDA* - net income (loss) before interest, taxes, depreciation and amortization, gain (loss) on sale

of fixed assets, stock-based compensation expense, 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 (Loss)* - GAAP net income (loss) before the non-cash amortization of the debt discount and the related tax impact, certain tax impacts resulting from vesting and exercise of share-based awards, and certain non-recurring items. Management believes Non-GAAP Adjusted Net Income (Loss) is a helpful measure for comparing the Company's operating performance with prior periods.
- *Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share* - Non-GAAP Adjusted Net Income (Loss) divided by weighted average diluted shares outstanding. Diluted shares used in the calculation of GAAP loss per common share and Non-GAAP Adjusted Loss per Common Share for the quarter ended January 30, 2021 exclude common stock equivalents related to share-based awards as their effect would be anti-dilutive.

Management excludes or adjusts each of the items identified below from *Non-GAAP Adjusted Net Income (Loss)* and *Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share*:

- *Non-cash amortization of debt discount on 2021 Convertible Notes* - The Company's 2021 Convertible Notes were allocated between debt and equity components. The difference between the principal amount and the carrying amount of the liability component of the 2021 Convertible Notes represents a debt discount. The debt discount is amortized over the term of the 2021 Convertible Notes but does not result in periodic cash interest payments. The Company excludes 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 2021 Convertible 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.
- *Charges for a wage and hour litigation settlement* - During the fiscal year ended January 30, 2021, the Company incurred a \$2.3 million pre-tax charge for a wage and hour litigation settlement. The Company excludes the impact of this charge from its Non-GAAP financial measures because the Company believes it is not indicative of its underlying results in the current period.
- *Goodwill impairment charge* - During the fiscal year ended January 30, 2021, the Company incurred a goodwill impairment charge of \$53.3 million for a reporting unit that performs installation services inside third party premises. Management believes excluding the goodwill impairment charge from the Company's Non-GAAP financial measures assists investors' overall understanding of the Company's current financial performance and provides management with a consistent measure for assessing the current and historical financial results.
- *Loss (gain) on debt extinguishment* - During the fiscal year ended January 29, 2022, the Company recognized a loss on debt extinguishment of \$0.1 million in connection with the amendment and restatement of its credit agreement maturing in April 2026. During the fiscal year ended January 30, 2021, the Company recognized a gain on debt extinguishment of \$12.0 million in connection with its purchase of \$401.7 million aggregate principal amount of the Company's 2021 Convertible Notes for \$371.4 million, including interest and fees. Management believes excluding the loss (gain) on debt extinguishment from the Company's Non-GAAP financial measures assists investors' overall understanding of the Company's current financial performance and provides management with a consistent measure for assessing the current and historical financial results.
- *Tax impact of the vesting and exercise of share-based awards* - The Company excludes certain tax impacts resulting from the vesting and exercise of share-based awards as these amounts may vary significantly from period to period. Excluding these amounts from the Company's Non-GAAP financial measures provides management with a more consistent measure for assessing financial results.
- *Tax effect from a net operating loss carryback under enacted CARES Act* - During the fiscal year ended January 30, 2021, the Company recognized an income tax benefit of \$2.6 million from a net operating loss carryback under the enacted U.S. Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The Company excludes this impact because the Company believes it is not indicative of the Company's underlying results or ongoing operations.
- *Tax impact of pre-tax adjustments* - The tax impact of pre-tax adjustments reflects the Company's estimated tax impact of specific adjustments and the effective tax rate used for financial planning for the applicable period.

## Notes

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<sup>1</sup> During the fiscal year ended January 30, 2021, the Company incurred a \$2.3 million pre-tax charge in the fourth quarter for a wage and hour litigation

settlement. Of the \$2.3 million pre-tax charge, \$2.1 million and \$0.2 million were included in costs of earned revenues and general and administrative expenses, respectively.

<sup>2</sup> Includes stock-based compensation expense of \$2.0 million and \$2.3 million for the quarters ended January 29, 2022 and January 30, 2021, respectively, and \$9.9 million and \$12.8 million for the fiscal year ended January 29, 2022 and January 30, 2021, respectively.

<sup>3</sup> The Company incurred a goodwill impairment charge of \$53.3 million during the fiscal year ended January 30, 2021 for a reporting unit that performs installation services inside third party premises.

<sup>4</sup> Includes pre-tax interest expense for non-cash amortization of the debt discount associated with the 2021 Convertible Notes of \$0.7 million for the quarter ended January 30, 2021, and \$1.7 million and \$7.4 million for the fiscal year ended January 29, 2022 and January 30, 2021, respectively.

<sup>5</sup> During the fiscal year ended January 29, 2022, the Company recognized a loss on debt extinguishment of \$0.1 million in connection with the amendment and restatement of its credit agreement maturing in April 2026.

During the fiscal year ended January 30, 2021, the Company purchased \$401.7 million aggregate principal amount of its 2021 Convertible Notes for \$371.4 million, including interest and fees. The purchase price was allocated between the debt and equity components of the 2021 Convertible Notes. Based on the net carrying amount of the 2021 Convertible Notes, the Company recognized a net gain on debt extinguishment of \$12.0 million after the write-off of associated debt issuance costs. The Company also recognized the equity component of the settlement of the 2021 Convertible Notes.

<sup>6</sup> The (benefit) provision for income taxes includes the income tax benefit for the vesting and exercise of share-based awards of \$0.1 million and \$0.3 million for the quarters ended January 29, 2022 and January 30, 2021, respectively, and \$2.9 million and \$0.5 million for the fiscal year ended January 29, 2022 and January 30, 2021, respectively. Additionally, for the fiscal year ended January 30, 2021, the Company recognized an income tax benefit of \$2.6 million from a net operating loss carryback under the enacted CARES Act.

<sup>7</sup> The Company has a 52/53 week fiscal year. The fiscal year ended January 29, 2022 contains 52 weeks, while the quarter and fiscal year ended January 30, 2021 contain an additional week of operations. The Non-GAAP adjustment for the additional week of operations for the quarter ended January 30, 2021 is calculated as (i) contract revenues less (ii) contract revenues from storm restoration services (iii) divided by 14 weeks.