

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	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	Growth (Decline)%	
					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	<u>\$ 104,707</u>	<u>\$ 73,774</u>
<i>Non-GAAP Adjusted EBITDA % of contract revenues</i>	<i>10.8 %</i>	<i>9.4 %</i>

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.