

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 24, 2022

DYCOM INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Florida	001-10613	59-1277135
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. employer identification no.)

11780 U.S. Highway One, Suite 600
Palm Beach Gardens, FL 33408
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (561) 627-7171

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value \$0.33 1/3 per share	DY	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 24, 2022, Dycom Industries, Inc. (the “Company”) issued a press release reporting fiscal 2023 second quarter results. The Company also provided forward guidance. Additionally, on August 24, 2022, the Company made available related materials to be discussed during the Company’s webcast and conference call referred to in such press release. A copy of the press release and related conference call materials are furnished as Exhibits 99.1, 99.2, and 99.3, respectively, to this Current Report on Form 8-K and are incorporated into Item 2.02 of this Current Report on Form 8-K by reference.

The information in the preceding paragraphs, as well as Exhibits 99.1, 99.2, and 99.3, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or the Securities Act of 1933 (the “Securities Act”) if such subsequent filing specifically references this Current Report on Form 8-K.

Forward Looking Statements

This Current Report on Form 8-K, including the press release and related slide presentation and Non-GAAP reconciliations that are furnished as exhibits to this Current Report on Form 8-K, contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act. 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 press release. 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. These filings are available on a web site maintained by the Securities and Exchange Commission at <http://www.sec.gov>. The Company does not undertake any obligation to update forward-looking statements except as required by law.

Item 9.01 Financial Statement and Exhibits.

(d)	Exhibits
99.1	Press release dated August 24, 2022 by Dycom Industries, Inc. reporting fiscal 2023 second quarter results.
99.2	Slide presentation relating to the webcast and conference call to be held on August 24, 2022.
99.3	Reconciliation of Non-GAAP financial measures included in slide presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 24, 2022

DYCOM INDUSTRIES, INC.
(Registrant)

By: /s/ Ryan F. Urness

Name: Ryan F. Urness

Title: Vice President, General Counsel and Corporate Secretary



NEWS RELEASE

August 24, 2022

DYCOM INDUSTRIES, INC. ANNOUNCES FISCAL 2023 SECOND QUARTER RESULTS

Second Quarter Highlights

- **Contract revenues of \$972.3 million; 23.5% growth**
- **Non-GAAP Adjusted EBITDA of \$104.7 million**
- **Net Income of \$43.9 million, or \$1.46 per common share diluted**
- **Repurchased 104,030 common shares for \$10.0 million during the quarter**

Palm Beach Gardens, Florida, August 24, 2022 - Dycom Industries, Inc. (NYSE: DY) announced today its results for the second quarter ended July 30, 2022. Contract revenues were \$972.3 million for the quarter ended July 30, 2022, compared to \$787.6 million in the year ago period, an increase of 23.5%. Non-GAAP Adjusted EBITDA was \$104.7 million, or 10.8% of contract revenues, for the quarter ended July 30, 2022, compared to \$73.8 million, or 9.4% of contract revenues, in the year ago period.

Net income was \$43.9 million, or \$1.46 per common share diluted, for the quarter ended July 30, 2022, compared to \$18.2 million, or \$0.59 per common share diluted, in the year ago period.

During the quarter ended July 30, 2022, the Company purchased 104,030 shares of its own common stock in open market transactions for \$10.0 million at an average price of \$96.06 per share.

Year-to-Date Highlights

Contract revenues were \$1.849 billion for the six months ended July 30, 2022, compared to \$1.515 billion for the six months ended July 31, 2021. Contract revenues increased 22.3% organically after excluding \$3.9 million of contract revenues from storm restoration services in the comparable year ago period. Non-GAAP Adjusted EBITDA was \$168.4 million, or 9.1% of contract revenues, for the six months ended July 30, 2022, compared to \$117.9 million, or 7.8% of contract revenues, in the comparable year ago period.

Net income was \$63.4 million, or \$2.11 per common share diluted, for the six months ended July 30, 2022. These results include income tax benefits of \$2.7 million, or \$0.09 per common share diluted, for the vesting and exercise of share-based awards, and \$1.7 million, or \$0.05 per common share diluted, for tax credits related to a tax filing for a prior year. For the comparable year ago period, net income was \$19.1 million, or \$0.61 per common share diluted.

During the six months ended July 30, 2022, the Company purchased 304,030 shares of its own common stock in open market transactions for \$28.5 million at an average price of \$93.85 per share.

Outlook

The Company expects contract revenues for the quarter ending October 29, 2022 to increase low- to mid-teens as a percentage of contract revenues as compared to the quarter ended October 30, 2021. Non-GAAP Adjusted EBITDA as a percentage of contract revenues is expected to increase modestly for the quarter ending October 29, 2022 as compared to the quarter ended October 30, 2021. 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 2023 second quarter results on Wednesday, August 24, 2022 at 9:00 a.m. Eastern time. Interested parties may participate in the question and answer session of the conference call by registering at <https://register.vevent.com/register/Bf8912ef4c95fa46e899173079528bf98f>. 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/nkn4jebu>. A replay of the live webcast and the related materials will be available on the Company's Investor Center website at <https://ir.dycomind.com> for approximately 120 days following the event.

About Dycom Industries, Inc.

Dycom is a leading provider of specialty contracting services throughout the United States. These services include program management; planning; engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services for telecommunications providers. 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 as contemplated by the 1995 Private Securities Litigation Reform Act. These statements include those related to the outlook for the quarter ending October 29, 2022 found under the "Outlook" section of this release. 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 press release. 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.

For more information, contact:

Callie Tomasso, Investor Relations
Email: investorrelations@dycomind.com
Phone: (561) 627-7171

---Tables Follow---

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
Unaudited

	July 30, 2022	January 29, 2022
ASSETS		
Current assets:		
Cash and equivalents	\$ 120,278	\$ 310,757
Accounts receivable, net	1,118,595	895,898
Contract assets	45,715	24,539
Inventories	98,883	81,291
Income tax receivable	6,036	12,729
Other current assets	44,296	30,876
Total current assets	1,433,803	1,356,090
Property and equipment, net	312,805	294,798
Operating lease right-of-use assets	64,788	61,101
Goodwill and other intangible assets, net	366,505	374,317
Other assets	28,469	31,918
Total assets	<u>\$ 2,206,370</u>	<u>\$ 2,118,224</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 187,570	\$ 155,896
Current portion of debt	17,500	17,500
Contract liabilities	16,170	18,512
Accrued insurance claims	41,870	36,805
Operating lease liabilities	25,352	24,641
Income taxes payable	—	233
Other accrued liabilities	143,683	128,209
Total current liabilities	432,145	381,796
Long-term debt	815,332	823,251
Accrued insurance claims - non-current	45,240	48,238
Operating lease liabilities - non-current	39,276	36,519
Deferred tax liabilities, net - non-current	62,373	55,674
Other liabilities	14,988	14,202
Total liabilities	1,409,354	1,359,680
Total stockholders' equity	797,016	758,544
Total liabilities and stockholders' equity	<u>\$ 2,206,370</u>	<u>\$ 2,118,224</u>

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share amounts)
Unaudited

	Quarter Ended July 30, 2022	Quarter Ended July 31, 2021	Six Months Ended July 30, 2022	Six Months Ended July 31, 2021
Contract revenues	\$ 972,273	\$ 787,568	\$ 1,848,573	\$ 1,515,065
Costs of earned revenues, excluding depreciation and amortization	797,980	651,367	1,543,710	1,271,378
General and administrative ¹	73,336	64,730	142,716	131,740
Depreciation and amortization	35,345	38,462	71,981	77,542
Total	906,661	754,559	1,758,407	1,480,660
Interest expense, net	(9,347)	(9,334)	(18,465)	(15,211)
Loss on debt extinguishment ²	—	—	—	(62)
Other income, net	2,587	986	7,381	3,703
Income before income taxes	58,852	24,661	79,082	22,835
Provision for income taxes ³	14,996	6,496	15,690	3,772
Net income	\$ 43,856	\$ 18,165	\$ 63,392	\$ 19,063
Earnings per common share:				
Basic earnings per common share	\$ 1.48	\$ 0.60	\$ 2.14	\$ 0.62
Diluted earnings per common share	\$ 1.46	\$ 0.59	\$ 2.11	\$ 0.61
Shares used in computing earnings per common share:				
Basic	29,540,174	30,431,143	29,579,498	30,553,381
Diluted	29,943,422	30,872,506	30,021,486	31,085,985

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 %'s

	Contract Revenues - GAAP	Revenues from storm restoration services	Non-GAAP - Organic Contract Revenues	GAAP - Organic Growth %	Non-GAAP - Organic Growth %
Quarter Ended July 30, 2022	\$ 972,273	\$ —	\$ 972,273	23.5 %	23.5 %
Quarter Ended July 31, 2021	\$ 787,568	\$ —	\$ 787,568		
Six Months Ended July 30, 2022	\$ 1,848,573	\$ —	\$ 1,848,573	22.0 %	22.3 %
Six Months Ended July 31, 2021	\$ 1,515,065	\$ (3,869)	\$ 1,511,196		

NET INCOME AND NON-GAAP ADJUSTED EBITDA

	Quarter Ended July 30, 2022	Quarter Ended July 31, 2021	Six Months Ended July 30, 2022	Six Months Ended July 31, 2021
Reconciliation of net income to Non-GAAP Adjusted EBITDA:				
Net income	\$ 43,856	\$ 18,165	\$ 63,392	\$ 19,063
Interest expense, net	9,347	9,334	18,465	15,211
Provision for income taxes	14,996	6,496	15,690	3,772
Depreciation and amortization	35,345	38,462	71,981	77,542
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	103,544	72,457	169,528	115,588
Gain on sale of fixed assets	(3,467)	(992)	(8,856)	(3,844)
Stock-based compensation expense	4,630	2,309	7,758	6,049
Loss on debt extinguishment ²	—	—	—	62
Non-GAAP Adjusted EBITDA	\$ 104,707	\$ 73,774	\$ 168,430	\$ 117,855
Non-GAAP Adjusted EBITDA % of contract revenues	10.8 %	9.4 %	9.1 %	7.8 %

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.

Notes

¹ Includes stock-based compensation expense of \$4.6 million and \$2.3 million for the quarters ended July 30, 2022 and July 31, 2021, respectively, and \$7.8 million and \$6.0 million for the six months ended July 30, 2022 and July 31, 2021, respectively.

² During the six months ended July 31, 2021, the Company recognized a loss on debt extinguishment of \$0.1 million in connection with the amendment and restatement of its credit agreement maturing in April 2026.

³ Includes income tax benefits for the vesting and exercise of share-based of \$0.1 million and \$0.2 million for the quarters ended July 30, 2022 and July 31, 2021, respectively. The six months ended July 30, 2022 includes income tax benefits of \$2.7 million for the vesting and exercise of share-based awards, and \$1.7 million for tax credits related to a tax filing for a prior year. The six months ended July 31, 2021 includes income tax benefits for the vesting and exercise of share-based awards of \$2.8 million.



Quarter 2 | Fiscal 2023 Results

August 24, 2022



Participants and Agenda



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

- Q2 2023 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 quarters ending October 29, 2022 and January 28, 2023 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 August 24, 2022 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.

Q2 2023 Overview



Contract Revenues

- Contract revenues of \$972.3 million increased 23.5%

Operating Performance

- Non-GAAP Adjusted EBITDA of \$104.7 million, or 10.8% of contract revenues, compared to \$73.8 million, or 9.4% of contract revenues, in the year ago period
- Diluted earnings per common share of \$1.46, compared to \$0.59 in the year ago period

Liquidity

- Solid liquidity of \$366.3 million

Share Repurchases

- Repurchased 104,030 common shares for \$10.0 million



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
- 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

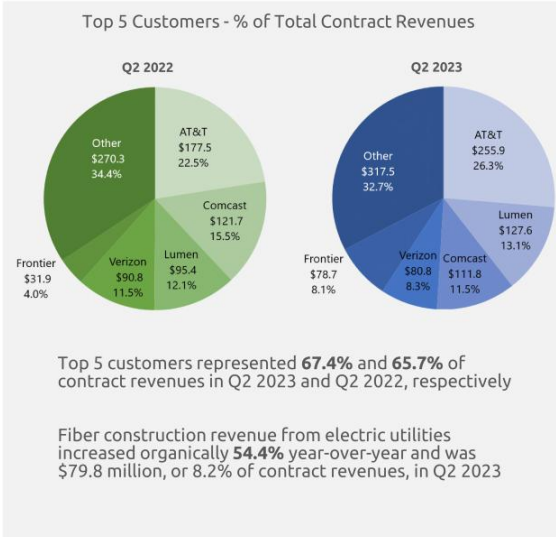
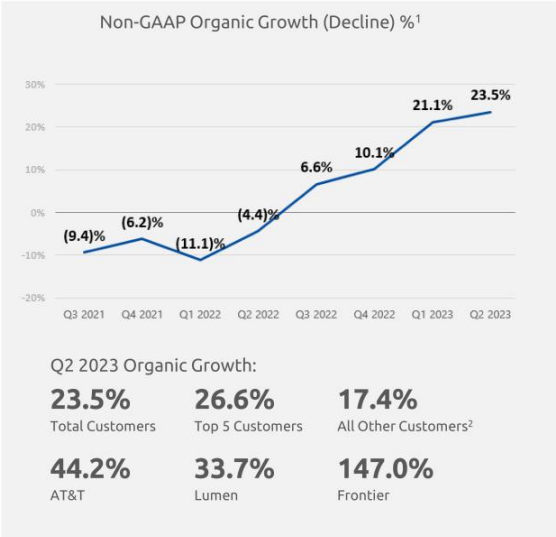
Macroeconomic effects and supply constraints may influence the near-term execution of some customer plans

Industry participants increasingly understand that cost pressures are industry-wide; several have addressed those impacts while others are expected to do so as well

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



Backlog, Awards and Employees



Backlog³



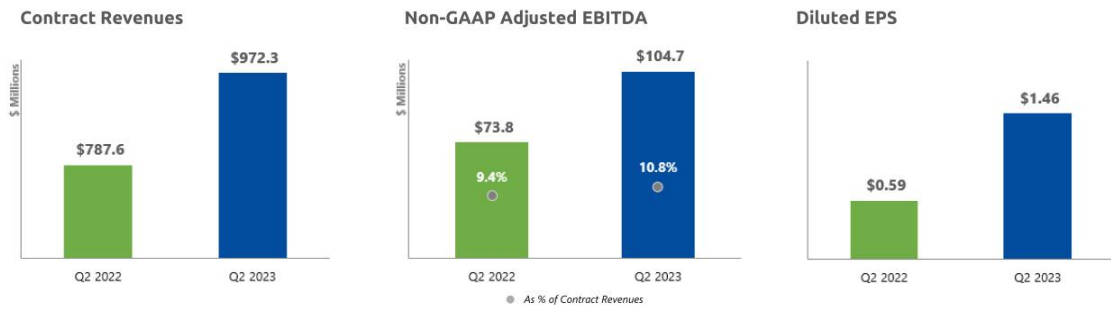
Employee Headcount



Selected Q2 2023 Awards and Extensions:

Customer	Description of Services	Area	Term
Lumen	Fiber Construction	WA, OR, AZ, CO, MN	3 years
Brightspeed	Fiber Construction	PA, NJ, VA, NC	1 year
Verizon	Construction & Maintenance	PA	3 years
Frontier	Construction & Maintenance	CA	3 years
	Fiber Construction	OH, PA	1 year
Conexon	Rural Fiber Deployments	LA	2 years

Financial Highlights



- Contract revenues of \$972.3 million increased 23.5%
- Non-GAAP Adjusted EBITDA of \$104.7 million, or 10.8% of contract revenues
- Diluted earnings per common share of \$1.46

Debt and Liquidity Overview



Debt maturity profile and liquidity provide financial flexibility

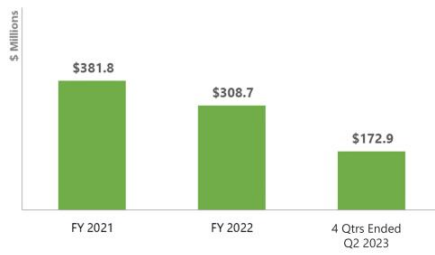
\$ Millions	Q1 2023	Q2 2023
Debt Summary		
4.50% Senior Notes, mature April 2029	\$ 500.0	\$ 500.0
Senior Credit Facility, matures April 2026: ⁴		
Term Loan Facility	345.6	341.3
Revolving Facility	-	-
Total Notional Amount of Debt	\$ 845.6	\$ 841.3
Less: Cash and Equivalents	185.6	120.3
Notional Net Debt	660.1	721.0
Liquidity⁵	\$ 309.5	\$ 366.3

- Solid liquidity of \$366.3 million at Q2 2023
- 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

Cash Flow Overview



Operating Cash Flow



\$ Millions	Q2 2022	Q2 2023
Cash Flow Summary		
Operating cash flow	\$ 17.3	\$ (12.0)
Capital expenditures, net of disposals	\$ (35.5)	\$ (39.1)
Repayments on Senior Credit Facility	\$ -	\$ (4.4)
Repurchase of common stock	\$ (50.0)	\$ (10.0)
Other financing & investing activities, net	\$ (0.4)	\$ 0.2

Days Sales Outstanding ("DSO")	Q1 2023	Q2 2023
Total DSO ⁶	105	107

- Operating cash flow used to support strong organic growth during Q2 2023
- Repurchased 104,030 common shares for \$10.0 million during Q2 2023

Q3 2023 (October 29, 2022):

CONTRACT REVENUES

Increase low- to mid-teens as a percentage of contract revenues compared to Q3 2022

NON-GAAP ADJUSTED EBITDA % OF CONTRACT REVENUES

Increase modestly compared to Q3 2022

INTEREST EXPENSE

\$10.8 million

EFFECTIVE INCOME TAX RATE

Approximately 26.5%

DILUTED SHARES

30.0 million

Q4 2023 (January 28, 2023):

CONTRACT REVENUES

Normal seasonal moderation of growth rate expected for Q4 2023

Closing Remarks



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 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 increasing this 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 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. Q2 2023 % of contract revenues for customers #6 through #10 included in All Other Customers are presented in the following table:

Customer #6	Windstream	Charter	Dominion Energy	Exelon Corporation
3.4%	2.2%	1.8%	1.5%	0.8%

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 Q1 2023 and Q2 2023, the Company had \$47.5 million of standby letters of credit outstanding under the Senior Credit Facility.
5. 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.
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.



The people connecting America®

Dycom Industries, Inc.

Non-GAAP Reconciliations

Q2 2023



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, adjusted for the additional week in the fourth quarter of fiscal 2021, as a result of the Company's 52/53 week fiscal year. 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

(Dollars in millions)

Quarter Ended					Growth (Decline)%			
	Contract Revenues - GAAP	Revenues from storm restoration services	Additional week as a result of the Company's 52/53 week fiscal year ¹	Non-GAAP - Organic Revenues	GAAP - Organic %	Non-GAAP - Organic %		
July 30, 2022	\$ 972.3	\$ —	\$ —	\$ 972.3	23.5 %	23.5 %		
July 31, 2021	\$ 787.6	\$ —	\$ —	\$ 787.6				
April 30, 2022	\$ 876.3	\$ —	\$ —	\$ 876.3	20.5 %	21.1 %		
May 1, 2021	\$ 727.5	\$ (3.9)	\$ —	\$ 723.6				
January 29, 2022	\$ 761.5	\$ —	\$ —	\$ 761.5	1.4 %	10.1 %		
January 20, 2021	\$ 750.7	\$ (5.7)	\$ (53.2)	\$ 691.8				
October 30, 2021	\$ 854.0	\$ —	\$ —	\$ 854.0	5.4 %	6.6 %		
October 24, 2020	\$ 810.3	\$ (8.9)	\$ —	\$ 801.4				
July 31, 2021	\$ 787.6	\$ —	\$ —	\$ 787.6	(4.4)%	(4.4)%		
July 25, 2020	\$ 823.9	\$ —	\$ —	\$ 823.9				
May 1, 2021	\$ 727.5	\$ (3.9)	\$ —	\$ 723.6	(10.7)%	(11.1)%		
April 25, 2020	\$ 814.3	\$ —	\$ —	\$ 814.3				
January 30, 2021	\$ 750.7	\$ (5.7)	\$ (53.2)	\$ 691.8	1.8 %	(6.2)%		
January 25, 2020	\$ 737.6	\$ —	\$ —	\$ 737.6				
October 24, 2020	\$ 810.3	\$ (8.9)	\$ —	\$ 801.4	(8.4)%	(9.4)%		
October 26, 2019	\$ 884.1	\$ —	\$ —	\$ 884.1				

Note: Amounts above may not add due to rounding.

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

Non-GAAP Adjusted EBITDA

Unaudited

(Dollars in thousands)

	Quarter Ended	
	July 30, 2022	July 31, 2021
Net income	\$ 43,856	\$ 18,165
Interest expense, net	9,347	9,334
Provision for income taxes	14,996	6,496
Depreciation and amortization	35,345	38,462
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	103,544	72,457
Gain on sale of fixed assets	(3,467)	(992)
Stock-based compensation expense	4,630	2,309
Non-GAAP Adjusted EBITDA	\$ 104,707	\$ 73,774
Non-GAAP Adjusted EBITDA % of contract revenues	10.8 %	9.4 %

Note: Amounts above may not add due to rounding.

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

¹ The Company has a 52/53 week fiscal year. All quarter periods presented contain 13 weeks except for the quarter ended January 30, 2021, which contained an additional week of operations.

The Non-GAAP adjustment for the additional week of operations for the quarter ended January 30, 2021 is calculated as (i) contract revenues less (ii) contract revenues from storm restoration services (iii) divided by 14 weeks.