



# INVESTOR PRESENTATION

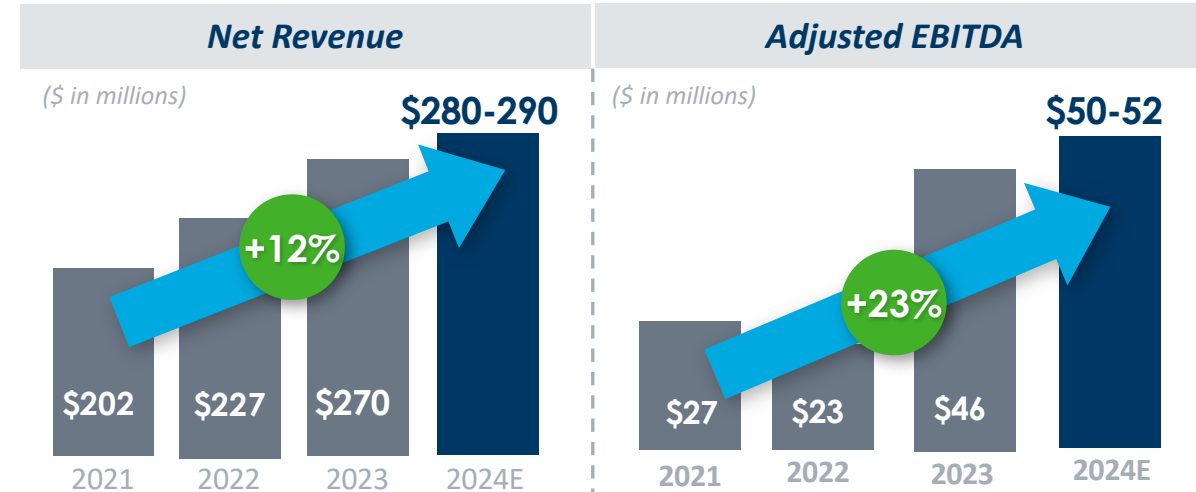
AUGUST 2024

**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.

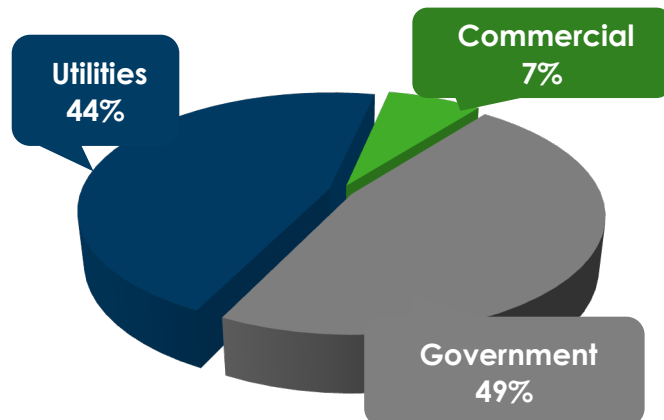


# Willdan Transitions Communities To Clean Energy & A Sustainable Future

- ❑ Policy advisory and software and data management to the energy sector
- ❑ Leading program manager for utilities driving cost and energy savings
- ❑ Long-tenured relationships providing engineering solutions to municipalities and public agencies
- ❑ Proven M&A track record with an actionable pipeline



## CUSTOMERS BY END MARKETS

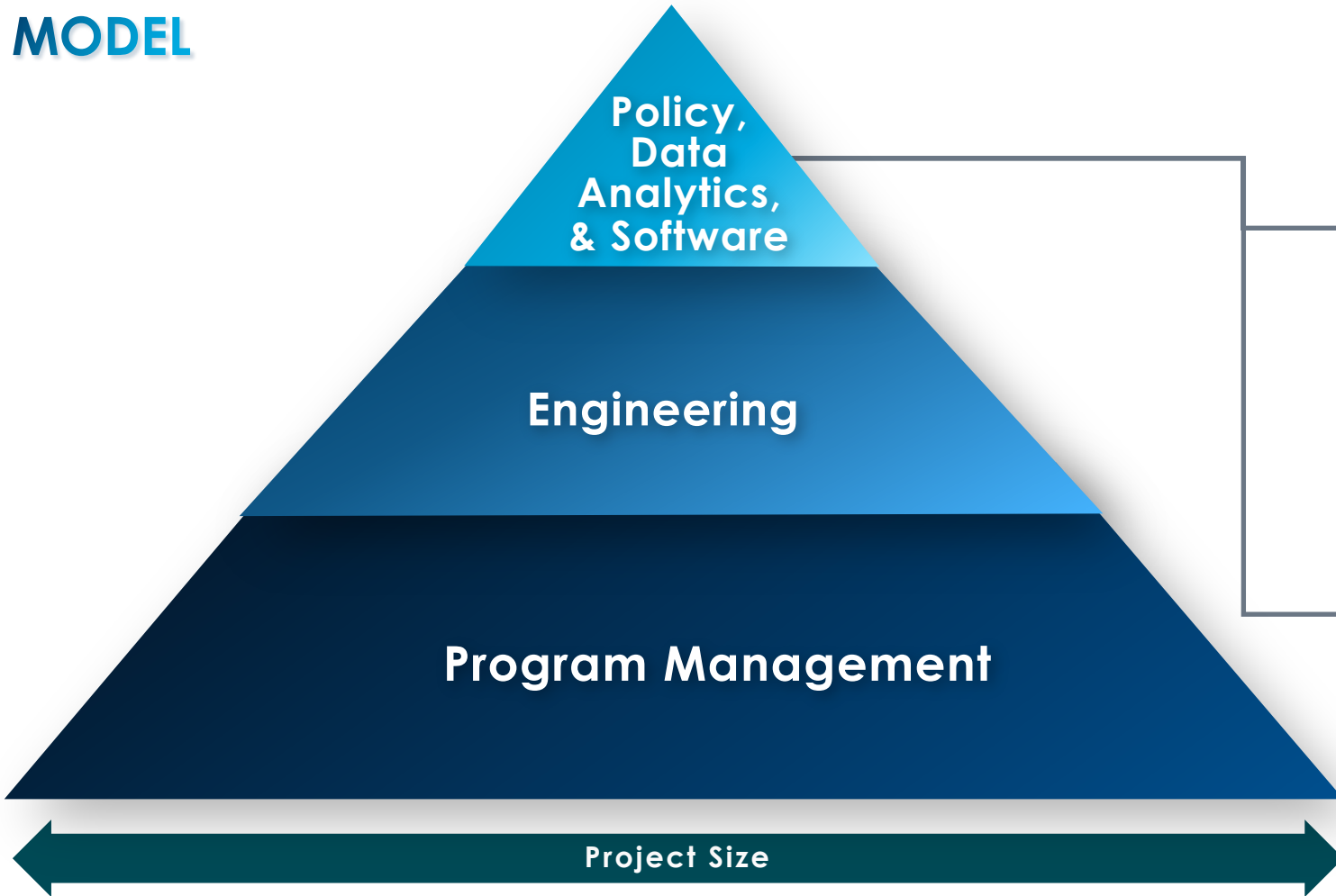


- ❑ **1,678\* Employees**  
Primarily scientists, engineers, software engineers & other technical professionals
- ❑ **25\* States**  
Including Canada, District of Columbia, and Puerto Rico
- ❑ **53\* Offices**

\* as of 6/28/24

# Upfront Policy Work Informs Willdan Strategy

## MODEL



## EXAMPLES

### New England IOU

Since 2013 - Policy & Data Analytics

2023 - Software

2024 - >\$30M Program Management

### City of Paramount, CA

Since 1973 - Consulting & Engineering

2024 - \$18M Program Management

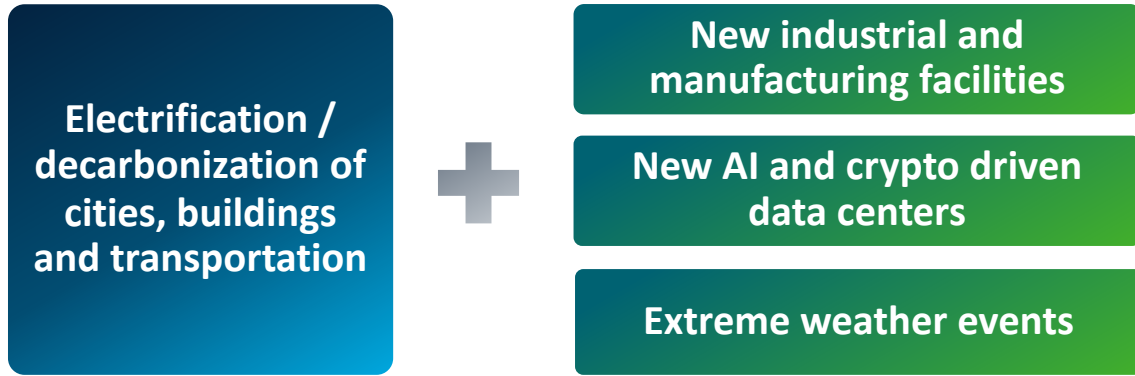
# Sample of Willdan's Long Tenured Clients



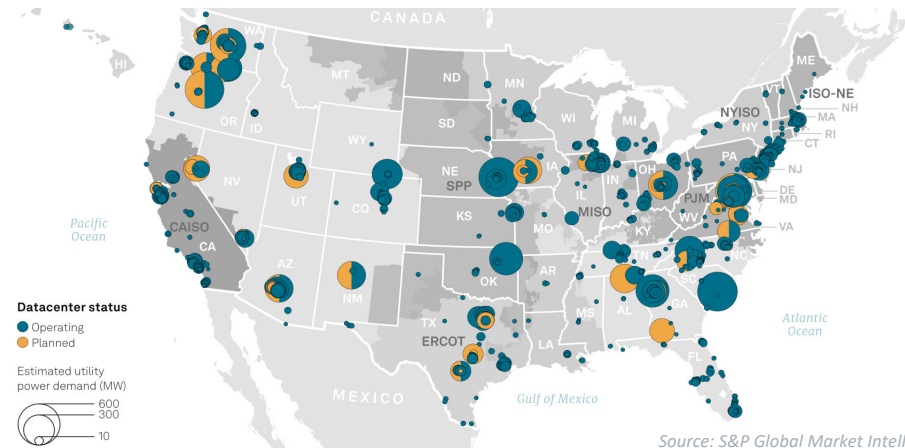


# Load Growth Creating Willdan Opportunities

## Megatrends contributing to electricity demand & load growth forecasts

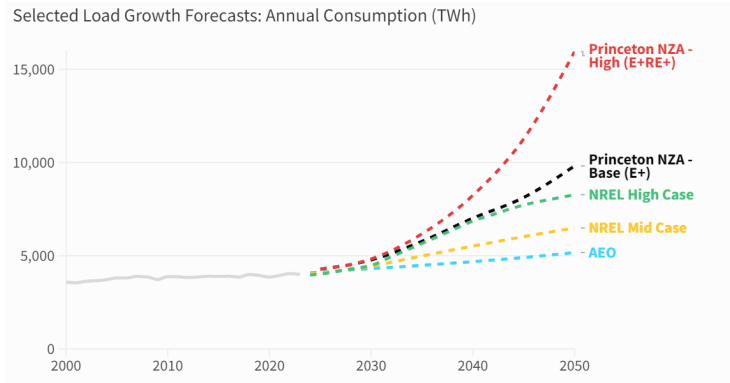


## AI is expected to drive more power demand from data centers



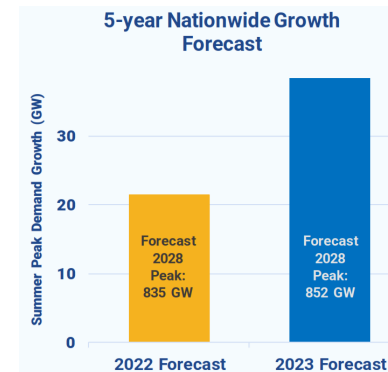
Source: S&P Global Market Intelligence; 451 Research; S&P Global Commodity Insights

## Certain Load Growth, Uncertain Speed & Scale



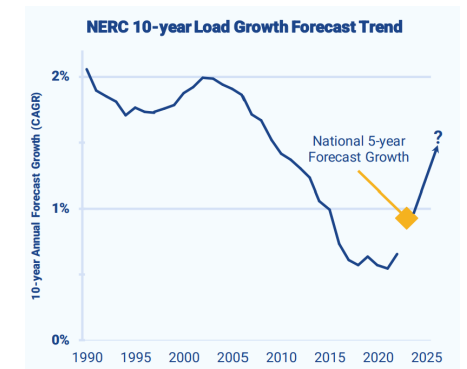
Source: U.S. Energy Information Administration (Historic), U.S. Energy Information Administration (AEO), Net-Zero America (Princeton), National Renewable Energy Laboratory (NREL).

## US forecast peak demand increased 17GWs Y/Y



Source: GridStrategies – The ERA of Flat Power Demand is Over, Dec. 2023

## Load growth forecasts being upwardly revised



Source: 2023 FERC filings

# Sample Projects

## NEW YORK CITY LOCAL LAW 97 *Decarbonization Plan*

- Created an Implementation Action Plan to decarbonize NYC government facilities
  - **40%** carbon emissions reduction by 2025
  - **50%** by 2030
- Modeled and evaluated **4,000+ NYC buildings** remotely by using B3 Benchmarking and NEO

► **Opportunity:** *Implement these NYC projects and to build action plans for other cities*

## LADWP SMALL BUSINESS PROGRAM *California Energy Efficiency*

- Implementing an energy efficiency program for the **largest municipal utility** in the nation
- **100%** union labor, direct install
- Delivered **628.6 million kWh** to small businesses and low-income communities since 2008

► **Opportunity:** *Expands relationships within City of Los Angeles and LAUSD; complements work with SCE and SoCalGas*

## CON EDISON *New York Energy Efficiency*

- Implementing commercial and multifamily programs for **one of the largest investor-owned utilities** in the nation
- Delivered **1.3 billion kWh** and **27.8 million therms** in savings to **58,000+ customers** since 2009
- Piloted Willdan's Clean Energy Academy, non-wires, and non-pipes offers

► **Opportunity:** *Testing ground for new measures and innovative approaches; strong relationship with key East Coast utility*

## CLARK COUNTY SCHOOL DISTRICT *Infrastructure & Energy Efficiency*

- Implementing energy upgrades in the 5<sup>th</sup> largest school district in the nation
- Lighting replacements, retrofits and advanced controls:
  - **74 schools**
  - Covering **~7.7m Sqft**

► **Opportunity:** *Multi-phase initiative in district and other school districts in the nation*



# Fragmented Marketplace

## Policy and Data Analytics



## Engineering



## Program Management



# Competitive Advantage - Software

## FUNCTIONALITY / MARKET

## SOFTWARE

**Building Energy Consumption Analysis**

 BENCHMARKING

 NEO  
NET ENERGY OPTIMIZER

**Load Forecasting for Power Distribution**

 LOADSEER

 IDROP

 DSMORE

**Planning, Forecasting, & Data Intelligence**

 Avoided Cost Model

 PATHWAYS Model

 FORECASTING  
ANYWHERE

**Financial**

 munimagict+

**Energy Efficiency**

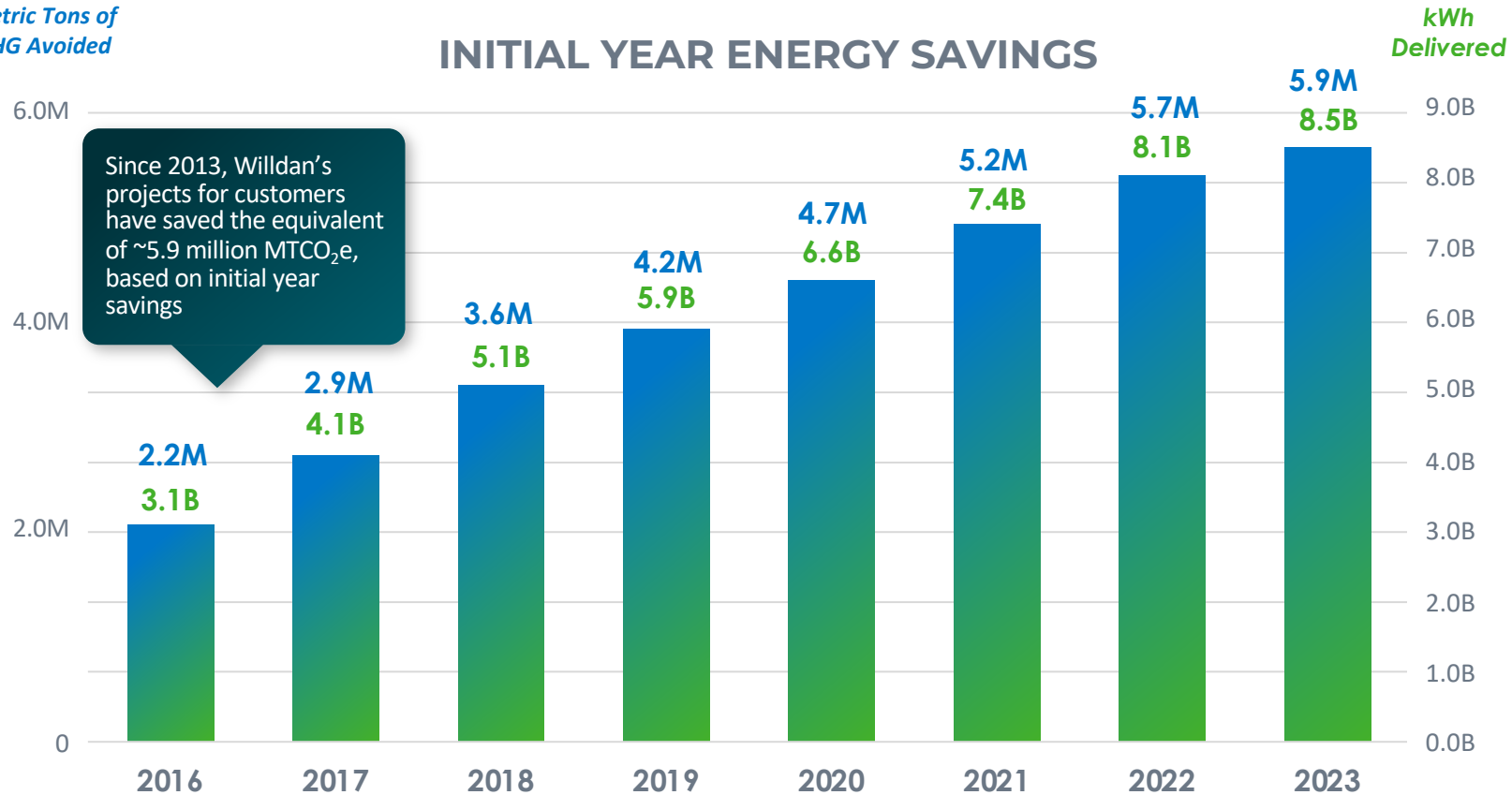
 ViewPoint



# Sustainability: Helping Customers Achieve Their Goals

Metric Tons of GHG Avoided

## INITIAL YEAR ENERGY SAVINGS



Since 2013, Willdan's projects for customers have saved the equivalent of ~5.9 million MTCO<sub>2</sub>e, based on initial year savings

- ✓ Member of the UN Global Compact
- ✓ Carbon-neutral by 2024



**1.4 million**

cars taken off the road in one year



**0.8 million**

fewer homes' electricity use for one year



**6.9 million**

more acres of U.S. forests in one year

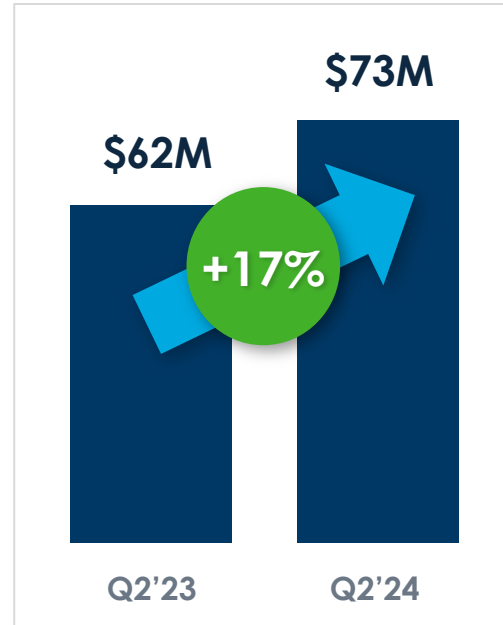
# Q2'24 Results

(\$ in millions, except for EPS)

## Contract Revenue



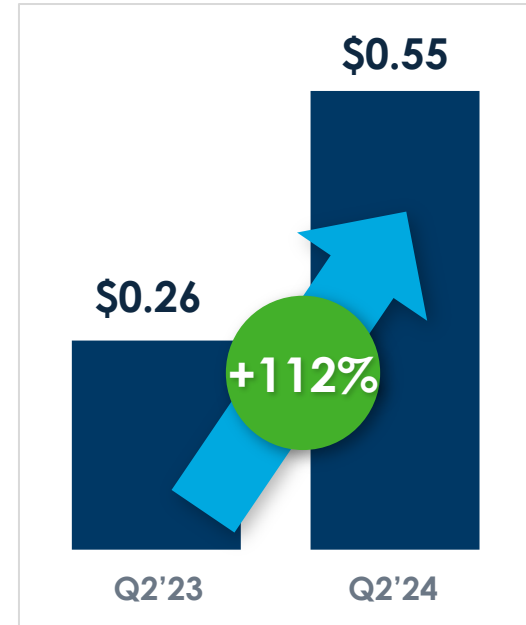
## Net Revenue



## Adjusted EBITDA



## Adjusted EPS



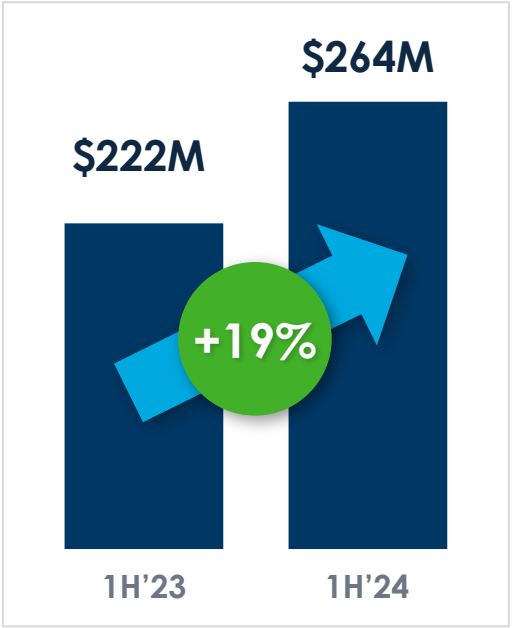
Growth in program management, utility programs, and municipal engineering services



# 1H'24 Results

(\$ in millions, except for EPS)

## Contract Revenue



## Net Revenue



## Adjusted EBITDA



## Adjusted EPS



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

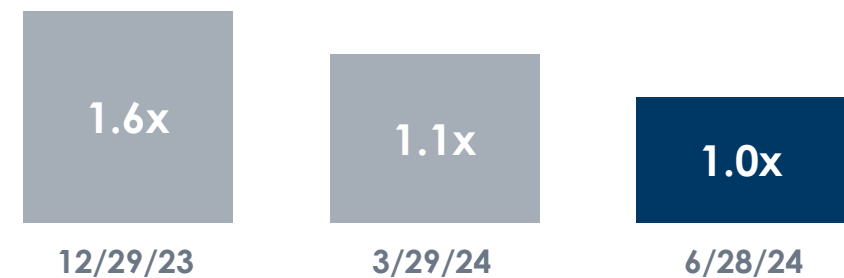
# Balance Sheet, Cash Flow & Liquidity

(\$ in millions)

## NET DEBT



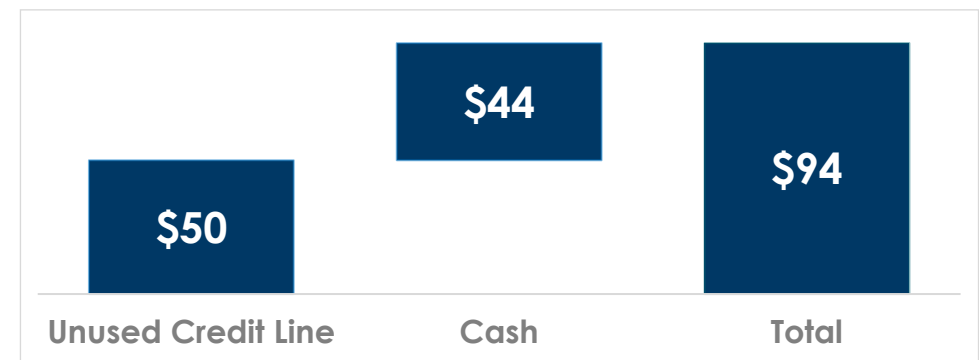
## NET DEBT / ADJUSTED EBITDA TTM



## FREE CASH FLOW

	Q2'23	Q2'24	1H'23	1H'24
Cash Flow From Operations	\$2	\$1	\$19	\$28
Less: Capital Expenditures	2	2	6	4
Free Cash Flow	\$ --	\$(1)	\$13	\$24

## TOTAL LIQUIDITY



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



# 2024 Financial Targets

*(\$ in millions , except for EPS)*

- Net Revenue between **\$280-290 million**
- Adjusted EBITDA between **\$50-52 million**
- Adjusted Diluted EPS between **\$2.00-2.10**
- Financial Targets assume
  - Full-year effective tax rate of **14%**
  - **14.2** million average diluted common shares



# Appendix

# Reconciliation of Contract Revenue to Net Revenue

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	FY2022	FY2023	Q2'23	Q2'24	1H'23	1H'24
<b>CONSOLIDATED</b>						
Contract Revenue	\$429.1	\$510.1	\$119.1	\$141.0	\$221.7	\$263.5
Subcontractor services & other direct costs	202.6	240.4	57.1	68.5	98.1	122.1
<b>Net Revenue</b>	<b>\$226.6</b>	<b>\$269.7</b>	<b>\$62.0</b>	<b>\$72.5</b>	<b>\$123.6</b>	<b>\$141.4</b>
<b>ENERGY SEGMENT</b>						
Contract Revenue	\$357.5	\$427.0	\$98.0	\$117.9	\$181.3	\$218.6
Subcontractor services & other direct costs	199.5	236.6	56.1	67.6	96.2	120.2
<b>Net Revenue</b>	<b>\$158.0</b>	<b>\$190.4</b>	<b>\$41.9</b>	<b>\$50.3</b>	<b>\$85.1</b>	<b>\$98.4</b>
<b>ENGINEERING &amp; CONSULTING SEGMENT</b>						
Contract Revenue	\$71.6	\$83.1	\$21.1	\$23.1	\$40.4	\$44.9
Subcontractor services & other direct costs	3.1	3.8	1.0	1.0	1.9	1.9
<b>Net Revenue</b>	<b>\$68.5</b>	<b>\$79.3</b>	<b>\$20.0</b>	<b>\$22.1</b>	<b>\$38.5</b>	<b>\$43.0</b>



# Reconciliation GAAP Net Income to Adjusted EPS

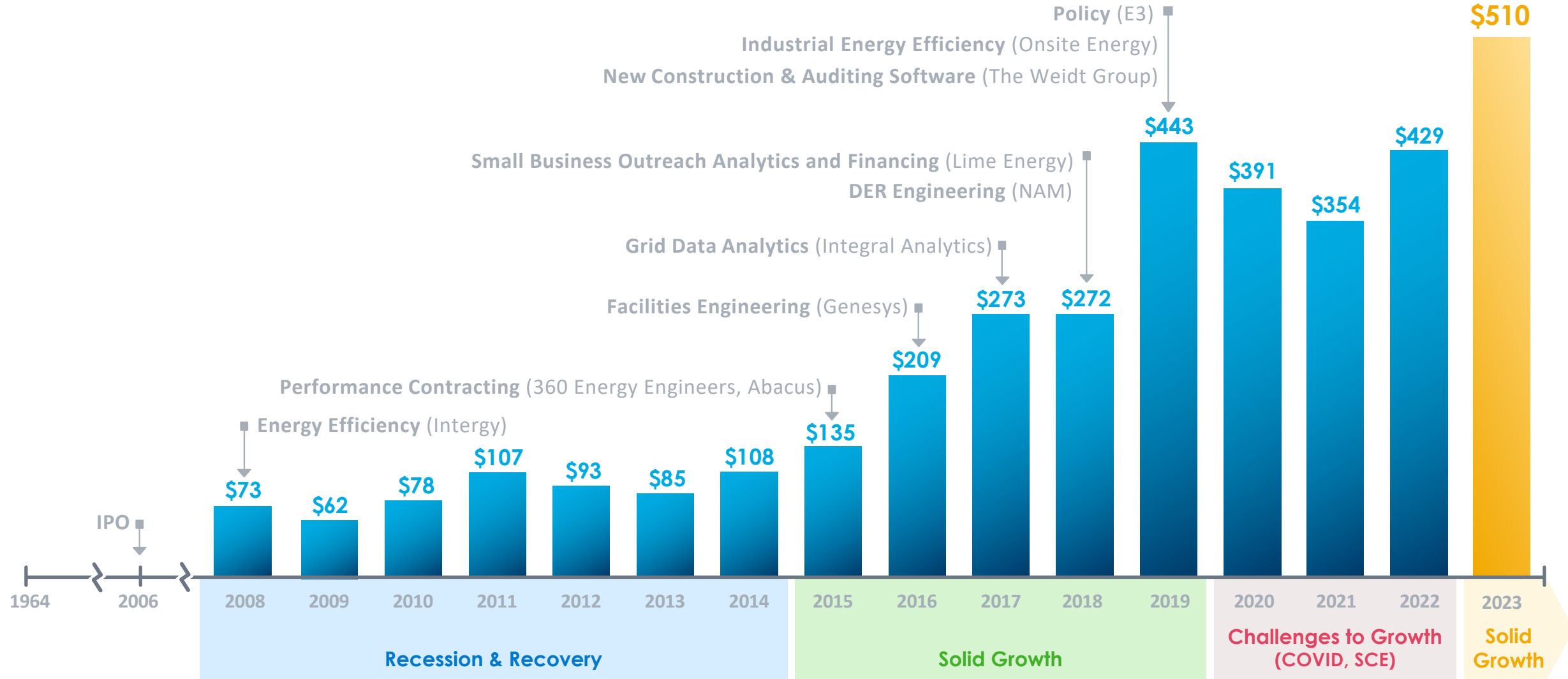
<i>(\$ &amp; shares in millions except per share amounts) Note: totals may not foot due to rounding</i>	<b>FY2022</b>	<b>FY2023</b>	<b>Q2'23</b>	<b>Q2'24</b>	<b>1H'23</b>	<b>1H'24</b>
<b>Net (Loss) Income</b>	<b>\$(8.4)</b>	<b>\$10.9</b>	<b>\$0.4</b>	<b>\$4.6</b>	<b>\$1.3</b>	<b>\$7.5</b>
<i>Stock-based Compensation, net of tax</i>	7.2	4.3	1.0	1.6	2.3	2.8
<i>Intangible Amortization, net of tax</i>	9.6	8.2	2.1	1.5	4.2	3.0
<i>Interest Accretion, net of tax</i>	2.7	-	-	-	-	-
<i>Refinancing Costs, net of tax</i>	-	0.4	-	-	-	-
<i>Tax Benefit Distribution, net of tax</i>	0.4	-	-	-	-	-
<b>Adjusted Net Income</b>	<b>\$11.5</b>	<b>\$23.8</b>	<b>\$3.5</b>	<b>\$7.7</b>	<b>\$7.8</b>	<b>\$13.3</b>
Diluted Weighted Average Shares Outstanding	13.013	13.606	13.487	14.074	13.481	14.001
Diluted (Loss) Earnings Per Share	\$(0.65)	\$0.80	\$0.03	\$0.33	\$0.10	\$0.54
<b>Adjusted Diluted EPS</b>	<b>\$0.88</b>	<b>\$1.75</b>	<b>\$0.26</b>	<b>\$0.55</b>	<b>\$0.58</b>	<b>\$0.95</b>

# Reconciliation GAAP Net Income to Adjusted EBITDA

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	<b>FY2022</b>	<b>FY2023</b>	<b>Q2'23</b>	<b>Q2'24</b>	<b>1H'23</b>	<b>1H'24</b>
<b>Net (Loss) Income</b>	\$ (8.4)	\$ 10.9	\$ 0.4	\$ 4.6	\$ 1.3	\$ 7.5
Interest Expense	5.3	9.4	2.2	2.0	4.7	4.1
Income Tax (Benefit) Expense	(3.0)	3.7	0.2	0.7	1.0	1.7
Stock-based Compensation	8.4	5.3	1.3	1.9	2.8	3.3
Interest Accretion	3.2	-	-	-	-	-
Depreciation and Amortization	17.5	16.4	4.1	3.6	8.3	7.2
(Gain) on Sale of Equipment	(0.1)	(0.1)	-	-	-	-
Tax Benefit Distribution	0.4	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$23.3</b>	<b>\$45.6</b>	<b>\$8.2</b>	<b>\$12.8</b>	<b>\$18.1</b>	<b>\$23.9</b>
<b>Adjusted EBITDA Margin</b> <i>(as % of Net Revenue)</i>	<b>10.3%</b>	<b>16.9%</b>	<b>13.3%</b>	<b>17.7%</b>	<b>14.6%</b>	<b>16.9%</b>

# History of Expanding Our Capabilities

(\$ in millions)





# Definition of Terms

**NET REVENUE** – Contract Revenue less Subcontractor Services and Other Direct Costs

**ADJUSTED EBITDA** – Net Income plus Interest Expense, Income Tax Expense (Benefit), Stock-Based Compensation, Interest Accretion, Depreciation and Amortization, Gain (Loss) On Sale of Equipment, and Tax Benefit Distribution

**ADJUSTED EBITDA MARGIN** – Adjusted EBITDA divided by Net Revenue

**ADJUSTED DILUTED EPS** – Net Income plus Stock-Based Compensation, Intangible Amortization and Transaction Costs, Net of Tax, all divided by the Diluted Weighted-Average Shares Outstanding and is a non-GAAP financial measure



## INVESTOR RELATIONS

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