



# FIRST QUARTER 2022 RESULTS

May 5, 2022





# DISCLAIMER

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This presentation contains forward-looking statements about the Company's future business and financial performance. These are based on management's current expectations and are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these statements are included in today's presentation slides and in our reports on file with the SEC. During this call, GAAP and non-GAAP financial measures will be discussed. A reconciliation between the two is available in today's earnings release and on the Company's website at [www.nv5.com](http://www.nv5.com). Please note that unless otherwise stated all references to first quarter 2022 comparisons are being made against the first quarter of 2021.

In this presentation, NV5 has included certain non-GAAP financial measures as defined in Regulation G promulgated under the Securities Exchange Act of 1934, as amended. The non-GAAP financial measures included in this presentation are: (i) adjusted earnings per share and (ii) adjusted EBITDA. NV5 provides non-GAAP financial measures to supplement GAAP measures, as they provide additional insight into NV5's financial results. However, non-GAAP measures have limitations as analytical tools and should not be considered in isolation and are not in accordance, or a substitute for GAAP. In addition, other companies may define non-GAAP measures differently, which limits the ability of investors to compare non-GAAP measures of NV5 to those used by peer companies. A reconciliation of non-GAAP and GAAP measures is included in the appendix to this presentation.

# PRESENTERS

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**Dickerson Wright**

Chairman & CEO



**Edward Codispoti**

Chief Financial Officer

# BUSINESS OVERVIEW

**Dickerson Wright**  
*Chairman & CEO*

A photograph of an industrial facility, possibly a power plant or refinery, at sunset. The sky is filled with vibrant orange, pink, and purple clouds. In the foreground, there is a dirt road with tire tracks. The facility features a prominent tall, cylindrical tower with a metal framework on top, surrounded by various pipes, scaffolding, and smaller buildings. The scene is illuminated by the warm light of the setting sun and some artificial lights from the facility.

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# Q1 HIGHLIGHTS

NV5 achieves record for highest ever first quarter gross revenues, net income, adjusted EBITDA & adjusted EPS

## Q1 Highlights

**\$190M**  
Gross Revenues

**+24%**  
Q1'22 vs. Q1'21

**\$29M**  
Adjusted EBITDA

**+19%**  
Q1'22 vs. Q1'21

**\$0.99**  
Adjusted EPS

**+13%\***  
Q1'22 vs. Q1'21

**\$683M**  
Backlog

**+17%**  
Q1'22 vs. Q1'21

\*15.2M shares in Q1'22 vs 13.4M shares in '21

- Growth Driven Across All Verticals
- Exceptional Growth in Geospatial Service Line
- Strong Utilization Continues Throughout the Organization
- Healthy Sales in Q1 & Pipeline of Opportunities
- Strong Backlog Entering Q2
- Acquisition & Integration
  - Completed two acquisitions to strengthen TIC in Southern California, and MEP design and energy efficiency services in the Southeast
  - Integration of eight 2021 acquisitions is going smoothly and on schedule
- Recruiting & Retention Outreach Program
  - Remains our **top priority**
  - Completed **benefits tour of each NV5 region** of the country in Q1
  - **Implemented benefits modifications** based on results from survey of employee
  - **Continue aggressive recruiting** efforts to support growth in professional organizations, educational facilities, and internships

Fast start to the year & strong momentum for the remainder of 2022

# OPERATIONAL UPDATE

## Q1 Growth Across Core Business & Geospatial

### ✔ Infrastructure & TIC

#### ***Strong Growth in Both the East & West***

- 38% organic growth Q1'22 vs. Q1'21 in TIC East Region
- Improvement in core INF business in Northeast & Southeast
- 8% organic growth Q1'22 vs. Q1'21 in Transportation Owner's Representative/Program Management
- 46% organic growth Q1'22 vs. Q1'21 in Forensics

### ✔ Utility Services

#### ***Continues to be One of NV5's Fastest Growing Sectors***

- Demand for grid modernization, reliability, and fire mitigation driving growth
- 34% organic growth Q1'22 vs. Q1'21 in LNG business supporting natural gas utilities
- 23% organic growth Q1'22 vs. Q1'21 in Power Delivery

### ✔ Geospatial

#### ***Seeing the Results of Significant 2021 Contract Wins***

- 10% growth Q1'22 vs. Q1'21
- Secured first multi-year contract under new Offshore Wind Farm Growth Initiative
- Public & private investment in environmental risk mitigation continues to accelerate

### ✔ Energy Efficiency & International

#### ***Continued Growth in Subscription-Based Energy Efficiency, International MEP & Offshoring***

- International growth being led by India acquisition of IDA and Singapore acquisition of AT
- Energy efficiency business expanding in revenue and service offering in North America
- 116% growth Q1'22 vs. Q1'21 of Energy Efficiency & International MEP
- 145% growth in subscription-based Energy Efficiency
- Expansion of MEP design offshoring creating competitive advantage for US work

### ✔ Environmental Health Sciences

#### ***Real Estate Transaction Services Continues Strong Performance & Growing Compliance Business***

- EHS grew 105% Q1'22 vs. Q1'21
- GRS acquisition in December strengthened NV5's leadership position in Real Estate Transaction Services
- Real Estate Transactions
  - 33% organic growth Q1'22 vs. Q1'21
  - 134% total growth Q1'22 vs. Q1'21
- Environmental Compliance grew 61% Q1'22 vs. Q1'21

### ✔ Building Technology & Clean Energy

#### ***Rebound of MEP-Technology Design and Continued Growth of Clean Energy & Sustainability***

- 11% organic growth Q1'22 vs. Q1'21 in MEP-technology & commissioning, led by significant increase in the Northeast
- 131% organic growth Q1'22 vs. Q1'21 in sustainability consulting
- Addition of clean energy program management & consulting in 2021 expanded focus in ESG services

# STRATEGIC ACQUISITIONS TO STRENGTHEN VERTICALS & ESG SERVICES

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## First Quarter Acquisitions



*Mechanical, electrical, plumbing, and technology (MEP-T) design and energy efficiency services in California and the Southwest*

- Supports existing NV5 Projects in the Southwest
- Strengthens Buildings & Program Management vertical by expanding MEP-T design services throughout the Southwest
- Expands capabilities of NV5's energy efficiency business, a high-growth, subscription-based ESG service offering
- Provides access and cross-selling opportunities to new markets and clients for NV5's services

## *RIVER CITY TESTING, Inc.*

*Materials testing & special inspection services focused on public education facilities in California's Inland Empire Region*





- Supports existing TIC offices in Southern California
- Strengthens testing, inspection & consulting in one of the most populous regions in California
- Supports infrastructure engineering services in Riverside and San Bernardino counties
- Provides materials testing laboratory in the region, bringing outsourced work in-house
- Gives access to an extensive client list in the attractive public education sector in the Inland Empire region

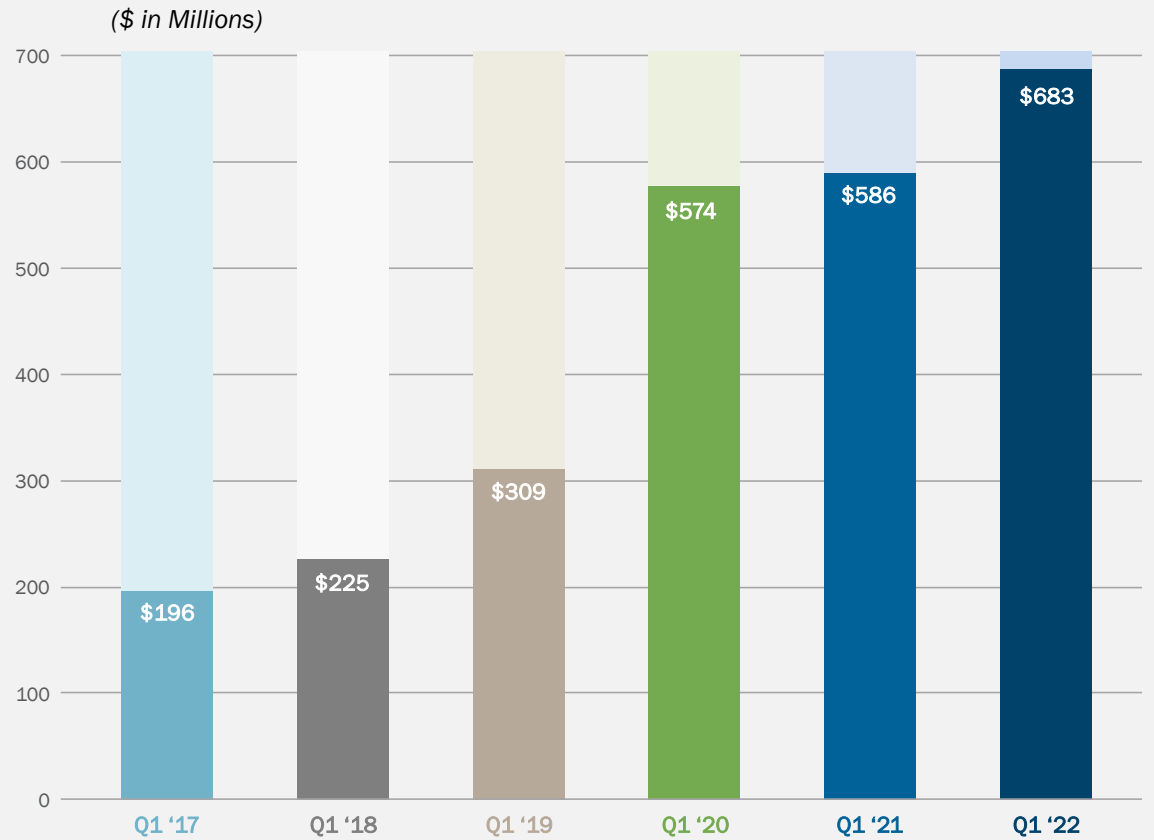
# BACKLOG

**Strong Backlog  
Entering the  
Second Quarter**

**+17%**  
Q1'22 vs. Q1'21

## Significant Q1 Wins in Multiple Verticals

-  **Geospatial Technology**
-  **Utility Services**
-  **Infrastructure**
-  **Buildings & Program Management**



Backlog includes those contracts for which work authorizations or awards have been received, and estimated recurring revenue from one of the Company's service lines that has a high volume of small contracts and a quick-burn estimate.



# 2022 CROSS-SELLING & Q1 KEY WINS

## 2022 Cross-Selling

*Selling Across Verticals to Drive Margin Improvement & In-House Revenue*

YTD Q1 Achievement:

**\$7.8M\***

FY'22 Target:

**\$34.3M\***



- \$7.8M in cross-selling for Q1 2021
- Early success in real estate transaction services cross-selling with newly acquired GRS
- \$1.6M Utility Services/ Geospatial cross-sale for wind project

## Recent Key Wins



Utility Services

### Midwest Gas Utility - \$39 million

Upgrade to liquefaction infrastructure at a Midwest utility's liquefied natural gas (LNG) facility used to store large quantities of natural gas to improve service reliability by supplementing supply during periods of peak usage



Geospatial

### Midwest Electric Utility - \$8 million

Lidar data acquisition and remote sensing analytics across the utility's entire distribution system to mitigate risk of vegetation-related outages during weather events and shape the utility's '22 and '23 grid resiliency program



Infrastructure

### Transportation Infrastructure - \$7 million

Support critical transportation infrastructure improvements in California, New York, and South Carolina for existing and new roadways through program management, construction inspection, and surveying



Buildings & PM

### Nationwide Resort & Gaming Company - \$2.4 million

Expanded subscription-based energy efficiency relationship from three properties to recurring revenue agreement to provide monitoring-based commissioning to 25 hotels and casinos across ten US states.

\* Full Contract Value

# FINANCIAL OVERVIEW

**Ed Codispoti**  
**CFO**

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## FIRST QUARTER 2022 RESULTS

	NV5 Consolidated First Quarter		
	2022	2021	Growth (YoY)
Gross Revenues	\$190.2M	\$153.1M	24%
Net Income	\$8.6M	\$5.5M	58%
Adjusted EBITDA <sup>1</sup>	\$28.9M	\$24.2M	19%
GAAP EPS	\$0.57	\$0.41	39%
Adjusted EPS <sup>2</sup>	\$0.99	\$0.88	13%

1. Adjusted EBITDA excludes stock compensation and acquisition-related costs.
2. Adjusted to eliminate amortization expense of intangible assets from acquisitions and acquisition related costs, net of tax benefits.

## CASH FLOWS, CASH POSITION & NET LEVERAGE

### Cash & Leverage

*Q1-22 Cash Flows  
from Operations* **\$46.5** Million

*Cash on Hand*  
4/2/22 **\$81.9** Million

*Net Leverage*  
4/2/22 **0.4x**

- ✓ Cash Flows from Operations  
161% of Adjusted EBITDA in Q1-22
- ✓ Minimal Dependence on External Funding  
for Growth Strategy
- ✓ Sufficient Cash Flows & \$81.9M in Cash on  
Hand to Fund Acquisitions & Growth Initiatives



# GROWTH POSITIONING

**Dickerson Wright**  
*Chairman & CEO*

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## 2022 DRIVERS & GUIDANCE

### Drivers of 2022 Growth & Profitability

- ✓ **Tailwinds** from Robust Infrastructure Spending
- ✓ **Utility Services** Continues its Strong Performance
- ✓ **Acceleration** of Geospatial and Buildings Businesses
- ✓ **Energy Efficiency & Clean Energy** Continue Growth Trajectory
- ✓ International **Growth & Expansion of Offshoring**
- ✓ **Strong M&A Pipeline**
- ✓ **Strong Backlog & Pipeline** for Remainder of 2022

### Infrastructure Focus Shelters from Economic Impacts

- Mandated, Non-Discretionary Services
- Aging Infrastructure
- Population Growth & Population Shift
- Sustainable Infrastructure Development

**\$785M - \$810M**

2022 GROSS REVENUES GUIDANCE



**\$5.39 - \$5.80**

2022 ADJUSTED EPS GUIDANCE\*

\* Adjusted to eliminate amortization expense of intangible assets from acquisitions and acquisition-related costs, net of tax benefits.



# APPENDIX



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# APPENDIX

## RECONCILIATION OF GAAP EPS TO ADJUSTED EPS

	Three Months Ended	
	April 2, 2022	April 3, 2021
<b>Net Income - per diluted share</b>	\$0.57	\$0.41
<b>Per diluted share adjustments:</b>		
Add: Amortization expense of intangible assets and acquisition-related costs	0.57	0.63
Income tax expense	(0.15)	(0.16)
<b>Adjusted EPS</b>	<b>\$0.99</b>	<b>\$0.88</b>

## RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

in thousands

	Three Months Ended	
	April 2, 2022	April 3, 2021
<b>Net Income</b>	\$ 8,642	\$ 5,480
Add: Interest expense	914	2,318
Income tax expense	2,998	1,757
Depreciation and amortization	11,167	10,542
Share-based compensation	4,789	3,696
Acquisition-related costs	355	449
<b>Adjusted EBITDA</b>	<b>\$ 28,865</b>	<b>\$ 24,242</b>