



**DYCOM INDUSTRIES, INC. Q1 2027 RESULTS CONFERENCE CALL  
PREPARED REMARKS  
May 27, 2026**

**CORPORATE PARTICIPANTS**

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Daniel S. Peyovich, President and Chief Executive Officer  
H. Andrew DeFerrari, Senior Vice President and Chief Financial Officer

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**Eric Luebchow**, Analyst, Wells Fargo Securities LLC  
**Joseph Osha**, Analyst, Guggenheim Partners  
**Frank G. Louthan**, Analyst, Raymond James & Associates, Inc.  
**Richard Choe**, Analyst, JP Morgan Securities LLC  
**Steven Fisher**, Analyst, UBS Securities LLC  
**Michael S. Dudas**, Analyst, Vertical Research Partners LLC  
**Liam Burke**, Analyst, B. Riley Securities, Inc.

**MANAGEMENT DISCUSSION**

**Callie A. Tomasso**  
**Vice President, Investor Relations & Corporate Communications, Dycom Industries, Inc.**

Thank you, Operator, and good morning, everyone. Welcome to Dycom’s fiscal 2027 first-quarter results conference call. Joining me today are Dan Peyovich, our President & Chief Executive Officer, and Drew DeFerrari, our Chief Financial Officer.

Earlier this morning, we released our fiscal 2027 first quarter results, along with certain outlook information. We also announced a definitive agreement to acquire National Technology Integrators, a low-voltage engineering and construction firm based in Maryland. The press release and accompanying materials are available in the Investor Relations section of our website, including the “Outlook Expectations Summary” document which provides additional outlook metrics beyond what will be discussed on today’s call.

These materials, which we will discuss during today’s call, include forward-looking statements, made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Our discussion and these statements reflect our expectations, assumptions, and beliefs regarding future events and are subject to risks and uncertainties that could cause actual results to differ materially. A detailed discussion of these risks and uncertainties is included in our filings with the SEC. Forward-looking statements are made as of today’s date, and we undertake no obligation to update them.

Additionally, we will reference certain non-GAAP financial measures during today’s call. Explanations of these measures and reconciliations to the most directly comparable GAAP measures can be found in our press release and accompanying materials.

With that, I will turn the call over to Dan Peyovich.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Thank you, Callie and good morning, everyone. Thank you for joining us today.

We delivered an outstanding start to the year, continuing to execute our strategy and capitalize on the generational set of opportunities across our business.

Total revenues of \$1.965 billion exceeded the high end of our expectation, increasing 56% compared to Q1 FY2026, including organic growth of 25%. With robust and intensifying demand drivers, we remain disciplined in our awards, high grading the pipeline and intensely focusing on execution. The results of this discipline are reflected in our earnings for the quarter, which also exceeded the high end of our expectations. Adjusted EBITDA of \$262.5 million and Adjusted EBITDA margin of 13.4%, increased 75% and 141 basis points, respectively, and Non-GAAP Adjusted Diluted EPS was \$4.42, an 85% increase, compared to Q1 fiscal 2026.

We ended the quarter with record total backlog of \$11.9 billion, growing 25% sequentially and representing a book-to-bill of 2.2x for the quarter. Notably, awards this quarter continued to diversify our backlog across customers, demand drivers and geographies. In some cases, we are also seeing customers extend durations to ensure they have the skilled workforce to meet their goals. These awards provide certainty and visibility that allow Dycom to plan and invest for work far in the future and positions us for multi-year growth.

With strong results in Q1 and intensifying demand across our business, we are increasing our full-year fiscal 2027 outlook to a range of \$7.38 billion to \$7.65 billion. At the midpoint and excluding the extra week from last year, our new outlook represents total revenue growth of 38%, including 14% organic, compared to last year.

I'll shift now to our segments, which delivered excellent performance to start the year.

Our Communications segment generated significant revenue growth of 25% compared to Q1 FY2026 with Adjusted EBITDA margins that increased 31 basis points year-over-year. Growth during the period was driven by expansion into additional geographies and fiber-to-the-home builds that ramped ahead of expectations; all aided by a favorable seasonal backdrop. Demand for fiber infrastructure remains as strong as ever, as evidenced by our customers' bullish commentary about their multi-year fiber-to-the-home and long-haul build programs, as well as recent announcements from Corning to scale manufacturing capabilities in response to the demand for fiber in the coming years.

Our Building Systems segment is off to a fantastic start, performing exceptionally well this quarter. Dycom's integration engine is firing on all cylinders, and I am immensely proud of the team for outpacing our internal projections in a very short period of time. Power Solutions eclipsed expectations right out of the gate, delivering \$395.4 million of revenue and Adjusted EBITDA margin of 17.7%. Importantly, looking ahead, we expect their fiscal 2027 margin to be in a similar range to the Q1 performance. With Power Solutions, we have added an incredible team that has earned tremendous respect across all stakeholders for nearly three decades. As a result, we are positioned for significant, long-term growth as we continue to scale our digital infrastructure platform.

Shifting to discuss our initiatives, last quarter I spoke of four core strategic priorities for the year, and we delivered on every one of them in our first quarter.

First, talent and workforce development. Our investments in our training and our people are yielding great results. We added 730 employees in the quarter, as we continued to invest to support our significant growth.

Second, we are executing on the expansion of our Building Systems segment both organically as Power Solutions scales its operations, and through strategic M&A. Today, we announced a definitive agreement to acquire National Technology

Integrators, a tenured and fast-growing low-voltage engineering and construction firm based in Maryland, enhancing our position and further extending our capabilities in the high-growth data center industry.

National Technology Integrators specializes in inside plant structured cabling, including within data centers, as well as audio-visual and security systems. This is a critical step that connects the work of both our segments. We will be able to offer our customers complete fiber infrastructure starting at the racks and connecting data centers across America, ultimately bringing fiber connectivity to businesses, communities and homes. Their work marries incredibly well with our inside-plant electrical work as these trades are highly coordinated and in high demand.

Importantly, this private, founder-led business is another outstanding cultural fit with a team that is highly respected and excited to continue their growth story.

Based in Maryland and with much of their revenue in the DMV, they also have operations spanning Texas and the Midwest, brought there by their general contractor and hyperscaler customers because of their proven performance. This creates enormous opportunity for Dycom to continue to grow our Building Systems segment, and cross sell our services.

This cross selling is already occurring. Power Solutions and National Technology Integrators have been strategic partners for years and are currently working on projects together. In addition, we are already working together on inside-the-fence fiber work in our Communications segment. In short, the synergies are incredibly strong, and this is a perfect fit to further increase our opportunity set.

They consistently deliver superb results and the transaction is expected to be immediately accretive across key enterprise financial metrics. We are excited to welcome National Technology Integrators to the Dycom family when the transaction closes, expected in Q2.

Looking ahead, we will continue to pursue additional, high-quality M&A while also maintaining our commitment to long-term net leverage discipline and investing in organic growth opportunities.

Moving to our third strategic priority, margin expansion. We delivered year-over-year improvement of 141 basis points in Adjusted EBITDA margin for the quarter. Looking toward the full fiscal year, we continue to expect our Communications segment to modestly increase Adjusted EBITDA margin over the prior year and we now expect our Building Systems segment to maintain Adjusted EBITDA margin in the high teens.

Fourth, cash flow enhancement continues to be a priority and our combined DSOs were 96 days for the quarter, a significant improvement of 15 days year-over-year.

Over the past five quarters, we've laid out a clear picture of the intensifying demand across our industry, and we've proven Dycom's ability to step up and capitalize on it. We're doing that through clear strategy, consistent execution, organic investments, and disciplined M&A.

Looking ahead, the momentum behind fiber deployments and data center builds is stronger today than we have ever seen. We are moving quickly to capture this opportunity, expanding our presence and footprint across our business, while continuing to anchor ourselves with steady service and maintenance work. On top of that, BEAD is progressing through state-level and subgrantee pipelines, which points to upside for both our backlog and our future outlook.

In closing, Dycom's scale and positioning, combined with our local expertise, is unmatched in digital infrastructure. We are focused on delivering value to our front-line employees and our customers and believe that this goes hand-in-hand with delivering value to our shareholders.

I would like to thank my 20,000 teammates for raising the bar every day for our customers and in our communities. I am incredibly proud of what we've accomplished together and am confident we will continue to deliver value for our shareholders, and long-term opportunities for our teams, as we pursue our vision to be the people connecting America.

I'll now turn the call over to Drew for a deeper dive into our Q1 performance and further details on our acquisition.

**H. Andrew DeFerrari**

**Senior Vice President & Chief Financial Officer, Dycom Industries, Inc.**

Thanks Dan, and good morning everyone. In Q1, we outperformed the high-end of our expectations, delivering strong topline and Adjusted EBITDA growth and margin expansion while also investing in our future growth and returning capital to our shareholders through share repurchases.

Q1 total contract revenues of \$1.965 billion grew 56.1% over Q1 of last year. This reflects the strength of our relationships and continued diversification across our customer base. Organic revenue of the Communications segment grew 24.7% and Building Systems grew significantly compared to the prior year quarter. Building Systems represented approximately 20% of total revenue for the quarter.

Consolidated Adjusted EBITDA of \$262.5 million increased 75% over Q1-26 reflecting strong performance in both of our business segments.

Consolidated Adjusted Net Income was \$134.3 million and Adjusted Diluted EPS was \$4.42 per share, an increase of 85% over Q1-26. These results are adjusted to exclude the amortization of intangible assets. Results for the quarter included income tax benefits resulting from the vesting and exercise of share-based awards of \$12.5 million, or \$0.41 per share, compared to \$2.2 million, or \$0.08 per share, in Q1 last year.

Moving to the results of our business segments, each of which performed well in the quarter and exceeded our expectations.

Communications revenue was \$1.57 billion and grew 24.7% organically, driven by ramping fiber-to-the-home programs, increased long-haul and middle mile fiber infrastructure builds, and growing maintenance and operations services.

Adjusted EBITDA for Communications increased 28% to \$192.4 million, or 12.3% of segment revenue, reflecting operating leverage and continued investment to scale our footprint and increase headcount, further strengthening our position to execute on multi-year build programs.

Building Systems revenue was \$395.4 million and Adjusted EBITDA was \$70.0 million or 17.7% of segment revenue as Power Solutions ramped growth ahead of our initial expectations and we integrated the operations.

Total backlog at the end of Q1 was \$11.9 billion, including \$10.8 billion of Communications backlog and \$1.1 billion of Building Systems backlog. Backlog expected to be completed in the next 12 months was \$6.4 billion, including \$5.4 billion from Communications and \$1.0 billion from Building Systems.

Strong cash flow remains a primary focus. We delivered solid results supporting the growth in revenue and normal seasonal uses of cash during the quarter. The combined DSOs of accounts receivable and contract assets, net were 96 days, a reduction of 5 days sequentially from Q4-26 and 15 days year-over-year.

During Q1, we repurchased 100,000 shares of our common stock for approximately \$36 million, or \$360 per share.

We ended the quarter with cash and equivalents of \$538.8 million and total liquidity of over \$1.28 billion. Pro-forma net leverage at the end of the quarter was approximately 2.3x Adjusted EBITDA, providing us with financial flexibility for continued strategic growth and investment.

Building on our strong first quarter results and a favorable demand outlook, we are increasing our full-year fiscal 2027 expected range of contract revenues. We now expect total contract revenues to range from \$7.38 billion to \$7.65 billion.

For the Communications segment, we expect contract revenues ranging from \$6.03 billion to \$6.20 billion, increasing approximately 12.6% to 15.8% organically from last year.

For the Building Systems segment, we expect contract revenues ranging from \$1.35 billion to \$1.45 billion.

We also anticipate Adjusted EBITDA margin expansion. For Communications, we continue to expect modest Adjusted EBITDA margin improvement over last year. For Building Systems, we now expect an Adjusted EBITDA margin in the high teens, similar to our Q1 performance, as we capitalize on the strong opportunity set and proven performance in the DMV.

On a consolidated basis for Q2, we expect total contract revenues of \$1.94 billion to \$2.01 billion, Adjusted EBITDA of \$284 million to \$303 million, and Adjusted Diluted EPS of \$4.40 to \$4.82 per share, excluding the impact of intangible amortization expense.

This outlook for fiscal 2027 and Q2 of fiscal 2027 excludes any results from the pending acquisition of National Technology Integrators. While we expect to close the acquisition in our fiscal Q2, impacts are dependent on the timing of completion.

Now, for more details on the pending acquisition. This acquired business will be included in our Building Systems segment and we anticipate an initial annual revenue run-rate of approximately \$175 million. Historically, the business achieved Adjusted EBITDA margins in the mid-to-high teens, and we expect that to continue.

The purchase price is \$275 million on a cash-free, debt-free basis and the consideration is approximately \$234 million payable in cash, and approximately \$41 million of Dycom common stock valued as of the signing date of the transaction.

Consolidated pro forma net leverage is expected to be below 2.5x Adjusted EBITDA and we remain committed to our long-term net leverage discipline. The transaction is subject to customary closing and post-closing adjustments, and we expect it to close before the end of our July fiscal quarter. This acquisition presents key revenue synergy opportunities as we expand our capabilities across the digital infrastructure space.

With a strong start to the year and clear momentum across the business, we are confident in our ability to execute our strategy as we pursue the significant and growing opportunities ahead.

Operator, this concludes our prepared remarks. You may now open the call for questions.

## **QUESTION AND ANSWER SECTION**

**Operator**

Thank you. [Operator Instructions] Our first question comes from the line of Manish Somaiya with Cantor Fitzgerald. Your line is now open.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

Thank you. And congratulations on an exceptionally strong quarter to the team. Couple of questions, Dan. Maybe on the NTI acquisition to begin with, if you could just help us understand the customer overlap between NTI, Power Solutions and the legacy Communications business and how do you see immediate cross-selling opportunities?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Yeah. That's the beauty of this transaction, Manish. So, thank you for asking the question to start. This is a partnership with Power Solutions that goes back a number of years, between them and NTI. That's how we were connected to NTI to begin with. And we started talking to them about opportunities on the Communications side, the work we're doing insidethefence in other facilities around the country. We started to see some really good efficiencies there and began conversations on how we could make them part of the Dycom family.

What you see ultimately is the potential for campuses to have not only Power Solutions doing the electrical inside, but NTI also doing the structured cabling while our Communications business is doing the inside-the-fence work and then ultimately connecting it back to the long-haul and middle mile routes. So, it's a completely comprehensive offering that quite literally connects the homes and businesses of America all the way into the data centers and the racks themselves. Ton of synergies to actually cross-sell that work, so a lot of their work just like Power Solutions, goes to the general contractors, but they also have relationships with the hyperscalers. So, we get to have conversations on really both those fronts and we're already seeing – again before the acquisition, just in conversations to try and sell that as a partnership, seeing really good connection there and we think that's going to even go exponential here now that they will be part of the Dycom family next quarter.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

That's helpful. And then just going to the guidance for the full year. Clearly, Q1 was exceptionally strong, outlook for 2Q is strong, but when I look at the full year guidance range, it still looks a bit conservative. So, I'm just trying to figure out if there's anything in the second half that I'm missing. Specifically, when I look at the total increase in revenues versus the prior guidance that you gave for the full year, I think it's about 7%, 7.5%. So maybe if you can just help us reconcile as to what's happening in the first half versus the second half? Thank you.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Incredibly pleased with the start of the year and I'll talk really about the collective, Manish, and then each of the segments, if I could. So first, significant growth. We're looking at 56% year-over-year revenue growth. That takes a lot of investment. We were fortunate with the weather, right. Q1 really behaved more like Q2 or Q3. What's important though is the demand has to be there and what it shows is this demand that we've been talking about across the business, across the demand drivers is incredibly strong and we were able to capitalize on that. On the Communications side, we've been talking about fiber-to-the-home for a long time and we've been sending the message that, listen, this is really only early in the build. There's a lot of growth opportunity left in fiber-to-the-home. There's still several years where the passings are going to continue to increase. There's several years beyond that where the cost per passing will increase. And what you really see in Q1, because that was really

aided on the Communications side by fiber-to-the-home, is that is starting to take place.

So just as we talked about, just as we set up our strategy, we believe that's going to continue. But like a lot of things, that doesn't mean it's perfectly linear when you start out with a very strong seasonal quarter and you're running into Q2 and Q3 and you see in our outlook for Q2 that that does become a little more – you don't see the same kind of upswing that you will see. And then a reminder, on both sides of the business, of course, we build these from the bottom up. And so, it's not going to be perfect linear, but we're incredibly pleased with the overall growth and results.

On the Building Systems segment, one, you see incredible growth the first year. We're talking about now for the full year them doubling the CAGR that they've had over the last four or five years. So going from 15% to 30%-plus growth. That is significant – requires significant investment and even with that investment, you can see already we're in the high teens EBITDA margin range. So very pleased there as well.

A couple more comments. One is, if you look at their backlog, it is very different how it behaves. Those projects get contracted right before we're about to start to build. What we do have behind that, though, is what we call A, B, N, C, Awarded But Not Contracted, and then further behind that, shadow backlog. And what I can tell you is, even though we don't publish those numbers, they are multiples of what you see in that immediate backlog. So that gives us the confidence, Manish, for the year to raise the overall revenue on the Building Systems side, gives us confidence in the margin profile as we can see what those projects look like and we can see how those shape. But just like on the Communications side, that doesn't mean that they all start at the exact same time and finish at the same time. So, we do shape that out over the year. So, all told, what you see is significant growth. We're incredibly pleased with that. We see continued opportunities to invest in the business for growth beyond this year, and we're just incredibly proud of our teams for being able to deliver at the level they're delivering today.

#### **Operator**

Thank you. Our next question comes from the line of Eric Luebchow with Wells Fargo. Your line is now open.

#### **Eric Luebchow**

**Analyst, Wells Fargo Securities LLC**

Great. Thanks for taking the question. Dan, I think you said and you alluded to it in your last comment about fiber-to-the-home projects ramping a little faster than you expected. And maybe just a little more color on that. Do you think there's a little bit of a pull forward of demand you saw in the first quarter or do you think there's signs you're actually gaining market share of some of these larger programs as they ramp this year and next?

#### **Daniel S. Peyovich**

**President & Chief Executive Officer, Dycom Industries, Inc.**

That's exactly right, Eric. We are continuing to expand our market presence, right. We are getting additional awards in additional spaces. We continue to deliver at an exceptional level. We're not perfect – trust me, we're not perfect. But our teams are absolutely committed to making our customers successful.

From a timing perspective, we've been talking about how these builds themselves are building and growing and ramping and how that happens at different paces. What you're seeing this year is many coming online and really starting to increase in volume and velocity at the same time. And again, if you look at our overall outlook for the year, you see that that's continuing, right. You see the significant growth over last year. This isn't something we

publish, but if you just look sequentially quarter-over-quarter, our fiber-to-the-home work grew 33% in one quarter's time. So, it just shows our ability to capitalize there and continue to grow against that. And I think if you listen to other commentary in the industry, it's not always the same message, which really from our perspective, just shows our ability to, one, execute on the work; but, two, how our customers continue to grow our share as we continue to deliver for them.

**Eric Luebchow**

**Analyst, Wells Fargo Securities LLC**

Great. Thanks for that, Dan. And just one follow-up. So, you alluded to the fact you're signing some longer duration contracts with your customers to lock in their labor supply. And I guess, how are you thinking about structuring those contracts to make sure you have cost inflation protection? I know we've seen some costs like fuel in particular rise pretty rapidly in the last couple months and just wondering how you think about projecting that future cost curve? Thank you.

**Daniel S. Peyovich**

**President & Chief Executive Officer, Dycom Industries, Inc.**

Yeah. So, fuel has obviously been an impact for anybody that's doing our line of work. What we've done and what I talked about last quarter, we made intentional moves last year around our fleet to help offset that and that has helped mitigate. Obviously our expansion into the Building Systems segment, that does not use as much fuel per dollar of revenue as we use on the Communications side. So, all that has helped to offset. But to your point, yeah, it's certainly been an impact and we're watching it closely like everybody else. We did have that modeled in based on everything that we can all know today in our outlook for the rest of the year. So, we do feel good about that.

When it comes to the long-term contracts, and this is a really good point to make. We've been talking about the skilled workforce. We've been talking about building ahead of our customers and making sure that we can be there to meet their needs. We talked about our relationships. We're spending time with customers, not just talking about the work that we're going to do this year or even next year, but out through the end of the decade. And what all of our customers recognize is, is that the skilled workforce is really what's going to make or break their builds. It's going to make or break their ability to succeed. And they're very robust and in many cases growing plans. So as part of those conversations, as you would expect, it naturally evolves to, hey, Dycom, how do we make sure that we have your teams locked up to deliver on our plans all the way through the end of the decade?

Of course, as you would think, we are very thoughtful in how we would contract that work. We were very thoughtful in how we would think about the different parts and pieces. Our customers understand that because contracting three or four years out, right, you got to be smart about how you set that up. So, we feel really good about how those contracts are structured. We feel really good about the relationships. We feel really good about, one, our ability to continue to deliver and our ability to continue to grow. But as you can see in our outlook for the Communications segment, also our ability to invest and grow margin at the same time.

**Eric Luebchow**

**Analyst, Wells Fargo Securities LLC**

Great. Thanks, Dan. Congrats on the quarter.

**Operator**

Thank you. Our next question comes from the line of Joseph Osha with Guggenheim Partners. Your

line is now open.

**Joseph Osha**  
**Analyst, Guggenheim Partners**

Hi. Thanks very much for taking the question. Two questions, actually. First, you commented a bit in terms of the outcome, but as I think about the improved outlook on the Communications side for the rest of the year, is most of that coming from FTTH or is there are some long-haul and middle mile in there? And then the second question, I'll just ask now. Is there an upper limit to leverage that you have that you're thinking about? I'm just trying to understand how far you might take that as you continue to explore other acquisition opportunities? Thank you.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Absolutely. On the Communications outlook, it is largely fiber-to-the-home. And again, Joseph, this is a message that we've been sending. Fiber-to-the-home is still earlier on in the overall cycle from our perspective and we see significant continued growth. And that's really what gives us confidence in that raise for the year on the Communications side and the overall performance there. And it also goes back to the question that was just asked about our confidence to continue to contract that further out. The long-haul, middle mile is still in early innings. And I've said before that we really see that as 2027 calendar coming online, but 2028 really kind of being that fast and furious year. Now, that said, we've been doing it for some time now. A couple years we've been working on these projects. We still think we were first on the field. We continue to get more and more work there. We continue to grow that revenue. But if you look at it compared to the fiber-to-the-home, fiber-to-the-home is just much more robust today and we like that. We like how those will blend together as you start to move several years out.

On the leverage question, again, we're, one, very excited about the opportunity set. We do have a strategy, what kind of companies we're looking for. The culture has to fit first and foremost. It's got to fit our strategy for growth and how it actually augments our current opportunity set. From a leverage point itself, again, we're going to be very responsible, just like we've always been. We're going to have that discipline to make sure anytime we bring leverage up, we're going to have a clear path to bring it back down. We did not want to be elevated over long periods of time. That said, there's a lot of attractive opportunities out there. And we talked about in our prepared remarks that we're still actively looking and having those conversations. But again, we are going to be prudent in how we think about leverage.

**Joseph Osha**  
**Analyst, Guggenheim Partners**

Thank you.

**Operator**

Thank you. Our next question comes from the line of Frank Louthan with Raymond James & Associates. Your line is now open.

**Frank G. Louthan**  
**Analyst, Raymond James & Associates, Inc.**

Great. Thank you. On the DSOs, how sustainable is that? Is this sort of a new normal, or was there something in the quarter that kind of impacted that? And how should we think about that going forward? And then when we look at NTI,

how should we think about its overall exposure if you kind of break it down between data centers and then more of the AV and DAS type opportunities? Thanks.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Thanks for noticing the DSOs, Frank, because we put a lot of work into that. We talked about it being a priority going back to last year or we talked about it being our four strategic priorities for this year. What I want to make clear is, is that's improvement on both segments of the business. That's not just an offset from Power Solutions having a better profile in that industry. We've been working hard on the Communications side as well, and saw a significant improvement in the DSOs there. So, when you combine it together, very pleased to be below 100, coming in at 96 days. We do think that's a sustainable range over time. On the NTI exposure, the raw numbers is about two-thirds data center exposure and about a third that is non-data center.

**Frank G. Louthan**  
**Analyst, Raymond James & Associates, Inc.**

All right. Great. Thank you.

**Operator**

Thank you. [Operator Instructions] Our next question comes from the line of Richard Choe with JP Morgan. Your line is now open.

**Richard Choe**  
**Analyst, JP Morgan Securities LLC**

Hi. Just wanted to follow up with the, I guess, long-haul, middle mile-type of builds. Has that opportunity set changed at all, as things have developed? And when should we expect that revenue to maybe start ramping? Just wanted to get an update there.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

It's grown significantly, Richard. We talked about – I'm trying to think, probably five quarters ago, there's \$20 billion opportunity set related to the long-haul, middle mile. That has certainly grown. We've updated numbers internally. We haven't published that. What you've seen more and more is our customers being very vocal about it. One of my favorite commentaries, one of our customers talked about how they're having conversations with hyperscalers about routes that would have up to 7,500 to 10,000 fiber strands per route. And that is a huge number beyond even what we're talking about today when we're bringing in 864 or 1,728 count fiber. You think about getting to 7,500 to 10,000 over time. It goes back to what we said. This is a decade-plus long build to get the architecture that they need out there to support the continued development and the continued consumption of data. We continue to do more work and we are absolutely ramping up there. We are winning more. We're seeing more opportunity set. We're capitalizing on that. They just take a long time to get started. And so that runway is typically a year-ish from when you kind of start hearing about these programs to when they get going. And then you have to ramp to get it on plane. So really start thinking about next year, calendar 2027 and especially calendar 2028.

**Richard Choe**  
**Analyst, JP Morgan Securities LLC**

Yeah, those strand counts are pretty amazing. One follow-up on the fiber-to-the-home. Was it multiple companies ramping and do you expect – or do you expect more to ramp from your entire base through the year? Just any color on the breadth?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Exactly. So, you're seeing more and more of these programs that are getting to accelerated levels of execution that are consistent. And it is important to remember, when you hear our customers talk about it, it doesn't mean all markets that they have are ramping at the same time, it doesn't mean that we have every single market that they have. So, we're looking at it from a very micro level. And yes, to your point, you're talking about ramping work across many customers, across many markets, which again just goes back to that indication that the homes in America are going to get passed. The 60 million that's yet – that our customers have talked about are going to get passed. It's just going to take some time and we're excited to be there to support them in that build.

**Richard Choe**  
**Analyst, JP Morgan Securities LLC**

Great. Thank you.

**Operator**

Thank you. Our next question comes from the line of Steven Fisher with UBS. Your line is now open.

**Steven Fisher**  
**Analyst, UBS Securities LLC**

Thanks. Good morning and congrats on the quarter. I'm curious on the Building segment margins. What changed in the outlook for the rest of the year? I understand first quarter had some good execution, weather perhaps, but you're also raising the rest of the year to be consistent with the first quarter. I assume you're still making some of the scaling investments in the back-office. So, I guess I'm curious, what happened with the rest of the outlook? And does that imply that there's still potentially some upside beyond this year if you're still making those investments and achieving the higher margins there?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Yeah, I really could not be more pleased, one, with our team's ability to integrate Power Solutions; and two, just the strength of their operation and their customer relationships, Steven. So, last quarter we talked a lot about making investments. Every time we do an acquisition – this one was unique, because it was in a segment of its own, so everybody could see it. But every time we make an acquisition, we're going to invest in that. When we close with NTI, we will make investments there, because what we're trying to do is bring together two things to make something that's different than when they were apart. And that does take investment. It does take clear strategy. We're typically adding resources and staff to help make that happen, and that's what we were doing a quarter ago with Power Solutions. What you can see is we were able to get traction on that incredibly quickly.

When you talk about doubling of four or five year trailing CAGR rate in a very short period of time, I don't think it surprised anybody that that takes a lot of investment and a whole lot of discipline. So, we couldn't be more pleased with how that's come through the business and that gives us confidence as we look out to the rest of the year. But to your question, absolutely, we continue to make investments, because this goes well beyond our fiscal 2027.

We continue to make those investments for future growth. At the same time, we've got the confidence to say that that margin that we saw this first quarter, that we can be in that range throughout the year.

**Steven Fisher**  
**Analyst, UBS Securities LLC**

Okay, thanks. And then just a follow-up as it relates to NTI and a similar topic, can you just maybe talk about some of the investments that you need to make there? And maybe just some of the differences in the skill sets that you're bringing along in terms of the type of labor and how easy or hard it is to go out and grow that skill set relative to what you brought in with Power Solutions in terms of electricians, etcetera.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Let me take the skill set one first, Steven. This is, again, great synergy for our business. This is an opportunity for us to have a fungible workforce. So, some of the work that National Technology Integrators does is union. Some of the work that they do in other markets is non-union. And in those non-union markets, that is very fungible for what we're doing in the inside-the-fence work. So, we do have an ability to cross-train to augment staffing there. I don't want to get too far ahead of all the investments that we'll make, because right now we're working to close and bring them formally into the family, but similar to what we've done in other places, right. How do we augment that to really create an inflection in the growth opportunity, to give a different balance sheet, to give some different resources and what we love about National Technology Integrators is that not only are they based in the DMV and have a lot of work there, but they're in these other markets which are critical markets of what's going on in the data center space, markets like Texas. So that just gives us another ability to flex off of that and to continue to grow and think about how do we continue to increase the Building segment's part of our business overall.

**Steven Fisher**  
**Analyst, UBS Securities LLC**

Thank you very much.

**Operator**

Thank you. Our next question comes from the line of Michael Dudas with Vertical Research Partners. Your line is now open.

**Michael S. Dudas**  
**Analyst, Vertical Research Partners LLC**

Good morning, Callie, Drew, Dan.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Good Morning.

**Michael S. Dudas**  
**Analyst, Vertical Research Partners LLC**

Dan, maybe you could share a little bit more of your thoughts. You mentioned in your prepared remarks about BEAD, the progress overall and how it's looking relative to when we could see some of that conversion into maybe backlog and into revenues, maybe second half this year into fiscal year 2028?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

So, BEAD continues to make progress. And this is something that we've had a strategy going back, I think it's over four years now and we've been partnering with the different states. We've had numerous conversations and tons of relationships across subgrantees. We still believe that we will see revenue in Q2 of this year, but really and we've talked about this before and is unchanged. Think about that as a calendar 2027 to when it really starts to take hold and get moving. You're going to see the different programs and different subgrantees start at different paces. Smaller programs can start sooner. That's why we believe we'll still see some revenue in Q2. And just a reminder, this is not included in our outlook. So, we really want people to think about BEAD for this year as potential uplift and then really starting to take shape in calendar 2027.

**Michael S. Dudas**  
**Analyst, Vertical Research Partners LLC**

Excellent. Thank you, Dan.

**Operator**

Thank you. Our next question comes from the line of Liam Burke with B. Riley Securities. Your line is now open.

**Liam Burke**  
**Analyst, B. Riley Securities, Inc.**

Thank you. Dan, you mentioned in your earlier comments that you're working more and more with your customers on longer-term projects and multi-year planning. Does that change the composition of the business to multi-year projects versus MSA?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

So still mostly under MSAs or long-term agreements, Liam. I think if you look at our backlog, our next 12 months we had a significant backlog increase, our next 12 months went up. But really what you see again is we're adding firepower into the out-years, which again is a big positive for us. It allows us to plan, to be proactive, to continue to invest in the business and have really good foresight into what some of those builds are going to look like. So, it's a big positive in our space to be talking about work and actually contracting work that's three or four years out.

**Liam Burke**  
**Analyst, B. Riley Securities, Inc.**

Great. And on the data center volumes, are you seeing more activity? I mean, you talked about fiber-to-the-home, but is there more activity over and above fiber-to-the-home on data center activity on the local loop?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

If you're talking about inside the fence and all the other fiber that's connected to that, kind of middle mile, absolutely, continues to grow, is – the conversations – and I feel like I say this every quarter. The conversations only continue to grow. And that really is true. And then specifically on the data center side, again, the demand has not abated whatsoever. In fact, it's only increasing. You can see that in our outlook, you can see that in our results, and you can see that in the confidence in us raising for the year in that segment as well.

**Liam Burke**  
**Analyst, B. Riley Securities, Inc.**

Great. Thank you, Dan.

**Operator**

Thank you. Our next question is a follow-up from the line of Manish Somaiya with Cantor Fitzgerald. Your line is now open. Manish, your line is open. Please check your mute button.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

Hi. I'm sorry. Can you hear me?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

We got you, Manish.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

Okay, awesome.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Go ahead.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

I appreciate that. Dan, I just had two follow-ups for you. One is on the Building Systems backlog. Should we assume sort of high teens margin in line with the 2027 margin expectations or is that different based on mix or customers, etcetera?

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Yeah, so that backlog is consistent – as you can see their next 12 months and their – and we believe this will continue to be the case. Their next 12 months and their total backlog are very close numerically to each other. So, yeah, the margin profile is very similar to what we saw in Q1.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

Okay. And then, secondly, obviously, you talked about strong end markets, but I was wondering if there are any projects or work that you are essentially passing on and if so, what are the big reasons for it? Is it execution? Is it pricing? Is it not meeting your hurdles? If you can just kind of give us a sense as to what's happening on the ground.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

Yeah. We're very pleased that we have strong partnerships with our customer set and that's really what we're looking for, Manish. We want customers that understand the value of the skilled workforce. They understand the value of all the investments that Dycom has made to help deliver at a higher level for them. There are still people out there that are looking for low bid numbers and that's just not where we play, right. We want to play in those longer-term agreements where we can really have input into how they think about their builds, how they think about their programs, how we can support that, have really good dialogue that allows us both, quite frankly, to raise the bar together. So that's where we play. So, yes, there is work that we pass up. What I would tell you, we feel really good again what we've done from a skilled workforce, feel really good about the growth that we saw in our head count for the quarter and our continued growth for the year and the investments we're working there. So, we don't believe that we're leaving any of these important builds behind, but at the same time, we are going to be selective on the pipeline.

**Manish A. Somaiya**  
**Analyst, Cantor Fitzgerald & Co.**

Okay. Appreciate that, Dan. Thank you.

**Operator**

Thank you. And I'm showing no further questions from our phone lines. I'd now like to turn the conference back to Mr. Dan Peyovich for closing remarks.

**Daniel S. Peyovich**  
**President & Chief Executive Officer, Dycom Industries, Inc.**

I want to thank everybody for joining us today, and I want to thank our 20,000 teammates for their fantastic execution this quarter. Look forward to seeing you all in about three months. Thanks so much.

**Operator**

This concludes today's conference. Thank you for your participation. You may now disconnect.