



The people connecting America®

1st Quarter 2025 Results

May 22, 2024



Participants

Steven E. Nielsen	President and Chief Executive Officer
H. Andrew DeFerrari	Chief Financial Officer
Ryan F. Urness	General Counsel

Agenda

- Q1 2025 Overview
- Industry Update
- Financial and Operational Highlights
- Outlook
- Closing Remarks
- Q&A

Important Information

Caution Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the 1995 Private Securities Litigation Reform Act. These forward-looking statements include those related to the outlook for the quarter ending July 27, 2024, including, but not limited to, those statements found under the “Outlook” section of this presentation. Forward-looking statements are based on management’s expectations, estimates and projections, are made solely as of the date these statements are made, and are subject to both known and unknown risks and uncertainties that may cause the actual results and occurrences discussed in these forward-looking statements to differ materially from those referenced or implied in the forward-looking statements contained in this presentation. The most significant of these known 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 future economic conditions and trends including the potential impacts of an inflationary economic environment, changes to 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 impact to the Company’s backlog from project cancellations or postponements, the impacts of pandemics and public health emergencies, the impact of varying climate and weather conditions, the anticipated outcome of other contingent events, including litigation or regulatory actions involving the Company, the adequacy of our liquidity, the availability of financing to address our financial needs, the Company’s ability to generate sufficient cash to service its indebtedness, the impact of restrictions imposed by the Company’s credit agreement, and 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 its 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 slides 14 through 19 of this presentation. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, the Company’s reported GAAP results.

Q1 2025 Overview

Financial Snapshot

\$ Millions, Except EPS	Q1-25	Q1-24	Y/Y
Contract Revenues	\$1,142	\$1,045	9.3%
<i>Organic Revenue Growth¹</i>			2.5%
Adjusted EBITDA	\$130.9	\$113.5	15.3%
<i>Adjusted EBITDA %</i>	11.5%	10.9%	
Diluted EPS*	\$2.12	\$1.73	22.5%

*Diluted earnings per common share included incremental tax benefits resulting from the vesting and exercise of share-based awards of \$0.20 per common share in Q1-25, compared to \$0.09 in Q1-24

Operating Performance

- Revenue growth and margin expansion

Liquidity

- Solid liquidity of \$573.6 million
- In May 2024, amended Senior Credit Facility to expand capacity and extend maturity to January 2029

Capital Allocation

- In May 2024, acquired a telecommunications construction contractor that expands our geographic footprint to Alaska
- Repurchased 210,000 common shares for \$29.8 million

Industry Update

The effort to deploy high-capacity fiber networks continues to meaningfully broaden the set of opportunities for our industry

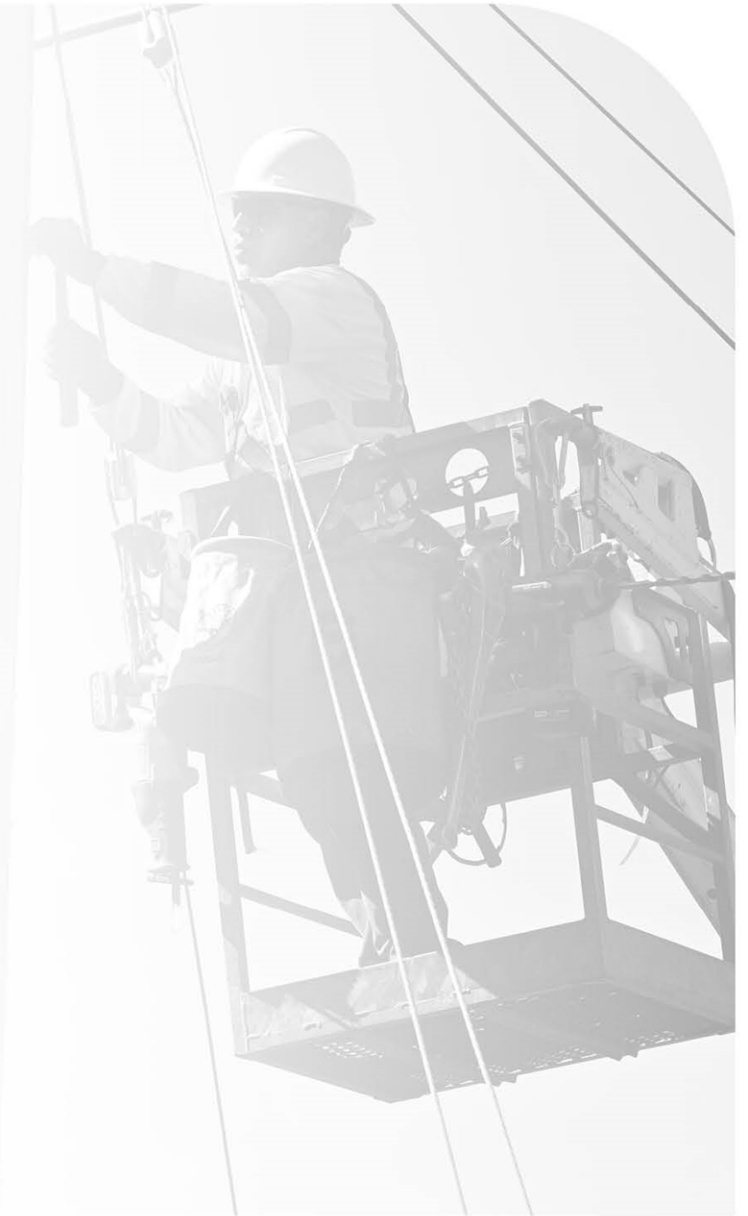
- Major industry participants are constructing or upgrading significant wireline networks across broad sections of the country
- High-capacity fiber networks are increasingly viewed as the most cost-effective technology, enabling multiple revenue streams from a single investment
- We are encouraged that a number of our customers are pursuing strategic transactions aimed largely in part to increase access to capital and expand fiber deployment programs
- Fiber network deployment opportunities are increasing in rural America; federal and state support programs for the construction of communications networks in unserved and underserved areas across the country are unprecedented and meaningfully increase the rural market that we expect will ultimately be addressed

Macro-economic conditions appear stable

The market for labor has improved in many regions and automotive and equipment supply chains are also improving

For several customers, we expect the pace of deployments to increase this year, including two significant customers whose capital expenditures were more heavily weighted toward the first half of calendar 2023

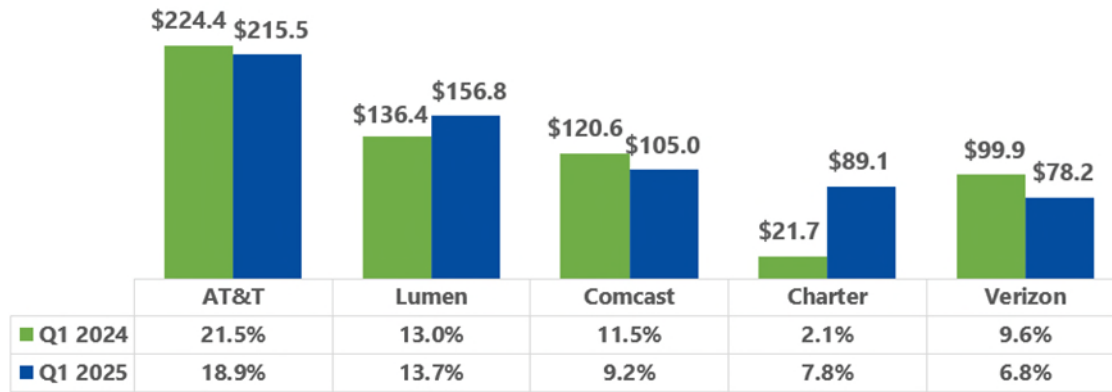
Our scale and financial strength position us well to take advantage of these opportunities to deliver valuable services to our customers, including integrated planning, engineering and design, procurement and construction and maintenance services



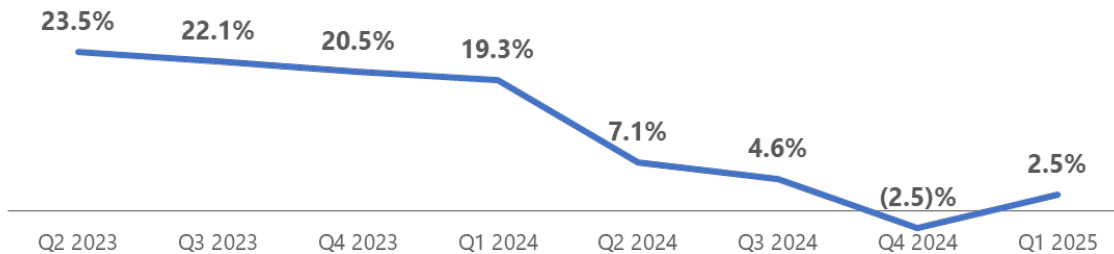
Contract Revenues

Top 5 Customers²- Percentage of Total Contract Revenues

\$ Millions



Non-GAAP Organic Growth (Decline)%¹



Top 5 customer concentration reduced to **56.4%** in Q1 2025 compared to 65.5% in Q1 2024

Fiber construction revenue from electric utilities was **\$96.0 million** in Q1 2025

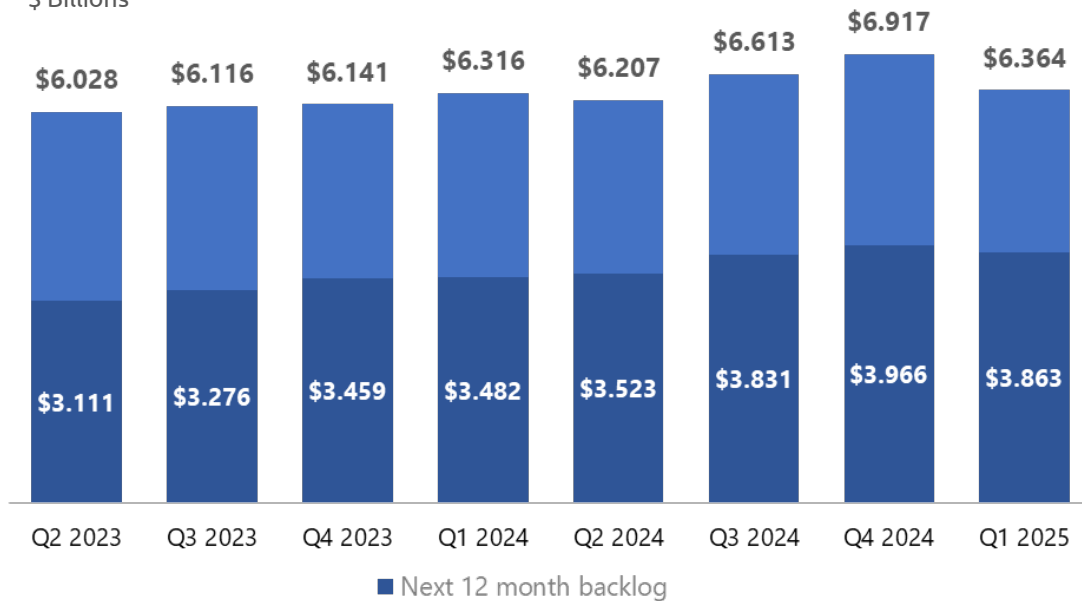
Q1 2025 Organic Growth:

Total Customers	Top 5 Customers ²	All Other Customers ³
2.5%	0.1%	5.7%
Lumen	Charter	
15.0%	121.8%	

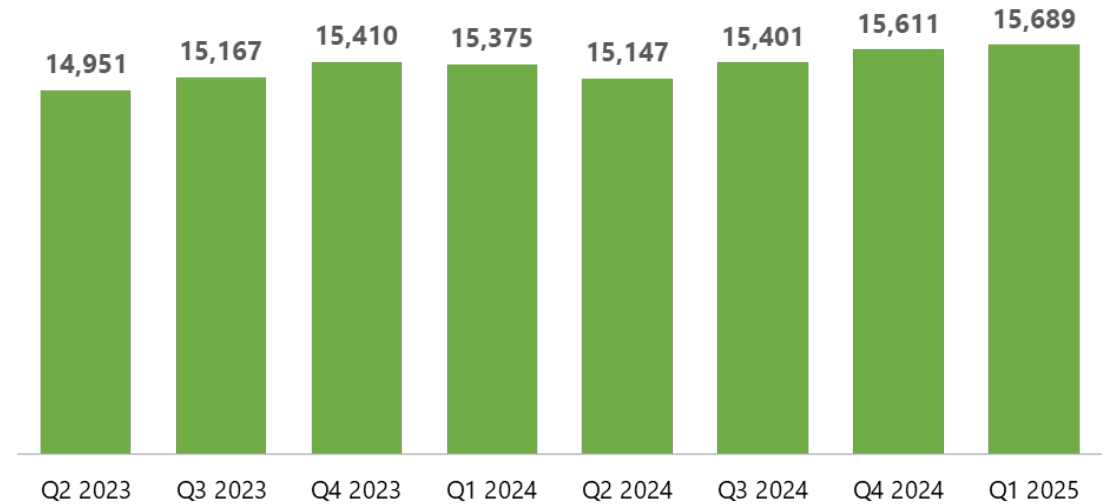
Backlog, Awards and Employee Headcount

Backlog⁴

\$ Billions



Employee Headcount

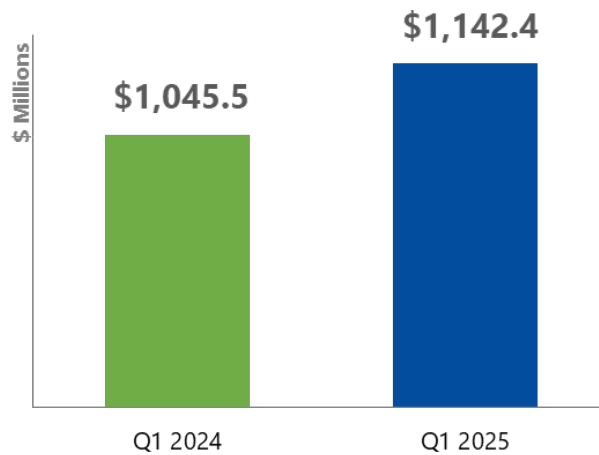


Selected Q1 2025 Awards and Extensions:

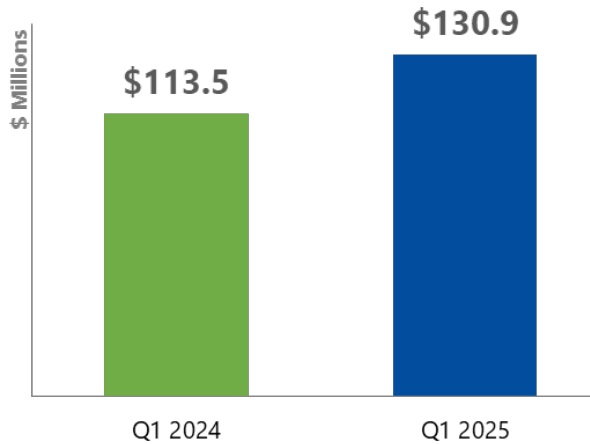
Customer	Description of Services	Area	Term (in years)
Frontier	Construction and Maintenance	IL	2
Comcast	Construction	WA	1
Various	Rural Fiber Deployments	WA, AZ, TN, GA	1-2
Various	Utility Line Locating	CA, VA, GA	3

Financial Highlights

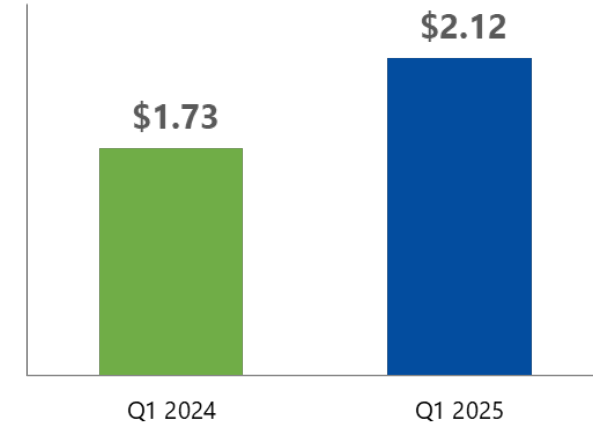
Contract Revenues



Non-GAAP Adjusted EBITDA



Diluted EPS



10.9% **11.5%**
*Non-GAAP Adjusted EBITDA
% of Contract Revenues*

- Contract revenues of \$1.142 billion increased 9.3% year-over-year
- Organic contract revenues increased 2.5% year-over-year after excluding \$71.2 million of contract revenues from acquired businesses
- Non-GAAP Adjusted EBITDA increased to \$130.9 million, or 11.5% of contract revenues
- Earnings increased to \$2.12 per common share diluted and included incremental tax benefits of \$0.20 per share

Debt and Liquidity Overview

Debt Summary	Q4 2024	Q1 2025
\$ Millions		
4.50% Senior Notes, mature April 2029	\$ 500.0	\$ 500.0
Senior Credit Facility, matures April 2026: ⁵		
Term Loan Facility	315.0	310.6
Revolving Facility	-	55.0
Total Notional Amount of Debt	\$ 815.0	\$ 865.6
Less: Cash and Equivalents	101.1	26.1
Notional Net Debt	713.9	839.5
Liquidity⁶	\$ 703.6	\$ 573.6

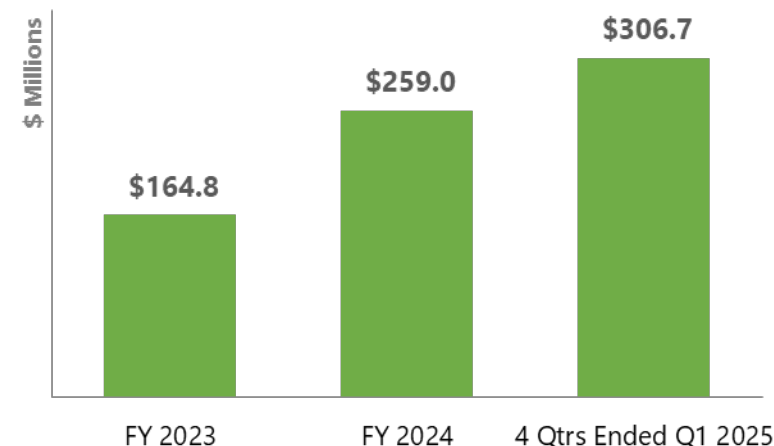
Proforma liquidity is \$707 million as of Q1 2025 with the expansion of the capacity of Senior Credit Facility in May 2024

Debt maturity profile and liquidity provide financial flexibility

- Solid liquidity of \$573.6 million at Q1 2025
- Capital allocation prioritizes organic growth, followed by M&A and opportunistic share repurchases, within the context of the Company's historical range of net leverage

Cash Flow Overview

Cash Flow Summary	Q1 2024	Q1 2025
\$ Millions		
Operating cash flow	\$ (85.1)	\$ (37.4)
Capital expenditures, net of proceeds from sale of assets	\$ (33.6)	\$ (29.3)
Cash paid for acquisitions, net of cash acquired	\$ -	\$ (13.0)
Borrowings (Repayments) on Senior Credit Facility	\$ (4.4)	\$ 50.6
Repurchase of common stock	\$ (20.3)	\$ (29.8)
Other financing and investing activities, net	\$ (9.4)	\$ (16.2)



- Operating cash flow used to support sequential growth
- Days Sales Outstanding (“DSO”)⁷ were 110 days, a reduction of 10 days sequentially
- Capital expenditures, net of \$29.3 million for Q1 2025
- In February 2024, acquired a telecommunications construction contractor based in the Midwest US
- In May 2024, acquired a telecommunications construction contractor that expands our geographic footprint to Alaska
- Repurchased 210,000 common shares for \$29.8 million during Q1 2025

Outlook for Quarter Ending July 27, 2024 (Q2 2025)

Q2 2025 Outlook:

CONTRACT REVENUES

Organic contract revenues to grow by high-single digits as a percentage of contract revenues compared to Q2 2024

In addition, we expect approximately \$70 million of acquired contract revenues in Q2 2025

NON-GAAP ADJUSTED EBITDA % OF CONTRACT REVENUES

Increases 25 to 75 basis points compared to Q2 2024

AMORTIZATION EXPENSE

\$6.0 million

INTEREST EXPENSE, NET

\$14.9 million

EFFECTIVE INCOME TAX RATE

Approximately 26.5%

DILUTED SHARES

29.4 million

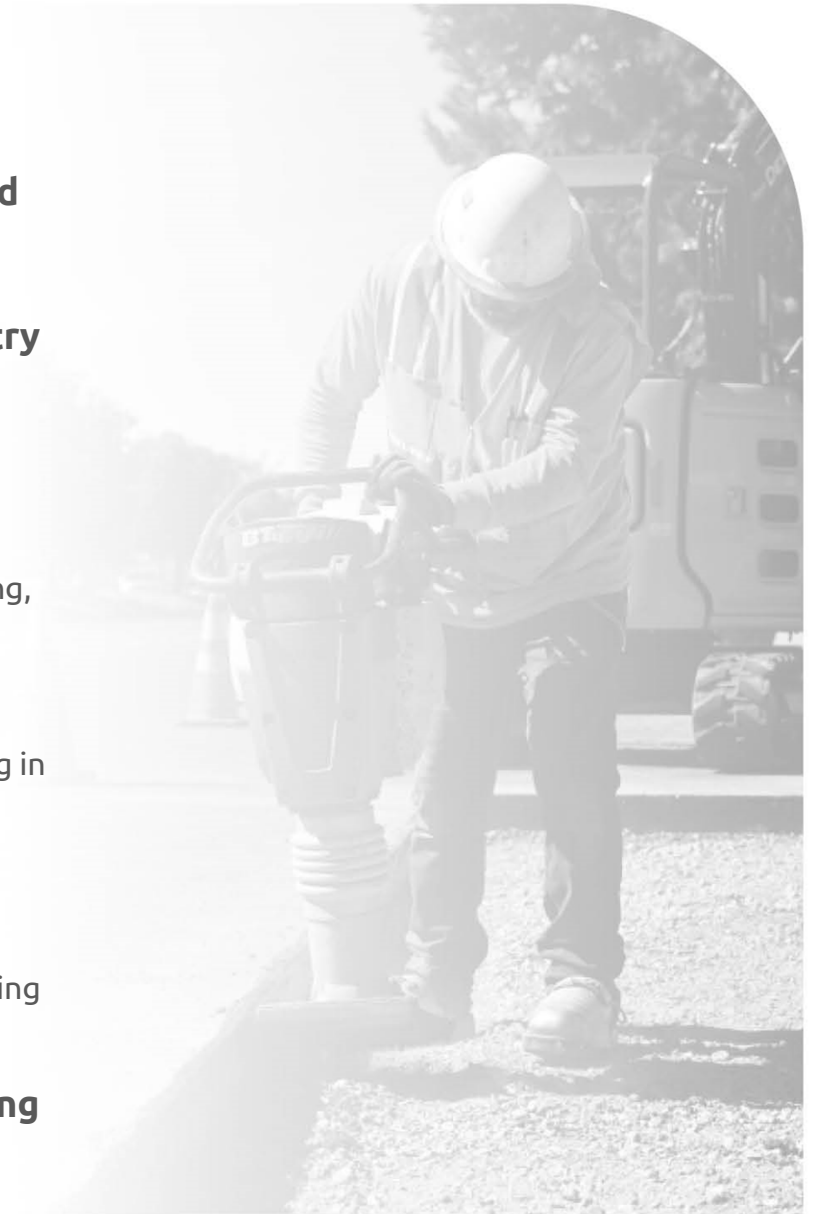
Closing Remarks

We maintain significant customer presence throughout our markets and are encouraged by the increasing 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 gigabit high speed connections and rural electric utilities are doing the same
- Dramatically increased speeds for consumers are being provisioned and consumer data usage is growing, particularly upstream
- Wireless construction activity in support of newly available spectrum bands continues this year
- Federal and state support for rural deployments of communications networks is dramatically increasing in scale and duration
- Cable operators are increasing fiber deployments in rural America; capacity expansion projects 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

We are pleased that many of our customers are committed to multi-year capital spending initiatives as our nation and industry experience stable economic conditions



Notes

1. Organic growth (decline) % from businesses that are included for the entire period in both the current and comparable prior period, adjusted for contract 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 for Q1 2025 were AT&T, Lumen, Comcast, Charter, and Verizon. Top 5 customers for Q1 2024 were AT&T, Lumen, Comcast, Frontier, and Verizon. Top 5 Customer Organic Growth is calculated as the year-over-year organic revenue change for the current period top 5 customers.
3. Q1 2025 percentage of contract revenues for customers #6 through #10 included in All Other Customers are presented in the following table:

Customer #6	Brightspeed	Frontier	Windstream	Ubiquity
6.8%	5.4%	5.1%	2.4%	1.7%

4. 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, information provided in accordance with GAAP. Participants in the Company's industry also disclose a calculation of their backlog; however, the Company's methodology for determining backlog may not be comparable to the methodologies used by others. Dycocom 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.
5. As of both Q4 2024 and Q1 2025, the Company had \$47.5 million of standby letters of credit outstanding under the Senior Credit Facility.
6. Liquidity represents the sum of availability from the Company's Senior Credit Facility, considering net funded debt balances, and available cash and equivalents. For calculation of availability under the Senior Credit Facility, applicable cash and equivalents are netted against the funded debt amount.
7. 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.

Non-GAAP Reconciliations

Q1 2025



Explanation of Non-GAAP Financial Measures

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

- *Non-GAAP Organic Contract Revenues* - contract revenues from businesses that are included for the entire period in both the current and prior year periods, excluding contract revenues from storm restoration services. Non-GAAP Organic Contract Revenue change percentage is calculated as the change in Non-GAAP Organic Contract Revenues from the comparable prior year period divided by the comparable prior year period Non-GAAP Organic Contract Revenues. Management believes Non-GAAP Organic Contract Revenues is a helpful measure for comparing the Company's revenue performance with prior periods.
- *Non-GAAP Adjusted EBITDA* - net income before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, and certain non-recurring items. Management believes Non-GAAP Adjusted EBITDA is a helpful measure for comparing the Company's operating performance with prior periods as well as with the performance of other companies with different capital structures or tax rates.
- *Notional Net Debt* - Notional net debt is a Non-GAAP financial measure that is calculated by subtracting cash and equivalents from the aggregate face amount of outstanding debt. Management believes notional net debt is a helpful measure to assess the Company's liquidity.

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures



Non-GAAP Organic Contract Revenues

Unaudited \$ Millions						Growth (Decline) %	
Quarter Ended		Contract Revenues - GAAP	Revenues from Acquired Businesses ¹	Non-GAAP - Organic Revenues	GAAP - %	Non-GAAP - Organic %	
April 27, 2024	Q1 2025	\$ 1,142.4	\$ (71.2)	\$ 1,071.2	9.3%	2.5%	
April 29, 2023	Q1 2024	\$ 1,045.5	\$ -	\$ 1,045.5			
January 27, 2024	Q4 2024	\$ 952.5	\$ (57.5)	\$ 895.0	3.8%	(2.5%)	
January 28, 2023	Q4 2023	\$ 917.5	\$ -	\$ 917.5			
October 28, 2023	Q3 2024	\$ 1,136.1	\$ (45.2)	\$ 1,090.9	9.0%	4.6%	
October 29, 2022	Q3 2023	\$ 1,042.4	\$ -	\$ 1,042.4			
July 29, 2023	Q2 2024	\$ 1,041.5	\$ -	\$ 1,041.5	7.1%	7.1%	
July 30, 2022	Q2 2023	\$ 972.3	\$ -	\$ 972.3			
April 29, 2023	Q1 2024	\$ 1,045.5	\$ -	\$ 1,045.5	19.3%	19.3%	
April 30, 2022	Q1 2023	\$ 876.3	\$ -	\$ 876.3			
January 28, 2023	Q4 2023	\$ 917.5	\$ -	\$ 917.5	20.5%	20.5%	
January 29, 2022	Q4 2022	\$ 761.5	\$ -	\$ 761.5			
October 29, 2022	Q3 2023	\$ 1,042.4	\$ -	\$ 1,042.4	22.1%	22.1%	
October 30, 2021	Q3 2022	\$ 854.0	\$ -	\$ 854.0			
July 30, 2022	Q2 2023	\$ 972.3	\$ -	\$ 972.3	23.5%	23.5%	
July 31, 2021	Q2 2022	\$ 787.6	\$ -	\$ 787.6			

Note: Amounts above may not add due to rounding.

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures (continued)



Non-GAAP Organic Contract Revenues – Selected Customers

Unaudited
\$ Millions

<u>Quarter Ended</u>		<u>Contract Revenues – GAAP</u>	<u>Revenues from Acquired Businesses¹</u>	<u>Non-GAAP - Organic Revenues</u>	<u>Growth (Decline) %</u>	
					<u>GAAP - %</u>	<u>Non-GAAP - Organic %</u>
Charter Communications						
April 27, 2024	Q1 2025	\$ 89.1	\$ (40.8)	\$ 48.2	309.6%	121.8%
April 29, 2023	Q1 2024	\$ 21.7	\$ -	\$ 21.7		
Top 5 Customers²						
April 27, 2024	Q1 2025	\$ 644.6	\$ (40.8)	\$ 603.7	6.9%	0.1%
April 29, 2023	Q1 2024	\$ 603.1	\$ -	\$ 603.1		
All Other Customers (excluding Top 5 Customers)						
April 27, 2024	Q1 2025	\$ 497.8	\$ (30.4)	\$ 467.4	12.5%	5.7%
April 29, 2023	Q1 2024	\$ 442.4	\$ -	\$ 442.4		

Note: Amounts above may not add due to rounding.

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures (continued)



Non-GAAP Adjusted EBITDA

Unaudited
\$ Thousands

	Quarter Ended <u>April 27, 2024</u>	Quarter Ended <u>April 29, 2023</u>
Net income	\$ 62,554	\$ 51,523
Interest expense, net	12,834	11,372
Provision for income taxes	14,890	14,576
Depreciation and amortization	<u>45,205</u>	<u>37,271</u>
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	<u>135,483</u>	<u>114,742</u>
Gain on sale of fixed assets	(12,404)	(7,816)
Stock-based compensation expense	<u>7,823</u>	<u>6,620</u>
Non-GAAP Adjusted EBITDA	<u>\$ 130,902</u>	<u>\$ 113,546</u>
<i>Non-GAAP Adjusted EBITDA % of contract revenues</i>	<i>11.5%</i>	<i>10.9%</i>

Notes to Reconciliation of Non-GAAP Financial Measures



¹ Amounts represents contract revenues from acquired businesses that were not owned for the full period in both the current and comparable prior periods.

² Top 5 customers for the quarter ended April 27, 2024 were AT&T, Lumen, Comcast, Charter, and Verizon. Top 5 customers for the quarter ended April 29, 2023 were AT&T, Lumen, Comcast, Frontier, and Verizon. Top 5 Customer Organic Growth is calculated as the year-over-year organic revenue change for the current period top 5 customers.



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