DYCOM

THE PEOPLE CONNECTING AMERICA®

2nd Quarter Fiscal 2017
Results Conference Call
March 1, 2017

Forward Looking Statements and Non-GAAP Financial Measures

This presentation contains “forward-looking statements”. Other than statements of historical facts, all statements contained in this presentation, including statements regarding the Company’s future financial position, future revenue, prospects, plans and objectives of management, are forward-looking statements. Words such as “outlook,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “should,” “could,” “project,” and similar expressions, as well as statements in future tense, identify forward-looking statements. You should not consider forward-looking statements as a guarantee of future performance or results. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief at that time with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors, assumptions, uncertainties, and risks that could cause such differences are discussed in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on August 31, 2016 and other filings with the SEC. The forward-looking statements in this presentation are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to update these forward-looking statements to reflect new information, or events or circumstances arising after such date.

This presentation includes certain “Non-GAAP” financial measures as defined by Regulation G of the SEC. As required by the SEC, we have provided a reconciliation of those measures to the most directly comparable GAAP measures on the Regulation G slides included as slides 13 through 20 of this presentation. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, our reported GAAP results.

Participants and Agenda

Participants

Steven E. Nielsen
President & Chief Executive Officer

Timothy R. Estes
Chief Operating Officer

H. Andrew DeFerrari
Chief Financial Officer

Richard B. Vilsoet
General Counsel

Agenda

Introduction and Q2-17 Overview

Industry Update

Financial & Operational Highlights

Outlook

Conclusion

Q&A

Q2-17 Overview and Highlights

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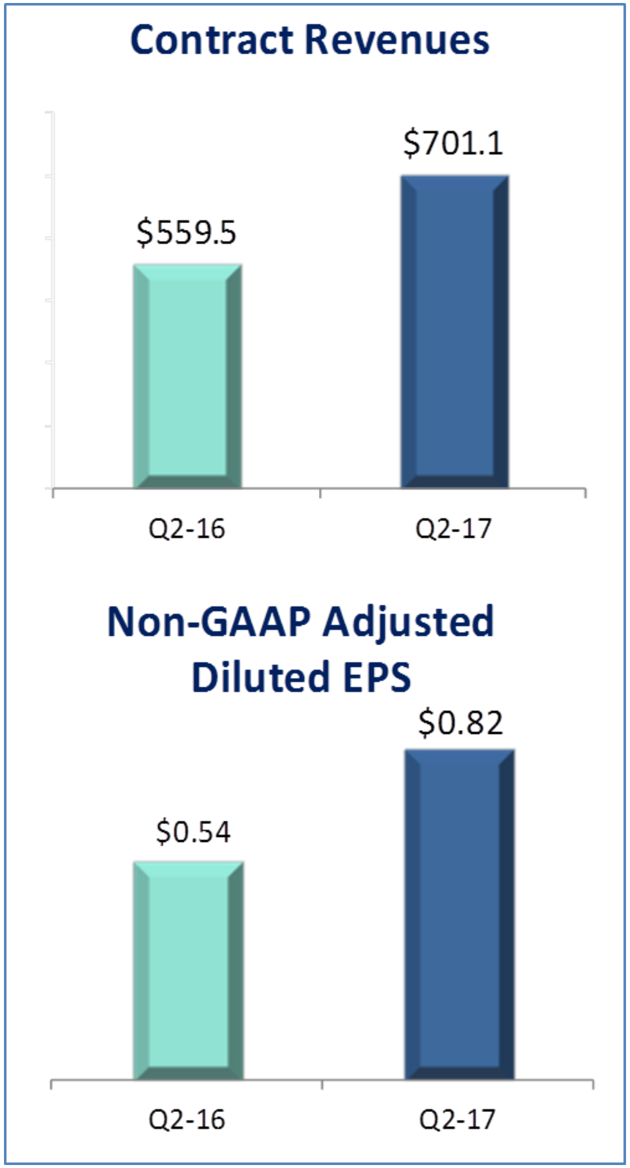
Financial charts - $ in millions, except earnings per share amounts



- **Strong demand and revenue growth**
  - Contract revenues of $701.1 million in Q2-17 compared to $559.5 million in Q2-16
  - Organic growth of 22.9% excluding contract revenues of acquired businesses not included for the entire period of Q2-17 and Q2-16
- **Strong operating performance**
  - Non-GAAP Adjusted EBITDA of $86.2 million, or 12.3% of revenues in Q2-17, compared to $66.4 million, or 11.9% in Q2-16
  - Non-GAAP Adjusted Diluted EPS increased to $0.82 in Q2-17 compared to $0.54 per share in Q2-16
- **Repurchased 313,000 common shares for $25.0 million at an average price of $79.87 per share**
- **Currently authorized to repurchase up to $150 million through August 2018**

See "Regulation G Disclosure" slides 13-20 for a reconciliation of GAAP to Non-GAAP financial measures.

Industry Update

❖ ***Industry increasing network bandwidth dramatically***

- Major industry participants deploying significant wireline networks
- Networks provisioning 1 gigabit speeds; multi-gigabit speeds planned by several industry participants
- Industry developments have produced opportunities which in aggregate are without precedent

❖ ***Delivering valuable service to customers***

- Currently providing services for 1 gigabit full deployments across the country in dozens of metropolitan areas to a number of customers
- Revenues and opportunities driven by this industry standard continue to grow meaningfully
- Customers are revealing with more specificity multi-year initiatives that are being implemented and managed locally. Calendar 2016 performance clearly demonstrates a massive investment cycle in wireline networks

❖ ***Increasingly encouraged that newly emerging wireless technologies will drive significant wireline growth opportunities in the near to intermediate term***

❖ ***Dycom's scale, market position and financial strength position it well as opportunities continue to expand***

Revenue Highlights

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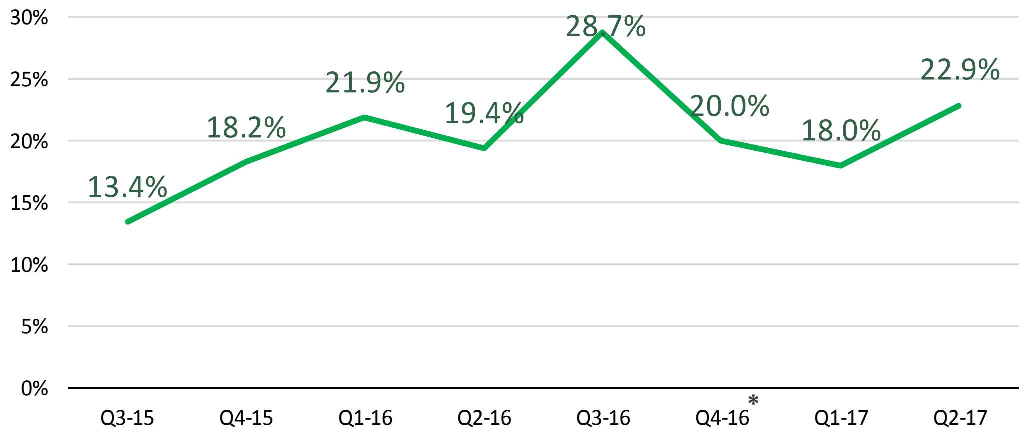
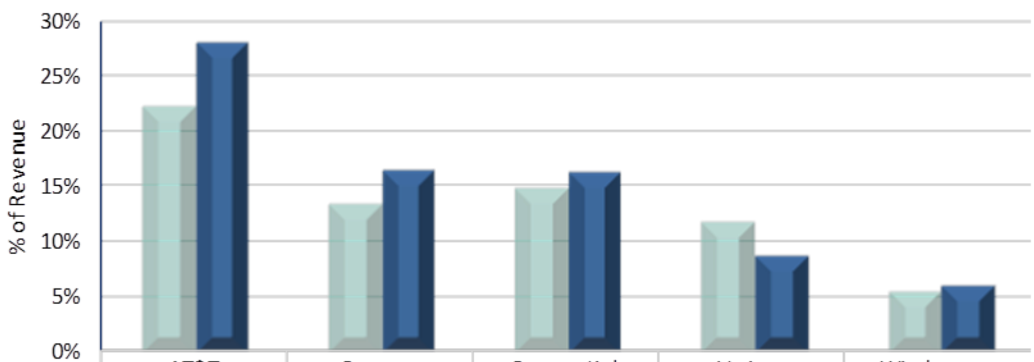
Non-GAAP Organic Growth %



*Q4-16 organic % growth adjusted for additional week in Q4-16

Revenue % of Top 5 Customers



	AT&T	Comcast	CenturyLink	Verizon	Windstream
Q2-16	22.4%	13.5%	14.9%	11.9%	5.5%
Q2-17	28.3%	16.7%	16.5%	8.8%	6.0%

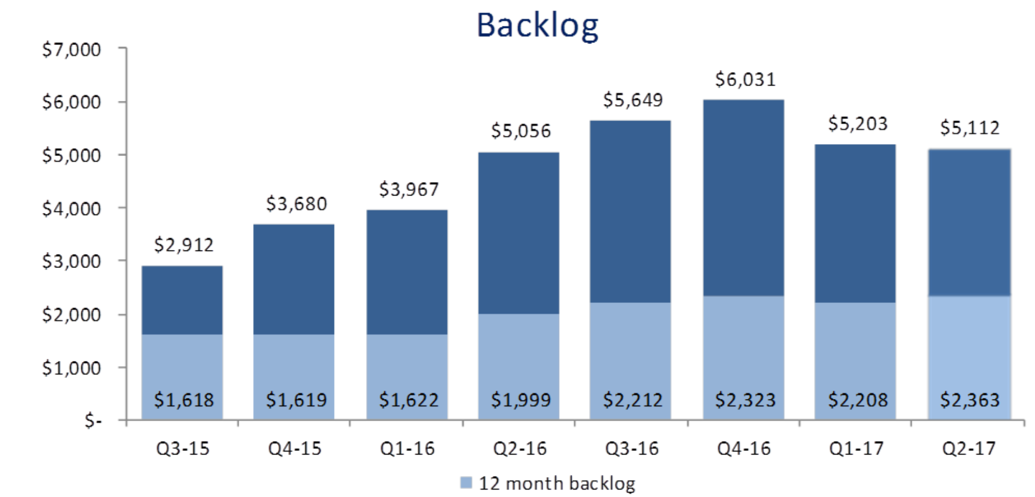
- Q2-17 organic growth of 22.9%, nine straight quarters of double digit organic growth
- Revenues from Q2-17 Top 5 customers increased 37.1% organically. All other customers decreased 7.5% organically.
- Top 5 customers in each period represented 76.2% of revenues in Q2-17 compared to 68.9% in Q2-16
- Strong organic growth in Q2-17 with significant customers:
  - AT&T 48.7%
  - Comcast 55.2%
  - CenturyLink 38.3%
  - Windstream 37.4%

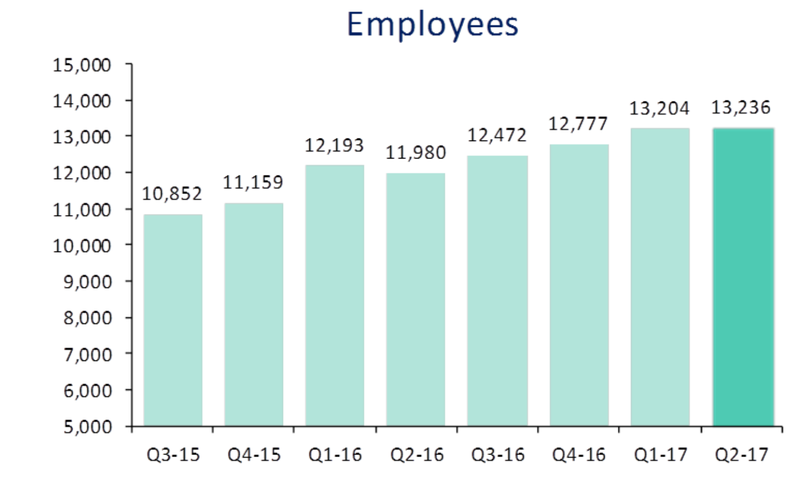
Organic growth over the last 9 quarters reflects Dycom's continued ability to gain share and expand geographic reach, meaningfully increasing the long-term value of our maintenance business

See "Regulation G Disclosure" slides 13-20 for a reconciliation of GAAP to Non-GAAP financial measures.

Backlog and Awards

Financial charts - $ in millions





Selected Current Awards and Extensions

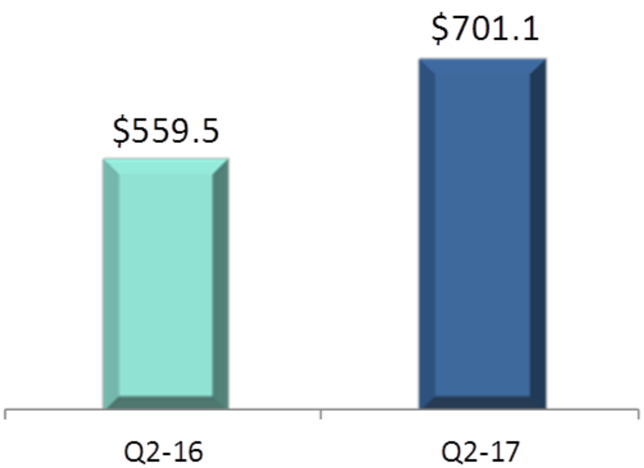
Customers	*Description*	*Area*	*Approximate Term (in years)*
AT&T	Construction & Maintenance Services	Mississippi, Alabama	3
Comcast	Construction Services	Colorado	2
	Construction & Maintenance Services	Massachusetts, New Jersey, Pennsylvania, Virginia	1-2
CenturyLink	Construction & Maintenance Services	North Carolina, South Carolina, Georgia	3
	Construction & Engineering Services	Washington, Utah, Colorado, Florida	1
Windstream	Construction & Maintenance Services	New Mexico, West Virginia	1

Notes: Our backlog estimates represent amounts under master service agreements and other contractual agreements for services projected to be performed over the terms of the contracts and are based on contract terms, our historical experience with customers and, more generally, our experience in similar procurements. Backlog is not a measure defined by United States generally accepted accounting principles; however, it is a common measurement used in our industry. Our methodology for determining backlog may not be comparable to the methodologies used by others.

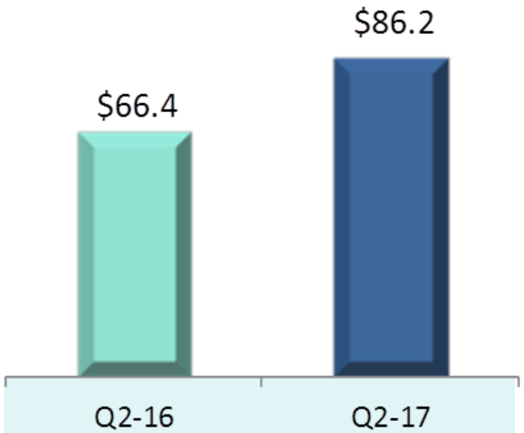
Financial Highlights

Financial charts - $ in millions, except earnings per share amounts

Contract Revenues



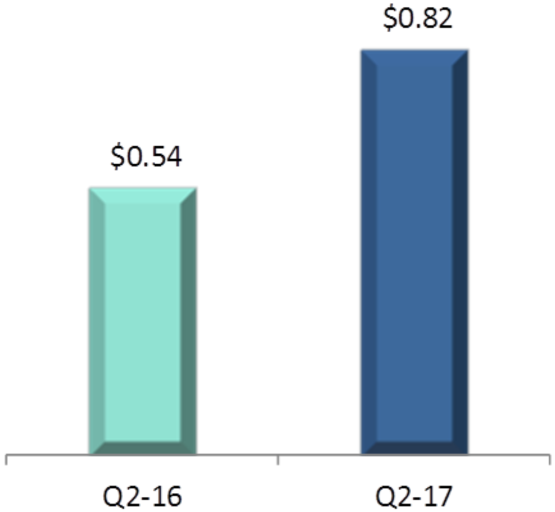
Non-GAAP Adjusted EBITDA



As a % of Revenues

11.9% *12.3%*

Non-GAAP Adjusted Diluted EPS



- Revenues of $701.1 million and organic growth of 22.9%. Revenues from acquired businesses contributed $13.4 million in Q2-17. There were no acquired revenues in Q2-16 for comparative purposes.
- Non-GAAP Adjusted EBITDA increased to 12.3% of revenue in Q2-17 compared to 11.9% in Q2-16
  - Gross margin expanded 42 basis points as we grew our operations in Q2-17. G&A improved to 8.3% of revenue from 8.4% in Q2-16
- Non-GAAP Adjusted Diluted EPS of $0.82 in Q2-17 compared to $0.54 diluted EPS in Q2-16, an increase of 52%

See "Regulation G Disclosure" slides 13-20 for a reconciliation of GAAP to Non-GAAP financial measures

Liquidity Overview

Financial tables - $ in millions

Strong balance sheet and liquidity

Liquidity Summary

	Q1-17	Q2-17
Cash and equivalents	$ 21.7	$ 29.5
Senior Credit Facility, matures April 2020:		
$450 million revolver	$ 68.0	$ -
Term Loan Facilities	346.3	376.9
0.75% Convertible Senior Notes, mature September 2021:		
Notional Value	485.0	485.0
Total Notional Amount of Debt	$ 899.3	$ 861.9
Net Debt (Notional Debt less Cash)	$ 877.5	$ 832.4
Total Notional Amount of Debt (see above)	$ 899.3	$ 861.9
Unamortized debt discount and debt fees on 0.75% Convertible Senior Notes	(107.2)	(102.5)
Debt, net of debt discount and fees	$ 792.0	$ 759.4
Availability on revolver(a)	$ 324.4	$ 392.4
Cash and availability on revolver	$ 346.1	$ 421.9

(a) Availability on Revolver presented net of $57.6 million for outstanding L/C's under the Senior Credit Agreement at each of Q1-17 and Q2-17.

- No revolver borrowings outstanding at the end of Q2-17
- Entered into incremental term loan of $35.0 million under our Senior Credit Facility during Q2-17
- Liquidity of $421.9 million at the end of Q2-17 consisting of availability under our Credit Facility and cash on hand

Solid operating cash flows

Cash Flow Summary

	Q2-16	Q2-17
Cash provided by operating activities	$ 75.4	$105.8
Capital expenditures, net of disposals	$(48.7)	$(34.8)
Repayments on credit facility	$(28.0)	$(37.4)
Share repurchases	$ -	$(25.0)
Other financing & investing activities, net	$ (0.3)	$ (0.8)

	Q2-16	Q2-17
DSO - Accounts receivable	52	40
DSO - CIEB, net	47	49
Total DSO*	99	89

- Strong operating cash flows of $105.8 million during Q2-17
- Repurchased 313,000 common shares for $25.0 million at an average price of $79.87 per share during Q2-17
- Total DSO of 89 days as of Q2-17

* Amounts may not add due to rounding. Total days sales outstanding ("DSO") is calculated as the summation of current accounts receivable, plus costs and estimated earnings in excess of billings, less billings in excess of costs and estimated earnings, ("CIEB, net") divided by average revenue per day during the respective quarter.

Q3-2017 Outlook

Financial table- $ in millions, except earnings per share amounts (% as a percent of contract revenues)

	Q3-2016 Included for comparison	*Q3-2017 Outlook and Commentary*	
Contract Revenues	$ 664.6	**$715 - $745**	➢ Broad range of demand from several large customers ➢ Robust 1 gigabit deployments, fiber deep cable capacity projects accelerating, CAF II underway and core market share growth ➢ Total Q3-17 revenue expected to include approximately $10.0 million from businesses acquired in Q4-16. For organic growth calculations, there were no acquired revenues in Q3-16
Gross Margin %	21.7%	Gross Margin % which increases from Q3-16	➢ Solid mix of customer growth opportunities ➢ Expectation of normal winter weather
G&A Expense %	8.5%	G&A as a % of revenue in line with Q3-16	➢ G&A as a % of revenue supports our increased scale
Share-based compensation	$ 3.9	$ 5.0	➢ Outlook for G&A expense % includes share-based compensation
Depreciation & Amortization	$ 31.6	$36.4 - $37.1	➢ Depreciation reflects cap-ex supporting growth and maintenance ➢ Includes amortization of approximately $6.1 million in Q3-17 compared to $4.5 million in Q3-16
Non-GAAP Adjusted Interest Expense	$ 3.8	Approximately $ 4.8	➢ Non-GAAP Adjusted Interest Expense excludes non-cash amortization of debt discount of $4.4 million in Q3-17 compared to $4.2 million in Q3-16
Other Income, net	$ 4.3	$ 2.6 - $ 3.2	➢ Other income, net primarily includes gain (loss) on sales of fixed assets and discount charges related to non-recourse sales of accounts receivable in connection with a customer's supplier payment program
Non-GAAP Adjusted EBITDA %	13.8%	Non-GAAP Adjusted EBITDA % which increases from Q3-16	***Non-GAAP Adjusted EBITDA amount increases from revenue growth and strong operating performance***
Non-GAAP Adjusted Diluted Earnings per Share	$ 1.08	**$ 1.11 - $ 1.24**	➢ Non-GAAP Adjusted Diluted EPS excludes non-cash amortization of debt discount on Senior Convertible Notes. See slide 19 for reconciliation of guidance for Non-GAAP Adjusted Diluted Earnings per Common Share
Diluted Shares	33.1 million	32.0 million	

See "Regulation G Disclosure" slides 13-20 for a reconciliation of GAAP to Non-GAAP financial measures.

Looking Ahead to Q4-2017

Financial table- $ in millions (% as a percent of contract revenues)

	Q4-2016 Included for comparison	***Q4-2017 Outlook and Commentary***	
# of Weeks in Fiscal Quarter	14 Weeks	13 Weeks	➢ 13 weeks in Q4-17 compared to 14 weeks in Q4-16 as a result of 52/53 week fiscal year
Contract Revenues	$ 789.2 (GAAP) $ 727.6 (Non-GAAP organic revenue) *(See "Regulation G Disclosure" slide 20 for a reconciliation of GAAP to Non-GAAP contract revenues)*	Organic revenue growth of mid- teens as a % of revenue compared to Non-GAAP Q4-16 organic revenues	➢ Broad range of demand from several large customers ➢ Robust 1 gigabit deployments, fiber deep cable capacity projects accelerating, CAF II underway, fiber deployments for newly emerging wireless technologies and core market share growth ➢ In addition to organic revenue, total Q4-17 revenue expected to include approximately $15.0 million from businesses acquired in Q4-16
Gross Margin %	23.2%	Gross Margin % which increases from Q4-16	➢ Solid mix of customer growth opportunities
Non-GAAP G&A Expense %	7.8%	G&A as a % of revenue which decreases from Q4-16	➢ G&A as a % of revenue supports our increased scale
Share-based compensation	$ 4.2	$ 5.0	➢ Outlook for G&A expense % includes share-based compensation
Depreciation & Amortization	$ 36.0	$37.5 - $38.2	➢ Depreciation reflects cap-ex supporting growth and maintenance ➢ Includes amortization of approximately $6.0 million in Q4-17 compared to $5.4 million in Q4-16
Non-GAAP Adjusted Interest Expense	$ 5.1	Approximately $ 4.9	➢ Non-GAAP Adjusted Interest Expense excludes non-cash amortization of debt discount of $4.5 million in Q4-17 compared to $4.6 million in Q4-16
Other Income, net	$ 3.6	$ 0.7 - $ 1.3	➢ Other income, net primarily includes gain (loss) on sales of fixed assets and discount charges related to non-recourse sales of accounts receivable in connection with a customer's supplier payment program
Non-GAAP Adjusted EBITDA %	16.0%	Non-GAAP Adjusted EBITDA % which increases from Q4-16	***Non-GAAP Adjusted EBITDA amount increases from revenue growth and strong operating performance***

See "Regulation G Disclosure" slides 13-20 for a reconciliation of GAAP to Non-GAAP financial measures.

Conclusion

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Firm and strengthening end market opportunities

- Telephone companies deploying FTTX to enable video offerings and 1 gigabit connections
- Cable operators continuing to deploy fiber to small and medium businesses with increasing urgency. Overall, cable capital expenditures, new build opportunities, and capacity expansion projects through fiber deep deployments are increasing
- Connect America Fund ("CAF") II projects in planning, engineering, and construction, with deployment activity well underway. These projects are deploying fiber deeper into rural networks. We are executing meaningful assignments from one recipient for fixed wireless deployments.
- Fiber deployments in contemplation of newly emerging wireless technologies are being considered in many regions of the country
- Customers are consolidating supply chains creating opportunities for market share growth and increasing the long-term value of our maintenance business. We are increasingly undertaking planning and program management responsibilities for our customers.

Encouraged that industry participants are committed to multi-year capital spending initiatives which in most cases are meaningfully accelerating and expanding in scope

Appendix: Regulation G Disclosure

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Explanation of Non-GAAP 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 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 and adjusted for the additional week in Q4-16 as a result of our 52/53 week fiscal year. Non-GAAP Organic Revenue growth (decline) is calculated as the percentage change in Non-GAAP Organic Contract Revenues over those of the comparable prior year period. Management believes organic growth (decline) 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, loss on debt extinguishment, 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.

- Non-GAAP Adjusted Net Income - GAAP net income before loss on debt extinguishment, non-cash amortization of the debt discount, certain non-recurring items and any tax impact related to these items. Non-GAAP Adjusted Diluted Earnings per Common Share - Non-GAAP Adjusted Net Income divided by weighted average diluted shares outstanding. Management excludes or adjusts each of the items identified below from Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Diluted Earnings per Common Share:

    - Non-cash amortization of the debt discount - The Company's 0.75% convertible senior notes due 2021 (the "Notes") were allocated between debt and equity components. The difference between the principal amount and the carrying amount of the liability component of the Notes represents a debt discount. The debt discount is being amortized over the term of the Notes but does not result in periodic cash interest payments. The Company has excluded the non-cash amortization of the debt discount from its Non-GAAP financial measures because it believes it is useful to analyze the component of interest expense for the Notes that will be paid in cash. The exclusion of the non-cash amortization from the Company's Non-GAAP financial measures provides management with a consistent measure for assessing financial results.

    - Acquisition transaction related costs – The Company incurred costs of approximately $0.7 million in connection with an acquisition during the fourth quarter of fiscal 2016. The exclusion of the acquisition transaction related costs from the Company's Non-GAAP financial measures provides management with a consistent measure for assessing financial results.

    - Tax impact of adjusted results - The tax impact of the adjusted results was calculated utilizing a Non-GAAP effective tax rate which approximates the Company's effective tax rate used for financial planning. The tax impact included in the Company's guidance for the quarter ending April 29, 2017 was calculated using an effective tax rate used for financial planning and forecasting future results.

Appendix: Regulation G Disclosure

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Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Organic Contract Revenue
Unaudited
($ in millions)

	Contract Revenues	NON-GAAP ADJUSTMENTS: *Revenues from acquired businesses*	NON-GAAP ADJUSTMENTS: *Additional week as a result of our 52/53 week fiscal year (a)*	Non-GAAP Organic Contract Revenues	Revenue Growth%: GAAP %	Revenue Growth%: Non-GAAP - Organic %
Q2-17 Organic Growth:						
Q2-17	$ 701.1	$ (13.4)	$ -	$ 687.7	25.3%	22.9%
Q2-16	$ 559.5	$ -	$ -	$ 559.5		
Prior Quarters Organic Growth:						
Q1-17	$ 799.2	$ (56.6)	$ -	$ 742.6	21.2%	18.0%
Q1-16	$ 659.3	$ (29.9)	$ -	$ 629.4		
Q4-16	$ 789.2	$ (44.8)	$ (53.2)	$ 691.2	36.4%	20.0%
Q4-15	$ 578.5	$ (2.4)	$ -	$ 576.1		
Q3-16	$ 664.6	$ (30.8)	$ -	$ 633.9	35.0%	28.7%
Q3-15	$ 492.4	$ -	$ -	$ 492.4		
Q2-16	$ 559.5	$ (32.9)	$ -	$ 526.6	26.8%	19.4%
Q2-15	$ 441.1	$ -	$ -	$ 441.1		
Q1-16	$ 659.3	$ (39.5)	$ -	$ 619.7	29.2%	21.9%
Q1-15	$ 510.4	$ (1.9)	$ -	$ 508.5		
Q4-15	$ 578.5	$ (11.8)	$ -	$ 566.7	20.0%	18.2%
Q4-14	$ 482.1	$ (2.8)	$ -	$ 479.3		
Q3-15	$ 492.4	$ (8.9)	$ -	$ 483.4	15.5%	13.4%
Q3-14	$ 426.3	$ -	$ -	$ 426.3		

(a) Q4-16 contained 14 weeks as a result of our 52/53 week fiscal year as compared to 13 weeks in all other quarterly periods presented herein. The Q4-16 Non-GAAP adjustment is calculated as (i) contract revenues less, (ii) revenues from acquired businesses in each applicable period, (iii) divided by 14 weeks.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted EBITDA
Unaudited
($ in 000's)

	Three Months Ended			
	January 28, 2017	January 23, 2016	April 23, 2016	July 30, 2016
	Q2-17	Q2-16	Q3-16	Q4-16
Reconciliation of net income to Non-GAAP Adjusted EBITDA:				
Net income	$ 23,663	$ 15,473	$ 33,083	$ 49,360
Interest expense, net	9,181	7,872	8,007	9,710
Provision for income taxes	14,026	9,995	19,368	29,593
Depreciation and amortization	35,705	29,898	31,583	36,010
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	82,575	63,238	92,041	124,673
Gain on sale of fixed assets	(1,729)	(1,016)	(4,061)	(3,593)
Stock-based compensation expense	5,309	4,200	3,892	4,249
Acquisition related costs	-	-	-	715
Non-GAAP Adjusted EBITDA	$ 86,155	$ 66,422	$ 91,872	$ 126,044
Contract Revenues	$ 701,131	$ 559,470	$ 664,645	$ 789,159
Non-GAAP Adjusted EBITDA as a % of contract revenues	12.3%	11.9%	13.8%	16.0%

Notes: Amounts above may not add due to rounding.

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Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Organic Contract Revenue – certain customers
Unaudited
($ in millions)

	Total Contract Revenue	Top 5 Customers combined*	All customers (excluding Top 5 Customers)	AT&T	Comcast	CenturyLink	Windstream
GAAP Contract Revenue							
Q2-17	$ 701.1	$ 534.4	$ 166.7	$ 198.2	$ 116.8	$ 115.4	$ 42.2
Q2-16	$ 559.5	$ 381.0	$ 178.4	$ 125.3	$ 75.3	$ 83.4	$ 30.7
GAAP Contract Revenue - % Changes	**25.3%**	**40.3%**	**(6.6)%**	**58.1%**	**55.2%**	**38.3%**	**37.4%**
Non-GAAP Adjustments							
Q2-17 - Revenue from businesses acquired in Q4-16	$ (13.4)	$ (11.9)	$ (1.6)	$ (11.9)	$ (0.0)	$ -	$ -
Q2-16 - Revenue from businesses acquired in Q4-16	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-GAAP Organic Contract Revenue							
Q2-17	$ 687.7	$ 522.6	$ 165.1	$ 186.3	$ 116.8	$ 115.4	$ 42.2
Q2-16	$ 559.5	$ 381.0	$ 178.4	$ 125.3	$ 75.3	$ 83.4	$ 30.7
Non-GAAP Organic Contract Revenue - % Changes							
Organic Contract Revenue % Change	**22.9%**	**37.1%**	**(7.5)%**	**48.7%**	**55.2%**	**38.3%**	**37.4%**

* Includes AT&T, Comcast, CenturyLink, Verizon, and Windstream in both Q2-17 and Q2-16.

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

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Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Diluted Earnings Per Share
Unaudited
($ in 000's, except per share amounts)

	Q2-17 Three Months Ended January 28, 2017			Q2-16 Three Months Ended January 23, 2016		
	GAAP	***Reconciling Item***	***Adjusted Non-GAAP***	***GAAP***	***Reconciling Item***	***Adjusted Non-GAAP***
Contract revenues	$ 701,131	$ -	$ 701,131	$ 559,470	$ -	$ 559,470
Cost of earned revenues, excluding depreciation and amortization	561,371	-	561,371	450,284	-	450,284
General and administrative expenses	58,191	-	58,191	47,020	-	47,020
Depreciation and amortization	35,705	-	35,705	29,898	-	29,898
Total	655,267	-	655,267	527,202	-	527,202
Interest expense, net	(9,181)	4,379	(4,802)	(7,872)	4,148	(3,724)
Other income, net	1,006	-	1,006	1,072	-	1,072
Income before income taxes	37,689	4,379	42,068	25,468	4,148	29,616
Provision for income taxes	14,026	1,631	15,657	9,995	1,628	11,623
Net income	$ 23,663	$ 2,748	$ 26,411	$ 15,473	$ 2,520	$ 17,993
Diluted earnings per share	$ 0.74	$ 0.09	$ 0.82	$ 0.46	$ 0.08	$ 0.54
Shares used in computing Diluted EPS (in 000's):	32,162		32,162	33,520		33,520

Note: Amounts above may not add due to rounding.

<u>Use of Non-GAAP Financial Measures</u>

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In our quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, we may use or discuss Non-GAAP financial measures, as defined by Regulation G of the SEC. See Explanation of Non-GAAP Measures on slide 13.

Appendix: Regulation G Disclosure

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Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Diluted Earnings Per Share
Unaudited
($ in 000's, except per share amounts)
For comparison purposes for slides 10 and 11

	Q3-16 Three Months Ended April 23, 2016			Q4-16 Three Months Ended July 30, 2016		
	GAAP	*Reconciling Item*	*Adjusted Non-GAAP*	*GAAP*	*Reconciling Item*	*Adjusted Non-GAAP*
Contract revenues	$ 664,645	$ -	$ 664,645	$ 789,159	$ -	$ 789,159
Cost of earned revenues, excluding depreciation and amortization	520,408	-	520,408	605,909	-	605,909
General and administrative expenses	56,519	-	56,519	62,146	(715)	61,431
Depreciation and amortization	31,583	-	31,583	36,010	-	36,010
Total	608,510	-	608,510	704,065	(715)	703,350
Interest expense, net	(8,007)	4,192	(3,815)	(9,710)	4,590	(5,120)
Other income, net	4,323	-	4,323	3,569	-	3,569
Income before income taxes	52,451	4,192	56,643	78,953	5,305	84,258
Provision for income taxes	19,368	1,580	20,948	29,593	1,995	31,588
Net income	$ 33,083	$ 2,612	$ 35,695	$ 49,360	$ 3,310	$ 52,670
Diluted earnings per share	$ 1.00	$ 0.08	$ 1.08	$ 1.54	$ 0.10	$ 1.64
Shares used in computing Diluted EPS (in 000's):	33,051		33,051	32,074		32,074

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Outlook – Diluted Earnings per Common Share
Unaudited

	Outlook for the Three Months Ending April 29, 2017(a)
Diluted earnings per common share	$1.02 - $1.15
Adjustment	
After-tax non-cash amortization of debt discount (b)	$ 0.09
Non-GAAP Adjusted Diluted Earnings per Common Share	$1.11 - $1.24

(a) Guidance for diluted earnings per common share and Non-GAAP Adjusted Diluted Earnings per Common Share for the three months ending April 29, 2017 were computed using approximately 32.0 million in diluted weighted average shares outstanding.

(b) The Company expects to recognize approximately $4.4 million in pre-tax interest expense during the three months ending April 29, 2017 for non-cash amortization of the debt discount associated with its 0.75% Convertible Senior Notes. The Company excludes the effect of this non-cash amortization in its Non-GAAP financial measures.

Note: Amounts above may not add due to rounding.

Use of Non-GAAP Financial Measures

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Appendix: Regulation G Disclosure

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Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
Non-GAAP Organic Contract Revenue
Unaudited
($ in millions)

Q3-16 and Q4-16 Non-GAAP Organic Revenues are provided for comparison to Q3-17 and Q4-17 Non-GAAP Organic Revenue Outlook (see slides 10 and 11)

	Contract Revenues	NON-GAAP ADJUSTMENTS		Non-GAAP Organic Contract Revenues
		Revenues from Q4-16 acquired businesses	*Additional week as a result of our 52/53 week fiscal year (a)*	
Q4-16	$ 789.2	$ (5.6)	$ (56.0)	$ 727.6
Q3-16	$ 664.6	$ -	$ -	$ 664.6

(a) Q4-16 included an incremental week required by our 52/53 week fiscal calendar. The Q4-16 Non-GAAP adjustment is calculated as (i) contract revenues less, (ii) revenues from acquired businesses in each applicable period, (iii) divided by 14 weeks.

Use of Non-GAAP Financial Measures
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2nd Quarter Fiscal 2017
Results Conference Call
March 1, 2017