

Dycom Industries, Inc.

Trend Schedule

Q4 2020





Dollars in millions
Unaudited

Contract Revenues Summary

	Quarter Ended					TTM 1/27/18 ²	Quarter Ended				Fiscal 2019	Quarter Ended				Fiscal 2020
	4/29/17	7/29/17	10/28/17	1/27/18	4/28/18		7/28/18	10/27/18	1/26/19	4/27/19		7/27/19	10/26/19	1/25/20		
Contract Revenues	\$ 786.3	\$ 780.2	\$ 756.2	\$ 655.1	\$2,977.9	\$ 731.4	\$ 799.5	\$ 848.2	\$ 748.6	\$ 3,127.7	\$ 833.7	\$ 884.2	\$ 884.1	\$ 737.6	\$ 3,339.7	
Non-GAAP Organic Revenue Growth (Decline) %¹	14.9 %	4.6 %	(8.4) %	(10.6) %	(0.2) %	(10.0) %	0.8 %	12.9 %	13.7 %	3.6 %	15.8 %	11.1 %	4.7 %	1.3 %	8.3 %	
Top Five Customers in each quarter presented																
Customer Revenues (%)																
Verizon Communications, Inc.	8.5 %	10.0 %	10.7 %	13.5 %	10.5 %	16.7 %	18.4 %	20.5 %	20.9 %	19.2 %	21.6 %	23.2 %	20.6 %	21.9 %	21.8 %	
CenturyLink, Inc. ³	18.6 %	21.2 %	19.3 %	15.4 %	18.8 %	12.3 %	13.5 %	14.0 %	14.6 %	13.6 %	13.2 %	15.7 %	18.6 %	18.3 %	16.4 %	
AT&T Inc.	27.1 %	21.0 %	19.0 %	22.4 %	22.4 %	24.2 %	20.7 %	19.4 %	21.0 %	21.2 %	25.1 %	20.7 %	18.4 %	18.0 %	20.6 %	
Comcast Corporation	19.4 %	19.6 %	21.8 %	21.3 %	20.5 %	21.8 %	21.4 %	20.8 %	19.2 %	20.8 %	16.4 %	15.1 %	14.9 %	13.8 %	15.1 %	
Windstream Corporation	4.8 %	5.0 %	4.1 %	3.5 %	4.4 %	3.3 %	3.6 %	3.7 %	3.9 %	3.6 %	4.1 %	3.9 %	4.8 %	5.3 %	4.5 %	
Charter Communications, Inc.	3.6 %	3.9 %	4.5 %	4.0 %	4.0 %	3.9 %	3.9 %	3.5 %	3.2 %	3.6 %	2.6 %	2.6 %	3.0 %	3.2 %	2.8 %	
All Other customers	18.0 %	19.3 %	20.6 %	20.0 %	19.4 %	17.8 %	18.5 %	18.1 %	17.2 %	17.9 %	17.0 %	18.8 %	19.7 %	19.6 %	18.8 %	
Contract revenues	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	
Customer Revenues (\$)																
Verizon Communications, Inc.	\$ 66.8	\$ 78.3	\$ 80.6	\$ 88.2	\$ 313.9	\$ 122.1	\$ 147.3	\$ 174.1	\$ 156.3	\$ 599.8	\$ 179.8	\$ 205.0	\$ 182.1	\$ 161.3	\$ 728.2	
CenturyLink, Inc. ³	146.2	165.2	146.1	100.9	558.5	89.7	107.6	118.8	109.6	425.6	109.8	138.7	164.1	135.1	547.8	
AT&T Inc.	213.1	163.5	143.5	146.6	666.7	177.0	165.2	164.6	157.4	664.2	209.3	183.3	162.9	132.5	687.9	
Comcast Corporation	152.9	153.1	165.0	139.4	610.4	159.2	171.2	176.3	143.6	650.2	137.1	133.2	131.3	101.6	503.2	
Windstream Corporation	37.8	38.8	31.1	23.0	130.7	24.2	28.8	31.1	29.5	113.6	34.0	34.7	42.7	38.8	150.3	
Charter Communications, Inc.	28.3	30.5	34.0	26.0	118.8	28.7	31.1	29.8	23.6	113.2	21.7	23.1	26.7	23.5	95.1	
All Other customers	141.2	150.7	155.9	131.2	579.0	130.5	148.3	153.6	128.7	561.1	142.0	166.2	174.3	144.7	627.2	
Contract revenues	\$ 786.3	\$ 780.2	\$ 756.2	\$ 655.1	\$2,977.9	\$ 731.4	\$ 799.5	\$ 848.2	\$ 748.6	\$ 3,127.7	\$ 833.7	\$ 884.2	\$ 884.1	\$ 737.6	\$ 3,339.7	

Note: Amounts above may not add due to rounding.



Dollars in millions
Unaudited

Non-GAAP Adjusted EBITDA

	Quarter Ended				TTM	Quarter Ended				Fiscal	Quarter Ended				Fiscal
	4/29/17	7/29/17	10/28/17	1/27/18	1/27/18 ²	4/28/18	7/28/18	10/27/18	1/26/19	2019	4/27/19	7/27/19	10/26/19	1/25/20	2020
Net income (loss)	\$ 38.8	\$ 43.7	\$ 28.8	\$ 40.1	\$ 151.3	\$ 17.2	\$ 29.9	\$ 27.8	\$ (12.1)	\$ 62.9	\$ 14.3	\$ 29.9	\$ 24.2	\$ (11.2)	\$ 57.2
Interest expense, net	9.4	9.7	9.7	9.9	38.7	10.2	10.4	11.3	12.4	44.4	12.2	12.9	13.1	12.6	50.9
Provision (benefit) for income taxes	22.7	26.1	15.6	(37.9)	26.6	6.5	11.5	10.5	(3.3)	25.1	6.2	12.7	6.6	(4.1)	21.3
Depreciation and amortization	37.4	40.2	42.7	42.4	162.7	43.4	44.8	45.5	45.9	179.6	46.3	47.2	47.4	46.6	187.6
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	108.3	119.8	96.7	54.4	379.3	77.2	96.7	95.1	43.0	312.0	79.1	102.7	91.3	43.9	317.0
Gain on sale of fixed assets	(5.0)	(6.6)	(6.5)	(0.7)	(18.9)	(8.4)	(4.9)	(3.9)	(2.2)	(19.4)	(6.7)	(4.8)	(2.2)	(1.1)	(14.9)
Stock-based compensation expense	4.9	4.9	7.4	5.9	23.1	4.9	6.0	7.4	1.9	20.2	3.5	2.3	2.7	1.6	10.0
Charge for (recovery of) accounts receivable and contract assets ⁴	—	—	—	—	—	—	—	—	17.2	17.2	(10.3)	—	—	—	(10.3)
Charge for warranty costs ⁵	—	—	—	—	—	—	—	—	—	—	8.2	—	—	—	8.2
Loss on debt extinguishment ⁶	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1
Non-GAAP Adjusted EBITDA¹	\$ 108.2	\$ 118.0	\$ 97.6	\$ 59.6	\$ 383.5	\$ 73.7	\$ 97.8	\$ 98.6	\$ 59.8	\$ 330.0	\$ 73.6	\$ 100.2	\$ 91.7	\$ 44.5	\$ 310.0

Non-GAAP Adjusted EBITDA % of contract revenues 13.8 % 15.1 % 12.9 % 9.1 % 12.9 % 10.1 % 12.2 % 11.6 % 8.0 % 10.5 % 8.8 % 11.3%⁷ 10.4 % 6.0 % 9.3 %

Note: Amounts above may not add due to rounding.



Dollars and shares in millions, except per share amounts
Unaudited

Non-GAAP Adjusted Net Income (Loss)

	Quarter Ended					TTM 1/27/18 ²	Quarter Ended					Fiscal 2019	Quarter Ended					Fiscal 2020
	4/29/17	7/29/17	10/28/17	1/27/18			4/28/18	7/28/18	10/27/18	1/26/19			4/27/19	7/27/19	10/26/19	1/25/20		
Contract revenues	\$ 786.3	\$ 780.2	\$ 756.2	\$ 655.1	\$ 2,977.9	\$ 731.4	\$ 799.5	\$ 848.2	\$ 748.6	\$ 3,127.7	\$ 833.7	\$ 884.2	\$ 884.1	\$ 737.6	\$ 3,339.7			
Cost of earned revenues, excluding depreciation and amortization	621.5	606.9	600.8	540.6	2,369.9	599.6	642.4	687.2	633.3	2,562.4	701.8	720.4	724.4	633.2	2,779.7			
General and administrative	61.3	59.5	64.6	60.4	245.8	62.3	64.6	68.8	73.5	269.1	58.6	65.1	69.9	61.0	254.6			
Depreciation and amortization	37.4	40.2	42.7	42.4	162.7	43.4	44.8	45.5	45.9	179.6	46.3	47.2	47.4	46.6	187.6			
Interest expense, net	(9.4)	(9.7)	(9.7)	(9.9)	(38.7)	(10.2)	(10.4)	(11.3)	(12.4)	(44.4)	(12.2)	(12.9)	(13.1)	(12.6)	(50.9)			
Loss on debt extinguishment ⁶	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)			
Other income, net	4.8	6.0	5.9	0.3	17.1	7.7	4.2	2.8	1.2	15.8	5.7	4.0	1.4	0.6	11.7			
Income (loss) before income taxes	61.5	69.8	44.4	2.2	177.9	23.7	41.4	38.3	(15.4)	88.0	20.5	42.6	30.8	(15.3)	78.5			
Provision (benefit) for income taxes	22.7	26.1	15.6	(37.9)	26.6	6.5	11.5	10.5	(3.3)	25.1	6.2	12.7	6.6	(4.1)	21.3			
Net income (loss)	\$ 38.8	\$ 43.7	\$ 28.8	\$ 40.1	\$ 151.3	\$ 17.2	\$ 29.9	\$ 27.8	\$ (12.1)	\$ 62.9	\$ 14.3	\$ 29.9	\$ 24.2	\$ (11.2)	\$ 57.2			
Adjustments																		
Cost of earned revenues, excluding depreciation and amortization ⁷	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8.2	\$ —	\$ —	\$ —	\$ 8.2			
General and administrative ⁴	—	—	—	—	—	—	—	—	15.3	15.3	(10.3)	—	—	—	(10.3)			
Interest expense, net ⁸	4.4	4.5	4.5	4.6	18.1	4.7	4.8	4.8	4.9	19.1	4.9	5.0	5.1	5.1	20.1			
Income before income taxes	4.4	4.5	4.5	4.6	18.1	4.7	4.8	4.8	20.2	34.4	2.8	5.0	5.1	5.1	18.0			
Provision for income taxes ⁹	1.6	1.7	1.7	40.9	46.0	1.3	1.3	1.3	4.9	8.8	0.1	0.3	1.2	1.1	2.8			
Total adjustments, net of tax	\$ 2.8	\$ 2.8	\$ 2.8	\$ (36.3)	\$ (27.9)	\$ 3.4	\$ 3.4	\$ 3.5	\$ 15.3	\$ 25.6	\$ 2.7	\$ 4.7	\$ 3.8	\$ 4.0	\$ 15.2			
Non-GAAP Adjusted Net Income (Loss)¹	\$ 41.6	\$ 46.5	\$ 31.6	\$ 3.8	\$ 123.5	\$ 20.6	\$ 33.3	\$ 31.3	\$ 3.2	\$ 88.5	\$ 16.9	\$ 34.6	\$ 28.1	\$ (7.2)	\$ 72.4			

Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share

Diluted earnings (loss) per common share	\$ 1.22	\$ 1.38	\$ 0.90	\$ 1.24	\$ 4.74	\$ 0.53	\$ 0.94	\$ 0.87	\$ (0.38)	\$ 1.97	\$ 0.45	\$ 0.94	\$ 0.76	\$ (0.35)	\$ 1.80
Total adjustments, net of tax and dilutive share effect of Notes ¹⁰	0.09	0.09	0.09	(1.12)	(0.86)	0.12	0.11	0.11	0.49	0.82	0.08	0.15	0.12	0.13	0.48
Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share	\$ 1.30	\$ 1.47	\$ 0.99	\$ 0.12	\$ 3.88	\$ 0.65	\$ 1.05	\$ 0.98	\$ 0.10	\$ 2.78	\$ 0.53	\$ 1.09	\$ 0.88	\$ (0.23)	\$ 2.27

Non-GAAP Adjusted Diluted Shares

Shares used in computing diluted earnings (loss) per common share	31.9	31.7	31.9	32.2	31.9	32.4	32.0	31.8	31.4	32.0	31.8	31.8	31.8	31.5	31.8
Adjustment to Shares used in computing diluted earnings (loss) per common share ^{10,11}	—	—	—	(0.4)	(0.1)	(0.6)	(0.1)	—	0.4	(0.2)	—	—	—	—	—
Shares used in computing Non-GAAP Adjusted Diluted Earnings (Loss) per Common Share¹	31.9	31.7	31.9	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.5	31.8

Note: Amounts above may not add due to rounding.



Dollars in millions
Unaudited

Cash and Debt

	Quarter Ended			
	4/29/17	7/29/17	10/28/17	1/27/18
Cash and equivalents	\$ 19.4	\$ 38.6	\$ 24.5	\$ 84.0
Carrying Value of Debt - Senior Credit Facility				
Revolving Facility	\$ 71.0	\$ —	\$ —	\$ —
Term Loan Facilities	367.7	367.7	362.9	358.1
0.75% Convertible Senior Notes due 2021 (the "Notes")				
Notional value ⁶	485.0	485.0	485.0	485.0
Unamortized debt discount and issuance costs	(97.7)	(92.8)	(87.8)	(82.8)
Net of debt discounts and issuance costs	387.3	392.2	397.2	402.2
Total Carrying Value of Debt	\$ 826.0	\$ 759.9	\$ 760.1	\$ 760.3
Letters of Credit outstanding	\$ 57.6	\$ 48.7	\$ 48.7	\$ 48.6
Availability on Senior Credit Agreement	\$ 321.4	\$ 401.3	\$ 401.3	\$ 401.4

	Quarter Ended			
	4/28/18	7/28/18	10/27/18	1/26/19
Cash and equivalents	\$ 57.9	\$ 23.9	\$ 21.5	\$ 128.3
Carrying Value of Debt - Senior Credit Facility				
Revolving Facility	\$ —	\$ —	\$ —	\$ —
Term Loan Facilities	353.3	346.0	450.0	450.0
0.75% Convertible Senior Notes due 2021 (the "Notes")				
Notional value ⁶	485.0	485.0	485.0	485.0
Unamortized debt discount and issuance costs	(77.6)	(72.4)	(67.2)	(61.8)
Net of debt discounts and issuance costs	407.4	412.6	417.8	423.2
Total Carrying Value of Debt	\$ 760.6	\$ 758.6	\$ 867.8	\$ 873.2
Letters of Credit outstanding	\$ 48.6	\$ 48.6	\$ 48.6	\$ 48.6
Availability on Senior Credit Agreement	\$ 401.4	\$ 401.4	\$ 328.5	\$ 412.9

	Quarter Ended			
	4/27/19	7/27/19	10/26/19	1/25/20
Cash and equivalents	\$ 33.6	\$ 12.6	\$ 11.8	\$ 54.6
Carrying Value of Debt - Senior Credit Facility				
Revolving Facility	\$ —	\$ 65.0	\$ 103.0	\$ —
Term Loan Facilities	450.0	450.0	450.0	444.4
0.75% Convertible Senior Notes due 2021 (the "Notes")				
Notional value ⁶	485.0	485.0	485.0	460.0
Unamortized debt discount and issuance costs	(56.4)	(50.8)	(45.3)	(37.5)
Net of debt discounts and issuance costs	428.6	434.2	439.7	422.5
Total Carrying Value of Debt	\$ 878.6	\$ 949.2	\$ 992.7	\$ 866.9
Letters of Credit outstanding	\$ 52.3	\$ 52.3	\$ 52.3	\$ 52.3
Availability on Senior Credit Agreement	\$ 325.4	\$ 276.5	\$ 207.7	\$ 287.0

Cash Flow

	Quarter Ended				TTM 1/27/18 ²	Quarter Ended				Fiscal 2019	Quarter Ended				Fiscal 2020
	4/29/17	7/29/17	10/28/17	1/27/18		4/28/18	7/28/18	10/27/18	1/26/19		4/27/19	7/27/19	10/26/19	1/25/20	
Net cash flow (used in) provided by operating activities	\$ 42.3	\$ 149.9	\$ 56.8	\$ 103.7	\$ 352.8	\$ 24.6	\$ 12.6	\$ (55.5)	\$ 142.8	\$ 124.4	\$ (56.1)	\$ (53.6)	\$ (24.0)	\$ 191.8	\$ 58.0
Cap-ex, net of disposals	(52.6)	(60.1)	(47.2)	(28.8)	(188.7)	(26.5)	(39.1)	(42.6)	(33.8)	(142.0)	(38.4)	(32.8)	(14.5)	(15.8)	(101.5)
Acquisition payments	(26.4)	0.4	—	—	(26.1)	(20.9)	—	—	—	(20.9)	—	—	—	—	—
Other investing activity ¹²	0.6	—	(0.9)	0.2	(0.1)	1.6	—	—	—	1.6	—	0.3	—	—	0.3
Net cash flow used in investing activities	(78.4)	(59.7)	(48.1)	(28.7)	(214.8)	(45.8)	(39.1)	(42.6)	(33.8)	(161.4)	(38.4)	(32.5)	(14.5)	(15.8)	(101.2)
Proceeds from (payments on) Senior Credit Facility	61.8	(71.0)	(4.8)	(4.8)	(18.8)	(4.8)	(7.2)	104.0	—	91.9	—	65.0	38.0	(108.6)	(5.6)
Share repurchases	(37.9)	—	(16.9)	—	(54.8)	—	—	—	—	—	—	—	—	—	—
Debt issuance costs	—	—	—	—	—	—	—	(6.7)	(0.6)	(7.3)	—	—	—	—	—
Debt extinguishment costs ⁶	—	—	—	—	—	—	—	—	—	—	—	—	—	(24.2)	(24.2)
Option proceeds	0.9	—	0.2	0.5	1.7	0.1	0.3	0.1	0.4	0.9	0.1	0.1	0.1	0.2	0.5
Other financing activities, net	1.1	—	(1.3)	(11.2)	(11.5)	(0.1)	—	(1.7)	(2.9)	(4.7)	(0.8)	—	(0.3)	(0.5)	(1.7)
Net cash flow provided by (used in) financing activities	25.9	(71.0)	(22.8)	(15.5)	(83.4)	(4.8)	(6.9)	95.7	(3.1)	80.9	(0.7)	65.1	37.8	(133.2)	(31.1)
Net cash flow (used in) provided by all activities	\$ (10.1)	\$ 19.3	\$ (14.1)	\$ 59.5	\$ 54.5	\$ (26.1)	\$ (33.4)	\$ (2.4)	\$ 105.8	\$ 44.0	\$ (95.3)	\$ (21.0)	\$ (0.7)	\$ 42.7	\$ (74.3)

Note: Amounts above may not add due to rounding.



Dollars in millions

Unaudited

Backlog

	4/29/17	7/29/17	10/28/17	1/27/18	4/28/18	7/28/18	10/27/18	1/26/19	4/27/19	7/27/19	10/26/19	1/25/20
Backlog - Total¹³	\$ 5,470	\$ 6,016	\$ 6,198	\$ 5,847	\$ 5,877	\$ 7,881	\$ 7,313	\$ 7,330	\$ 7,051	\$ 6,691	\$ 6,349	\$ 7,314
Backlog - Next 12 Months (included in Total Backlog)	\$ 2,410	\$ 2,794	\$ 3,039	\$ 3,047	\$ 2,976	\$ 2,908	\$ 2,616	\$ 2,739	\$ 2,723	\$ 2,639	\$ 2,524	\$ 2,716

Employees

	4/29/17	7/29/17	10/28/17	1/27/18	4/28/18	7/28/18	10/27/18	1/26/19	4/27/19	7/27/19	10/26/19	1/25/20
Number of Employees	14,163	14,227	14,393	14,368	14,607	14,768	14,865	14,920	15,278	15,301	15,382	15,230

Notes

¹ An explanation of Non-GAAP Financial Measures and a reconciliation of those measures to the most directly comparable GAAP measures are provided in the Company's Form 8-K filed with the Securities and Exchange Commission on February 26, 2020 and on the Company's Investor Center website.

² As previously announced, the Company changed its fiscal year end from the last Saturday in July to the last Saturday in January. The unaudited selected financial information herein reflects the Trailing Twelve Month ("TTM") historical period ended January 2018.

³ For comparison purposes, revenues from CenturyLink, Inc. and Level 3 Communications, Inc. have been combined for periods prior to their November 2017 merger.

⁴ During the quarter ended January 26, 2019, the Company recognized a pre-tax non-cash charge for accounts receivable and contract assets of \$17.2 million related to balances owed from a customer. On February 25, 2019, this customer filed a voluntary petition for reorganization. Partially offsetting this charge, the Company's stock-based compensation expense was reduced by approximately \$1.9 million for the quarter ended January 26, 2019 as a result of the pre-tax non-cash charge for accounts receivable and contract assets. Excluding this reduction, Non-GAAP Stock-Based Compensation Expense was \$3.8 million for the quarter ended January 26, 2019. During the quarter ended April 27, 2019, the Company recognized \$10.3 million of pre-tax income from the recovery of these previously reserved accounts receivable and contract assets based on collections from the customer.

⁵ During the quarter ended April 27, 2019, the Company recorded an \$8.2 million pre-tax charge for estimated warranty costs for work performed for a customer in prior periods.

⁶ During the quarter ended January 25, 2020, the Company purchased, through open-market transactions, \$25.0 million aggregate principal amount of its 0.75% convertible senior notes due September 2021 for \$24.3 million, resulting in a remaining principal amount of \$460.0 million outstanding. After the write-off of associated debt issuance costs, the net loss on extinguishment was \$0.1 million. This transaction resulted in cash provided of \$0.7 million related to the redemption discount on the Notes and \$0.4 million related to the sale of a portion of the convertible note hedge, partially offset by cash used of \$0.3 million related to the buyback of a portion of the warrants.

⁷ Non-GAAP Adjusted EBITDA as a percentage of contract revenues for the quarter ended July 27, 2019 includes \$11.8 million of earnings for a contract modification on a large customer program for services performed in periods prior to the quarter ended July 27, 2019 and the related impact of performance-based compensation.

⁸ Amounts represent the non-cash amortization of the debt discount associated with the Company's Notes.

⁹ Amounts represent the tax related impact of all pre-tax adjustments as well as the tax effects of the vesting and exercise of shared-based awards. Additionally, during the quarter ended January 27, 2018, the Company recognized an income tax benefit of approximately \$32.2 million resulting from the Tax Cuts and Jobs Act of 2017 ("Tax Reform"), primarily due to the re-measurement of the Company's net deferred tax liabilities at a lower U.S. federal corporate income tax rate. During the quarter ended July 27, 2019, the Company recognized an income tax expense of \$1.1 million on a previous tax year filing.

¹⁰ The Company has a hedge in effect to offset the economic dilution of additional shares that would be issued in connection with the conversion of the Notes up to an average quarterly share price of \$130.43 per share. Non-GAAP Adjusted Diluted Shares excludes the GAAP dilutive share effect of the Notes. See the Company's Form 8-K previously filed with the Securities and Exchange Commission on September 28, 2015 for further information regarding the Notes and hedge.

¹¹ GAAP diluted shares for the quarters ended January 25, 2020 and January 26, 2019 exclude common stock equivalents related to share-based awards as their effect would be anti-dilutive. For the quarter ended January 26, 2019, Non-GAAP Adjusted Diluted Shares includes the dilutive effect of an additional 418,695 common stock equivalents.

¹² The Company adopted Accounting Standards Update No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash ("ASU 2016-18"), effective January 28, 2018. ASU 2016-18 requires that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Prior to the adoption of this guidance, changes in restricted cash were presented within cash flows used in investing activities.

¹³ 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.