



DYCOM INDUSTRIES, INC. ANNOUNCES FISCAL 2025 SECOND QUARTER RESULTS

Second Quarter Highlights

- **Contract revenues of \$1.203 billion, an increase of 15.5%**
- **Non-GAAP Adjusted EBITDA of \$158.3 million, or 13.2% of contract revenues**
- **Non-GAAP Adjusted Net Income of \$72.5 million, or \$2.46 per common share diluted**

Palm Beach Gardens, Florida, August 21, 2024 - Dycom Industries, Inc. (NYSE: DY) announced today its results for the second quarter ended July 27, 2024. Contract revenues increased 15.5% to \$1.203 billion for the quarter ended July 27, 2024, compared to \$1.042 billion in the year ago quarter. On an organic basis, contract revenues increased 9.2% after excluding \$65.9 million of contract revenues from acquired businesses that were not owned during the year ago quarter.

Non-GAAP Adjusted EBITDA increased to \$158.3 million, or 13.2% of contract revenues, for the quarter ended July 27, 2024, compared to \$130.8 million, or 12.6% of contract revenues, in the year ago quarter.

On a GAAP basis, net income increased to \$68.4 million, or \$2.32 per common share diluted, for the quarter ended July 27, 2024, compared to \$60.2 million, or \$2.03 per common share diluted, in the year ago quarter. Non-GAAP Adjusted Net Income was \$72.5 million, or \$2.46 per common share diluted for the quarter ended July 27, 2024.

During the quarter ended July 27, 2024, the Company amended its credit agreement to, among other things, expand term loan capacity and extend the maturity to January 2029.

Year-to-Date Highlights

Contract revenues increased 12.4% to \$2.345 billion for the six months ended July 27, 2024, compared to \$2.087 billion for the comparable year ago period. On an organic basis, contract revenues increased 5.8% after excluding \$137.2 million of contract revenues from acquired businesses that were not owned during the comparable year ago period.

Non-GAAP Adjusted EBITDA increased to \$289.2 million, or 12.3% of contract revenues, for the six months ended July 27, 2024, compared to \$244.3 million, or 11.7% of contract revenues, for the comparable year ago period.

On a GAAP basis, net income increased to \$131.0 million, or \$4.44 per common share diluted, for the six months ended July 27, 2024, compared to \$111.8 million, or \$3.76 per common share diluted, for the comparable year ago period. Non-GAAP Adjusted Net Income was \$135.0 million, or \$4.58 per common share diluted for the six months ended July 27, 2024.

During the six months ended July 27, 2024, the Company purchased 210,000 shares of its own common stock in open market transactions for \$29.8 million at an average price of \$141.84 per share.

Outlook

For the quarter ending October 26, 2024, the Company expects total contract revenues to increase mid- to high single digit as a percentage of contract revenues, compared to \$1.136 billion for the quarter ended October 28, 2023. Included in the expectation for the current quarter is approximately \$75 million of acquired revenues, compared to the prior year period that included \$45.2 million of acquired revenues and \$26.5 million of revenues from the impacts of a change order and the closeout of several projects.

Non-GAAP Adjusted EBITDA as a percentage of contract revenues for the quarter ending October 26, 2024 is expected to increase approximately 25 to 50 basis points compared to 12.9% for the quarter ended October 28, 2023, after excluding 1.8% of incremental benefit in EBITDA margin from the impacts of a change order and the closeout of several projects reported in the prior year period.

For additional information regarding the Company's outlook, please see the presentation materials available on the Company's website posted in connection with the conference call discussed below.



Use of Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). In quarterly results releases, trend schedules, conference calls, slide presentations, and webcasts, the Company may use or discuss Non-GAAP financial measures, as defined by Regulation G of the Securities and Exchange Commission. See Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Financial Measures in the press release tables that follow.

Conference Call Information and Other Selected Data

The Company will host a conference call to discuss fiscal 2025 second quarter results on Wednesday, August 21, 2024 at 9:00 a.m. ET. Interested parties may participate in the question and answer session of the conference call by registering at <https://register.vevent.com/register/B1792f883035104fca9ba48d0d4da25061>. Upon registration, participants will receive a dial-in number and unique PIN to access the call. Participants are encouraged to join approximately ten minutes prior to the scheduled start time.

For all other attendees, a live listen-only audio webcast of the call, including an accompanying slide presentation, can be accessed directly at <https://edge.media-server.com/mmc/p/rk4t4eoj>. A replay of the live webcast and the related materials will be available on the Company's Investor Center website at <https://dycomind.com/investors> for approximately 120 days following the event.

About Dycom Industries, Inc.

Dycom is a leading provider of specialty contracting services to the telecommunications infrastructure and utility industries throughout the United States. These services include program management; planning; engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services. Additionally, Dycom provides underground facility locating services for various utilities, including telecommunications providers, and other construction and maintenance services for electric and gas utilities.

Forward Looking Information

This press release 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 October 26, 2024, including, but not limited to, those statements found under the "Outlook" section of this press release. 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 press release. 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 financials 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.

For more information, contact:

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

Unaudited

	July 27, 2024	January 27, 2024
ASSETS		
Current assets:		
Cash and equivalents	\$ 19,564	\$ 101,086
Accounts receivable, net	1,507,475	1,243,256
Contract assets	74,229	52,211
Inventories	101,248	108,565
Income tax receivable	5,826	2,665
Other current assets	52,323	42,253
Total current assets	1,760,665	1,550,036
Property and equipment, net	482,996	444,909
Operating lease right-of-use assets	79,975	76,348
Goodwill and other intangible assets, net	429,548	420,945
Other assets	26,211	24,647
Total assets	\$ 2,779,395	\$ 2,516,885
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 233,533	\$ 222,121
Current portion of debt	—	17,500
Contract liabilities	34,754	39,122
Accrued insurance claims	51,165	44,466
Operating lease liabilities	33,310	32,015
Income taxes payable	—	3,861
Other accrued liabilities	158,341	147,219
Total current liabilities	511,103	506,304
Long-term debt	942,368	791,415
Accrued insurance claims - non-current	55,206	49,447
Operating lease liabilities - non-current	46,190	44,110
Deferred tax liabilities, net - non-current	43,943	49,562
Other liabilities	22,136	21,391
Total liabilities	1,620,946	1,462,229
Total stockholders' equity	1,158,449	1,054,656
Total liabilities and stockholders' equity	\$ 2,779,395	\$ 2,516,885



DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except share amounts)

Unaudited

	Quarter Ended <u>July 27, 2024</u>	Quarter Ended <u>July 29, 2023</u>	Six Months Ended <u>July 27, 2024</u>	Six Months Ended <u>July 29, 2023</u>
Contract revenues	\$ 1,203,059	\$ 1,041,535	\$ 2,345,482	\$ 2,087,009
Costs of earned revenues, excluding depreciation and amortization	952,882	830,409	1,874,518	1,683,775
General and administrative ¹	99,583	84,832	194,138	167,188
Depreciation and amortization	46,572	37,993	91,777	75,265
Total	1,099,037	953,234	2,160,433	1,926,228
Interest expense, net	(14,657)	(12,277)	(27,490)	(23,649)
Loss on debt extinguishment ²	(965)	—	(965)	—
Other income, net	6,419	5,731	15,669	10,722
Income before income taxes	94,819	81,755	172,263	147,854
Provision for income taxes ³	26,419	21,509	41,309	36,085
Net income	<u>\$ 68,400</u>	<u>\$ 60,246</u>	<u>\$ 130,954</u>	<u>\$ 111,769</u>
Earnings per common share:				
Basic earnings per common share	<u>\$ 2.35</u>	<u>\$ 2.05</u>	<u>\$ 4.50</u>	<u>\$ 3.81</u>
Diluted earnings per common share	<u>\$ 2.32</u>	<u>\$ 2.03</u>	<u>\$ 4.44</u>	<u>\$ 3.76</u>
Shares used in computing earnings per common share:				
Basic	<u>29,096,224</u>	<u>29,328,218</u>	<u>29,105,081</u>	<u>29,348,700</u>
Diluted	<u>29,435,895</u>	<u>29,610,946</u>	<u>29,508,906</u>	<u>29,708,025</u>



DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO COMPARABLE GAAP FINANCIAL MEASURES

(Dollars in thousands)

Unaudited

CONTRACT REVENUES, NON-GAAP ORGANIC CONTRACT REVENUES, AND GROWTH %

	Quarter Ended July 27, 2024	Quarter Ended July 29, 2023	Six Months Ended July 27, 2024	Six Months Ended July 29, 2023
Contract Revenues - GAAP	\$ 1,203,059	\$ 1,041,535	\$ 2,345,482	\$ 2,087,009
<i>Contract Revenues - GAAP Growth %</i>	<i>15.5 %</i>		<i>12.4 %</i>	
Contract Revenues - GAAP	\$ 1,203,059	\$ 1,041,535	\$ 2,345,482	\$ 2,087,009
Revenues from acquired businesses ⁴	(65,913)	—	(137,150)	—
Non-GAAP Organic Contract Revenues	\$ 1,137,146	\$ 1,041,535	\$ 2,208,332	\$ 2,087,009
<i>Non-GAAP Organic Contract Revenues Growth %</i>	<i>9.2 %</i>		<i>5.8 %</i>	

NET INCOME AND NON-GAAP ADJUSTED EBITDA

	Quarter Ended July 27, 2024	Quarter Ended July 29, 2023	Six Months Ended July 27, 2024	Six Months Ended July 29, 2023
Reconciliation of net income to Non-GAAP Adjusted EBITDA:				
Net income	\$ 68,400	\$ 60,246	\$ 130,954	\$ 111,769
Interest expense, net	14,657	12,277	27,490	23,649
Provision for income taxes	26,419	21,509	41,309	36,085
Depreciation and amortization	46,572	37,993	91,777	75,265
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	156,048	132,025	291,530	246,768
Gain on sale of fixed assets	(8,160)	(7,558)	(20,564)	(15,374)
Stock-based compensation expense	9,482	6,323	17,305	12,942
Loss on debt extinguishment ²	965	—	965	—
Non-GAAP Adjusted EBITDA	\$ 158,335	\$ 130,790	\$ 289,236	\$ 244,336
<i>Non-GAAP Adjusted EBITDA % of contract revenues</i>	<i>13.2 %</i>	<i>12.6 %</i>	<i>12.3 %</i>	<i>11.7 %</i>



DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO COMPARABLE GAAP FINANCIAL MEASURES (CONTINUED)

(Dollars in thousands, except share amounts)

Unaudited

NET INCOME, NON-GAAP ADJUSTED NET INCOME, DILUTED EARNINGS PER COMMON SHARE, AND NON-GAAP ADJUSTED DILUTED EARNINGS PER COMMON SHARE

	Quarter Ended <u>July 27, 2024</u>	Quarter Ended <u>July 29, 2023</u>	Six Months Ended <u>July 27, 2024</u>	Six Months Ended <u>July 29, 2023</u>
Reconciliation of net income to Non-GAAP Adjusted Net Income:				
Net income	\$ 68,400	\$ 60,246	\$ 130,954	\$ 111,769
Pre-Tax Adjustments:				
Loss on debt extinguishment ²	965	—	965	—
Stock-based compensation modification ⁵	2,231	—	2,231	—
Tax Adjustments:				
Tax impact of pre-tax adjustments	899	—	899	—
Total adjustments, net of tax	4,095	—	4,095	—
Non-GAAP Adjusted Net Income	<u>\$ 72,495</u>	<u>\$ 60,246</u>	<u>\$ 135,049</u>	<u>\$ 111,769</u>
Reconciliation of diluted earnings per common share to Non-GAAP Adjusted Diluted Earnings per Common Share:				
GAAP diluted earnings per common share	\$ 2.32	\$ 2.03	\$ 4.44	\$ 3.76
Total adjustments, net of tax	0.14	—	0.14	—
Non-GAAP Adjusted Diluted Earnings per Common Share	<u>\$ 2.46</u>	<u>\$ 2.03</u>	<u>\$ 4.58</u>	<u>\$ 3.76</u>
Shares used in computing Non-GAAP Adjusted Diluted Earnings per Common Share	<u>29,435,895</u>	<u>29,610,946</u>	<u>29,508,906</u>	<u>29,708,025</u>

Amounts in table above may not add due to rounding.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
TO COMPARABLE GAAP FINANCIAL MEASURES (CONTINUED)

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.
- *Non-GAAP Adjusted Net Income* - GAAP net income before certain non-recurring items and the related tax impact. Management believes Non-GAAP Adjusted Net Income is a helpful measure for comparing the Company's operating performance with prior periods.
- *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*:

- *Stock-based compensation modification* - During the quarter ended July 27, 2024, the Company announced its CEO succession plan and transition. In connection with this transition, the Company incurred stock-based compensation modification expense. The Company excludes the impact of the modification because the Company believes it is not indicative of its underlying results or ongoing operations.
- *Loss on debt extinguishment* - Loss on debt extinguishment includes the write-off of deferred financing fees in connection with the amendment of the Company's credit agreement during the quarter ended July 27, 2024. Management believes excluding the loss on debt extinguishment from the Company's Non-GAAP financial measures assists investors' overall understanding of the Company's current financial performance and provides management with a consistent measure for assessing the current and historical financial results.
- *Tax impact of pre-tax adjustments* - The tax impact of pre-tax adjustments reflects the Company's estimated tax impact of specific adjustments and the effective tax rate used for financial planning for the applicable period.

Notes

¹ Includes stock-based compensation expense of \$9.5 million and \$6.3 million for the quarters ended July 27, 2024 and July 29, 2023, respectively, and \$17.3 million and \$12.9 million for the six months ended July 27, 2024 and July 29, 2023, respectively.

² During quarter ended July 27, 2024, the Company recognized a loss on debt extinguishment of approximately \$1.0 million in connection with the amendment of its credit agreement.

³ Provision for income taxes includes benefits resulting from the vesting and exercise of share-based awards of approximately \$0.1 million for each of the quarters ended July 27, 2024 and July 29, 2023, and approximately \$6.0 million and \$2.8 million for the six months ended July 27, 2024 and July 29, 2023, respectively.

⁴ Amounts represent contract revenues from acquired businesses that were not owned for the full period in both the current and comparable prior periods.

⁵ During the quarter ended July 27, 2024, the Company announced its CEO succession plan and transition. In connection with this transition, the Company will incur approximately \$11.4 million of stock-based compensation modification expense through the current CEO's retirement date of November 30, 2024 related to previously issued equity awards. Of this total, approximately \$2.2 million was recognized during the quarter ended July 27, 2024.