



DYCOM INDUSTRIES, INC. ANNOUNCES FISCAL 2024 SECOND QUARTER RESULTS

Second Quarter Highlights

- **Contract revenues of \$1.042 billion; 7.1% growth year over year**
- **Non-GAAP Adjusted EBITDA of \$130.8 million, or 12.6% of contract revenues**
- **Net Income of \$60.2 million, or \$2.03 per common share diluted**

Palm Beach Gardens, Florida, August 23, 2023 - Dycom Industries, Inc. (NYSE: DY) announced today its results for the second quarter ended July 29, 2023. Contract revenues were \$1.042 billion for the quarter ended July 29, 2023, compared to \$972.3 million in the year ago quarter, an increase of 7.1%. Non-GAAP Adjusted EBITDA was \$130.8 million, or 12.6% of contract revenues, for the quarter ended July 29, 2023, compared to \$104.7 million, or 10.8% of contract revenues, in the year ago quarter.

Net income was \$60.2 million, or \$2.03 per common share diluted, for the quarter ended July 29, 2023, compared to \$43.9 million, or \$1.46 per common share diluted, in the year ago quarter.

Year-to-Date Highlights

Contract revenues were \$2.087 billion for the six months ended July 29, 2023, compared to \$1.849 billion for the comparable year ago period, an increase of 12.9%. Non-GAAP Adjusted EBITDA was \$244.3 million, or 11.7% of contract revenues, for the six months ended July 29, 2023, compared to \$168.4 million, or 9.1% of contract revenues, in the comparable year ago period.

Net income was \$111.8 million, or \$3.76 per common share diluted, for the six months ended July 29, 2023, compared to \$63.4 million, or \$2.11 per common share diluted, for the comparable year ago period.

During the six months ended July 29, 2023, the Company purchased 225,000 shares of its own common stock in open market transactions for \$20.3 million at an average price of \$90.21 per share.

Outlook

The Company expects organic contract revenues for the quarter ending October 28, 2023 to be in line with contract revenues for the quarter ended October 29, 2022. In addition, the Company expects approximately \$30 million of acquired contract revenues for the quarter ending October 28, 2023. Non-GAAP Adjusted EBITDA as a percentage of contract revenues for the quarter ending October 28, 2023 is expected to increase 50 to 100 basis points as compared to the quarter ended October 29, 2022. 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 2024 second quarter results on Wednesday, August 23, 2023 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/B1288e769471ed45fd907adb9c35fcd006>. 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/gexod6ui>. 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 28, 2023, 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

	<u>July 29, 2023</u>	<u>January 28, 2023</u>
ASSETS		
Current assets:		
Cash and equivalents	\$ 83,377	\$ 224,186
Accounts receivable, net	1,214,450	1,067,013
Contract assets	77,254	43,932
Inventories	117,225	114,972
Income tax receivable	10,659	3,929
Other current assets	52,282	38,648
Total current assets	<u>1,555,247</u>	<u>1,492,680</u>
Property and equipment, net	393,233	367,852
Operating lease right-of-use assets	72,790	67,240
Goodwill and other intangible assets, net	352,132	359,111
Other assets	22,199	26,371
Total assets	<u>\$ 2,395,601</u>	<u>\$ 2,313,254</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 204,776	\$ 207,739
Current portion of debt	17,500	17,500
Contract liabilities	20,864	19,512
Accrued insurance claims	45,225	41,043
Operating lease liabilities	29,348	27,527
Income taxes payable	—	14,896
Other accrued liabilities	141,733	141,334
Total current liabilities	459,446	469,551
Long-term debt	799,395	807,367
Accrued insurance claims - non-current	49,293	49,347
Operating lease liabilities - non-current	43,213	39,628
Deferred tax liabilities, net - non-current	61,177	60,205
Other liabilities	19,031	18,401
Total liabilities	<u>1,431,555</u>	<u>1,444,499</u>
Total stockholders' equity	964,046	868,755
Total liabilities and stockholders' equity	<u>\$ 2,395,601</u>	<u>\$ 2,313,254</u>



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

	Quarter Ended July 29, 2023	Quarter Ended July 30, 2022	Six Months Ended July 29, 2023	Six Months Ended July 30, 2022
Contract revenues	\$ 1,041,535	\$ 972,273	\$ 2,087,009	\$ 1,848,573
Costs of earned revenues, excluding depreciation and amortization	830,409	797,980	1,683,775	1,543,710
General and administrative ¹	84,832	73,336	167,188	142,716
Depreciation and amortization	37,993	35,345	75,265	71,981
Total	953,234	906,661	1,926,228	1,758,407
Interest expense, net	(12,277)	(9,347)	(23,649)	(18,465)
Other income, net	5,731	2,587	10,722	7,381
Income before income taxes	81,755	58,852	147,854	79,082
Provision for income taxes ²	21,509	14,996	36,085	15,690
Net income	<u>\$ 60,246</u>	<u>\$ 43,856</u>	<u>\$ 111,769</u>	<u>\$ 63,392</u>
Earnings per common share:				
Basic earnings per common share	<u>\$ 2.05</u>	<u>\$ 1.48</u>	<u>\$ 3.81</u>	<u>\$ 2.14</u>
Diluted earnings per common share	<u>\$ 2.03</u>	<u>\$ 1.46</u>	<u>\$ 3.76</u>	<u>\$ 2.11</u>
Shares used in computing earnings per common share:				
Basic	<u>29,328,218</u>	<u>29,540,174</u>	<u>29,348,700</u>	<u>29,579,498</u>
Diluted	<u>29,610,946</u>	<u>29,943,422</u>	<u>29,708,025</u>	<u>30,021,486</u>



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

(Dollars in thousands)

Unaudited

NET INCOME AND NON-GAAP ADJUSTED EBITDA

	Quarter Ended July 29, 2023	Quarter Ended July 30, 2022	Six Months Ended July 29, 2023	Six Months Ended July 30, 2022
Reconciliation of net income to Non-GAAP Adjusted EBITDA:				
Net income	\$ 60,246	\$ 43,856	\$ 111,769	\$ 63,392
Interest expense, net	12,277	9,347	23,649	18,465
Provision for income taxes	21,509	14,996	36,085	15,690
Depreciation and amortization	37,993	35,345	75,265	71,981
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	132,025	103,544	246,768	169,528
Gain on sale of fixed assets	(7,558)	(3,467)	(15,374)	(8,856)
Stock-based compensation expense	6,323	4,630	12,942	7,758
Non-GAAP Adjusted EBITDA	<u>\$ 130,790</u>	<u>\$ 104,707</u>	<u>\$ 244,336</u>	<u>\$ 168,430</u>
<i>Non-GAAP Adjusted EBITDA % of contract revenues</i>	<i>12.6 %</i>	<i>10.8 %</i>	<i>11.7 %</i>	<i>9.1 %</i>

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 \$6.3 million and \$4.6 million for the quarters ended July 29, 2023 and July 30, 2022, respectively, and \$12.9 million and \$7.8 million for the six months ended July 29, 2023 and July 30, 2022, respectively.

² Net income for the quarters ended July 29, 2023 and July 30, 2022 includes income tax benefits of \$0.1 million and \$0.1 million, respectively, related to the vesting and exercise of share-based awards. Net income for the six months ended July 29, 2023 includes income tax benefits of \$2.8 million related to the vesting and exercise of share-based awards. Net income for the six months ended July 30, 2022 includes income tax benefits of \$2.7 million related to the vesting and exercise of share-based awards, and \$1.7 million for tax credits related to a tax filing for a prior year.