

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 26, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-10613
DYCOM INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

59-1277135

(I.R.S. Employer Identification No.)

300 Banyan Blvd., Suite 1101
West Palm Beach FL 33401

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (561) 627-7171

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value \$0.33 1/3 per share	DY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 28,954,101 shares of common stock with a par value of \$0.33 1/3 outstanding at August 19, 2025.

Dycom Industries, Inc.
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PART I - FINANCIAL INFORMATION

Item 1. *Financial Statements.*

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

	<u>July 26, 2025</u>	<u>January 25, 2025</u>
ASSETS		
Current assets:		
Cash and equivalents	\$ 28,460	\$ 92,670
Accounts receivable, net (Note 6)	1,587,961	1,373,738
Contract assets	119,655	63,375
Inventories	122,560	127,255
Income tax receivable	35,838	2,963
Other current assets	44,448	34,629
Total current assets	<u>1,938,922</u>	<u>1,694,630</u>
Property and equipment, net	564,678	541,921
Operating lease right-of-use assets	112,128	112,151
Goodwill	332,645	330,330
Intangible assets, net	195,839	219,746
Other assets	75,712	46,589
Total assets	<u>\$ 3,219,924</u>	<u>\$ 2,945,367</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 264,908	\$ 223,490
Current portion of debt	20,000	10,000
Contract liabilities	69,897	73,548
Accrued insurance claims	46,345	46,686
Operating lease liabilities	39,217	35,823
Income taxes payable	—	30,636
Other accrued liabilities	172,335	166,970
Total current liabilities	<u>612,702</u>	<u>587,153</u>
Long-term debt	1,009,058	933,212
Accrued insurance claims - non-current	54,602	49,836
Operating lease liabilities - non-current	78,575	76,928
Deferred tax liabilities, net - non-current	67,678	32,172
Other liabilities	27,578	26,969
Total liabilities	<u>1,850,193</u>	<u>1,706,270</u>
COMMITMENTS AND CONTINGENCIES (Note 21)		
Stockholders' equity:		
Preferred stock, par value \$1.00 per share: 1,000,000 shares authorized: no shares issued and outstanding	—	—
Common stock, par value \$0.33 1/3 per share: 150,000,000 shares authorized: 28,948,365 and 28,978,949 issued and outstanding, respectively	9,649	9,659
Additional paid-in capital	15,181	8,991
Retained earnings	1,344,901	1,220,447
Total stockholders' equity	<u>1,369,731</u>	<u>1,239,097</u>
Total liabilities and stockholders' equity	<u>\$ 3,219,924</u>	<u>\$ 2,945,367</u>

See notes to the condensed consolidated financial statements.

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

	For the Three Months Ended	
	July 26, 2025	July 27, 2024
Contract revenues	\$ 1,377,944	\$ 1,203,059
Costs of earned revenues, excluding depreciation and amortization	1,070,450	952,882
General and administrative	106,794	99,583
Depreciation and amortization	60,854	46,572
Total	1,238,098	1,099,037
Interest expense, net	(15,558)	(14,657)
Loss on debt extinguishment	—	(965)
Other income, net	6,830	6,419
Income before income taxes	131,118	94,819
Provision for income taxes	33,635	26,419
Net income	\$ 97,483	\$ 68,400
Earnings per common share:		
Basic earnings per common share	\$ 3.37	\$ 2.35
Diluted earnings per common share	\$ 3.33	\$ 2.32
Shares used in computing earnings per common share:		
Basic	28,941,976	29,096,224
Diluted	29,242,455	29,435,895

See notes to the condensed consolidated financial statements.

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

	For the Six Months Ended	
	July 26, 2025	July 27, 2024
Contract revenues	\$ 2,636,551	\$ 2,345,482
Costs of earned revenues, excluding depreciation and amortization	2,081,562	1,874,518
General and administrative	210,519	194,138
Depreciation and amortization	119,243	91,777
Total	2,411,324	2,160,433
Interest expense, net	(29,603)	(27,490)
Loss on debt extinguishment	—	(965)
Other income, net	14,093	15,669
Income before income taxes	209,717	172,263
Provision for income taxes	51,187	41,309
Net income	\$ 158,530	\$ 130,954
Earnings per common share:		
Basic earnings per common share	\$ 5.48	\$ 4.50
Diluted earnings per common share	\$ 5.42	\$ 4.44
Shares used in computing earnings per common share:		
Basic	28,936,188	29,105,081
Diluted	29,253,040	29,508,906

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Net income	\$ 97,483	\$ 68,400	\$ 158,530	\$ 130,954
Disposal of foreign entity	—	—	—	1,547
Comprehensive income	<u>\$ 97,483</u>	<u>\$ 68,400</u>	<u>\$ 158,530</u>	<u>\$ 132,501</u>

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)
(Unaudited)

	For the Three Months Ended				
	July 26, 2025				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Equity
	Shares	Amount			
Balances as of April 26, 2025	28,924,326	\$ 9,641	\$ 9,099	\$ 1,247,418	\$ 1,266,158
Stock options exercised	13,144	4	(1,916)	—	(1,912)
Stock-based compensation	201	—	8,100	—	8,100
Issuance of restricted stock, net of tax withholdings	10,694	4	(102)	—	(98)
Net income	—	—	—	97,483	97,483
Balances as of July 26, 2025	28,948,365	\$ 9,649	\$ 15,181	\$ 1,344,901	\$ 1,369,731
	For the Three Months Ended				
	July 27, 2024				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Equity
	Shares	Amount			
Balances as of April 27, 2024	29,091,158	\$ 9,697	\$ 7,823	\$ 1,063,112	\$ 1,080,632
Stock-based compensation	316	—	9,482	—	9,482
Issuance of restricted stock, net of tax withholdings	6,555	2	(67)	—	(65)
Net income	—	—	—	68,400	68,400
Balances as of July 27, 2024	29,098,029	\$ 9,699	\$ 17,238	\$ 1,131,512	\$ 1,158,449

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)
(Unaudited)

For the Six Months Ended						
July 26, 2025						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	Shares	Amount				
Balances as of January 25, 2025	28,978,949	\$ 9,659	\$ 8,991	\$ —	\$ 1,220,447	\$ 1,239,097
Stock options exercised	13,144	4	(1,916)	—	—	(1,912)
Stock-based compensation	390	—	17,199	—	—	17,199
Issuance of restricted stock, net of tax withholdings	155,882	52	(102)	—	(12,948)	(12,998)
Repurchase of common stock, including applicable excise tax	(200,000)	(66)	(8,991)	—	(21,128)	(30,185)
Net income	—	—	—	—	158,530	158,530
Balances as of July 26, 2025	<u>28,948,365</u>	<u>\$ 9,649</u>	<u>\$ 15,181</u>	<u>\$ —</u>	<u>\$ 1,344,901</u>	<u>\$ 1,369,731</u>
For the Six Months Ended						
July 27, 2024						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	Shares	Amount				
Balances as of January 27, 2024	29,091,278	\$ 9,697	\$ 6,217	\$ (1,547)	\$ 1,040,289	\$ 1,054,656
Stock options exercised	3,976	1	99	—	—	100
Stock-based compensation	708	—	17,305	—	—	17,305
Issuance of restricted stock, net of tax withholdings	212,067	71	(6,284)	—	(10,113)	(16,326)
Repurchase of common stock, including applicable excise tax	(210,000)	(70)	(99)	—	(29,618)	(29,787)
Disposal of foreign entity	—	—	—	1,547	—	1,547
Net income	—	—	—	—	130,954	130,954
Balances as of July 27, 2024	<u>29,098,029</u>	<u>\$ 9,699</u>	<u>\$ 17,238</u>	<u>\$ —</u>	<u>\$ 1,131,512</u>	<u>\$ 1,158,449</u>

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	For the Six Months Ended	
	July 26, 2025	July 27, 2024
Cash flows from operating activities:		
Net income	\$ 158,530	\$ 130,954
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	119,243	91,777
Non-cash lease expense	25,518	19,262
Deferred income tax provision (benefit)	35,506	(5,619)
Stock-based compensation	17,199	17,305
Provision for (recovery of) bad debt, net	1,600	(1,090)
Gain on sale of fixed assets	(19,875)	(20,564)
Loss on debt extinguishment	—	965
Amortization of debt issuance costs and other	1,495	2,951
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(216,016)	(256,491)
Contract assets, net	(59,909)	(26,262)
Other current assets and inventories	(7,059)	(2,889)
Other assets	(23,630)	331
Income taxes payable/receivable	(63,511)	(7,022)
Accounts payable	49,553	8,846
Accrued liabilities, insurance claims, operating lease liabilities, and other liabilities	(15,166)	2,634
Net cash provided by (used in) operating activities	<u>3,478</u>	<u>(44,912)</u>
Cash flows from investing activities:		
Capital expenditures	(131,188)	(107,387)
Proceeds from sale of assets	23,495	22,227
Cash paid for acquisitions, net of cash acquired	—	(33,792)
Net cash used in investing activities	<u>(107,693)</u>	<u>(118,952)</u>
Cash flows from financing activities:		
Proceeds from borrowings on senior credit agreement, including term loan	629,000	282,375
Principal payments on senior credit agreement, including term loan	(544,000)	(147,375)
Debt issuance costs	—	(6,645)
Repurchase of common stock	(30,185)	(29,787)
Exercise of stock options	(1,912)	100
Restricted stock tax withholdings	(12,998)	(16,326)
Net cash provided by financing activities	<u>39,905</u>	<u>82,342</u>
Net decrease in cash, cash equivalents and restricted cash	<u>(64,310)</u>	<u>(81,522)</u>
Cash, cash equivalents and restricted cash at beginning of period (Note 8)	<u>94,474</u>	<u>102,890</u>
Cash, cash equivalents and restricted cash at end of period (Note 8)	<u>\$ 30,164</u>	<u>\$ 21,368</u>

Supplemental disclosure of other cash flow activities and non-cash investing and financing activities:

Cash paid for interest	\$	27,910	\$	25,566
Cash paid for taxes, net	\$	79,324	\$	53,929
Purchases of capital assets included in accounts payable or other accrued liabilities at period end	\$	6,793	\$	11,209

See notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Dycom Industries, Inc. (“Dycom”, the “Company”, “we”, “our”, or “us”) 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, as well as other construction and maintenance services for electric and gas utilities. Dycom supplies the labor, tools, and equipment necessary to provide these services to its customers.

Accounting Period. Our fiscal year ends on the last Saturday in January. As a result, each fiscal year consists of either 52 weeks or 53 weeks of operations (with the additional week of operations occurring in the fourth quarter). Fiscal 2026 consists of 53 weeks of operations, while fiscal 2025 consisted of 52 weeks of operations.

The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries, all of which are wholly-owned, have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements and should be read in conjunction with *Management’s Discussion and Analysis of Financial Condition and Results of Operations* contained in this report and the Company’s audited financial statements included in the Company’s Annual Report on Form 10-K for fiscal 2025, filed with the SEC on February 28, 2025. In the opinion of management, all adjustments considered necessary for a fair statement of the results for the interim periods presented have been included. This includes all normal and recurring adjustments and elimination of intercompany accounts and transactions. Operating results for the interim period are not necessarily indicative of the results expected for any subsequent interim or annual period.

Segment Information. The Company operates in one reportable segment. Its services are provided by its operating segments on a decentralized basis. Each operating segment consists of a subsidiary (or in certain instances, the combination of two or more subsidiaries), whose results are regularly reviewed by the Company’s Chief Executive Officer, the chief operating decision maker. All of the Company’s operating segments have been aggregated into one reportable segment based on their similar economic characteristics, nature of services and production processes, type of customers, and service distribution methods. See Note 20, *Segment Reporting*, for additional information.

2. Significant Accounting Policies and Estimates

There have been no material changes to the Company’s significant accounting policies and critical accounting estimates described in the Company’s Annual Report on Form 10-K for fiscal 2025.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. These estimates are based on our historical experience and management’s understanding of current facts and circumstances. At the time they are made, we believe that such estimates are fair when considered in conjunction with the Company’s consolidated financial position and results of operations taken as a whole. However, actual results could differ materially from those estimates.

Per Share Data. Basic earnings per common share is computed based on the weighted average number of common shares outstanding during the period, excluding unvested restricted share units. Diluted earnings per common share includes the weighted average number of common shares outstanding during the period and dilutive potential common shares arising from our stock-based awards (including unvested restricted share units) if their inclusion is dilutive under the treasury stock method. Common stock equivalents related to stock-based awards are excluded from diluted earnings per common share calculations if their effect would be anti-dilutive.

3. Accounting Standards

Recently issued accounting pronouncements are disclosed in the Company's Annual Report on Form 10-K for fiscal 2025. As of the date of this Quarterly Report on Form 10-Q, there have been no changes in the expected dates of adoption or estimated effects on the Company's condensed consolidated financial statements of recently issued accounting pronouncements from those disclosed in the Company's Annual Report on Form 10-K for fiscal 2025. Further, there have been no additional accounting standards issued as of the date of this Quarterly Report on Form 10-Q that are applicable to the condensed consolidated financial statements of the Company.

Recently Adopted Accounting Standards

None.

Accounting Standards Not Yet Adopted

Income Taxes: Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosures will be applied on a prospective basis, with the option to apply them retrospectively. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. We will adopt the provisions of ASU 2023-09 in the fourth quarter of fiscal 2026 and we are evaluating the disclosure requirements related to the new standard.

Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, Income Statement (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires public entities to disclose, in the notes to the financial statements, specified information about certain costs and expenses at each interim and annual reporting period. In January 2025, the FASB issued ASU 2025-01, Income Statements (Subtopic 220-40): Clarifying the Effective Date. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the standard on our condensed consolidated financial statements.

All other new accounting pronouncements that have been issued but not yet effective are currently being evaluated and at this time are not expected to have a material impact on our financial position or results of operations.

4. Computation of Earnings per Common Share

The following table sets forth the computation of basic and diluted earnings per common share (dollars in thousands, except per share amounts):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Net income available to common stockholders (numerator)	\$ 97,483	\$ 68,400	\$ 158,530	\$ 130,954
Weighted-average number of common shares (denominator)	28,941,976	29,096,224	28,936,188	29,105,081
Basic earnings per common share	\$ 3.37	\$ 2.35	\$ 5.48	\$ 4.50
Weighted-average number of common shares	28,941,976	29,096,224	28,936,188	29,105,081
Potential shares of common stock arising from stock options, and unvested restricted share units	300,479	339,671	316,852	403,825
Total shares-diluted (denominator)	29,242,455	29,435,895	29,253,040	29,508,906
Diluted earnings per common share	\$ 3.33	\$ 2.32	\$ 5.42	\$ 4.44
Anti-dilutive weighted shares excluded from the calculation of earnings per common share	131,554	145,860	154,493	145,868

5. Acquisitions

Fiscal 2025. During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of \$150.7 million. The acquired business provides wireless construction services for telecommunications providers in various states. This acquisition expands our geographic presence within our existing customer base.

During the second quarter of fiscal 2025, we acquired a telecommunications construction contractor for a total purchase price of \$24.5 million (\$20.4 million purchase price plus cash acquired of \$4.1 million). The acquired company is located in the northwestern United States and provides construction and maintenance services to telecommunications providers, with the majority of its revenues generated in Alaska. This acquisition expands our geographic presence and our customer base.

During the first quarter of fiscal 2025, we acquired a telecommunications construction contractor for \$16.0 million (\$12.8 million purchase price, plus cash acquired of \$3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the midwestern United States. This acquisition expands our geographic presence within our existing customer base.

The purchase price of each acquisition was allocated based on the fair value of the assets acquired and the liabilities assumed on their respective dates of acquisition. The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill.

The following table summarizes the aggregate consideration paid and the estimated fair value of assets acquired and liabilities assumed for each of the acquisitions described above as of the respective acquisition dates (dollars in millions):

	First quarter of fiscal 2025	Second quarter of fiscal 2025	Third quarter of fiscal 2025
Assets			
Cash and equivalents	\$ 3.2	\$ 4.1	\$ —
Accounts receivable	2.2	3.6	13.3
Inventories	—	—	12.7
Other current assets	—	0.2	—
Property and equipment	2.4	5.9	—
Goodwill	3.2	5.4	12.3
Intangible assets	5.4	6.6	130.2
Other assets	—	0.7	3.3
Total assets	16.4	26.5	171.8
Liabilities			
Accounts payable	0.1	0.9	11.6
Other accrued liabilities	0.3	0.6	6.9
Other liabilities	—	0.5	2.6
Total liabilities	0.4	2.0	21.1
Net Assets Acquired	\$ 16.0	\$ 24.5	\$ 150.7

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled \$20.9 million for the 2025 acquisitions. Goodwill and intangible assets total \$163.1 million and are deductible for tax purposes. Accounts receivable and current liabilities were either stated at their historical carrying values, which approximate fair value given the short-term nature of these assets and liabilities, or were stated at their fair values based on an evaluation of the current market value of such assets and liabilities. The estimate of fair value for inventories and fixed assets was based on an assessment of acquired assets' condition as well as an evaluation of the current market value of such assets.

The Company recorded intangible assets for the three acquisitions completed in fiscal 2025 based on its estimate of fair value which consisted of the following (dollars in millions):

	Estimated Useful Life (in years)	Intangible Assets Acquired
Customer relationships	12.0	\$ 114.3
Backlog intangibles (first and second quarter fiscal 2025 acquisitions)	0.8	0.5
Backlog intangibles (third quarter fiscal 2025 acquisition)	2.0	26.3
Trade names	10.0	1.1
Total intangible assets acquired		\$ 142.2

The valuation of intangible assets for acquisitions was determined using the income approach methodology. More specifically, the fair values of the customer relationships and the backlog intangibles were estimated using the multi-period excess earnings method, while the trade name was estimated using the relief-from-royalty method. Significant judgments and assumptions used in estimating management's cash flow projections included projected revenue growth rates, profit margins, discount rates, customer attrition rates and royalty rates among others. The projected future cash flows are discounted to present value using an appropriate discount rate.

Results of the businesses acquired are included in the condensed consolidated financial statements from their respective date of acquisition. The results from the businesses acquired during fiscal 2025 were not considered material to the Company's condensed consolidated financial statements.

6. Accounts Receivable, Contract Assets, and Contract Liabilities

The following provides further details on the balance sheet accounts of accounts receivable, net; contract assets; and contract liabilities.

Accounts Receivable

Accounts receivable, net, classified as current, consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Trade accounts receivable	\$ 585,264	\$ 538,475
Unbilled accounts receivable	976,584	801,423
Retainage	28,708	34,934
Total	1,590,556	1,374,832
Less: allowance for credit losses	(2,595)	(1,094)
Accounts receivable, net	<u>\$ 1,587,961</u>	<u>\$ 1,373,738</u>

We maintain an allowance for credit losses for estimated losses on uncollected balances. The allowance for credit losses changed as follows (dollars in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Allowance for credit losses at beginning of period	\$ 825	\$ 1,539	\$ 1,094	\$ 2,776
Provision for (recovery of) bad debt	1,770	147	1,600	(1,090)
Amounts charged against the allowance	—	(16)	(99)	(16)
Allowance for credit losses at end of period	<u>\$ 2,595</u>	<u>\$ 1,670</u>	<u>\$ 2,595</u>	<u>\$ 1,670</u>

Contract Assets and Contract Liabilities

Net contract assets (liabilities) consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Contract assets	\$ 119,655	\$ 63,375
Contract liabilities	69,897	73,548
Contract assets (liabilities), net	<u>\$ 49,758</u>	<u>\$ (10,173)</u>

The change in contract assets (liabilities), net, primarily resulted from increased services performed under contracts consisting of multiple tasks. During the three and six months ended July 26, 2025, we performed services and recognized \$11.9 million and \$33.4 million of contract revenues related to contract liabilities that existed at January 25, 2025.

Customer Credit Concentration

Customers whose combined amounts of accounts receivable and contract assets, net, exceeded 10% of total combined accounts receivable and contract assets, net as of July 26, 2025 or January 25, 2025 were as follows (dollars in millions):

	July 26, 2025		January 25, 2025	
	Amount	% of Total	Amount	% of Total
AT&T Inc.	\$ 201.0	12.3%	\$ 127.7	9.4%
Charter Communications	\$ 234.0	14.3%	\$ 158.9	11.7%
Lumen Technologies	\$ 255.4	15.6%	\$ 287.1	21.1%

We believe that none of our significant customers were experiencing financial difficulties that would materially impact the collectability of our total accounts receivable and contract assets, net, as of July 26, 2025 or January 25, 2025.

7. Other Current Assets and Other Assets

Other current assets consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Prepaid expenses	\$ 33,607	\$ 20,688
Deposits and other current assets	8,023	11,332
Receivables on equipment sales	1,446	1,237
Restricted cash	1,372	1,372
Other current assets	\$ 44,448	\$ 34,629

Other assets consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Insurance recoveries/receivables for accrued insurance claims	9,585	3,343
Deferred financing costs	4,297	4,945
Restricted cash	332	432
Cloud computing software	53,478	29,844
Other non-current assets	8,020	8,025
Other assets	\$ 75,712	\$ 46,589

See Note 11, *Accrued Insurance Claims*, for information on our Insurance recoveries/receivables.

8. Cash and Equivalents and Restricted Cash

Amounts of cash and equivalents and restricted cash reported in the condensed consolidated statement of cash flows consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Cash and equivalents	\$ 28,460	\$ 92,670
Restricted cash included in:		
Other current assets	1,372	1,372
Other assets (long-term)	332	432
Cash equivalents and restricted cash	\$ 30,164	\$ 94,474

9. Property and Equipment

Property and equipment consisted of the following (dollars in thousands):

	Estimated Useful Lives (Years)	July 26, 2025	January 25, 2025
Land	—	\$ 7,870	\$ 8,419
Buildings	10-35	24,504	19,851
Leasehold improvements	1-10	21,987	27,685
Vehicles	1-5	953,925	932,209
Equipment and machinery	1-10	452,131	448,368
Computer hardware and software	1-7	140,017	136,190
Office furniture and equipment	1-10	9,458	12,285
Total		1,609,892	1,585,007
Less: accumulated depreciation		(1,045,214)	(1,043,086)
Property and equipment, net		\$ 564,678	\$ 541,921

Depreciation expense was \$48.9 million and \$40.7 million for the three months ended July 26, 2025 and July 27, 2024, respectively and \$95.3 million and \$80.0 million for the six months ended July 26, 2025 and July 27, 2024, respectively.

10. Goodwill and Intangible Assets

Goodwill

The Company's goodwill balance was \$332.6 million and \$330.3 million as of July 26, 2025 and January 25, 2025, respectively. Changes in the carrying amount of goodwill consisted of the following (dollars in thousands):

	Goodwill	Accumulated Impairment Losses	Total
Balance as of January 25, 2025	\$ 579,361	\$ (249,031)	\$ 330,330
Goodwill adjustment from fiscal 2025 acquisitions	2,315	—	2,315
Balance as of July 26, 2025	\$ 581,676	\$ (249,031)	\$ 332,645

The Company's goodwill resides in multiple reporting units and primarily consists of expected synergies, together with the expansion of our geographic presence and strengthening of our customer base from acquisitions. Goodwill and other indefinite-lived intangible assets are assessed annually, or more frequently if events occur that would indicate a potential reduction in the fair value of a reporting unit below its carrying value. The profitability of individual reporting units may suffer periodically due to downturns in customer demand, increased costs of providing services, and the level of overall economic activity. Our customers may reduce capital expenditures and defer or cancel pending projects due to changes in technology, a slowing or uncertain economy, merger or acquisition activity, a decision to allocate resources to other areas of their business, or other reasons. The profitability of reporting units may also suffer if actual costs of providing services exceed the costs anticipated when the Company enters into contracts. Additionally, adverse conditions in the economy and future volatility in the equity and credit markets could impact the valuation of our reporting units. The cyclical nature of our business, the high level of competition existing within our industry, and the concentration of our revenues from a limited number of customers may also cause results to vary. These factors may affect individual reporting units disproportionately, relative to the Company as a whole. As a result, the performance of one or more of the reporting units could decline, resulting in an impairment of goodwill or intangible assets.

The Company performs its annual goodwill assessment as of the first day of the fourth fiscal quarter of each fiscal year. As a result of the Company's fiscal 2025 period assessment, the Company determined that the fair values of each of the reporting units and the indefinite-lived intangible asset were in excess of their carrying values and no impairment had occurred. As of July 26, 2025, we believe the carrying amounts of goodwill and the indefinite-lived intangible asset are recoverable for all of our reporting units.

Intangible Assets

Our intangible assets consisted of the following (dollars in thousands):

	July 26, 2025				January 25, 2025		
	Weighted Average Remaining Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Customer relationships	9.3	\$ 452,417	\$ 285,122	\$ 167,295	\$ 452,417	\$ 270,210	\$ 182,207
Trade names, finite	7.8	14,080	9,587	4,493	14,080	9,293	4,787
Trade name, indefinite	Indefinite	4,700	—	4,700	4,700	—	4,700
Contract backlog	1.0	37,900	18,583	19,317	37,900	9,890	28,010
Non-compete agreements	2.3	75	41	34	75	33	42
		<u>\$ 509,172</u>	<u>\$ 313,333</u>	<u>\$ 195,839</u>	<u>\$ 509,172</u>	<u>\$ 289,426</u>	<u>\$ 219,746</u>

Amortization of our customer relationship intangibles and our contract backlog intangibles are recognized on an accelerated basis as a function of the expected economic benefit. Amortization of our other finite-lived intangibles is recognized on a straight-line basis over the estimated useful life. Amortization expense for finite-lived intangible assets was \$11.9 million and \$5.9 million for the three months ended July 26, 2025 and July 27, 2024, respectively and \$23.9 million and \$11.8 million for the six months ended July 26, 2025 and July 27, 2024, respectively.

As of July 26, 2025, total amortization expense for existing finite-lived intangible assets for the next five fiscal years and thereafter is as follows (dollars in thousands):

	Amount
Remainder of 2026	\$ 24,489
2027	38,500
2028	26,462
2029	19,269
2030	18,796
2031	18,126
Thereafter	45,497
Total	<u>\$ 191,139</u>

As of July 26, 2025, we believe that the carrying amounts of our intangible assets are recoverable. However, if adverse events were to occur or circumstances were to change indicating that the carrying amount of such assets may not be fully recoverable, the assets would be reviewed for impairment and the assets could be impaired.

II. Accrued Insurance Claims

For claims within our insurance program, we retain the risk of loss, up to certain annual stop-loss limits, for matters related to automobile liability, general liability (including damages associated with underground facility locating services), workers' compensation, and employee group health. Losses for claims beyond our retained risk of loss are covered by insurance up to our coverage limits.

For workers' compensation losses during fiscal 2026 and 2025, we retained the risk of loss up to \$1.0 million on a per occurrence basis. This retention amount is applicable to all of the states in which we operate, except with respect to workers' compensation insurance in two states in which we participate in state-sponsored insurance funds.

For automobile liability and general liability losses during fiscal 2026, we retained the risk of loss up to \$2.0 million on a per-occurrence basis for the first \$5.0 million of insurance coverage. We also retained the risk of loss for the next \$5.0 million on a per-occurrence basis for losses between \$5.0 million and \$10.0 million, if any.

For automobile liability losses during fiscal 2025, we retained the risk of loss up to \$2.0 million on a per-occurrence basis for the first \$5.0 million of insurance coverage and we retained the risk of loss up to \$1.0 million for general liability losses during fiscal 2025. We also retained the risk of loss for the next \$5.0 million on a per-occurrence basis for losses between \$5.0 million and \$10.0 million, if any.

We are party to a stop-loss agreement for losses under our employee group health plan. For calendar year 2025, we retain the risk of loss on an annual basis, up to the first \$750,000 of claims per participant.

Amounts for total accrued insurance claims and insurance recoveries/receivables are as follows (dollars in thousands):

	<u>July 26, 2025</u>	<u>January 25, 2025</u>
Accrued insurance claims - current	\$ 46,345	\$ 46,686
Accrued insurance claims - non-current	54,602	49,836
Accrued insurance claims	<u>\$ 100,947</u>	<u>\$ 96,522</u>
Insurance recoveries/receivables:		
Non-current (included in Other assets)	9,585	3,343
Insurance recoveries/receivables	<u>\$ 9,585</u>	<u>\$ 3,343</u>

Insurance recoveries/receivables represent the amount of accrued insurance claims that are covered by insurance as the amounts exceed the Company's loss retention. During the six months ended July 26, 2025, total insurance recoveries/receivables increased as a result of additional claims that exceeded our loss retention. Accrued insurance claims increased by a corresponding amount.

12. Leases

We lease the majority of our office facilities as well as certain equipment, all of which are accounted for as operating leases. These leases have remaining terms ranging from less than 1 year to approximately 11 years. Some leases include options to extend the lease for up to 5 years and others include options to terminate.

The following table summarizes the components of lease cost recognized in the condensed consolidated statements of operations for the three and six months ended July 26, 2025 and July 27, 2024 (dollars in thousands):

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>July 26, 2025</u>	<u>July 27, 2024</u>	<u>July 26, 2025</u>	<u>July 27, 2024</u>
Lease cost under long-term operating leases	\$ 12,537	\$ 10,903	\$ 25,518	\$ 21,364
Lease cost under short-term operating leases	4,000	4,386	7,724	8,380
Variable lease cost under short-term and long-term operating leases ⁽¹⁾	1,118	913	2,308	2,005
Total lease cost	<u>\$ 17,655</u>	<u>\$ 16,202</u>	<u>\$ 35,550</u>	<u>\$ 31,749</u>

⁽¹⁾ Variable lease cost primarily includes insurance, maintenance, and other operating expenses related to our leased office facilities.

Our operating lease liabilities related to long-term operating leases were \$117.8 million as of July 26, 2025 and \$112.8 million as of January 25, 2025. Supplemental balance sheet information related to these liabilities is as follows:

	<u>July 26, 2025</u>	<u>January 25, 2025</u>
Weighted average remaining lease term	4.8 years	4.6 years
Weighted average discount rate	5.8 %	5.8 %

Supplemental cash flow information related to our long-term operating lease liabilities for the three and six months ended July 26, 2025 and July 27, 2024 is as follows (dollars in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Cash paid for amounts included in the measurement of lease liabilities	\$ 7,279	\$ 11,458	\$ 20,208	\$ 20,886
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 11,000	\$ 9,336	\$ 21,913	\$ 22,922

As of July 26, 2025, maturities of our lease liabilities under our long-term operating leases for the next five fiscal years and thereafter are as follows (dollars in thousands):

Fiscal Year	Amount
Remainder of 2026	\$ 21,043
2027	38,901
2028	25,451
2029	15,435
2030	8,860
2031	4,339
Thereafter	22,646
Total lease payments	136,675
Less: imputed interest	(18,883)
Total	\$ 117,792

As of July 26, 2025, the Company had additional operating leases with total lease costs of \$0.4 million that have not yet commenced. These leases will commence in fiscal 2026.

13. Other Accrued Liabilities

Other accrued liabilities consisted of the following (dollars in thousands):

	July 26, 2025	January 25, 2025
Accrued payroll and related taxes	\$ 45,621	\$ 35,543
Accrued construction costs	40,930	36,078
Accrued employee benefit and incentive plan costs	49,224	61,213
Other current liabilities	36,560	34,136
Other accrued liabilities	\$ 172,335	\$ 166,970

14. Debt

The following table summarizes the net carrying value of our outstanding indebtedness (dollars in thousands):

	July 26, 2025	January 25, 2025
Credit Agreement - Revolving facility (matures January 2029)	\$ 85,000	\$ —
Credit Agreement - Term loan facility (matures January 2029)	447,501	447,115
4.50% senior notes, net (mature April 2029)	496,557	496,097
	1,029,058	943,212
Less: current portion	(20,000)	(10,000)
Long-term debt	\$ 1,009,058	\$ 933,212

Credit Agreement

The Company and certain of its subsidiaries are party to a credit agreement, dated as of October 19, 2018, as amended, with the various lenders party thereto and Bank of America, N.A., as administrative agent (as amended on April 1, 2021, May 9, 2023, and May 15, 2024, the "Credit Agreement"). On May 15, 2024, we amended and restated the Credit Agreement to, among other things, increase the term loan facility and extend the maturity date. The Credit Agreement includes a revolving facility with a maximum revolver commitment of \$650.0 million and a term loan facility in the principal amount of \$450.0 million. The Credit Agreement also includes a \$200.0 million sublimit for the issuance of letters of credit and a \$50.0 million sublimit for swingline loans. The maturity of the Credit Agreement is January 15, 2029.

The following table summarizes the net carrying value of the term loan as of July 26, 2025 and January 25, 2025 (dollars in thousands):

	July 26, 2025	January 25, 2025
Principal amount of term loan	\$ 450,000	\$ 450,000
Less: Debt issuance costs	(2,499)	(2,885)
Net carrying amount of term loan	<u>\$ 447,501</u>	<u>\$ 447,115</u>

Subject to certain conditions, the Credit Agreement provides us with the ability to enter into one or more incremental facilities either by increasing the revolving commitments under the Credit Agreement and/or by establishing one or more additional term loans, up to the sum of (i) \$350.0 million and (ii) an aggregate amount such that, after giving effect to such incremental facilities on a pro forma basis (assuming that the amount of the incremental commitments are fully drawn and funded), the consolidated senior secured net leverage ratio does not exceed 2.25 to 1.00. The consolidated senior secured net leverage ratio is the ratio of our consolidated senior secured indebtedness reduced by unrestricted cash and equivalents in excess of \$25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined by the Credit Agreement. Borrowings under the Credit Agreement are guaranteed by substantially all of our domestic subsidiaries and secured by 100% of the equity interests of our direct and indirect domestic subsidiaries and 65% of the voting equity interests and 100% of the non-voting interests of our first-tier foreign subsidiaries (subject to customary exceptions).

Under our Credit Agreement, borrowings bear interest at the rates described below based upon our consolidated net leverage ratio, which is the ratio of our consolidated total funded debt reduced by unrestricted cash and equivalents in excess of \$25.0 million to our trailing four-quarter consolidated EBITDA, as defined by our Credit Agreement. In addition, we incur certain fees for unused balances and letters of credit at the rates described below, also based upon our consolidated net leverage ratio.

Borrowings - Term SOFR Loans	1.375% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.375% - 1.00% plus Base rate ⁽¹⁾
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.375% - 2.00%
Commercial Letters of Credit	0.6875% - 1.00%

⁽¹⁾ Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent's prime rate, and (iii) the Term Secured Overnight Financing Rate ("SOFR") plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero. "Term SOFR" will be the published forward-looking SOFR rate for the applicable interest period plus a 0.10% spread adjustment and if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately \$47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement as of both July 26, 2025 and January 25, 2025.

The weighted average interest rates and fees for balances under our Credit Agreement as of July 26, 2025 and January 25, 2025 were as follows:

	Weighted Average Rate End of Period	
	July 26, 2025	January 25, 2025
Borrowings - Term loan facility	5.95%	6.02%
Borrowings - Revolving facility ⁽¹⁾	5.94%	—%
Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	0.25%	0.30%

⁽¹⁾ There were no outstanding borrowings under our revolving facility as of January 25, 2025.

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00, as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of \$25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At July 26, 2025 and January 25, 2025, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under our revolving facility of \$517.5 million and \$602.5 million, respectively as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

4.50% Senior Notes Due 2029

On April 1, 2021, we issued \$500.0 million aggregate principal amount of 4.50% senior notes due 2029 (the “2029 Notes”). The 2029 Notes are guaranteed on a senior unsecured basis, jointly and severally, by all of our domestic subsidiaries that guarantee the Credit Agreement.

The indenture governing the 2029 Notes contains certain covenants that limit, among other things, our ability and the ability of certain of our subsidiaries to (i) incur additional debt and issue certain preferred stock, (ii) pay certain dividends on, repurchase, or make distributions in respect of, our and our subsidiaries’ capital stock or make other payments restricted by the indenture, (iii) enter into agreements that place limitations on distributions made from certain of our subsidiaries, (iv) guarantee certain debt, (v) make certain investments, (vi) sell or exchange certain assets, (vii) enter into transactions with affiliates, (viii) create certain liens, and (ix) consolidate, merge or transfer all or substantially all of our or our Subsidiaries’ assets. These covenants are subject to a number of exceptions, limitations and qualifications as set forth in the indenture governing the 2029 Notes.

The following table summarizes the net carrying value of the 2029 Notes as of July 26, 2025 and January 25, 2025 (dollars in thousands):

	July 26, 2025	January 25, 2025
Principal amount of 2029 Notes	\$ 500,000	\$ 500,000
Less: Debt issuance costs	(3,443)	(3,903)
Net carrying amount of 2029 Notes	<u>\$ 496,557</u>	<u>\$ 496,097</u>

The following table summarizes the fair value of the 2029 Notes, net of debt issuance costs. The fair value of the 2029 Notes is based on the closing trading price per \$100 of the 2029 Notes as of the last day of trading (Level 2), which was \$97.28 and \$94.65 as of July 26, 2025 and January 25, 2025, respectively (dollars in thousands):

	July 26, 2025	January 25, 2025
Fair value of principal amount of 2029 Notes	\$ 486,400	\$ 473,250
Less: Debt issuance costs	(3,443)	(3,903)
Fair value of 2029 Notes	<u>\$ 482,957</u>	<u>\$ 469,347</u>

15. Income Taxes

Our effective income tax rate was 25.7% and 27.9% for the three months ended July 26, 2025 and July 27, 2024, respectively and 24.4% and 24.0% for the six months ended July 26, 2025 and July 27, 2024, respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the tax effects of the vesting and exercise of share-based awards, and changes in unrecognized tax benefits. Deferred tax assets and liabilities are based on the enacted tax rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

On July 4, 2025, the U.S. government enacted tax legislation that reinstates 100% bonus depreciation for qualified property acquired and placed in service after January 19, 2025 and restores immediate deductibility of domestic research & experimental expenditures. Although certain provisions of the legislation are still subject to further regulatory interpretation, we expect that our cash tax requirements will be reduced in the current fiscal year compared to the amount that would have been required prior to enactment.

16. Other Income, Net

The components of other income, net, were as follows (dollars in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Gain on sale of fixed assets	\$ 10,103	\$ 8,160	\$ 19,875	\$ 20,564
Miscellaneous expense, net	(3,273)	(1,741)	(5,782)	(4,895)
Other income, net	\$ 6,830	\$ 6,419	\$ 14,093	\$ 15,669

We participate in a vendor payment program sponsored by one of our customers. Eligible accounts receivable from this customer are included in the program and payment is received pursuant to a non-recourse sale to a bank partner. This program effectively reduces the time to collect these receivables as compared to that customer's standard payment terms. We incur a discount fee to the bank on the payments received that is included as an expense component in miscellaneous expense, net, in the table above.

17. Capital Stock

Repurchases of Common Stock. On February 26, 2025, the Company announced that its Board of Directors authorized a new \$150 million program to repurchase shares of the Company's outstanding common stock through August 25, 2026 in open market or private transactions. During the three months ended April 26, 2025, the Company repurchased 200,000 shares of common stock, at an average price of \$150.93, for \$30.2 million. As of July 26, 2025, \$119.8 million of the authorization was available for repurchases.

Restricted Stock Tax Withholdings. During the six months ended July 26, 2025 and July 27, 2024, we withheld 84,296 shares totaling \$13.0 million and 113,654 shares totaling \$16.3 million, respectively, to meet payroll tax withholding obligations arising from the vesting of restricted share units. All shares withheld have been cancelled. Shares of common stock withheld for tax withholdings do not reduce our total share repurchase authority.

Upon cancellation of shares repurchased or withheld for tax withholdings, the excess over par value is recorded as a reduction of additional paid-in capital until the balance is reduced to zero, with any additional excess recorded as a reduction of retained earnings.

18. Stock-Based Awards

We have certain stock-based compensation plans under which we grant stock-based awards, including common stock, stock options, time-based restricted share units ("RSUs"), and performance-based restricted share units ("Performance RSUs") to attract, retain, and reward talented employees, officers, and directors, and to align stockholder and employee interests.

Compensation expense for stock-based awards is based on fair value at the measurement date. This expense fluctuates over time as a function of the duration of vesting periods of the stock-based awards and the Company's performance, as measured by

criteria set forth in performance-based awards. Stock-based compensation expense is included in general and administrative expenses in the condensed consolidated statements of operations and the amount of expense ultimately recognized depends on the quantity of awards that actually vest. Accordingly, stock-based compensation expense may vary from period to period.

The performance criteria for the Company's performance-based equity awards utilize the Company's operating earnings (adjusted for certain amounts) as a percentage of contract revenues for the applicable annual period (a "Performance Year") and its Performance Year operating cash flow level (adjusted for certain amounts). Additionally, certain awards include three-year performance measures that, if met, result in supplemental shares awarded. For Performance RSUs, the Company evaluates compensation expense quarterly and recognizes expense for performance-based awards only if it determines it is probable that performance criteria for the awards will be met.

During the three months ended July 27, 2024, the Company announced its CEO succession plan and transition. In connection with this transition, the Company incurred approximately \$11.4 million of incremental stock-based compensation modification expense in fiscal 2025 related to previously issued equity awards. Of this total, approximately \$2.2 million was recognized during the three months ended July 27, 2024.

Stock-based compensation expense and the related tax benefit recognized during the three and six months ended July 26, 2025 and July 27, 2024 were as follows (dollars in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Stock-based compensation	\$ 8,100	\$ 9,482	\$ 17,199	\$ 17,305
Income tax effect of stock-based compensation	\$ 1,998	\$ 2,330	\$ 4,237	\$ 4,269

During the three months ended July 26, 2025 and July 27, 2024, the Company realized \$0.6 million and \$0.1 million of net excess tax benefits, respectively, related to the vesting and exercise of share-based awards. During the six months ended July 26, 2025 and July 27, 2024, the Company realized approximately \$2.8 million and \$6.0 million of net excess tax benefits, respectively, related to the vesting and exercise of share-based awards.

As of July 26, 2025, we had unrecognized compensation expense related to stock options, RSUs, and target Performance RSUs (based on the Company's expected achievement of performance measures) of \$0.9 million, \$41.0 million, and \$18.4 million, respectively. This expense will be recognized over a weighted-average number of years of 2.2, 2.5, and 1.4, respectively, based on the average remaining service periods for the awards. We may recognize an additional \$11.8 million in compensation expense in future periods after July 26, 2025 if the maximum number of Performance RSUs is earned based on certain performance measures being met.

Stock Options

The following table summarizes stock option award activity during the six months ended July 26, 2025:

	Stock Options	
	Shares	Weighted Average Exercise Price
Outstanding as of January 25, 2025	111,311	\$ 106.13
Granted	—	\$ —
Options exercised	(39,071)	\$ 99.79
Outstanding as of July 26, 2025	72,240	\$ 109.55
Exercisable options as of July 26, 2025	24,147	\$ 97.91

RSUs and Performance RSUs

The following table summarizes RSU and Performance RSU award activity during the six months ended July 26, 2025:

	Restricted Stock			
	RSUs		Performance RSUs	
	Share Units	Weighted Average Grant Date Fair Value	Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 25, 2025	300,826	\$ 121.35	366,433	\$ 118.51
Granted	149,031	\$ 164.13	95,514	\$ 161.57
Share units vested	(98,992)	\$ 112.31	(144,159)	\$ 109.43
Forfeited or cancelled	(2,241)	\$ 122.08	(43,487)	\$ 109.37
Outstanding as of July 26, 2025	348,624	\$ 142.20	274,301	\$ 139.73

The total number of granted Performance RSUs presented above consists of 47,757 target shares and 47,757 supplemental shares. The total number of Performance RSUs outstanding as of July 26, 2025 consists of 170,721 target shares and 103,580 supplemental shares. With respect to the Company's Performance Year ended January 25, 2025, the Company added 17,287 supplemental shares and cancelled 41,466 supplemental shares during the six months ended July 26, 2025, as a result of the performance period criteria not being met.

19. Customer Concentration and Revenue Information

Geographic Location

We provide services throughout the United States.

Significant Customers

Our customer base is highly concentrated. Customers whose contract revenues exceeded 10% of total contract revenues during the three and six months ended July 26, 2025 or July 27, 2024, as well as total contract revenues from all other customers combined, were as follows (dollars in millions):

	For the Three Months Ended				For the Six Months Ended			
	July 26, 2025		July 27, 2024		July 26, 2025		July 27, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
AT&T Inc.	\$ 373.0	27.1%	\$ 210.2	17.5%	\$ 698.1	26.5%	\$ 425.7	18.2%
Lumen Technologies	155.4	11.3	163.7	13.6	280.6	10.6	320.5	13.7
Total other customers combined	849.5	61.6	829.2	68.9	1,657.9	62.9	1,599.3	68.1
Total contract revenues	\$ 1,377.9	100.0%	\$ 1,203.1	100.0%	\$ 2,636.6	100.0%	\$ 2,345.5	100.0%

See Note 6, *Accounts Receivable, Contract Assets, and Contract Liabilities*, for information on our customer credit concentration and collectability of trade accounts receivable and contract assets.

Customer Type

Total contract revenues by customer type during the three and six months ended July 26, 2025 and July 27, 2024 were as follows (dollars in millions):

	For the Three Months Ended				For the Six Months Ended			
	July 26, 2025		July 27, 2024		July 26, 2025		July 27, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Telecommunications	\$ 1,269.1	92.1%	\$ 1,086.2	90.3%	\$ 2,418.0	91.7%	\$ 2,113.0	90.0%
Underground facility locating	84.1	6.1	82.1	6.8	166.4	6.3	163.1	7.0
Electrical and gas utilities and other	24.7	1.8	34.8	2.9	52.2	2.0	69.4	3.0
Total contract revenues	\$ 1,377.9	100.0%	\$ 1,203.1	100.0%	\$ 2,636.6	100.0%	\$ 2,345.5	100.0%

Remaining Performance Obligations

Master service agreements and other contractual agreements with customers contain customer-specified service requirements, such as discrete pricing for individual tasks. In most cases, our customers are not contractually committed to procure specific volumes of services under these agreements.

Services are generally performed pursuant to these agreements in accordance with individual work orders. An individual work order generally is completed within one year. As a result, our remaining performance obligations under the work orders not yet completed is not meaningful in relation to our overall revenue at any given point in time. We apply the practical expedient in Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

20. Segment Reporting

The Company operates in one reportable segment which derives revenues by providing 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, we provide underground facility locating services for various utilities, including telecommunications providers, as well as other construction and maintenance for electric and gas utilities.

The Company's services are provided by its operating segments on a decentralized basis. Each operating segment consists of a subsidiary (or in certain instances, the combination of two or more subsidiaries), whose results are regularly reviewed by the Company's Chief Executive Officer, the chief operating decision maker (CODM). All the Company's operating segments have been aggregated into one reportable segment based on their similar economic characteristics, nature of services and production processes, type of customers, and service distribution methods.

This segment structure reflects the financial information and reports used by the Company's CODM to make decisions regarding the Company's business, including performance assessments and strategic and operational planning in compliance with ASC 280, Segment Reporting.

The key measure of segment profit or loss utilized by the CODM to assess performance of and allocate resources to the Company's operating segments is income before income taxes. This measure is presented on the consolidated statement of operations. Significant segment expenses included in income before income taxes are cost of earned revenues, general and administrative expenses, depreciation and amortization, interest expense and other income (expense), which are presented on the consolidated statement of operations. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets.

The CODM reviews contract revenues and income before income taxes compared to historical, forecasted and budgeted amounts to assess the performance of the Company's operating segments and allocate resources.

21. Commitments and Contingencies

From time to time, we are party to various claims and legal proceedings arising in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, it is the opinion of management, based on information available at this time, that the ultimate resolution of any such claims or legal proceedings will not, after considering applicable insurance coverage or other indemnities to which we may be entitled, have a material effect on our financial position, results of operations, or cash flow.

Commitments

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. As of July 26, 2025 and January 25, 2025, we had \$431.6 million and \$413.5 million, respectively, of outstanding performance and other surety contract bonds. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. At each of July 26, 2025 and January 25, 2025, we had \$31.0 million of outstanding surety bonds related to our insurance obligations. Additionally, we have periodically guaranteed certain obligations of our subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have issued standby letters of credit under our credit agreement that collateralize our obligations to our insurance carriers. At each of July 26, 2025 and January 25, 2025, we had \$47.5 million of outstanding standby letters of credit issued under our credit agreement.

Cautionary Note Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. These statements are intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. These statements may relate to future events, financial performance, strategies, expectations, and the competitive environment. Words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “forecast,” “target,” “outlook,” “may,” “should,” “could,” and similar expressions, as well as statements written in the future tense, identify forward-looking statements.

You should not consider forward-looking statements as guarantees of future performance or results. When made, forward-looking statements are based on information known to management at such time and/or management’s good faith belief 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 include, but are not limited to: projections of revenues, income or loss, or capital expenditures, future economic conditions and trends in the industries we serve, including as a result of changes in government regulation, policies and programs related to trade and infrastructure investment, customer capital budgets and spending priorities, our plans for future operations, growth and services, including contract backlog, our plans for future acquisitions, dispositions, or financial needs, expected benefits and synergies of businesses acquired and future opportunities for the combined businesses, anticipated outcomes of contingent events, including litigation, availability of capital, restrictions imposed by our senior notes and credit agreement, use of our cash flow to service our debt, the effect of changes in tax law, potential liabilities and other adverse effects arising from occupational health, safety, and other regulatory matters, potential exposure to environmental liabilities, determinations as to whether the carrying value of our assets is impaired, assumptions relating to any of the foregoing, the duration and severity of widespread pandemics and public health emergencies and their ultimate impact across our business, and the other risks and uncertainties discussed within Item 1, *Business*, Item 1A, *Risk Factors*, and Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, of our Annual Report on Form 10-K for fiscal 2025, filed with the U.S. Securities and Exchange Commission (“SEC”) on February 28, 2025 and our other periodic filings with the SEC. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement and are only made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise any forward-looking statements to reflect new information or events or circumstances arising after such date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for fiscal 2025. Our Annual Report on Form 10-K for fiscal 2025 was filed with the SEC on February 28, 2025, and is available on the SEC's website at www.sec.gov and on our website at www.dycomind.com.

Introduction

We are a leading provider of specialty contracting services focused primarily on telecommunications and digital infrastructure throughout the United States. These services include program management, planning, engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services for telecommunications and digital infrastructure providers. Additionally, we provide underground facility locating services for various utilities, including telecommunications providers, as well as other construction and maintenance services for electric and gas utilities. We supply the labor, tools, and equipment necessary to provide these services to our customers.

Demand for high-speed and low-latency connectivity is expanding, driven by data-intensive applications and mobile usage, necessitating extensive wireline network upgrades and extensions, new and expanding fiber infrastructure for data centers to meet the current and future needs of AI, and advanced wireless network deployments. This widespread need for expanded and enhanced connectivity fuels significant opportunities within the digital infrastructure sector. Our relationships, national footprint, and ability to manage increasing complexity differentiate us and we are confident in our ability to capitalize on industry opportunities.

Our strategy centers on our core maintenance and operations services which provide a strong foundation to capitalize on other drivers of demand for telecommunications and digital infrastructure. These include multi-year fiber-to-the-home deployments throughout the United States, increasing fiber infrastructure builds to support hyperscaler data center growth, continued state and federal program spending to bridge the digital divide and wireless network modernization programs to meet increasing digital demands.

The cyclical nature of the industry we serve affects demand for our services, and our contract revenues and results of operations exhibit seasonality as a significant portion of our work is performed outdoors. The capital expenditure and maintenance budgets of our customers, and the related timing of approvals and seasonal spending patterns, influence our contract revenues and results of operations. Factors affecting our customers and their capital expenditure budgets include, but are not limited to, overall economic conditions, the introduction of new technologies, our customers' debt levels and capital structures, our customers' financial performance, our customers' positioning and strategic plans. Other factors that may affect our customers and their capital expenditure budgets include the availability of state and federal funding, the implementation or enforcement of regulations or regulatory actions impacting our customers' businesses, merger or acquisition activity involving our customers, and the physical maintenance needs of our customers' infrastructure.

Customer Relationships and Contractual Arrangements

We have established relationships with many leading telecommunications providers, including telephone companies, cable multiple system operators, wireless carriers, telecommunications equipment and infrastructure providers, as well as electric and gas utilities.

Our customer base is highly concentrated. The following reflects the percentage of total contract revenues from customers who contributed at least 10% to our total contract revenues during the three and six months ended July 26, 2025 or July 27, 2024:

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
AT&T Inc.	27.1%	17.5%	26.5%	18.2%
Lumen Technologies	11.3%	13.6%	10.6%	13.7%

We perform a majority of our services under master service agreements and other contracts that contain customer-specified service requirements. These agreements include discrete pricing for individual tasks. We generally possess multiple agreements with each of our significant customers. To the extent that such agreements specify exclusivity, there are often exceptions, including the ability of the customer to issue work orders valued above a specified dollar amount to other service providers, the performance of work with the customer's own employees, and the use of other service providers when jointly placing facilities with another utility. In many cases, a customer may terminate an agreement for convenience. Historically, multi-year master service agreements have been awarded primarily through a competitive bidding process; however, occasionally we are able to negotiate extensions to these agreements. We provide the remainder of our services pursuant to contracts for specific projects. These contracts may be long-term (with terms greater than one year) or short-term (with terms less than one year) and at times include retainage provisions under which the customer may withhold 5% to 10% of the invoiced amounts pending project completion and closeout.

The following table summarizes our contract revenues from multi-year master service agreements and other long-term contracts, as a percentage of contract revenues:

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Multi-year master service agreements	86.6 %	78.0 %	86.6 %	78.0 %
Other long-term contracts	5.7	10.6	5.9	11.0
Total long-term contracts	92.3 %	88.6 %	92.5 %	89.0 %

Acquisitions

As part of our growth strategy, we have and may continue to acquire companies that expand, complement, or diversify our business. We regularly review opportunities and periodically engage in discussions regarding possible acquisitions. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to identify, acquire, and successfully integrate companies.

Fiscal 2025. During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of \$150.7 million. The acquired business provides wireless construction services for telecommunications providers in various states. This acquisition expands our geographic presence within our existing customer base.

During the second quarter of fiscal 2025, we acquired a telecommunications construction contractor for a total purchase price of \$24.5 million (\$20.4 million purchase price plus cash acquired of \$4.1 million). The acquired company is located in the northwestern United States and provides construction and maintenance services to telecommunications providers, with the majority of its revenues generated in Alaska. This acquisition expands our geographic presence and our customer base.

During the first quarter of fiscal 2025, we acquired a telecommunications construction contractor for \$16.0 million (\$12.8 million purchase price, plus cash acquired of \$3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the midwestern United States. This acquisition expands our geographic presence within our existing customer base.

Results of the businesses acquired are included in the condensed consolidated financial statements from their respective date of acquisition.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In conformity with GAAP, the preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. These estimates and assumptions require the use of judgment as to the likelihood of various future outcomes and, as a result, actual results could differ materially from these estimates. There have been no material changes to our significant accounting policies and critical accounting estimates described in our Annual Report on Form 10-K for fiscal 2025.

Understanding Our Results of Operations

The following information is presented so that the reader may better understand certain factors impacting our results of operations and should be read in conjunction with our condensed consolidated financial statements and the accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q and *Critical Accounting Policies and Estimates* within Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, as well as Note 2, *Significant Accounting Policies and Estimates*, in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for fiscal 2025.

Our fiscal year ends on the last Saturday in January. As a result, each fiscal year consists of either 52 weeks or 53 weeks of operations (with the additional week of operations occurring in the fourth quarter). Fiscal 2026 consists of 53 weeks of operations, while fiscal 2025 consisted of 52 weeks of operations.

Contract Revenues. We perform a significant amount of our services under master service agreements and other contracts that contain customer-specified service requirements. These agreements include discrete pricing for individual tasks including, for example, the placement of underground or aerial fiber, directional boring, and fiber splicing, each based on a specific unit of measure. A contractual agreement exists when each party involved approves and commits to the agreement, the rights of the parties and payment terms are identified, the agreement has commercial substance, and collectability of consideration is probable. Our services are performed for the sole benefit of our customers, whereby the assets being created or maintained are controlled by the customer and the services we perform do not have alternative benefits for us. Contract revenue is recognized over time as services are performed and customers simultaneously receive and consume the benefits we provide. Output measures such as units delivered are utilized to assess progress against specific contractual performance obligations for the majority of our services. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. For us, the output method using units delivered best represents the measure of progress against the performance obligations incorporated within the contractual agreements. This method captures the amount of units delivered pursuant to contracts and is used only when our performance does not produce significant amounts of work in process prior to complete satisfaction of the performance obligation. For a portion of contract items, units to be completed consist of multiple tasks. For these items, the transaction price is allocated to each task based on relative standalone measurements, such as selling prices for similar tasks, or in the alternative, the cost to perform the tasks. Contract revenue is recognized as the tasks are completed as a measurement of progress in the satisfaction of the corresponding performance obligation.

For certain contracts, representing less than 5% of contract revenues during each of the six months ended July 26, 2025 and July 27, 2024, we use the cost-to-cost measure of progress. These contracts are generally projects that are completed over a period of less than twelve months. Under the cost-to-cost measure of progress, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs. Contract costs include direct labor, direct materials, and subcontractor costs, as well as an allocation of indirect costs. Contract revenues are recorded as costs are incurred. We accrue the entire amount of a contract loss, if any, at the time the loss is determined to be probable and can be reasonably estimated.

Costs of Earned Revenues. Costs of earned revenues includes all direct costs of providing services under our contracts, including costs for direct labor provided by employees, services by subcontractors, operation of capital equipment (excluding depreciation), direct materials, costs of insuring our risks, and other direct costs. Under our insurance program, we retain the risk of loss, up to certain limits, for matters related to automobile liability, general liability (including damages associated with underground facility locating services), workers' compensation, and employee group health.

General and Administrative Expenses. General and administrative expenses primarily consist of employee compensation and related expenses, including performance-based compensation and stock-based compensation, legal, consulting and professional fees, information technology and development costs, amortization of implementation costs associated with cloud computing arrangements, provision for or recoveries of bad debt expense, acquisition and integration costs of businesses acquired, and other costs not directly related to the provision of our services under customer contracts. Our provision for bad debt expense is determined by evaluating specific accounts receivable and contract asset balances based on historical collection trends, the age of outstanding receivables, and the creditworthiness of our customers. We incur information technology and development costs primarily to support and enhance our operating efficiency. Our executive management team and the senior management of our enterprise and subsidiaries perform substantially all of our sales and marketing functions as part of their management responsibilities.

Depreciation and Amortization. Our property and equipment primarily consist of vehicles, equipment and machinery, and computer hardware and software. We depreciate property and equipment on a straight-line basis over the estimated useful lives

of the assets. In addition, we have intangible assets, including customer relationships, trade names, and non-compete intangibles, which we amortize over their estimated useful lives. We recognize amortization of customer relationship intangibles on an accelerated basis as a function of the expected economic benefit and amortization of other finite-lived intangibles on a straight-line basis over their estimated useful lives.

Interest Expense, Net. Interest expense, net, consists of interest incurred on outstanding variable rate and fixed rate debt and certain other obligations, and the amortization of debt issuance costs. See Note 14, *Debt*, in the notes to the condensed consolidated financial statements for information on debt issuance costs.

Loss on Debt Extinguishment. Loss on debt extinguishment includes the write-off of deferred debt issuance costs in connection with the Credit Agreement amendment.

Other Income, Net. Other income, net, primarily consists of gains or losses from sales of fixed assets. Other income, net also includes discount fee expense associated with the collection of accounts receivable under a customer-sponsored vendor payment program.

Seasonality and Fluctuations in Operating Results. Our contract revenues and results of operations exhibit seasonality and are impacted by adverse weather changes as we perform a significant portion of our work outdoors. Consequently, adverse weather, which is more likely to occur with greater frequency, severity, and duration during the winter, as well as reduced daylight hours, impact our operations during the fiscal quarters ending in January and April. Additionally, extreme weather conditions, such as major or extended winter storms, droughts and tornados, wildfires, and natural disasters, such as floods, hurricanes, tropical storms, whether as a result of climate change or otherwise, could also impact the demand for our services or impact our ability to perform our services. Also, several holidays fall within the fiscal quarter ending in January, which decreases the number of available workdays in this fiscal quarter. Because of these factors, we are most likely to experience reduced revenue and profitability or losses during the fiscal quarters ending in January and April compared to the fiscal quarters ending in July and October.

We may also experience variations in our profitability driven by a number of factors. These factors include variations and fluctuations in contract revenues, job specific costs, insurance claims, the allowance for credit losses, accruals for contingencies, stock-based compensation expense for performance-based stock awards, the fair value of reporting units for the goodwill impairment analysis, the valuation of intangibles and other long-lived assets, gains or losses on the sale of fixed assets from the timing and levels of capital assets sold, the employer portion of payroll taxes as a result of reaching statutory limits, and our effective tax rate.

Accordingly, operating results for any fiscal period are not necessarily indicative of results we may achieve for any subsequent fiscal period.

Results of Operations

The following table sets forth our condensed consolidated statements of operations for the periods indicated and the amounts as a percentage of contract revenues (totals may not add due to rounding) (dollars in millions):

	For the Three Months Ended				For the Six Months Ended			
	July 26, 2025		July 27, 2024		July 26, 2025		July 27, 2024	
Contract revenues	\$ 1,377.9	100.0 %	\$ 1,203.1	100.0 %	\$ 2,636.6	100.0 %	\$ 2,345.5	100.0 %
Expenses:								
Costs of earned revenues, excluding depreciation and amortization	1,070.5	77.7	952.9	79.2	2,081.6	79.0	1,874.5	79.9
General and administrative	106.8	7.8	99.6	8.3	210.5	8.0	194.1	8.3
Depreciation and amortization	60.9	4.4	46.6	3.9	119.2	4.5	91.8	3.9
Total	1,238.1	89.9	1,099.0	91.4	2,411.3	91.5	2,160.4	92.1
Interest expense, net	(15.6)	(1.1)	(14.7)	(1.2)	(29.6)	(1.1)	(27.5)	(1.2)
Loss on debt extinguishment	—	—	(1.0)	(0.1)	—	—	(1.0)	—
Other income, net	6.8	0.5	6.4	0.5	14.1	0.5	15.7	0.7
Income before income taxes	131.1	9.5	94.8	7.9	209.7	8.0	172.3	7.3
Provision for income taxes	33.6	2.4	26.4	2.2	51.2	1.9	41.3	1.8
Net income	\$ 97.5	7.1 %	\$ 68.4	5.7 %	\$ 158.5	6.0 %	\$ 131.0	5.6 %

Contract Revenues. Contract revenues were \$1.378 billion during the three months ended July 26, 2025 compared to \$1.203 billion during the three months ended July 27, 2024. Contract revenues from acquired businesses were \$139.8 million and \$5.7 million for the three months ended July 26, 2025 and July 27, 2024, respectively. Acquired revenues represent contract revenues from acquired businesses that were not owned for the full period in both the current and comparable prior periods. Excluding amounts generated by the acquired businesses, contract revenues increased by \$40.9 million during the three months ended July 26, 2025 compared to the three months ended July 27, 2024, primarily due to net revenue increases in fiber-to-the-home deployments, including rural fiber deployment programs.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 92.1%, 6.1%, and 1.8%, respectively, for the three months ended July 26, 2025 compared to 90.3%, 6.8%, and 2.9%, respectively, for the three months ended July 27, 2024.

Contract revenues were \$2.637 billion during the six months ended July 26, 2025 compared to \$2.345 billion during the six months ended July 27, 2024. Contract revenues from acquired businesses were \$256.6 million and \$13.5 million for the six months ended July 26, 2025 and July 27, 2024, respectively. Excluding amounts generated by the acquired businesses, contract revenues increased by \$48.0 million during the six months ended July 26, 2025 compared to the six months ended July 27, 2024, primarily due to net revenue increases in fiber-to-the-home deployments, including rural fiber deployment programs.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 91.7%, 6.3%, and 2.0%, respectively, for the six months ended July 26, 2025 compared to 90.0%, 7.0%, and 3.0%, respectively, for the six months ended July 27, 2024.

Costs of Earned Revenues. Costs of earned revenues increased to \$1.070 billion, or 77.7% of contract revenues, during the three months ended July 26, 2025 compared to \$952.9 million, or 79.2% of contract revenues, during the three months ended July 27, 2024. The primary components of the increase were an \$89.9 million aggregate increase in direct labor and subcontractor costs, a \$15.2 million increase in direct materials expense, a \$12.1 million increase in other direct costs, and a \$0.3 million increase in equipment and fuel costs.

Costs of earned revenues as a percentage of contract revenues decreased 1.5% during the three months ended July 26, 2025 compared to the three months ended July 27, 2024. Labor and subcontracted labor costs decreased 1.6% primarily due to the mix of work performed during the three months ended July 26, 2025. Direct material costs increased 0.5% primarily as a result of our mix of work in which we provide materials for customers. Equipment and fuel costs decreased 0.5% and other direct costs increased by 0.1% on a net basis as a percentage of contract revenues for the three months ended July 26, 2025 compared to the three months ended July 27, 2024.

Costs of earned revenues increased to \$2.082 billion, or 79.0% of contract revenues, during the six months ended July 26, 2025 compared to \$1.875 billion, or 79.9% of contract revenues, during the six months ended July 27, 2024. The primary components of the increase were a \$172.3 million aggregate increase in direct labor and subcontractor costs, a \$18.6 million increase in direct materials expense, and a \$17.7 million increase in other direct costs, offset by a \$1.6 million decrease in equipment and fuel costs.

Costs of earned revenues as a percentage of contract revenues decreased 1.0% during the six months ended July 26, 2025 compared to the six months ended July 27, 2024. Labor and subcontracted labor costs decreased 0.5% primarily due to the mix of work performed during the six months ended July 26, 2025. Direct material costs increased 0.1% primarily as a result of our mix of work in which we provide materials for customers. Equipment and fuel costs decreased 0.5% and other direct costs decreased by 0.1% on a net basis as a percentage of contract revenues for the six months ended July 26, 2025 compared to the six months ended July 27, 2024.

General and Administrative Expenses. General and administrative expenses increased to \$106.8 million, or 7.8% of contract revenues, during the three months ended July 26, 2025 compared to \$99.6 million, or 8.3% of contract revenues, during the three months ended July 27, 2024. The increase in total general and administrative expenses during the three months ended July 26, 2025 is mainly attributable to an increase in administrative, payroll, performance based compensation and other costs, including incremental general and administrative expenses from the acquired businesses.

General and administrative expenses increased to \$210.5 million, or 8.0% of contract revenues, during the six months ended July 26, 2025 compared to \$194.1 million, or 8.3% of contract revenues, during the six months ended July 27, 2024. The increase in total general and administrative expenses during the six months ended July 26, 2025 is mainly attributable to an increase in administrative, payroll, performance based compensation and other costs, including incremental general and administrative expenses from the acquired businesses.

Depreciation and Amortization. Depreciation expense was \$48.9 million, or 3.6% of contract revenues, during the three months ended July 26, 2025 compared to \$40.7 million, or 3.4% of contract revenues, during the three months ended July 27, 2024. Depreciation expense was \$95.3 million, or 3.6% of contract revenues, during the six months ended July 26, 2025 compared to \$80.0 million, or 3.4% of contract revenues, during the six months ended July 27, 2024. The increase in depreciation expense during the three and six months ended July 26, 2025 is primarily due to higher capital expenditures to support our growth in operations, the normal replacement cycle of fleet assets, and depreciation from acquired businesses.

Amortization expense was \$11.9 million and \$5.9 million during the three months ended July 26, 2025 and July 27, 2024, respectively and \$23.9 million and \$11.8 million during the six months ended July 26, 2025 and July 27, 2024, respectively. The increase in amortization expense during the three and six months ended July 26, 2025 is due to the increase in amortizing intangibles from acquired businesses.

Interest Expense, Net. Interest expense, net was \$15.6 million and \$14.7 million during the three months ended July 26, 2025 and July 27, 2024, respectively, as a result of higher outstanding borrowings during the current period.

Interest expense, net was \$29.6 million and \$27.5 million during the six months ended July 26, 2025 and July 27, 2024, respectively, as a result of higher outstanding borrowings during the current period.

Loss on Debt Extinguishment. Loss on debt during the three months ended July 27, 2024 of \$1.0 million includes the write-off of deferred debt issuance costs in connection with the Credit Agreement amendment. See "Liquidity and Capital Resources - Compliance with Credit Agreement" for more information.

Other Income, Net. Other income, net was \$6.8 million and \$6.4 million during the three months ended July 26, 2025 and July 27, 2024, respectively and \$14.1 million and \$15.7 million during the six months ended July 26, 2025 and July 27, 2024, respectively. Gain on sale of fixed assets, net was \$10.1 million and \$8.2 million during the three months ended July 26, 2025 and July 27, 2024, respectively and \$19.9 million and \$20.6 million during the six months ended July 26, 2025 and July 27, 2024, respectively. The change in other income, net is primarily a function of the number of assets sold and prices obtained for those assets during each respective period. Other income, net also reflects \$4.2 million and \$3.0 million of expense during the three months ended July 26, 2025 and July 27, 2024 respectively, and \$7.8 million and \$5.9 million during the six months ended July 26, 2025 and July 27, 2024, respectively, associated with the non-recourse sale of accounts receivable under a customer-sponsored vendor payment program.

Income Taxes. The following table presents our income tax provision and effective income tax rate for the three and six months ended July 26, 2025 and July 27, 2024 (dollars in millions):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Income tax provision	\$ 33.6	\$ 26.4	\$ 51.2	\$ 41.3
Effective income tax rate	25.7 %	27.9 %	24.4 %	24.0 %

Our effective income tax rate was 25.7% and 27.9% for the three months ended July 26, 2025 and July 27, 2024, respectively, and 24.4% and 24.0% for the six months ended July 26, 2025 and July 27, 2024, respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the tax effects of the vesting and exercise of share-based awards, and changes in unrecognized tax benefits. Deferred tax assets and liabilities are based on the enacted tax rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

On July 4, 2025, the U.S. government enacted tax legislation that reinstates 100% bonus depreciation for qualified property acquired and placed in service after January 19, 2025 and restores immediate deductibility of domestic research & experimental expenditures. Although certain provisions of the legislation are still subject to further regulatory interpretation, we expect that our cash tax requirements will be reduced in the current fiscal year compared to the amount that would have been required prior to enactment.

Net Income. Net income was \$97.5 million for the three months ended July 26, 2025 compared to \$68.4 million for the three months ended July 27, 2024. Net income was \$158.5 million for the six months ended July 26, 2025 compared to \$131.0 million for the six months ended July 27, 2024.

Non-GAAP Adjusted EBITDA. Adjusted EBITDA is a Non-GAAP measure, as defined by the rules of the SEC. We define Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, and certain non-recurring items. Management believes 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. The following table provides a reconciliation of net income to Non-GAAP Adjusted EBITDA (dollars in millions):

	For the Three Months Ended		For the Six Months Ended	
	July 26, 2025	July 27, 2024	July 26, 2025	July 27, 2024
Net income	\$ 97.5	\$ 68.4	\$ 158.5	\$ 131.0
Interest expense, net	15.6	14.7	29.6	27.5
Provision for income taxes	33.6	26.4	51.2	41.3
Depreciation and amortization	60.9	46.6	119.2	91.8
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	207.6	156.1	358.5	291.6
Gain on sale of fixed assets	(10.1)	(8.2)	(19.9)	(20.6)
Stock-based compensation expense	8.1	9.5	17.2	17.3
Loss on debt extinguishment	—	1.0	—	1.0
Non-GAAP Adjusted EBITDA	\$ 205.6	\$ 158.4	\$ 355.8	\$ 289.3
Non-GAAP Adjusted EBITDA % of contract revenues	14.9 %	13.2 %	13.5 %	12.3 %

Liquidity and Capital Resources

We are subject to concentrations of credit risk relating primarily to our cash and equivalents, accounts receivable, and contract assets. Cash and equivalents primarily include balances on deposit with banks and totaled \$28.5 million as of July 26, 2025 compared to \$92.7 million as of January 25, 2025. We maintain our cash and equivalents at financial institutions we believe to be of high credit quality. For all periods presented, we have not experienced any loss or lack of access to cash in our operating accounts.

Sources of Cash. Our sources of cash are operating activities, long-term debt, equity offerings, bank borrowings, proceeds from the sale of idle and surplus equipment and real property, and stock option proceeds. Cash flow from operations is primarily influenced by demand for our services and operating margins, but can also be influenced by working capital needs associated with the services that we provide. In particular, working capital needs may increase when we have growth in operations and where project costs, primarily associated with labor, subcontractors, equipment, and materials, are required to be paid before the related customer balances owed to us are invoiced and collected. Our working capital (total current assets less total current liabilities, excluding the current portion of debt) was \$1,346.2 million as of July 26, 2025 compared to \$1,117.5 million as of January 25, 2025.

Capital resources are used primarily to purchase equipment and maintain sufficient levels of working capital to support our contractual commitments to customers. We periodically draw upon and repay our revolving credit facility depending on our cash requirements. We currently intend to retain any earnings for use in the business and other capital allocation strategies which may include investment in acquisitions and share repurchases. Consequently, we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Our level of capital expenditures can vary depending on the customer demand for our services, the replacement cycle we select for our equipment, and overall growth. We intend to fund these expenditures primarily from operating cash flows, availability under our Credit Agreement (as defined below), and cash on hand.

Sufficiency of Capital Resources. We believe that our capital resources, including existing cash balances and amounts available under our Credit Agreement, are sufficient to meet our financial obligations. These obligations include payments on our debt, working capital requirements, and the purchase of equipment at our expected level of operations for at least the next 12 months. Our capital requirements may increase to the extent we seek to grow by acquisitions that involve consideration other than our stock, experience difficulty or delays in collecting amounts owed to us by our customers, increase our working capital in connection with new or existing customer programs, repurchase our common stock, or repay Credit Agreement borrowings. Changes in financial markets or other components of the economy could adversely impact our ability to access the capital markets, in which case we would expect to rely on a combination of available cash and our Credit Agreement to provide short-term funding. Management regularly monitors the financial markets and assesses general economic conditions for possible impact on our financial position. We believe our cash investment policies are prudent and expect that any volatility in the capital markets would not have a material impact on our cash investments.

Net Cash Flows. The following table presents our net cash flows for the six months ended July 26, 2025 and July 27, 2024 (dollars in millions):

	For the Six Months Ended	
	July 26, 2025	July 27, 2024
Net cash flows:		
Provided by (used in) operating activities	\$ 3.5	\$ (44.9)
Used in investing activities	\$ (107.7)	\$ (119.0)
Provided by financing activities	\$ 39.9	\$ 82.3

Cash Provided by (Used in) Operating Activities. Depreciation and amortization, non-cash lease expense, stock-based compensation, amortization of debt issuance costs, deferred income taxes, gain on sale of fixed assets, loss on debt extinguishment and provision for (recovery of) bad debt were the primary non-cash items in cash flows from operating activities during the current and prior periods.

During the six months ended July 26, 2025, net cash provided by operating activities was \$3.5 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used \$335.7 million of operating cash flow during the six months ended July 26, 2025. Changes that used operating cash flow during the six months ended July 26, 2025 included an increase in accounts receivable, in income taxes receivables, in contract assets, net, in other assets, and in other current assets and inventories of \$216.0 million, \$63.5 million, \$59.9 million, \$23.6 million, and \$7.1 million, respectively and a decrease in

accrued liabilities, net of \$15.2 million. Changes that provided cash flow during the six months ended July 26, 2025 included an increase in accounts payable of \$49.6 million.

Days sales outstanding (“DSO”) is calculated based on the ending balance of total current and non-current accounts receivable (including unbilled accounts receivable), net of the allowance for credit losses, and current contract assets, net of contract liabilities, divided by the average daily revenue for the most recently completed quarter. Our DSO was 108 as of July 26, 2025 compared to 117 as of July 27, 2024.

See Note 6, *Accounts Receivable, Contract Assets, and Contract Liabilities*, for further information on our customer credit concentration as of July 26, 2025 and January 25, 2025 and Note 19, *Customer Concentration and Revenue Information*, for further information on our significant customers. We believe that none of our significant customers were experiencing financial difficulties that would materially impact the collectability of our total accounts receivable and contract assets, net as of July 26, 2025 or January 25, 2025.

During the six months ended July 27, 2024, net cash used in operating activities was \$44.9 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used \$280.9 million of operating cash flow during the six months ended July 27, 2024. Changes that used operating cash flow during the six months ended July 27, 2024 included an increase in accounts receivable, an increase in contract assets, net, and a decrease in income taxes payable of \$256.5 million, \$26.3 million, and \$7.0 million, respectively. In addition, changes that used operating cash flow during the six months ended July 27, 2024 included an increase in other current assets and inventories of \$2.9 million. Changes that provided operating cash flow during the six months ended July 27, 2024 included an increase in accounts payable, an increase in accrued liabilities, and a decrease in other assets of \$8.8 million, \$2.6 million, and \$0.3 million, respectively.

Cash Used in Investing Activities. Net cash used in investing activities was \$107.7 million during the six months ended July 26, 2025 compared to \$119.0 million during the six months ended July 27, 2024. During the six months ended July 26, 2025 and July 27, 2024, capital expenditures were \$131.2 million and \$107.4 million, respectively, and cash paid for acquisitions during the six months ended July 27, 2024 was \$33.8 million. These expenditures were offset in part by proceeds from the sale of assets of \$23.5 million and \$22.2 million during the six months ended July 26, 2025 and July 27, 2024, respectively.

Cash Provided by Financing Activities. Net cash provided by financing activities was \$39.9 million during the six months ended July 26, 2025. During the six months ended July 26, 2025, borrowings and repayments under our Credit Agreement were \$629.0 million and \$544.0 million, respectively. In addition, we repurchased 200,000 shares of our common stock in open market transactions, at an average price of \$150.93 per share, for \$30.2 million, during the six months ended July 26, 2025. We also paid \$13.0 million, net to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the six months ended July 26, 2025. In addition, we paid \$1.9 million, net, to tax authorities for payroll tax withholding obligations on the exercise of stock options.

Net cash provided by financing activities was \$82.3 million during the six months ended July 27, 2024. During the six months ended July 27, 2024, borrowings and repayments under our Credit Agreement were \$282.4 million and \$147.4 million, respectively. We paid approximately \$6.6 million in issuance costs and third party fees and expenses related to our financing transactions. In addition, we repurchased 210,000 shares of our common stock in open market transactions, at an average price of \$141.84 per share, for \$29.8 million, during the six months ended July 27, 2024. We also paid \$16.3 million to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the six months ended July 27, 2024. This was partially offset by the exercise of stock options, which provided \$0.1 million during the six months ended July 27, 2024.

Compliance with Credit Agreement. We are party to a credit agreement, dated as of October 19, 2018, as amended, with the various lenders party thereto and Bank of America, N.A., as administrative agent (as amended on April 1, 2021, May 9, 2023, and May 15, 2024, the “Credit Agreement”). On May 15, 2024, we amended and restated the Credit Agreement to, among other things, increase the term loan facility and extend the maturity date. The Credit Agreement includes a revolving facility with a maximum revolver commitment of \$650.0 million and a term loan facility in the principal amount of \$450.0 million. The Credit Agreement also includes a \$200.0 million sublimit for the issuance of letters of credit and a \$50.0 million sublimit for swingline loans. The maturity of the Credit Agreement is January 15, 2029.

Subject to certain conditions, the Credit Agreement provides us with the ability to enter into one or more incremental facilities either by increasing the revolving commitments under the Credit Agreement and/or by establishing one or more additional term loans, up to the sum of (i) \$350.0 million and (ii) an aggregate amount such that, after giving effect to such incremental facilities on a pro forma basis (assuming that the amount of the incremental commitments are fully drawn and

funded), the consolidated senior secured net leverage ratio does not exceed 2.25 to 1.00. The consolidated senior secured net leverage ratio is the ratio of our consolidated senior secured indebtedness reduced by unrestricted cash and equivalents in excess of \$25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization (“EBITDA”), as defined by the Credit Agreement. Borrowings under the Credit Agreement are guaranteed by substantially all of our domestic subsidiaries and secured by 100% of the equity interests of our direct and indirect domestic subsidiaries and 65% of the voting equity interests and 100% of the non-voting interests of our first-tier foreign subsidiaries (subject to customary exceptions).

Under our Credit Agreement, borrowings bear interest at the rates described below based upon our consolidated net leverage ratio, which is the ratio of our consolidated total funded debt reduced by unrestricted cash and equivalents in excess of \$25.0 million to our trailing four-quarter consolidated EBITDA, as defined by our Credit Agreement. In addition, we incur certain fees for unused balances and letters of credit at the rates described below, also based upon our consolidated net leverage ratio.

Borrowings - Term SOFR Loans	1.375% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.375% - 1.00% plus Base rate ⁽¹⁾
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.375% - 2.00%
Commercial Letters of Credit	0.6875% - 1.00%

⁽¹⁾ Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent’s prime rate, and (iii) the Term Secured Overnight Financing Rate (“SOFR”) plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately \$47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement as of both July 26, 2025 and January 25, 2025.

The weighted average interest rates and fees for balances under our Credit Agreement as of July 26, 2025 and January 25, 2025 were as follows:

	Weighted Average Rate End of Period	
	July 26, 2025	January 25, 2025
Borrowings - Term loan facility	5.95%	6.02%
Borrowings - Revolving facility ⁽¹⁾	5.94%	—%
Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	0.25%	0.30%

⁽¹⁾ There were no outstanding borrowings under our revolving facility as of January 25, 2025.

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00 as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of \$25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At July 26, 2025 and January 25, 2025, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under our revolving facility of \$517.5 million and \$602.5 million, respectively, as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

The indenture governing the 2029 Notes contains certain covenants that limit, among other things, our ability and the ability of certain of our subsidiaries to (i) incur additional debt and issue certain preferred stock, (ii) pay certain dividends on, repurchase, or make distributions in respect of, our and our subsidiaries' capital stock or make other payments restricted by the indenture, (iii) enter into agreements that place limitations on distributions made from certain of our subsidiaries, (iv) guarantee certain debt, (v) make certain investments, (vi) sell or exchange certain assets, (vii) enter into transactions with affiliates, (viii) create certain liens, and (ix) consolidate, merge or transfer all or substantially all of our or our Subsidiaries' assets. These covenants are subject to a number of exceptions, limitations and qualifications as set forth in the indenture governing the 2029 Notes.

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. We had \$431.6 million and \$413.5 million of outstanding performance and other surety contract bonds, as of July 26, 2025 and January 25, 2025, respectively. The estimated cost to complete projects secured by our outstanding performance and other surety contract bonds was approximately \$227.7 million as of July 26, 2025. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. At each of July 26, 2025 and January 25, 2025, we had \$31.0 million of outstanding surety bonds related to our insurance obligations. Additionally, we have periodically guaranteed certain obligations of our subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have standby letters of credit issued under our Credit Agreement as part of our insurance program. These letters of credit collateralize obligations to our insurance carriers in connection with the settlement of potential claims. In connection with these collateral obligations, we had \$47.5 million outstanding standby letters of credit issued under our Credit Agreement as of both July 26, 2025 and January 25, 2025.

Backlog. Backlog is not a measure defined by United States generally accepted accounting principles ("GAAP") and should be considered in addition to, but not as a substitute for, GAAP results. Participants in our industry often disclose a calculation of their backlog; however, our methodology for determining backlog may not be comparable to the methodologies used by others. We utilize our calculation of backlog to assist in measuring aggregate awards under existing contractual relationships with our customers. We believe our backlog disclosures will assist investors in better understanding this estimate of the services to be performed pursuant to awards by our customers under existing contractual relationships.

Our backlog is an estimate of the uncompleted portion of services to be performed under contractual agreements with our customers and totaled \$7.989 billion and \$7.760 billion at July 26, 2025 and January 25, 2025, respectively. We expect to complete 57.6% of the July 26, 2025 total backlog during the next twelve months. Our backlog represents an estimate of services to be performed pursuant to master service agreements and other contractual agreements over their terms. These estimates are based on contract terms and evaluations regarding the timing of the services to be provided. In the case of master service agreements, backlog is estimated based on the work performed in the preceding twelve month period, when applicable. When estimating backlog for newly initiated master service agreements and other long and short-term contracts, we also consider the anticipated scope of the contract and information received from the customer during the procurement process and, where applicable, other ancillary information. The majority of our backlog comprises services under master service agreements and other long-term contracts.

Generally, our customers are not contractually committed to procure specific volumes of services. Contract revenue estimates reflected in our backlog can be subject to change due to a number of factors, including contract cancellations or changes in the amount of work we expect to be performed under a contract. In addition, contract revenues reflected in our backlog may be realized in different periods from those previously anticipated due to these factors as well as project accelerations or delays due to various reasons, including, but not limited to, changes in customer spending priorities, project cancellations, regulatory interruptions, scheduling changes, commercial issues such as permitting, engineering revisions, job site conditions, and adverse weather. The amount or timing of our backlog can also be impacted by the merger or acquisition activity of our customers. Many of our contracts may be cancelled by our customers, or work previously awarded to us pursuant to these contracts may be cancelled, regardless of whether or not we are in default. The amount of backlog related to uncompleted projects in which a provision for estimated losses was recorded is not material.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk.*

There were no material changes to our quantitative and qualitative disclosures about market risk during the three months ended July 26, 2025. Our primary exposure to market risk relates to unfavorable changes in interest rates. Refer to the

information on financial market risk related to changes in interest rates in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of Part II of our Fiscal 2025 Annual Report.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of July 26, 2025, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of July 26, 2025, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and (2) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION**Item 1. Legal Proceedings.**

Refer to Note 21, *Commitments and Contingencies*, in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

Our business is subject to a variety of risks and uncertainties. These risks are described elsewhere in this Quarterly Report on Form 10-Q or our other filings with the U.S. Securities and Exchange Commission, including Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 25, 2025. The risks identified in such reports have not changed in any material respect.

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

(a) During the three months ended July 26, 2025, the Company did not sell any equity securities that were not registered under the Securities Act of 1933.

(b) Not applicable.

(c) The following table summarizes the Company's purchase of its common stock during the three months ended July 26, 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 27, 2025 - May 24, 2025	—	\$ —	—	(1)
May 25, 2025 - June 21, 2025	—	\$ —	—	(1)
June 22, 2025 - July 26, 2025	—	\$ —	—	(1)

(1) On February 26, 2025, the Company announced that its Board of Directors authorized a new \$150 million program to repurchase shares of the Company's outstanding common stock through August 25, 2026 in open market or private transactions. During the three months ended April 26, 2025, the Company repurchased 200,000 shares of common stock, at an average price of \$150.93, for \$30.2 million. As of July 26, 2025, \$119.8 million of the authorization was available for repurchases.

Item 5. Other Information.**Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements by our Directors and Officers**

During the three months ended July 26, 2025, none of our directors and officers (as defined in Rule 16a-1(f) of the Securities and Exchange Act of 1934, as amended) adopted, terminated or modified a "Rule 10b5-1" or "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

Exhibits furnished pursuant to the requirements of Form 10-Q:

Exhibit Number

3(i)	Fifth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on June 17, 2025).
31.1 +	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 +	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 ++	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 ++	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 +	The following materials from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 26, 2025, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to Condensed Consolidated Financial Statements.
104 +	The cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 26, 2025, formatted in Inline XBRL (included as Exhibit 101)
+	Filed herewith
++	Furnished herewith
*	Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DYCOM INDUSTRIES, INC.
Registrant

Date: August 21, 2025

/s/ Daniel S. Peyovich

Name: Daniel S. Peyovich
Title: President and Chief Executive Officer

Date: August 21, 2025

/s/ H. Andrew DeFerrari

Name: H. Andrew DeFerrari
Title: Senior Vice President and Chief Financial Officer

DYCOM INDUSTRIES, INC.
CERTIFICATIONS PURSUANT TO
RULES 13A-14(A) OR 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Daniel S. Peyovich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dycom Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 21, 2025

/s/ Daniel S. Peyovich

Daniel S. Peyovich
President and Chief Executive Officer

DYCOM INDUSTRIES, INC.
CERTIFICATIONS PURSUANT TO
RULES 13A-14(A) OR 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, H. Andrew DeFerrari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dycom Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 21, 2025

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari

Senior Vice President and Chief Financial Officer

DYCOM INDUSTRIES, INC.**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending July 26, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2025

/s/ Daniel S. Peyovich

Daniel S. Peyovich

President and Chief Executive Officer

A signed original of this written statement required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Dycom Industries, Inc. and will be retained by Dycom Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 even if the document with which it is submitted to the Securities and Exchange Commission is so incorporated by reference.

DYCOM INDUSTRIES, INC.**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending July 26, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2025

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari

Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Dycom Industries, Inc. and will be retained by Dycom Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 even if the document with which it is submitted to the Securities and Exchange Commission is so incorporated by reference.