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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **June 20, 2014**

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**WILLDAN GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of other jurisdiction  
of incorporation)

**001-33076**  
(Commission File Number)

**14-1951112**  
(IRS Employer  
Identification No.)

**2401 East Katella Avenue, Suite 300, Anaheim, California 92806**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 424-9144**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
  - Soliciting material pursuant to Rule 14A-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

On June 20, 2014, Willdan Group, Inc. ("Willdan") issued a press release outlining Willdan's growth strategy and announcing financial targets for the upcoming three-year period. A copy of the press release is furnished as Exhibit 99.1 hereto.

Additionally, Willdan has prepared materials for investors and other business information in advance of investor and analyst meetings during the weeks of June 16, 2014 and June 23, 2014. A copy of these materials is furnished as Exhibit 99.2 hereto.

The information in this item 7.01 and the attached Exhibits 99.1 and 99.2 to this Current Report on Form 8-K are furnished (not filed) pursuant to Regulation FD.

This Current Report on Form 8-K contains forward-looking statements, which involve risk and uncertainties. The words "believe," "expect," "estimate," "may," "will," "could," "plan," or "continue" and similar expressions are intended to identify forward-looking statements. Willdan's actual results could differ significantly from the results discussed in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed under the heading "Risk Factors" in Willdan's Annual Report on Form 10-K for the year ended December 27, 2013. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. Willdan undertakes no obligation to (and expressly disclaims any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Current Report on Form 8-K.

**Item 9.01. Exhibits.**

Exhibit 99.1 Press Release of Willdan Group, Inc.  
Exhibit 99.2 Investor presentation of Willdan Group, Inc.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WILLDAN GROUP, INC.

Date: June 20, 2014

By: /s/ Stacy B. McLaughlin  
Stacy B. McLaughlin  
Chief Financial Officer

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**Exhibit Index**

99.1 Press Release of Willdan Group, Inc.  
99.2 Investor presentation of Willdan Group, Inc.

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## Willdan Outlines Strategy and Targets for Continued Growth and Profitability

**ANAHEIM, Calif., June 20, 2014** — Willdan Group, Inc. (NASDAQ: WLDN), a leading nationwide provider of value-added professional technical and consulting services, announced today financial targets for the upcoming three-year period based on key strategies that position Willdan for sustained profitable growth. The announcement was made in advance of a series of investor and analyst meetings that Willdan is holding during the weeks of June 16, 2014 and June 23, 2014.

Below are Willdan's financial targets for the next three years:

- Annual contract revenue growth of up to 15% (organic and acquisitive growth combined)
- Gross margin of 40% to 45%
- Adjusted EBITDA margin of 5% to 10%
- Accounts receivable days outstanding of 70 to 75

“Over the past several years, we have diversified our service offerings while expanding our geographic reach,” said Willdan's Chief Executive Officer Tom Brisbin. “The result has been an upsurge in revenue opportunities across all practice areas and geographic regions, coupled with a reduction in our overall risk profile. These actions have secured a solid foundation for Willdan's continued profitability and future growth.

The majority of growth will come from our two major business segments - Engineering Services and Energy Efficiency Services — which, in 2013, cumulatively accounted for 83% of our total revenue. In our Energy Efficiency Services segment we will benefit from our demonstrated track record of implementing successful energy efficiency projects that reduce expenses, energy requirements, and carbon footprint. In our Engineering Services segment, our team has done an outstanding job of leveraging our capabilities to win services contracts for large, long-term projects that will drive growth and provide better visibility into project backlog,” he added.

“We have also made good headway in diversifying projects and expanding into new geographies with our homeland security and public finance services businesses. In our Public Finance Services segment, we have focused on exporting our public finance expertise to new end markets and geographies in recent years. In our Homeland Security Services segment, protection for civil infrastructure and public security measures are high priorities at all levels of the government, creating strong demand for our emergency response training solutions.

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Financially, we have made great strides in reducing our operating expenses and accelerating our cash conversion cycle. We remain focused on continuing expense reductions companywide—from managing contract profitably at the project level to renegotiating more favorable leases for buildings and equipment.

We have a strong balance sheet to support organic growth as well as the potential for selective tuck-in acquisitions that could strategically expand our geographic footprint, broaden our service offerings and improve our competitive position,” Brisbin continued. “All of this gives me confidence that our net income for 2014 will exceed the \$2.6 million we reported for 2013 and that we will meet our stated three-year targets for contract revenue growth, gross margin and EBITDA margin.”

As of March 28, 2014, Willdan's cash and cash equivalents totaled \$12.7 million and there was no debt on the balance sheet. Willdan's primary sources of liquidity are cash generated from operations and a revolving \$7.5 million line of credit with BMO Harris Bank, N.A., which is undrawn as of the same date.

### Business Growth Drivers

Key drivers of Willdan's projected growth include:

*An expanding market for energy services:* The nation's large and growing market for energy services is being driven by high energy costs, growing global environmental concerns, increased social awareness, and adoption of green building standards. The public sector must comply with legislated energy reduction mandates, and the private sector is self-imposing sustainability goals and initiatives. All of these factors are driving new opportunities for energy efficiency and green building. Willdan provides comprehensive energy solutions from front-end consulting and planning through implementation and performance evaluation. As a pioneer in the industry, our energy efficiency services segment has a first-mover advantage and has amassed a significant base of technical expertise and direct experience working on some of the highest profile projects for the nation's leading utilities, including Con Edison, Southern California Edison and San Diego Gas and Electric, as well as providing direct support for the New York State Energy Research and Development Agency. Willdan serves vertical markets such as data centers, healthcare, lodging, and schools; provides energy reduction plans for large end-user commercial facilities and multi-family residences; and develops and implements cutting-edge cost-effective measures for small businesses.

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*The accelerating trend toward outsourcing:* Following the economic recession, cities, counties, state and local government agencies became resource constrained from both a human capital and financial perspective. Uniquely qualified to provide outsourced staffing to public agencies, Willdan is often engaged to staff or manage an entire city department, or provide interim help with plan checks, inspections and permitting in times of peak demand. In addition to outsourcing, Willdan expects growing opportunities in reviewing and inspecting development plans for its city clients as the residential and commercial real estate markets continue to recover. For example, Willdan is currently engaged in a large, multi-year contract to serve as the Public Works staff for the city of Elk Grove, California—the largest staff outsourcing project in the state.

*Participation in larger and longer-term opportunities:* Willdan is focusing on large-scale, long-term contracts to increase revenue and improve backlog. In late 2013, Willdan formed and staffed its Infrastructure Division to pursue larger projects, primarily in transportation. Willdan has been named as a subcontractor on the first design and construction contract of the high-profile California High Speed Rail Program.

*Geographic expansion and service diversification:* Willdan has expanded geographically from its historical focus on clients in California and now has offices strategically located in Arizona, California, Colorado, Florida, Illinois, New Jersey, New York, Ohio, Texas, Washington and Washington, DC. As a result, services provided to clients in California declined from 91% of total contract revenue in 2008 to 68% in 2013. Additionally, Willdan diversified its end markets to include the private sector, in addition to cities, counties, state and local government agencies, water districts, school districts, universities, and utilities. Currently, Willdan serves nearly 1,000 clients with approximately 2,000 projects underway.

*Pursuing strategic tuck-in acquisitions:* The markets in which Willdan operates are highly fragmented, providing a significant pipeline of potential acquisition candidates. For example, Willdan completed a successful acquisition in 2008 that enabled it to expand into the energy market.

*Leveraging centralized business development to cross-sell our services to existing clients:* Willdan maintains a culture of fostering opportunities across corporate divisions and disciplines. Thus, Willdan has both the potential to and is leveraging its integrated and complementary service segments for cross-selling. Willdan is well-positioned to capitalize on its established relationships with local and state government agencies, investor-owned and municipal utilities, and private sector commercial and industrial firms throughout the U.S.

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## Use of Non-GAAP Financial Measures

Adjusted EBITDA is a supplemental measure used by Willdan's management to measure its operating performance. Willdan defines Adjusted EBITDA as net income (loss) plus net interest expense, income tax expense (benefit), depreciation and amortization, goodwill impairment and other non-recurring income and expense items occurring in such period. Willdan believes Adjusted EBITDA is useful to investors, research analysts, investment bankers and lenders because it removes the impact of certain non-recurring income and expense items from its operational results, which may facilitate comparison of its results from period to period. Willdan's definition of Adjusted EBITDA may differ from other companies reporting similarly named measures. Willdan is unable to include a reconciliation of net income to its targeted Adjusted EBITDA over the next three years without unreasonable efforts due to the high variability and low visibility with respect to the charges which will be excluded from Adjusted EBITDA. Adjusted EBITDA should be considered in addition to, and not as a substitute for, or superior to, other measures of financial performance prepared in accordance with U.S. GAAP, such as net income.

## About Willdan Group, Inc.

Celebrating its 50th year of business, Willdan provides outsourced professional technical and consulting services to public agencies, public and private utilities, and commercial and industrial firms throughout the United States. Willdan benefits from well-established relationships, industry-leading expertise and a solid reputation for delivering projects on time and on budget. The company's service offerings span a broad set of complementary disciplines that include engineering and planning, energy efficiency and sustainability, financial and economic consulting, and national preparedness. Willdan has crafted this set of integrated services so that, in the face of an evolving environment—whether economic, natural, or built—Willdan can continue to extend the reach and resources of its clients. For additional information, visit Willdan's website at [www.willdan.com](http://www.willdan.com).

## Forward-Looking Statements.

Statements in this press release that are not purely historical, including statements regarding Willdan's intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to meet its financial targets, expand its existing services or successfully locate and acquire potential acquisition candidates. It is important to note that Willdan's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. Willdan's business could be affected by a number of other factors, including the risk

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factors listed from time to time in Willdan's SEC reports including, but not limited to, the Annual Report on Form 10-K filed for the year ended December 27, 2013. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Willdan disclaims any obligation to, and does not undertake to, update or revise any forward-looking statements in this press release.

Contact:

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[smclaughlin@willdan.com](mailto:smclaughlin@willdan.com)

or

**Investor/Media Contact**  
Maira Conlon  
Financial Profiles, Inc.  
Tel: 310-478-2700 x220  
[mconlon@finprofiles.com](mailto:mconlon@finprofiles.com)

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# Willdan Group

Investor Presentation  
June 2014

NASDAQ: WLDN  
[www.willdan.com](http://www.willdan.com)





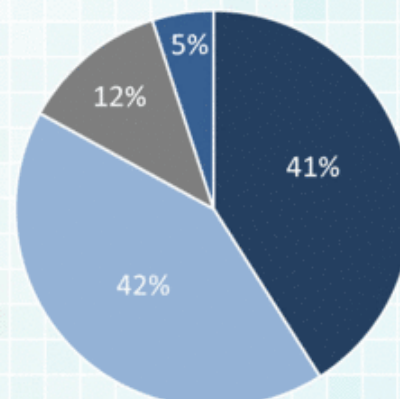
# Safe Harbor Statement

Statements in this presentation that are not purely historical, including statements regarding Willdan Group, Inc.'s ("Willdan") intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to expand its services or meet the needs of customers in markets in which it operates. It is important to note that Willdan's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. 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 27, 2013. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this presentation. Willdan disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this presentation.

## Who We Are

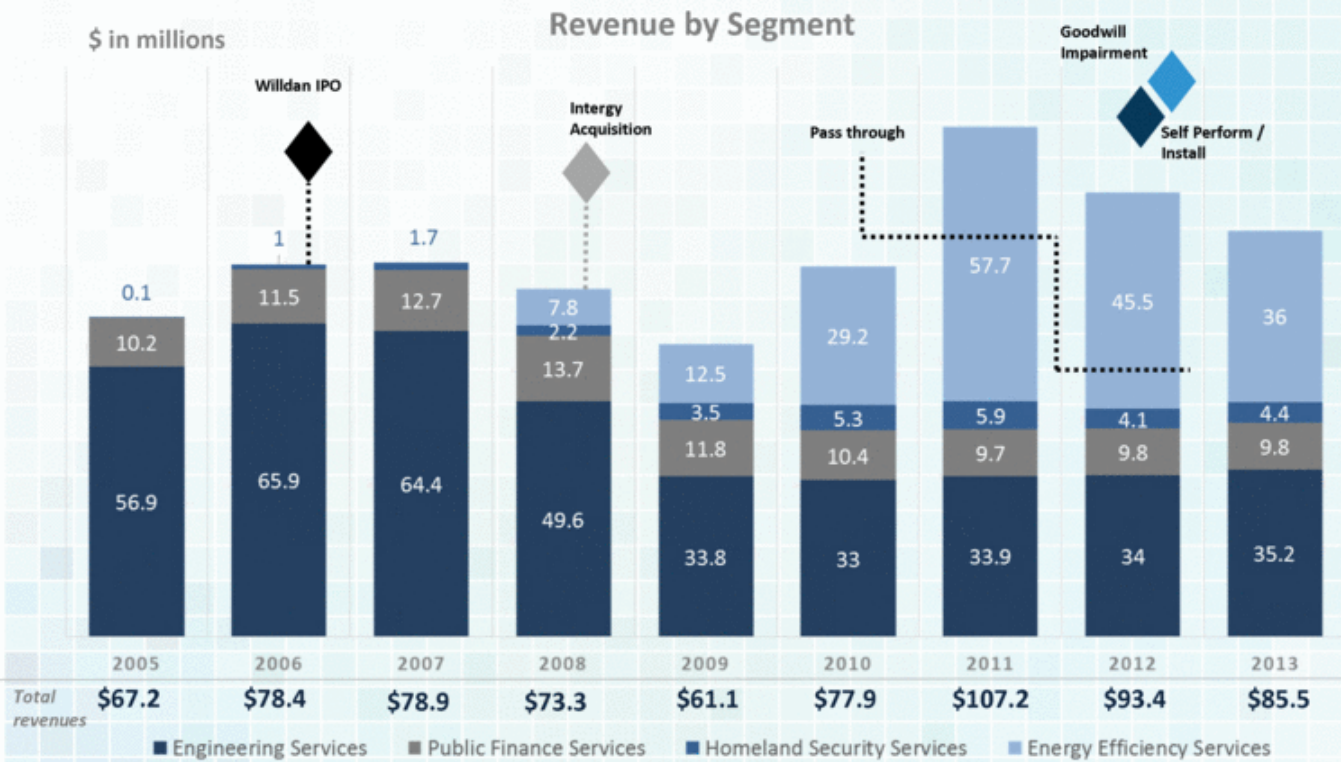
- Founded in 1964; headquartered in Anaheim, CA
- Nationwide provider of professional technical and consulting services
- Public and private agencies and utilities
- ~600 employees
- ~2,000 projects underway for ~1,000 clients
- LTM revenue of \$87 million
- LTM net income of \$3.6 million
- Strong balance sheet with \$12.7 million in cash; no debt

2013 Revenue by Segment

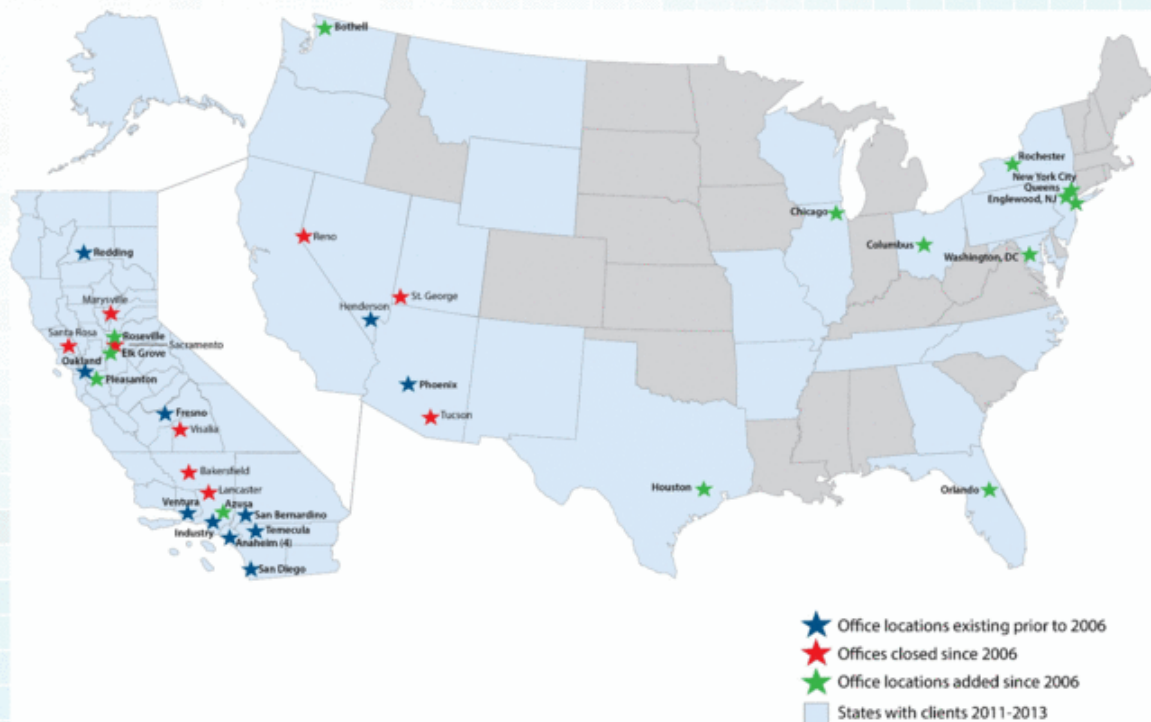


- Engineering Services
- Energy Efficiency Services
- Public Finance Services
- Homeland Security Services

# Successful Business Diversification



# Expanded Geographic Footprint





# Engineering/Infrastructure Services

## Engineering Services

- Building and Safety
- City Engineering
- Code Enforcement
- Development Review
- Disaster Recovery
- Environmental Engineering
- Geotechnical
- Landscape Architecture
- Planning
- Program and Construction Management
- Contract Staff Support Services
- Structures
- Survey
- Traffic
- Transportation
- Water Resources

## Engineering Markets

- Municipalities and Special Districts
- State Agencies
- State Colleges and Universities
- Indian Tribes
- Medical and Health Institutions
- Private Sector





# Engineering Projects

## City of Paramount, City Engineer Los Angeles County, California



Providing city, traffic, and agency engineering; public works permits/inspection; development review; CIP design/inspection; Community Development Block Grant administration; grant writing; and National Pollutant Discharge Elimination System expertise

## The City of Elk Grove Sacramento County, California



Providing capital improvement project management; street sweeping services; development review; drainage investigation, studies and design; LED street light conversion; and maintenance for streets, traffic signals, pump stations, and roads

# Engineering/Infrastructure Services

## Infrastructure Services

- Focus on large-scale, high-value projects
- Initial work on California High Speed Rail
  - Working under limited Notice to Proceed with focus on preliminary engineering
  - Bidding on the next 2 segments with Tutor Perini-Parsons
  - Next segments to be awarded in 2H14
- Hired team in 2013 to continue to build on the foundation

## Infrastructure Markets

- Transportation
- Ports and freight mobility
- Water
- Mining



# Infrastructure Project Highlights



**Los Angeles County Metropolitan Transportation Authority,  
Orange Line Extension Design-Build**  
Los Angeles County, California



**California High Speed Rail**

# Engineering/Infrastructure Projects

California High Speed Rail Authority

Engineering design as part of joint venture with Tutor Perini-Parsons on the first segment of this \$68 billion project, which is a 520-mile network linking San Francisco and Los Angeles

City of Elk Grove

Community of more than 150,000 located just south of Sacramento for city engineering, municipal and operational services

City of Long Beach

Construction management, public works and other services

Los Angeles County Metropolitan Transportation Authority (MTA)

Engineering and design services for the Orange Line Extension Project

City of Los Angeles

Construction management, design and/or support services for nine bridges

City of La Canada Flintridge

City traffic engineering, civil, structural and environmental permitting; construction management and inspection services

LA County Dept. of Public Works

On call engineering and landscape design services

Glenn County

Civil and structural design services for eight bridge replacement projects

# Energy Efficiency Services

- Formed division following acquisition of Intergy Corporation in 2008
- Services include consulting and engineering services to reduce energy consumption and client costs

## Markets

Education  
Data Centers  
Direct Install  
Hospitals  
Laboratories  
Lodging/Hospitality  
Multi-family  
Utilities

## Clients

Consolidated Edison Co. of New York  
NY State Energy Research & Development Authority  
Pacific Gas & Electric  
Southern California Edison  
Puget Sound Energy  
Centerpointe Energy  
AEP Ohio  
San Diego Gas & Electric  
Commonwealth Edison

- Market driven by legislated energy reduction mandates and private sector self-imposed sustainability goals and initiatives

***Revenue from increased from \$8 million in 2008 to \$36 million in 2013 (42% of total)***



# Energy Efficiency Project Highlights

## New York State Energy Research and Development Authority (NYSERDA) Programs



## Consolidated Edison of New York Small Business Direct Install Program



## San Diego Gas & Electric (SDG&E) Lodging Energy Efficiency Program



## Southern California Edison (SCE) Schools Energy Efficiency Program



# Energy Efficiency Projects

Consolidated Edison Company of New York

Program manager and implementer for SBDI Program in New York City. Operate program in Bronx, Brooklyn and Queens, with the goal of saving 146M kilowatt hours.

New York State Energy Research & Development Authority (NYSERDA)

Exclusive energy efficiency contractor for data centers with savings goal of 540,000 megawatt hours; 1 of 2 providers for the Buildings Outreach contract with savings goal of 174,000 megawatts and 116,700 dekatherms.

Pacific Gas & Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E)

Administrator for the Hospital Energy Efficiency Program for turnkey energy efficiency services. 3 programs are scheduled to deliver total energy savings of 39.8 million kilowatt hours, 3,364 kilowatt demand, and 220,000 therms through the end of 2014

SCE and SDG&E

Administrator for the Lodging Energy Efficiency Program providing customized energy-saving solutions with scheduled delivery of an approximate energy savings of 25.8 million kilowatt hours, 150,000 therms, and 5,000 kilowatt demand through the end of 2014

Puget Sound Energy

Administrator for the Direct Install Program offering incentives for small-sized businesses to make energy efficiency upgrades



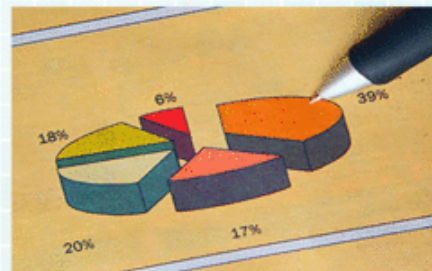
# Public Finance Services

- **Customized Administration Services**
  - Assessment, landscaping and lighting and community facilities
- **Financial Consulting**
  - Economic analysis and financial projects for public agencies
- **Federal Compliance**
  - Services to issuer of municipal securities

**New Market Tax Credit Program**  
Port of Hueneme, Oxnard Harbor District



**Convention Center Facilities District No. 2008-1**  
City of San Jose, California



# Public Finance Services Projects

Metropolitan Washington Airport Authority MWA (DC)

Economic impact study for passenger, freight and capital development activity at Washington Dulles International Airport and Ronald Reagan Washington National Airport

City of Kalispell, Montana

Market and feasibility study for Core Revitalization Plan for the City

California Statewide Communities Development Authority (CSCDA)

Property assessed clean energy assessment administration services

Lancaster, California

Provide the expertise necessary to advise and guide the City through the required implementation steps of becoming a Community Choice Aggregator (CCA)

Port of Hueneme, Oxnard Harbor District, California

Technical assistance and coordination with the District staff in the Port Side Power New Markets' transaction; Assist in the solicitation of the New Markets Tax Credit (NMTC) allocation from qualified CDE's, benefiting from over \$3.4 million in NMTC equity

New Haven, Connecticut

Provide the City of New Haven with an Economic Impact Analysis for the redevelopment of the site of the former New Haven Coliseum

Fort Lauderdale, Florida

Develop a Citywide Economic Development Strategic Plan to sustain, expand and diversify its economic base in order to provide for a high quality of life for all residents

# Homeland Security Services

Preparedness planning, emergency preparedness training, communication and technology and water security services

## Projects

### *New York Mass Transit Authority Training Program (NY MTA)*

- Contracted in 2012 by the largest public transportation provider in the western hemisphere to develop and deliver NY MTA's Phase III Advanced Security and Emergency Response training courses for NY MTA employees

### *Amtrak Security Exercise Program*

- Awarded a one year contract in 2013 to design, develop, and deliver preparedness exercises for Amtrak stations across the U.S.

### *Alameda County-Bay Area UASI Training Services*

- Selected to provide a wide range of training courses taught by experts and/or recognized professionals in law enforcement, fire, emergency medical services, emergency management and public health for 12 counties, including 3 major cities, with a total population of 7½ million

### *CALSIEC Public Safety Interoperable Communications Professional Services*

- Awarded a contract with GTSI, Inc. to provide public safety interoperable communications professional services to 11 California counties that comprise the California Statewide Interoperability Executive Committee (CALSIEC) Southern Planning Area (SPA)





# Homeland Security Projects

New York State Metropolitan  
Transit Authority (NYSMTA)

Developing and delivering advanced security and emergency response courses and workshops

Bay Area Urban Area Security  
Initiative Training Services

Provides a wide range of training courses in the law enforcement, fire/emergency medical services, emergency management and public health disciplines

Amtrak Security Exercise  
Program

Designing and developing active shooter response exercises for delivery at key Amtrak stations across the U.S.

City of Los Angeles Emergency  
Management Department

Developing a series of training courses focused on improving the City's emergency operations center's ability to respond to a variety of natural and man-caused disasters



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# Experienced Management

	Years of Industry Experience	Years with Company
<b>Win Westfall, Chairman of the Board</b>	40+	13
<b>Tom Brisbin, President and Chief Executive Officer</b>	35+	7
<b>Marc Tipermas, President of National Programs</b>	30+	7
<b>Stacy McLaughlin, Chief Financial Officer</b>	10+	4
<b>Frank G. Tripepi, Senior Vice President, Business Development</b>	40+	12
<b>Daniel Chow, President and CEO, Willdan Engineering</b>	30+	5
<b>John Rinard, President and CEO, Willdan Infrastructure</b>	30+	1
<b>Tom Kouris, President and CEO, Willdan Energy Solutions</b>	25+	6
<b>Mark Risco, President and CEO, Willdan Financial Services</b>	14+	14
<b>Jim Bailey, President and CEO, Willdan Homeland Solutions</b>	20+	6



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# Three-Year Financial Performance

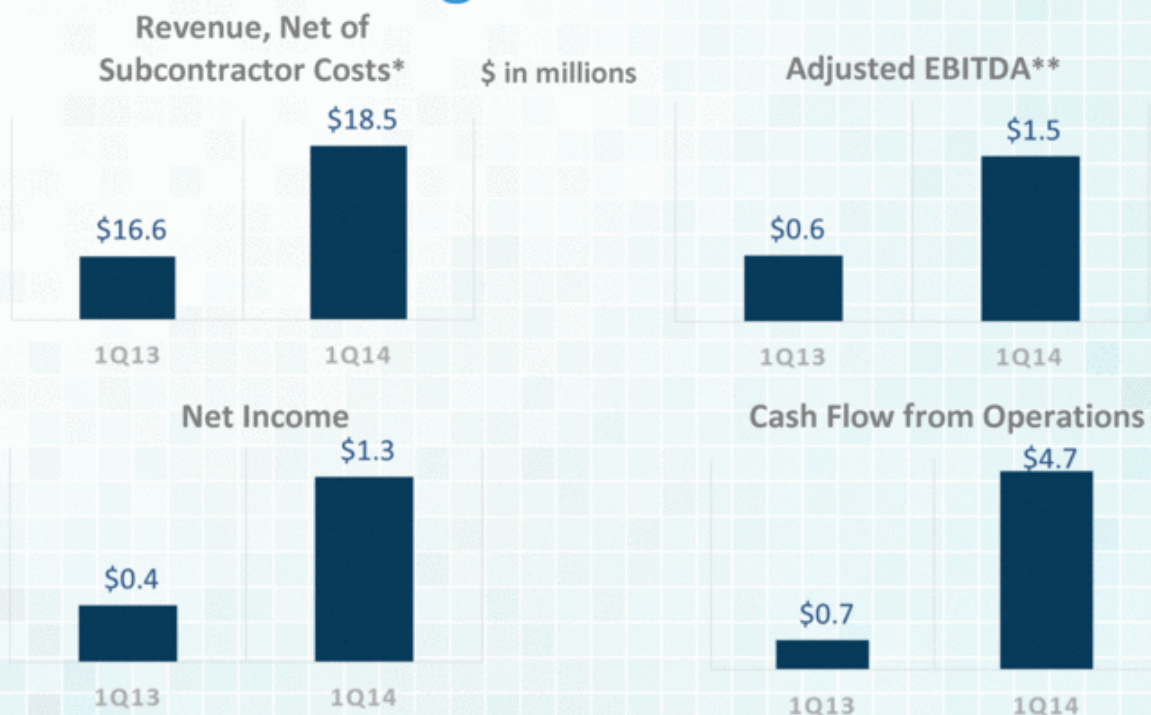


\* Revenues, net of subcontractor costs, a non-GAAP financial measure, is a supplemental measure that Willdan believes enhances investors' ability to analyze our business trend and performance because it substantially measures the work performed by our employees.

\*\*Included a \$15.2 million impairment of goodwill charge

\*\*\*We define Adjusted EBITDA as net income plus net interest expense, income tax expense (benefit), depreciation and amortization, loss (gains) on sales of assets, accrued expenses related to a litigation matter and a one-time stock-based compensation expense, less life insurance proceeds. Adjusted EBITDA is not a measure calculated in accordance with generally accepted accounting principles (GAAP) and should not be considered a replacement for GAAP results.

# Strong Start to 2014



\* Revenues, net of subcontractor costs, a non-GAAP financial measure, is a supplemental measure that Willdan believes enhances investors' ability to analyze our business trend and performance because it substantially measures the work performed by our employees.

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# Balance Sheet Highlights

## Cash and Equivalents

\$ in Millions



- No Debt
- Revolving bank loan of \$7.5 million
  - No outstanding borrowings

# Acquisition Strategy

- Strong balance sheet to fund strategy
- Target small tuck-in acquisitions
  - Expand geographic footprint
  - Broaden service offerings
- Past success
  - Grew \$8 million acquisition in 2008 to \$36 million Energy Efficiency Services business in 2013

## Positioned for Long-Term Profitable Growth

- Capitalize on growing interest in outsourcing
- Target larger and longer-term opportunities
- Enter new geographic markets
- Expand service offerings
- Pursue strategic acquisitions
- Leverage cross-selling opportunities
- Manage profitability at the project level
- Careful expense management



***Outlook for improved profitability in 2014 versus 2013***



# Three-year Financial Targets

- Annual contract revenue growth of up to 15%
  - Combined organic and acquisitive growth
- Gross margin of 40% to 45%
- Adjusted EBITDA margin of 5% to 10%\*
- Accounts receivable days outstanding of 70 to 75

\*We define Adjusted EBITDA as net income plus net interest expense, income tax expense (benefit), depreciation and amortization, loss (gains) on sales of assets, accrued expenses related to a litigation matter and a one-time stock-based compensation expense, less life insurance proceeds. Adjusted EBITDA is not a measure calculated in accordance with generally accepted accounting principles (GAAP) and should not be considered a replacement for GAAP results. Willdan is unable to include a reconciliation of net income to its targeted Adjusted EBITDA over the next three years without unreasonable efforts due to the high variability and low visibility with respect to the charges which will be excluded from Adjusted EBITDA.

# Investment Highlights

- 50-year history of relationships with public agencies and utilities
- Strong competitive position and compelling customer value proposition
- Diversified platform that reduces risk
- Exposure to attractive end markets poised for growth
- Pursuing clearly defined growth strategy
- Strong financial position
- Strong leadership with extensive industry experience

# Appendix

## GAAP Reconciliations



**Willdan Group, Inc. and Subsidiaries**

**Reconciliation of GAAP Revenue and "Revenue, Net of Subcontractor Costs"**

	Fiscal Year Ended		
	December 27, 2013	December 28, 2012	December 30, 2011
Contract revenues	\$ 85,510,000	\$ 93,443,000	\$107,165,000
Subcontractor costs	16,840,000	36,184,000	(34,195,000)
Revenue, net of subcontractor costs	<u>68,670,000</u>	<u>57,259,000</u>	<u>72,970,000</u>

**Willdan Group, Inc. and Subsidiaries**

**Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA**

The following is a reconciliation of net income (loss) to Adjusted EBITDA:

In thousands	Fiscal Year		
	2013	2012	2011
Net income (loss)	\$2,630	\$(17,300)	\$1,830
Interest income	(10)	(6)	(5)
Interest expense	94	106	77
Income tax expense (benefit)	132	(2,083)	1,500
Lease abandonment expense (recovery)	30	26	2
Impairment of goodwill	—	15,208	—
Depreciation and amortization	585	737	944
(Gain) loss on sale of assets	(6)	18	2
Litigation reversal	—	—	—
Adjusted EBITDA	<u>\$3,455</u>	<u>\$ (3,294)</u>	<u>\$4,350</u>



**Willdan Group, Inc. and Subsidiaries**

**Reconciliation of GAAP Revenue and "Revenue, Net of Subcontractor Costs"**

	Three Months Ended	
	March 28, 2014	March 29, 2013
Contract revenue	\$ 22,686,000	\$ 21,385,000
Subcontractor costs	4,194,000	4,805,000
Revenue, net of subcontractor costs	<u>18,492,000</u>	<u>16,580,000</u>

**Willdan Group, Inc. and Subsidiaries**

**Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA**

The following is a reconciliation of net income (loss) to Adjusted EBITDA:

In thousands	Three Months Ended	
	March 28 2014	March 29 2013
Net income (loss)	\$ 1,315	\$ 399
Interest income	(2)	(3)
Interest expense	4	27
Income tax expense (benefit)	44	49
Lease abandonment, net	—	13
Depreciation and amortization	103	166
(Gain) loss on sale of assets	(2)	(5)
Litigation reversal	—	—
Adjusted EBITDA	<u>\$ 1,462</u>	<u>\$ 646</u>



