



DYCOM[®]
THE PEOPLE
CONNECTING
AMERICA[®]

Q3 2022 Results

November 23, 2021



Participants

Steven E. Nielsen *President & Chief Executive Officer*

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Agenda

- Q3 2022 Overview
- Industry Update
- Financial & Operational Highlights
- Outlook
- Closing Remarks
- Q&A

Caution Concerning Forward-Looking Statements

This presentation contains forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act. These statements include those related to the outlook for the quarter ending January 29, 2022 found within this presentation. These statements are subject to change. Forward-looking statements are based on management's current expectations, estimates and projections. These statements are subject to risks and uncertainties that may cause actual results for completed periods and periods in the future to differ materially from the results projected or implied in any forward-looking statements contained in this presentation. The most significant of these risks and uncertainties are described in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) and include the duration and severity of a pandemic caused by COVID-19, our ability to comply with various COVID-19 legal and contractual requirements and the impacts that those requirements may have on our workforce and our ability to perform our work, vaccination rates in the areas where we operate, any worsening of the pandemic caused by increasing infection rates triggered by new variants, future economic conditions and trends including the potential impacts of an inflationary economic environment, customer capital budgets and spending priorities, the availability and cost of materials, equipment and labor necessary to perform our work, the adequacy of the Company's insurance and other reserves and allowances for doubtful accounts, whether the carrying value of the Company's assets may be impaired, the future impact of any acquisitions or dispositions, adjustments and cancellations of the Company's projects, the related impact to the Company's backlog from project cancellations, weather conditions, the anticipated outcome of other contingent events, including litigation, liquidity and other financial needs, the availability of financing, the Company's ability to generate sufficient cash to service its indebtedness, restrictions imposed by the Company's credit agreement, and the other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company does not undertake any obligation to update forward-looking statements.

Non-GAAP Financial Measures

This presentation includes certain "Non-GAAP" financial measures as defined by Regulation G of the SEC. As required by the SEC, an explanation of the Non-GAAP financial measures and a reconciliation of those measures to the most directly comparable GAAP financial measures are provided in the Company's Form 8-K filed with the SEC on November 23, 2021 and on the Company's Investor Center website at <https://ir.dycomind.com>. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, the Company's reported GAAP results.

Q3 2022 Overview

Contract Revenues

Contract revenues of \$854.0 million increased 6.6% organically after excluding \$8.9 million of revenues from storm restoration services in the year ago period

Operating Performance

Non-GAAP Adjusted EBITDA of \$83.1 million, or 9.7% of contract revenues, compared to \$92.8 million, or 11.5% of contract revenues, in the year ago period

Non-GAAP Adjusted Diluted Earnings per Common Share of \$0.95, compared to \$1.06 in the year ago period

Non-GAAP Adjusted Diluted Earnings per Common Share includes \$0.10 per common share diluted of incremental tax benefits for credits related to tax filings for prior periods

Liquidity

Solid liquidity of \$314.7 million

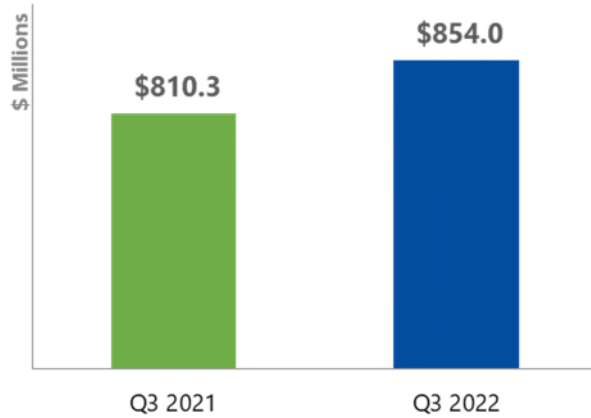
Strong operating cash flow of \$104.3 million reflecting a sequential DSO decline of 12 days

2021 Convertible Notes repaid in full at maturity in September 2021

Backlog

Subsequent to Q3 2022, we received three-year awards for construction services in a number of states valued in excess of \$500 million in total that will be incorporated in the Q4 2022 calculation of backlog

Contract Revenues



Non-GAAP Adjusted Diluted EPS





Industry effort to deploy high capacity fiber networks continues to meaningfully broaden our industry's set of opportunities

Major industry participants constructing or upgrading significant wireline networks across broad sections of the country generally designed to provision 1 gigabit network speeds directly to consumers or wirelessly using 5G technologies

Industry participants have stated their belief that a single high-capacity fiber network can most cost effectively deliver services to both consumers and businesses, enabling multiple revenue streams from a single investment; this view is increasing the appetite for fiber deployments

Increasing access to high capacity telecommunications continues to be crucial to society, especially in rural America

The recently enacted Infrastructure Investment and Jobs Act includes over \$40 billion for the construction of rural communications networks in unserved and underserved areas across the country, an unprecedented level of support

An increasing number of states are commencing initiatives that will provide funding for telecommunications networks even prior to the initiation of funding under the Infrastructure act.

Fiber network deployment opportunities are increasing

We are providing services for 1 gigabit deployments and converged wireless/wireline multi-use network deployments across the country in numerous geographic areas to multiple customers

Fiber network deployment opportunities are increasing in rural America as new industry participants respond to emerging societal incentives

We continue to provide integrated planning, engineering and design, procurement, construction and maintenance services to several industry participants

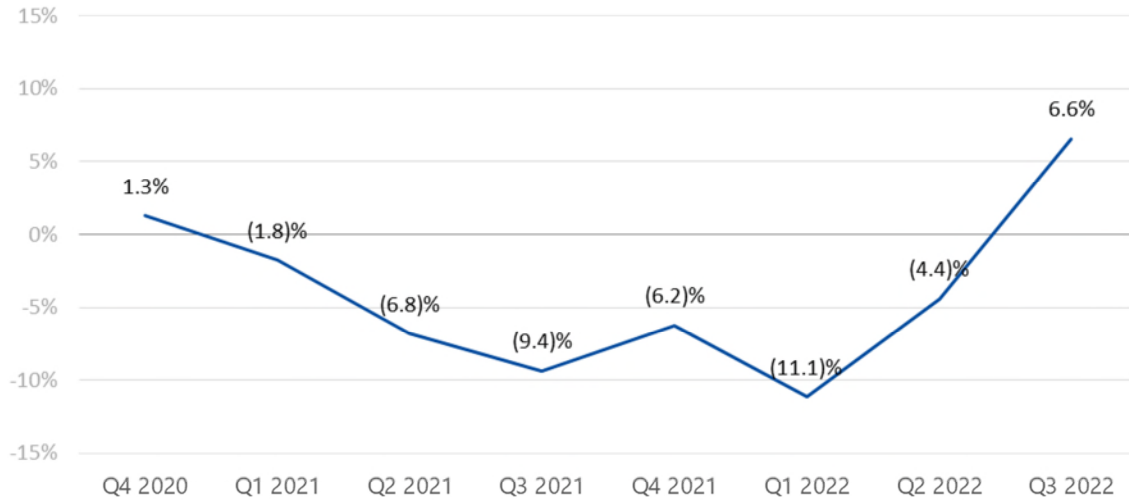
Our scale and financial strength position us well to deliver valuable services to our customers despite macro-economic conditions

Macro-economic effects and potential supply constraints may influence the near-term execution of some customer plans

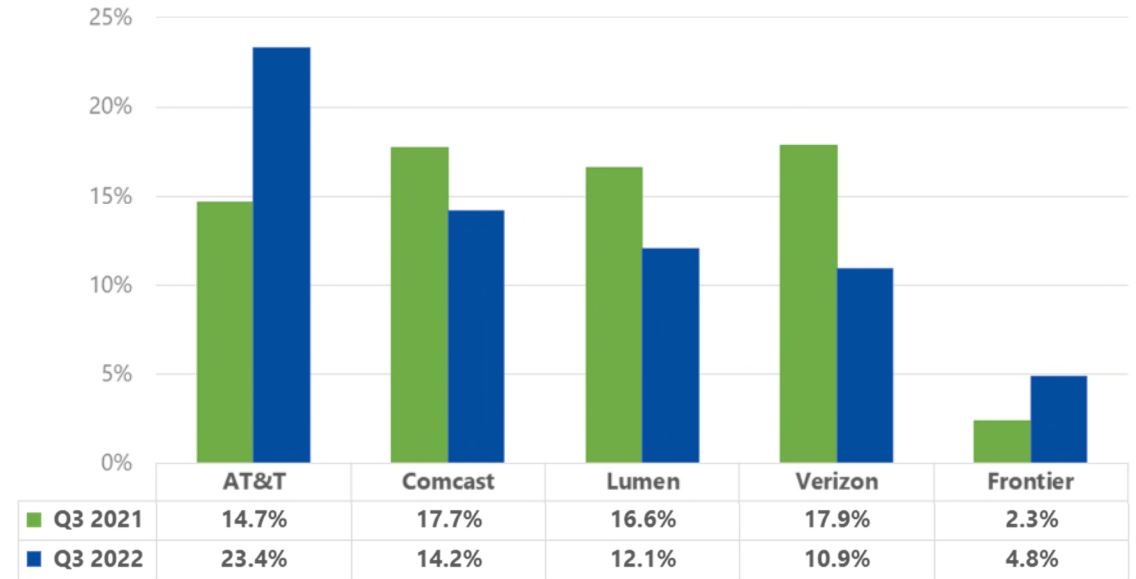
Broad increases in demand for fiber optic cable and related equipment may impact delivery lead times in the short to intermediate term

The market for labor continues to tighten in regions around the country; furthermore, the automotive supply chain is currently challenged, particularly for the large truck chassis required for specialty equipment

Non-GAAP Organic Growth (Decline) %¹



Top 5 Customers - % of Total Contract Revenues



Q3 2022 Organic Growth (Decline):

6.6% Total Customers
(3.5)% Top 5 Customers²
32.5% All Other Customers

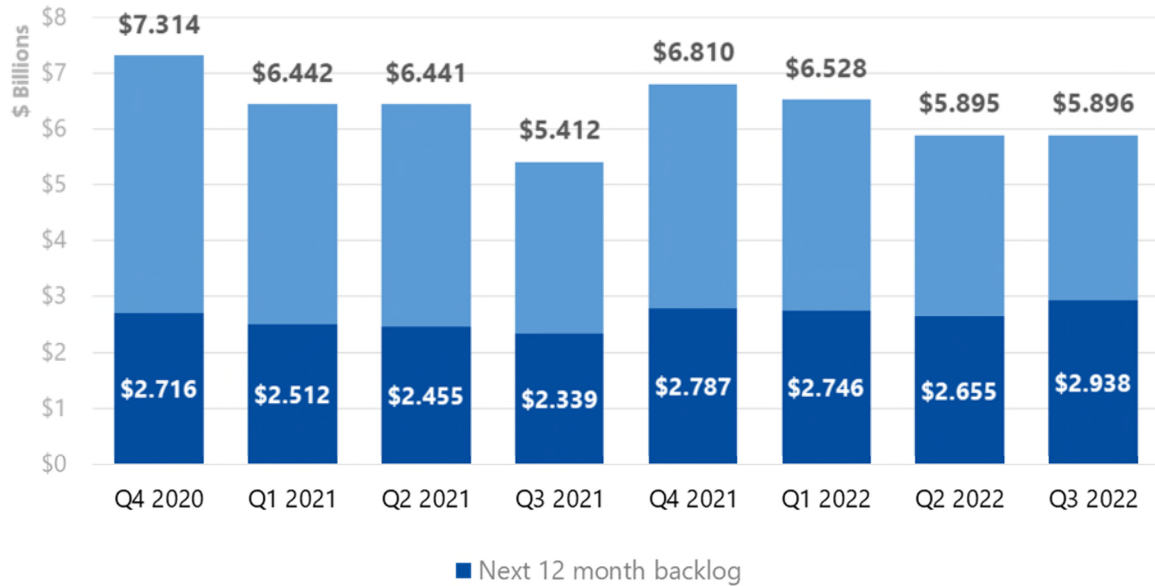
68.3% AT&T
118.6% Frontier

Top 5 customers represented **65.4%** and **71.6%** of contract revenues in Q3 2022 and Q3 2021, respectively²

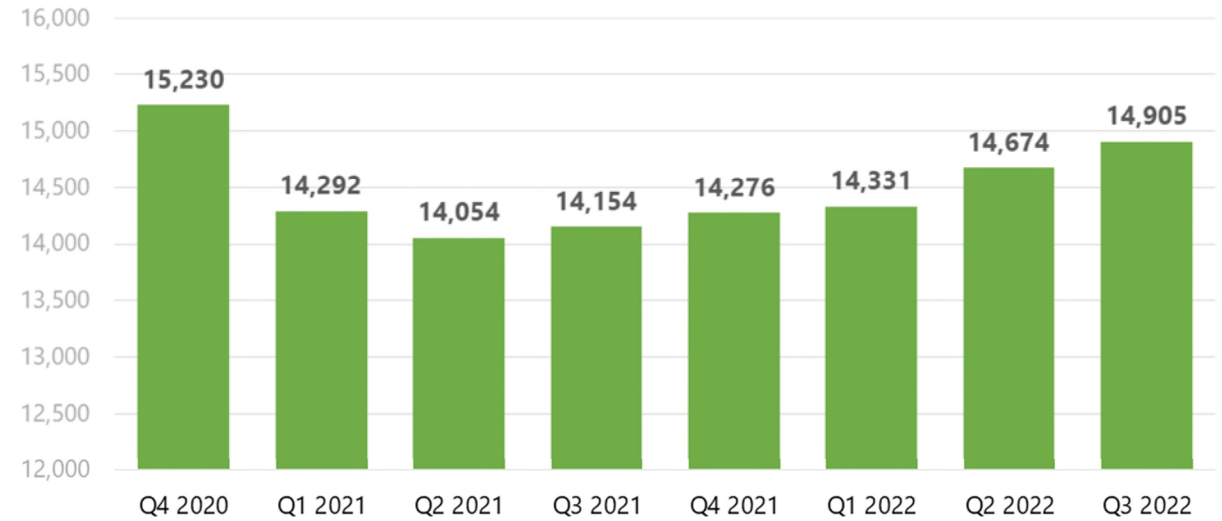
Q3 2022 % of contract revenues from customers #6 through #10:
4.1% Customer #6
3.2% Windstream
2.2% Ziplly Fiber
2.0% Charter
1.8% Dominion Energy

Fiber construction revenue from electric utilities increased organically **75.3%** year-over-year and was \$53.7 million, or 6.3% of contract revenues, in Q3 2022

Backlog³



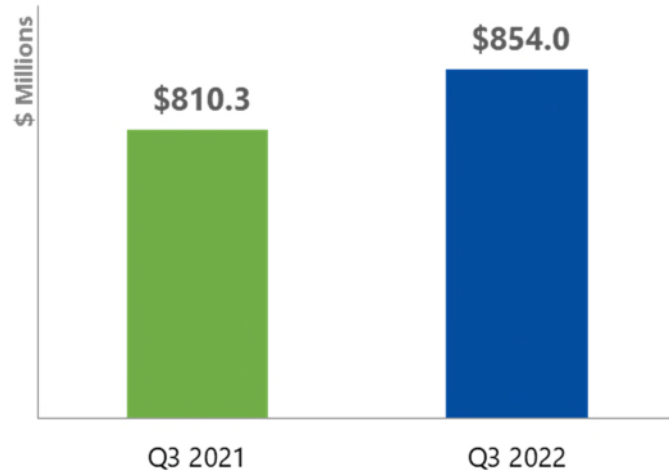
Employee Headcount



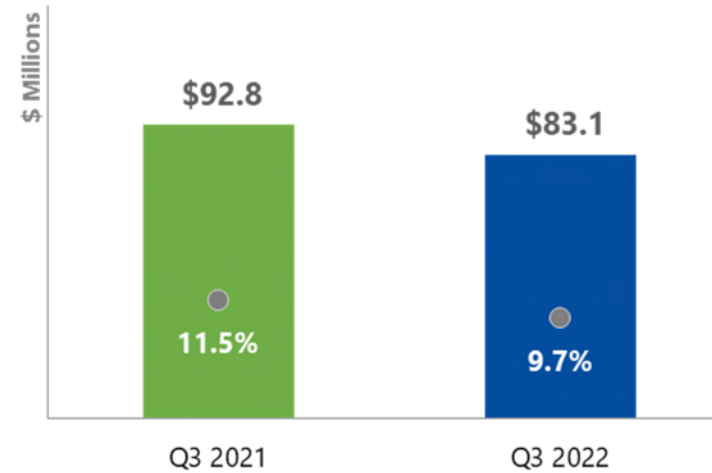
Selected Q3 2022 Awards and Extensions:

Customer	Description of Services	Area	Term
Frontier	Fiber Construction	CA, TX, IN, NY, CT, FL	2 years
Consolidated Communications	Construction & Maintenance	NH	3 years
Windstream	Construction	OH, PA, NY, KY, AL	2-3 years
Lumen	Construction & Maintenance	OR, MN, IA	3 years
Various	Rural Fiber Deployments	AZ, CO, MO, IN, AR, MS, TN, GA	1 year

Contract Revenues



Non-GAAP Adjusted EBITDA



● As % of Contract Revenues

Non-GAAP Adjusted Diluted EPS



Contact revenues of \$854.0 million increased 6.6% organically after excluding \$8.9 million of revenues from storm restoration services in the year ago period

Non-GAAP Adjusted EBITDA of \$83.1 million, or 9.7% of contract revenues

Non-GAAP Adjusted Diluted Earnings per Common Share of \$0.95

GAAP net income and Non-GAAP Adjusted Net Income include approximately \$3.0 million, or \$0.10 per common share diluted, of incremental tax benefits for credits related to tax filings for prior periods

Debt and Liquidity Overview

Debt maturity profile and liquidity provide financial flexibility

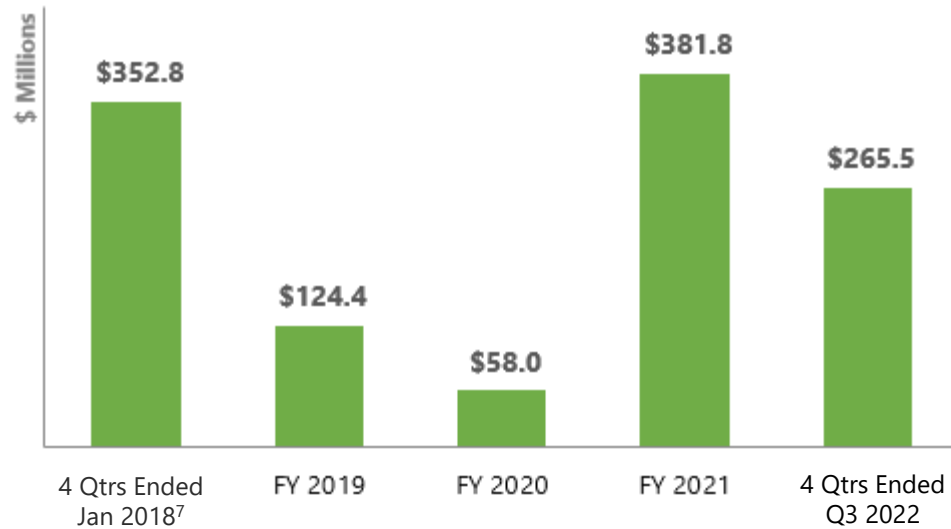
\$ Millions	Q2 2022	Q3 2022
Debt Summary		
4.50% Senior Notes, mature April 2029:	\$ 500.0	\$ 500.0
Senior Credit Facility, matures April 2026: ⁴		
Term Loan Facility	350.0	350.0
Revolving Facility	-	-
0.75% Convertible Notes, matured September 2021:	58.3	-
Total Notional Amount of Debt	\$ 908.3	\$ 850.0
Less: Cash and Equivalents	261.9	263.7
Notional Net Debt	646.3	586.3
Liquidity⁵	\$ 299.1	\$ 314.7

2021 Convertible Notes repaid in full at maturity in September 2021; notional net debt reduced by \$60.0 million during Q3 2022

Solid liquidity of \$314.7 million at Q3 2022

Capital allocation prioritizes organic growth, followed by opportunistic share repurchases and M&A, within the context of the Company's historical range of net leverage

Operating Cash Flow



\$ Millions

Cash Flow Summary

	Q3 2021	Q3 2022
Operating cash flow	\$ 111.9	\$ 104.3
Capital expenditures, net of disposals	\$ (3.5)	\$ (44.1)
Repayments on Senior Credit Facility	\$ (120.6)	\$ -
Extinguishment of 2021 Convertible Notes	\$ -	\$ (58.3)
Other financing & investing activities, net	\$ 1.6	\$ (0.2)

Days Sales Outstanding ("DSO")

	Q2 2022	Q3 2022
Total DSO ⁶	125	113

Strong operating cash flows of \$104.3 million

Capital expenditures, net of disposals, for fiscal 2022 expected to range from \$135 million to \$150 million, an increase of \$10 million to \$25 million compared to the high end of \$125 million in the prior outlook provided in Q2 2022

Total DSOs of 113 days improved 12 days sequentially as we made substantial progress on a large customer program



Outlook for Quarter Ending January 29, 2022 (Q4 2022)

Q4 2022 Outlook:

Contract revenues

Increase modestly from Non-GAAP Organic Contract Revenues of \$691.8 million for the quarter ended January 30, 2021

Non-GAAP Organic Contract Revenues for the quarter ended January 30, 2021 excluded \$5.7 million in contract revenues from storm restoration services and \$53.2 million for the additional week of operations as a result of the Company's 52/53 week fiscal year

Non-GAAP Adjusted EBITDA % of contract revenues

In-line to modestly higher compared to Q4 2021

Supplemental Q4 2022 Outlook Information:

Interest expense

\$8.8 million Total Interest Expense

Interest on the 2029 Notes, Term Loan, letters of credit, bank fees for revolving credit facility capacity, amortization of debt issuance costs and other interest

Non-GAAP Adjusted Effective Income Tax Rate (as a % of Non-GAAP Adjusted Income before Taxes)

Approximately 27.0%



We maintain significant customer presence throughout our markets and are encouraged by the breadth in our business

Our extensive market presence has allowed us to be at the forefront of evolving industry opportunities

Telephone companies are deploying FTTH to enable 1 gigabit high speed connections and, increasingly, rural electric utilities are doing the same

Dramatically increased speeds to consumers are being provisioned and consumer data usage is growing, particularly upstream

Wireless construction activity in support of newly available spectrum bands is beginning and expected to increase next year

Federal and state support for rural deployments of communications networks is dramatically increasing in scale and duration

Cable operators are deploying fiber to small and medium businesses and enterprises, partly in anticipation of the customer sales process; deployments to expand capacity as well as new build opportunities are underway

Customers are consolidating supply chains creating opportunities for market share growth and increasing the long-term value of our maintenance and operations business

A growing number of our customers are committed to multi-year capital spending initiatives



- 1) Organic growth (decline) % adjusted for revenues from storm restoration services, and for the additional week of operations during the fourth quarter as a result of the Company's 52/53 week fiscal year, when applicable.
- 2) Top 5 customers included AT&T, Comcast, Lumen, Verizon, and Frontier for Q3 2022, compared to Verizon, Comcast, Lumen, AT&T, and Windstream for Q3 2021.
- 3) The Company's backlog represents an estimate of services to be performed pursuant to master service agreements and other contractual agreements over the terms of those contracts. 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 12 month period, when available. When estimating backlog for newly initiated master service agreements and other long and short-term contracts, the Company also considers the anticipated scope of the contract and information received from the customer during the procurement process. A significant majority of the Company's backlog comprises services under master service agreements and other long-term contracts. 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 the Company's industry often disclose a calculation of their backlog; however, the Company's methodology for determining backlog may not be comparable to the methodologies used by others. Dycom utilizes the calculation of backlog to assist in measuring aggregate awards under existing contractual relationships with its customers. The Company believes its backlog disclosures will assist investors in better understanding this estimate of the services to be performed pursuant to awards by its customers under existing contractual relationships.
- 4) As of both Q2 2022 and Q3 2022, the Company had \$46.3 million of standby letters of credit outstanding under the Senior Credit Facility.
- 5) Liquidity represents the sum of the Company's availability on its revolving facility as defined by the Company's Senior Credit Facility and available cash and equivalents.
- 6) DSO is calculated as the summation of current and non-current accounts receivable (including unbilled receivables), net of allowance for doubtful accounts, plus current contract assets, less contract liabilities, divided by average revenue per day during the respective quarter. Long-term contract assets are excluded from the calculation of DSO, as these amounts represent payments made to customers pursuant to long-term agreements and are recognized as a reduction of contract revenues over the period for which the related services are provided to the customers.
- 7) Due to the change in the Company's fiscal year end, the Company's fiscal 2018 six month transition period consisted of Q1 2018 and Q2 2018. Amounts provided for the Four Quarters Ended January 27, 2018 represent the aggregate of Q3 2017, Q4 2017, Q1 2018, and Q2 2018 for comparative purposes to other twelve month periods presented.