



DYCOM THE PEOPLE CONNECTING AMERICA[®]

Q2 2022 Results

September 1, 2021



Participants

Steven E. Nielsen	<i>President & Chief Executive Officer</i>
H. Andrew DeFerrari	<i>Chief Financial Officer</i>
Ryan F. Urness	<i>General Counsel</i>

Agenda

- Q2 2022 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 quarter ending October 30, 2021 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, 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 September 1, 2021 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 2022 Overview

Contract Revenues

Q2 2022 contract revenues of \$787.6 million decreased 4.4%

Operating Performance

Non-GAAP Adjusted EBITDA for Q2 2022 of \$73.8 million, or 9.4% of contract revenues, compared to \$102.7 million, or 12.5% of contract revenues, for Q2 2021

Non-GAAP Adjusted Diluted Earnings per Common Share of \$0.60 for Q2 2022, compared to \$1.18 for Q2 2021

Liquidity

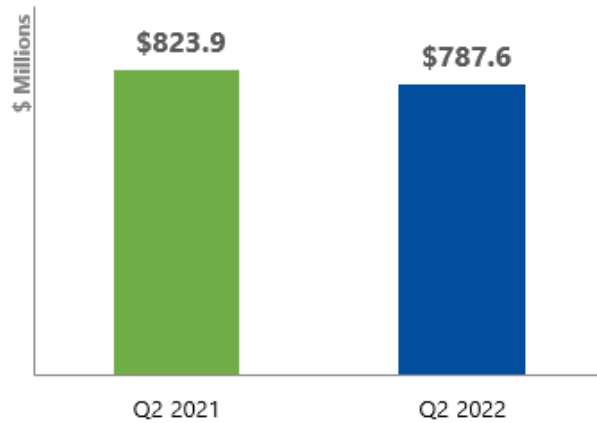
Solid liquidity of \$299.1 million at Q2 2022

Share Repurchases

Repurchased 631,638 common shares for \$50.0 million at average price of \$79.16 during Q2 2022

Subsequent to Q2 2022, we received a two-year award for fiber construction in a number of states valued at approximately \$400 to \$500 million

Contract Revenues



Non-GAAP Adjusted Diluted EPS



Industry Update

5



Industry effort to deploy high capacity fiber networks continues to meaningfully broaden our industry's set of opportunities

Major industry participants constructing or upgrading significant wireline networks across broad sections of the country generally designed to provision 1 gigabit network speeds directly to consumers or wirelessly using 5G technologies

6 of our top 10 customers have announced substantial new plans for deployments of FTTH totaling over 40 million passings; one key customer recently announced plans for a strategic divestiture whose stated purpose is to increase fiber investment in both the divested and retained service territories

Increasing access to high capacity telecommunications continues to be crucial to society, especially in rural America

Wide and active participation in the FCC RDOF auction augurs well for dramatically increased rural network investment; an increasing number of states are commencing initiatives that will provide funding for telecommunications networks separate from the FCC RDOF program

Fiber network deployment opportunities are increasing

We are currently providing services for 1 gigabit full deployments and converged wireless/wireline multi-use network deployments across the country in numerous geographic areas to multiple customers, including customers who have initiated broad fiber deployments as well as customers who have resumed broad deployments

Fiber network deployment opportunities are increasing in rural America as new industry participants respond to emerging societal incentives

We continue to provide integrated planning, engineering and design, procurement and construction and maintenance services to several industry participants

Our scale and financial strength position us well to deliver valuable services to our customers

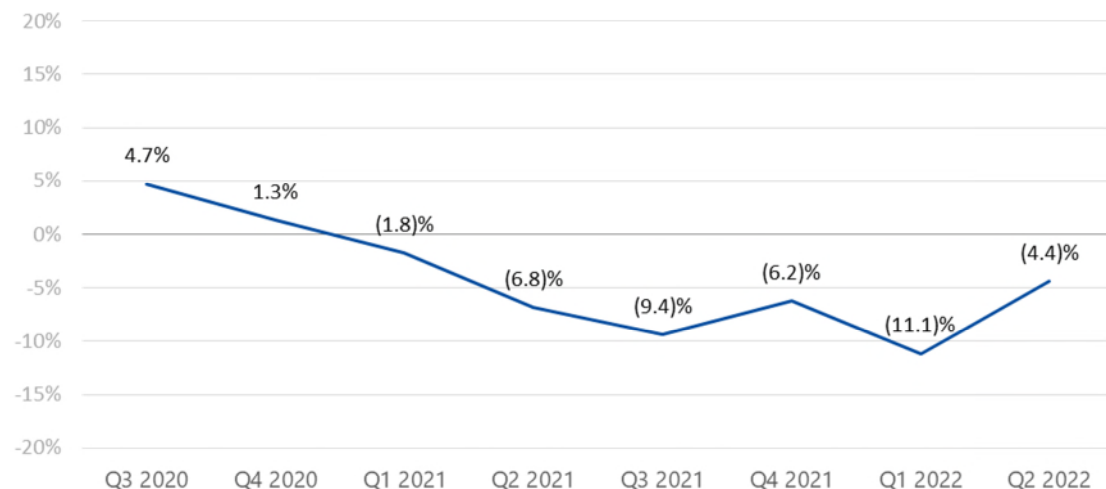
Macro-economic effects and potential supply constraints may influence the near-term execution of some customer plans

Broad increases in demand for fiber optic cable and related equipment may impact delivery lead times in the short to intermediate term

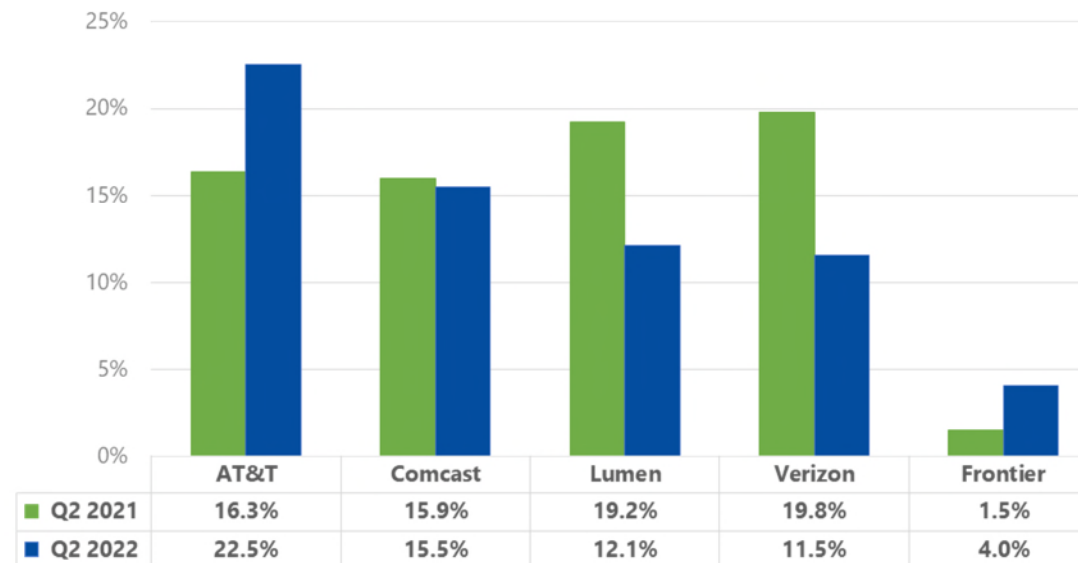
The market for labor continues to tighten in regions around the country; furthermore, the automotive supply chain is currently challenged, particularly for the large truck chassis required for specialty equipment



Non-GAAP Organic Growth (Decline) %¹



Top 5 Customers - % of Total Contract Revenues



Q2 2022 Organic Growth (Decline):

(4.4)%

Total Customers

(18.0)%

Top 5 Customers²

39.9%

All Other Customers

31.9%

AT&T

161.4%

Frontier

Top 5 customers represented **65.7%** and **76.6%** of contract revenues in Q2 2022 and Q2 2021, respectively²

Q2 2022 % of contract revenues from customers #6 through #10:

3.4%

Windstream

3.2%

Customer #7

2.2%

Charter

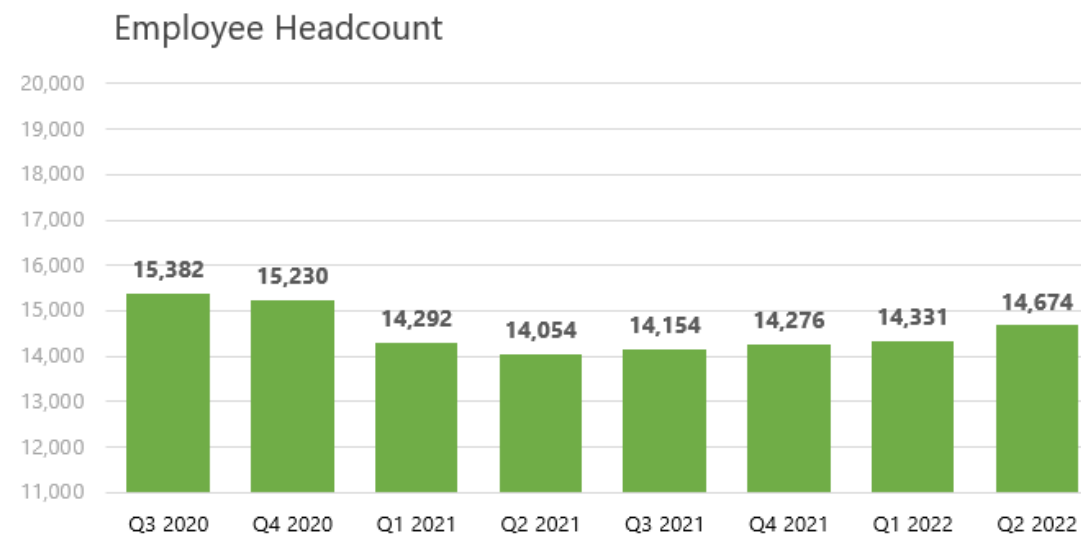
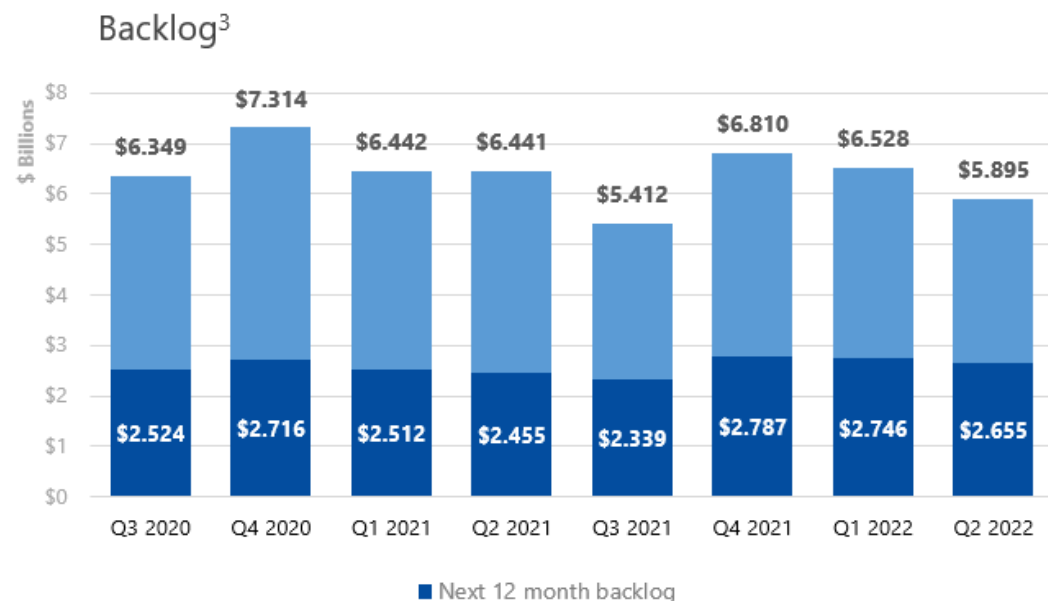
1.9%

Ziply Fiber

1.7%

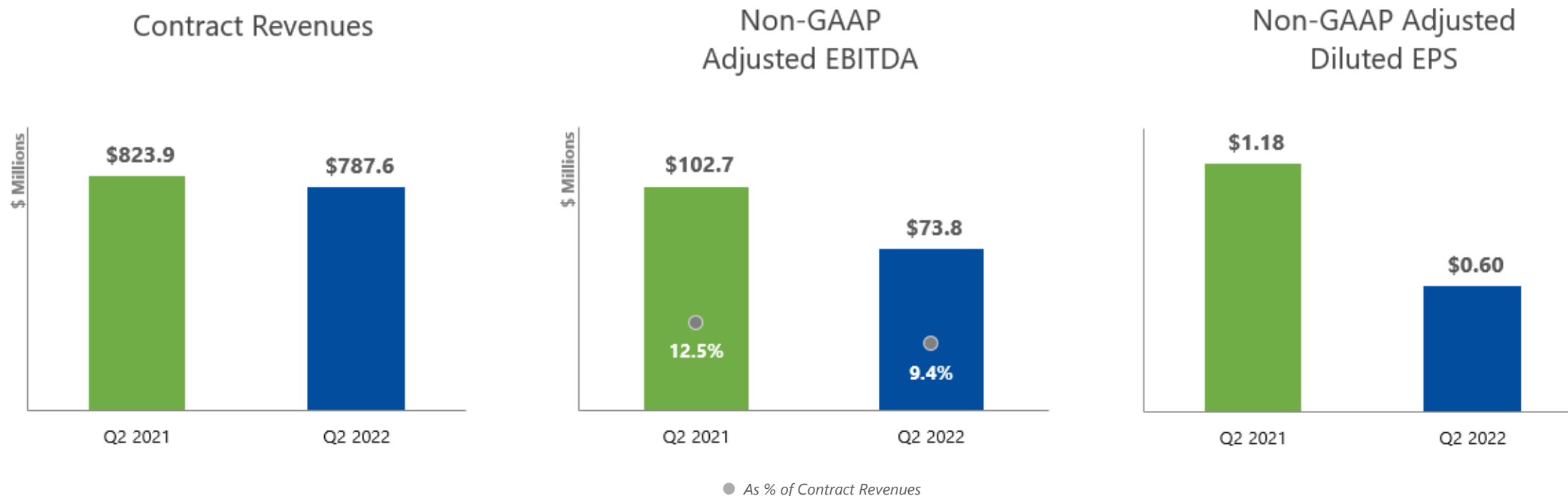
Dominion Energy

Fiber construction revenue from electric utilities increased organically **92.1%** year-over-year and was \$51.6 million, or 6.6% of contract revenues, in Q2 2022



Selected Q2 2022 Awards and Extensions:

Customer	Description of Services	Area	Term
Windstream	Construction & Maintenance	KY	3 years
AT&T	Construction & Maintenance	WI, OH	1 year
Comcast	Fulfillment	WA, IL, MI, MA, NJ, PA	1 year
Lumen	Engineering	WA, OR, ID, MT, WY, UT, AZ, CO, NJ, VA, NC	2 years
DISH Network	Wireless	NC, SC	3 years
Various Electric Utilities	Fiber Construction	MO, TN, MS, GA	1 year
Various	Rural Fiber Deployments	WI, IN, TN, SC, GA	1 year



Contact revenues of \$787.6 million in Q2 2022 decreased 4.4% compared to Q2 2021

Non-GAAP Adjusted EBITDA of \$73.8 million, or 9.4% of contract revenues, for Q2 2022

Non-GAAP Adjusted Diluted Earnings per Common Share of \$0.60 for Q2 2022



Debt and Liquidity Overview

Debt maturity profile and liquidity provide financial flexibility

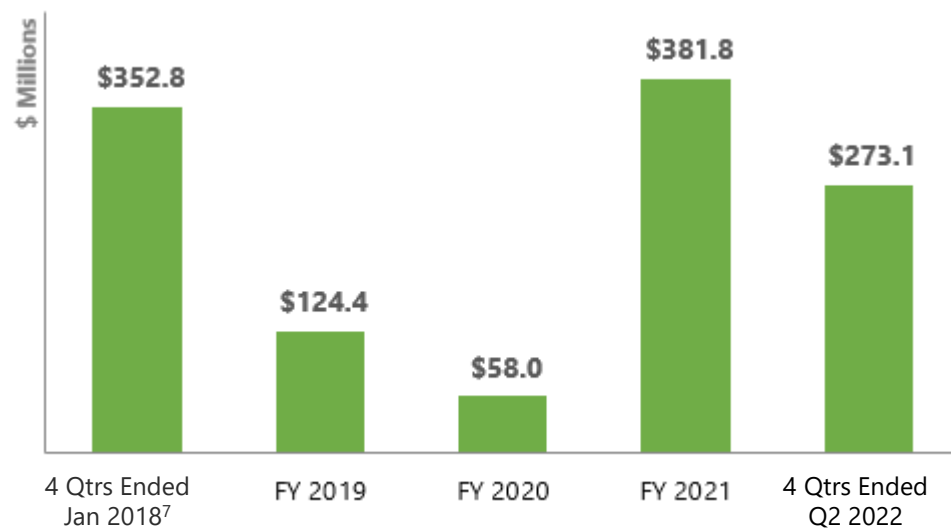
\$ Millions	Q1 2022	Q2 2022
Debt Summary		
4.50% Senior Notes, mature April 2029:	\$ 500.0	\$ 500.0
Senior Credit Facility, matures April 2026: ⁴		
Term Loan Facility	350.0	350.0
Revolving Facility	-	-
0.75% Convertible Notes, mature September 2021:	58.3	58.3
Total Notional Amount of Debt	\$ 908.3	\$ 908.3
Less: Cash and Equivalents	330.6	261.9
Notional Net Debt	\$ 577.6	\$ 646.3
 Liquidity⁵	 \$ 477.4	 \$ 299.1

Solid liquidity of \$299.1 million at Q2 2022

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



Operating Cash Flow



\$ Millions

Cash Flow Summary

	Q2 2021	Q2 2022
Operating cash flow	\$ 82.3	\$ 17.3
Capital expenditures, net of disposals	\$ (2.5)	\$ (35.5)
Repayments on Senior Credit Facility	\$ (480.6)	\$ -
Purchase of 0.75% 2021 Convertible Notes, net of Discount	\$ (223.9)	\$ -
Repurchase of common stock	\$ -	\$ (50.0)
Other financing & investing activities, net	\$ 3.4	\$ (0.4)

Days Sales Outstanding ("DSO")

	Q1 2022	Q2 2022
Total DSO ⁶	128	125

Solid operating cash flows

Capital expenditures, net of disposals, for fiscal 2022 expected to range from \$105 million to \$125 million

Repurchased 631,638 common shares for \$50.0 million, at an average price of \$79.16 per share during Q2 2022

Total DSOs of 125 days at Q2 2022 improved sequentially from 128 days at Q1 2022



Outlook for Quarter Ending October 30, 2021 (Q3 2022)

Q3 2022 Outlook:

Contract revenues

In-line as compared to Q3 2021

Non-GAAP Adjusted EBITDA % of contract revenues

Decreases as compared to Q3 2021

Year-over-year gross margin decline of approximately 125 bps and G&A increase of approximately 50 bps

Supplemental Q3 2022 Outlook Information:

Interest expense

\$8.8 million Non-GAAP Adjusted Interest Expense

Interest on the 2029 Notes, Term Loan, 2021 Convertible Notes coupon, letters of credit, bank fees for revolving credit facility capacity, amortization of debt issuance costs and other interest

\$0.3 million Non-Cash amortization of debt discount on 2021 Convertible Notes

\$9.1 million Total Interest Expense

Non-GAAP Adjusted Effective Income Tax Rate
(as a % of Non-GAAP Adjusted Income before Taxes)

Approximately 27.0%

Diluted shares

30.6 million



We maintain significant customer presence throughout our markets and are encouraged with the emerging 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 1 gigabit high speed connections and, increasingly, rural electric utilities are doing the same

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

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 beginning and expected to increase next year

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 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) Top 5 customers included AT&T, Comcast, Lumen, Verizon, and Frontier for Q2 2022, compared to Verizon, Lumen, AT&T, Comcast, and Windstream for Q2 2021.
- 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 both Q1 2022 and Q2 2022, the Company had \$46.3 million of standby letters of credit outstanding under the Senior Credit Facility.
- 5) Liquidity represents the sum of the Company's availability on its revolving facility as defined by the Company's Senior Credit Facility and available cash and equivalents.
- 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.
- 7) Due to the change in the Company's fiscal year end, the Company's fiscal 2018 six month transition period consisted of Q1 2018 and Q2 2018. Amounts provided for the Four Quarters Ended January 27, 2018 represent the aggregate of Q3 2017, Q4 2017, Q1 2018, and Q2 2018 for comparative purposes to other twelve month periods presented.