



WILLDAN GROUP, INC.

Q3 FY24 Earnings Call

NASDAQ: WLDN

October 31, 2024

Mike Bieber, President & CEO

Kim Early, Executive Vice President & CFO

Safe Harbor Statement – Statements in this presentation that are not purely historical, are forward-looking statements that involve risks and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Willdan's actual results could differ materially from those in any such forward-looking statements. Willdan's business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan's SEC reports including, but not limited to, the Annual Report on Form 10-K for the year ended December 29, 2023. Willdan disclaims any obligation, and does not undertake, to update or revise any forward-looking statements.

Q3'24 Key Takeaways

Results exceeded expectations

- Contract Revenue \$158M **+ 19%**
- Adjusted EBITDA \$15.2M **+ 50%**
- Adjusted EPS \$0.73 **+ 97%**
- GAAP EPS of \$0.51 **+ 364%**

YTD generated FCF/share of \$2.30

Raising all FY'24 financial targets

National demand for electricity fuels positive long-term outlook

Willdan Transitions Communities To Clean Energy & A Sustainable Future



1,725
Employees

(as of Sept. 27, 2024)



53 Offices in
25 States

(including Canada,
District of Columbia,
and Puerto Rico)

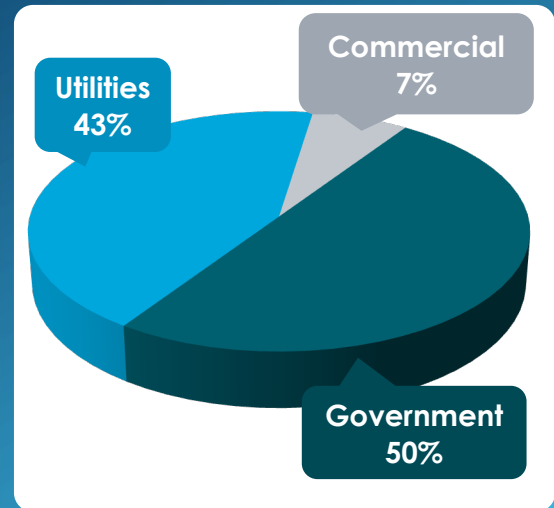


8,500 GWH and
98 MM Therms Saved
7,800,000

Metric Tons of GHG
Emissions Avoided (12/31/23)

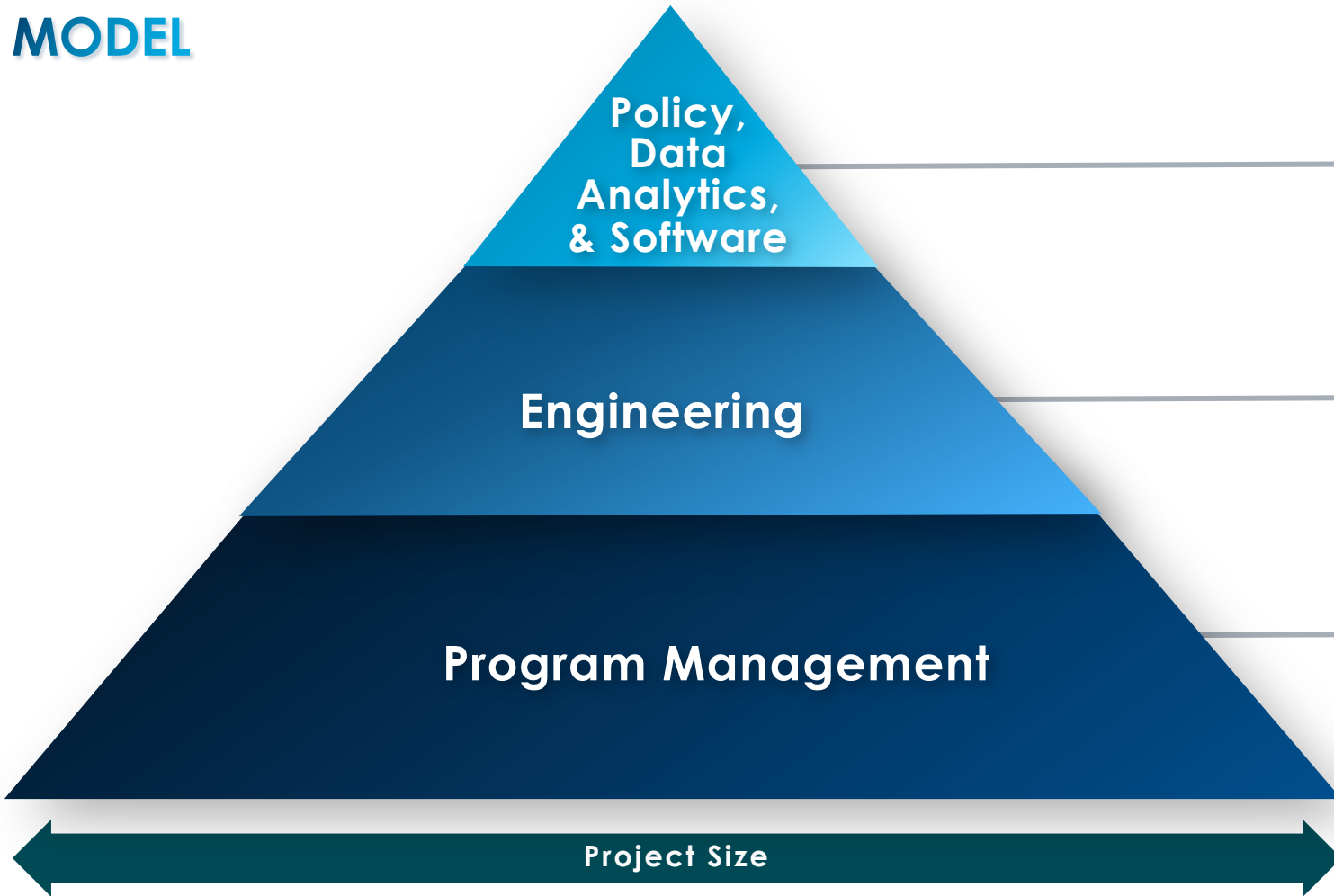
Our Customers

(as % of 9MTD'24 Revenue)



Upfront Policy Work Informs Willdan's Strategy

MODEL



Example: NYC Decarbonization

2013

Policy Work

2019

Decarbonization Implementation Plan

2024

NYPA Decarbonization Programs

Notable Wins

Since last earnings call

Client	Description
1. \$103M Clark County School District	Phase II of facility energy upgrades
2. Southern California Edison (SCE) Expansion	Commercial energy optimization program
3. \$9M New York Power Authority (NYPA)	Public building energy efficiency
4. \$11M City of Phoenix, AZ	Civil Engineering Safety and Plan Review
5. City of Bellflower, CA	Civil Engineering Safety and Plan Review
6. Several State Agencies	Regional and state renewable siting & permitting, T&D planning, and climate action plan studies

Enica Engineering Acquisition

- ▶ **Trusted** energy engineering advisor in the Northeast
- ▶ **~\$10 Million** in 2024 Revenue
- ▶ **Energy, operations, and building automation solutions**
- ▶ **Accretive** to 2025 margins, earnings, and EPS
- ▶ **Clients**

Pharmaceutical

REGENERON

 **NOVARTIS**

Private Healthcare



Memorial Sloan Kettering
Cancer Center

Higher Education
Research Institutes



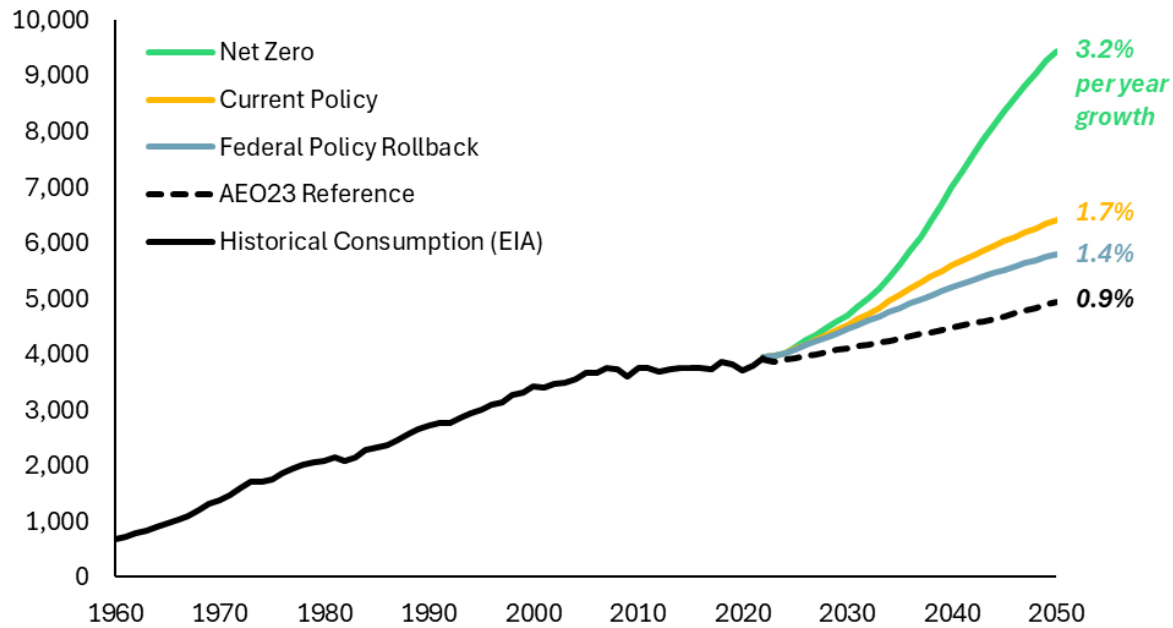
NYU

Expands our highly differentiated commercial energy consulting

Load Growth Creating Willdan Opportunities

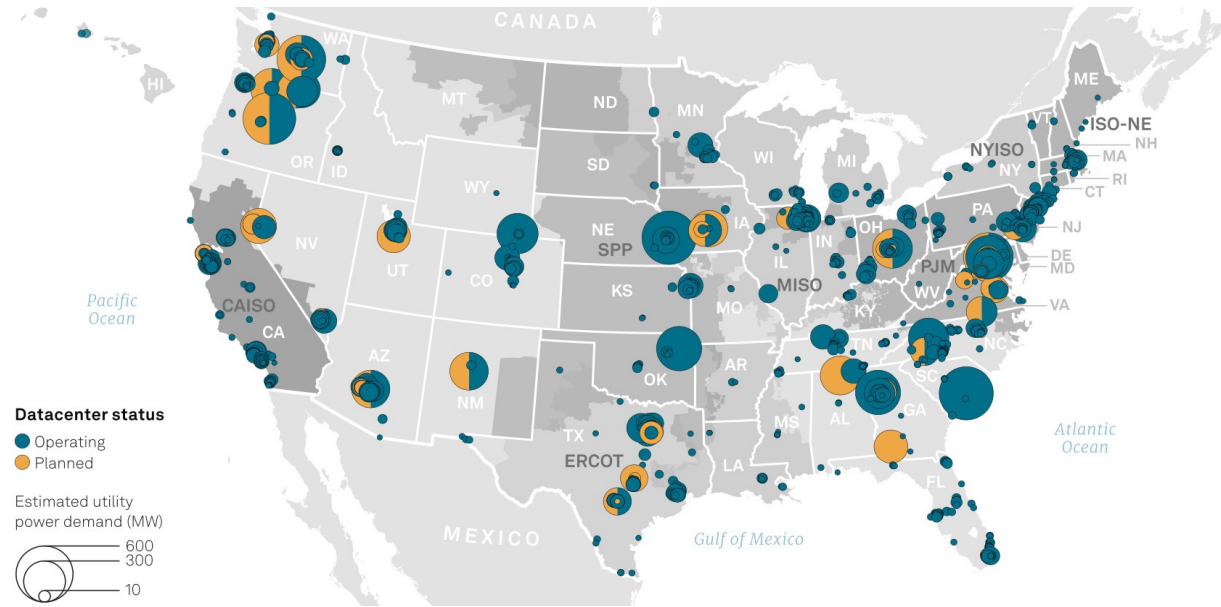
Certain Load Growth, Uncertain Speed & Scale

Total U.S. Annual Electricity Demand
Terawatt-hours (TWh)



Source: "E3 analysis, forthcoming whitepaper, 2024."

AI Expected to Drive More Power Demand from Data Centers



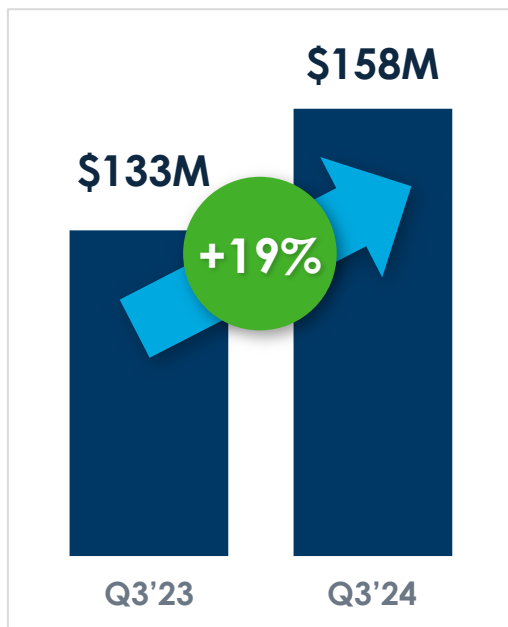
Source: S&P Global Market Intelligence; 451 Research; S&P Global Commodity Insights.

Dynamic landscape fuels positive long-term outlook

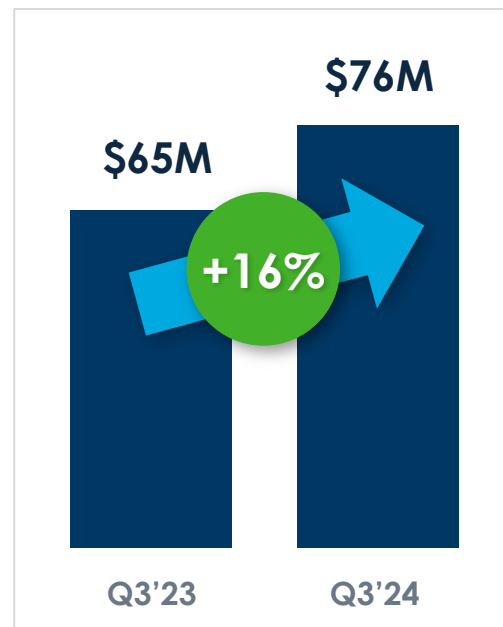
Q3'24 Key Metrics

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS

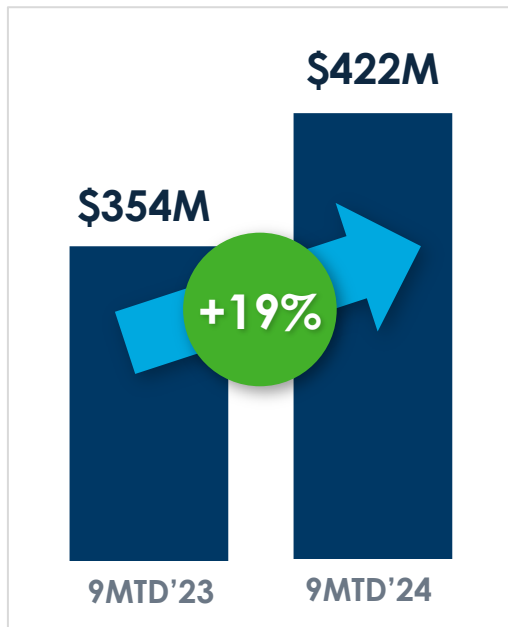


Growth in municipal engineering services, program management, and utility programs

9MTD'24 Key Metrics

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS

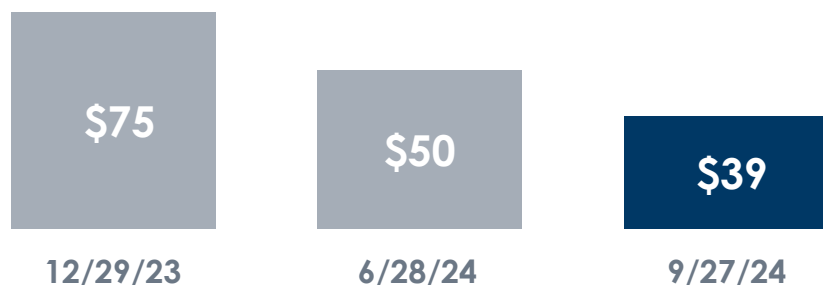


Growth in municipal engineering services, program management, and utility programs

Balance Sheet & Cash Flow

(\$ in millions, except FCF/share)

NET DEBT



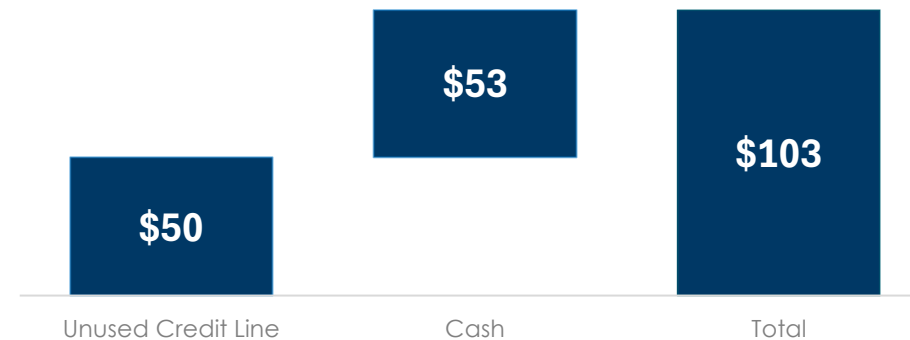
NET DEBT/ADJUSTED EBITDA TTM



FREE CASH FLOW

	Q3'23	Q3'24	9MTD'23	9MTD'24
Cash Flow From Operations	\$5	\$11	\$24	\$39
Free Cash Flow	\$3	\$9	\$16	\$33
FCF/Share	\$0.25	\$0.61	\$1.22	\$2.30

TOTAL LIQUIDITY



Strong cash flow and reduced leverage provide liquidity for investment in growth

Raising All 2024 Financial Targets

(\$ in millions, except for EPS)

- Net Revenue between **\$285-295M**
- Adjusted EBITDA between **\$52-54M**
- Adjusted Diluted EPS between **\$2.15-2.25**
- Financial Targets assume
 - Full-year effective tax rate of **14%**
 - **14.2** million average diluted common shares

A blue-tinted background image showing two hands shaking in a firm grip, symbolizing a business agreement or partnership. The text 'Q&A' is overlaid in white, bold, sans-serif font in the center of the image.

Q&A

Reconciliation of Contract to Net Revenue

(\$ in millions) <i>Note: totals may not foot due to rounding</i>	Q3'23	Q3'24	9MTD'23	9MTD'24
CONSOLIDATED				
Contract Revenue	\$132.7	\$158.3	\$354.4	\$421.7
Subcontractor services & other direct costs	67.4	82.6	165.5	204.7
Net Revenue	\$65.3	\$75.7	\$188.9	\$217.0
ENERGY SEGMENT				
Contract Revenue	\$111.0	\$134.0	\$292.3	\$352.6
Subcontractor services & other direct costs	66.4	81.8	162.5	202.0
Net Revenue	\$44.7	\$52.2	\$129.8	\$150.6
ENGINEERING & CONSULTING SEGMENT				
Contract Revenue	\$21.7	\$24.2	\$62.1	\$69.1
Subcontractor services & other direct costs	1.1	0.8	3.0	2.7
Net Revenue	\$20.6	\$23.6	\$59.1	\$66.4

Reconciliation GAAP Net Income to Adjusted EPS

<i>(\$ & shares in millions except per share amounts)</i> <i>Note: totals may not foot due to rounding</i>	Q3'23	Q3'24	9MTD'23	9MTD'24
Net Income	\$1.6	\$7.3	\$2.9	\$14.9
<i>Stock-based Compensation, net of tax</i>	1.0	1.7	3.2	4.5
<i>Intangible Amortization, net of tax</i>	2.1	1.5	6.3	4.6
<i>Refinancing Costs, net of tax</i>	0.4	-	0.4	-
Adjusted Net Income	\$5.1	\$10.5	\$12.8	\$24.0
Diluted Weighted Average Shares Outstanding	13.709	14.358	13.563	14.130
Diluted EPS	\$0.11	\$0.51	\$0.21	\$1.05
Adjusted Diluted EPS	\$0.37	\$0.73	\$0.95	\$1.70
<i>Period Growth in Adjusted Diluted EPS</i>	15.5%	20.0%	14.9%	18.0%

Reconciliation GAAP Net Income to Adjusted EBITDA

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q3'23	Q3'24	9MTD'23	9MTD'24
Net Income	\$1.6	\$7.3	\$2.9	\$14.9
Interest Expense	2.4	1.9	7.1	6.0
Income Tax Expense (Benefit)	0.7	0.2	1.7	1.9
Stock-based Compensation	1.2	2.0	4.1	5.4
Depreciation and Amortization	4.2	3.7	12.5	10.9
(Gain) Loss on Sale of Equipment	-	-	(0.1)	-
Adjusted EBITDA	\$10.1	\$15.2	\$28.2	\$39.1
Adjusted EBITDA Margin <i>(as % of Net Revenue)</i>	15.5%	20.0%	14.9%	18.0%