



# SECOND QUARTER 2022 RESULTS

August 4, 2022

**NV5**  
Beyond engineering

# 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 second quarter 2022 comparisons are being made against the second 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*



**NV|5**

## Q2 HIGHLIGHTS

NV5 achieves double digit growth Q2'22 vs. Q2'21 in  
Gross Revenues, Net Income, Adjusted EBITDA & Earnings Per Share

### Q2 Highlights

**\$203M**  
Gross Revenues

**+13%**  
Q2'22 vs. Q2'21

**\$17M**  
Net Income

**+27%**  
Q2'22 vs. Q2'21

**\$38M**  
Adjusted EBITDA

**+10%**  
Q2'22 vs. Q2'21

**\$1.13**  
GAAP Diluted EPS

**+24%**  
Q2'22 vs. Q2'21

**\$1.49**  
Adjusted EPS

**+11%**  
Q2'22 vs. Q2'21

#### Operations Momentum

- Delivered Record Results
- Strong Utilization Throughout the Quarter
- Growth Across All Six Verticals
- Multiple Significant Contracts Signed in Q2
- Strong Backlog Entering the Second Half of 2022
- \$15.8M of Cross-Selling in the First Half of 2022

#### Robust M&A Activity



- Founded in 2004
- Strengthened Electric Utility Geospatial Leadership Position with Acquisition of GEO1
- Strong Pipeline of M&A Opportunities
- Multiple Potential Acquisitions in Due Diligence

## Q2 HIGHLIGHTS

# Economic Resilience

## Sheltered From Economic Downturns

### Non-Discretionary Services Supporting Infrastructure

- *Public Sector Clients*
- *Nation's Aging Electrical Grid & Infrastructure*
- *Public's Intolerance for Poor Infrastructure*

### Cash Position & Capital Structure

- *Strong Cash Position*
- *Minimal Debt: 0.4x Net Leverage*
- *Increasing Cashflows from Operations*

### Competitive Advantages

- *Scalable: Low Fixed Costs & CAPEX*
- *Cash Position Provides M&A Advantages as Interest Rates Rise*
- *Recruiting Offshore Talent in Asian Operations*

*"US utility transmission and distribution costs have risen faster than electricity production costs over the past decade. Utility spending on power delivery was 65% higher in 2020 than in 2010"*

SP Global

*"70% of power transformers are 25 years of age or older, 60% of circuit breakers are 30 years or older and 70% of transmission lines are 25 years or older"*

U.S. Department of Energy

*"In a 2020 report, the CPUC determined that utility-related wildfires are responsible for 35% of wildfire fatalities and caused 109 deaths in 2017-2018 alone."*

California Public Utilities Commission

*"The cost of bringing America's infrastructure to a state of good repair (a grade of B) by 2025 at \$4.6 trillion, of which only about 55 percent has been committed."*

American Society of Civil Engineers

# OPERATIONAL UPDATE

## Another Strong Performance in Q2 Positions NV5 for a Strong Second Half of the Year

### ✔ Infrastructure & TIC

#### **Infrastructure Investments Driving Growth Across the East & West**

- 10% organic growth H1'22 vs. H1'21 in Infrastructure West Region
- 24% total growth H1'22 vs. H1'21 in TIC East Region
- 8% organic growth H1'22 vs. H1'21 in Transportation Owner's Representative/Program Management
- 25% organic growth H1'22 vs. H1'21 in Forensic Engineering

### ✔ Utility Services

#### **Continued Expansion with New & Existing Clients**

- Expansion in the Southwest and added relationship with prominent California utility
- 28% organic growth H1'22 vs. H1'21 in LNG business supporting natural gas utilities
- 20% organic growth H1'22 vs. H1'21 in Power Delivery

### ✔ Building Tech & Clean Energy

#### **MEP-Technology Design Continue to Rebound and Strong Growth in Sustainability & Clean Energy**

- 9% organic growth H1'22 vs. H1'21 in MEP-technology & commissioning
- 67% organic growth H1'22 vs. H1'21 in sustainability consulting
- 14% organic growth H1'22 vs. H1'21 in technology design services

### ✔ Energy Efficiency & International

#### **Subscription-Based Energy Efficiency & International MEP Engineering Design Continued Growth**

- 63% organic growth H1'22 vs. H1'21 in International MEP Engineering Design
- 92% total growth H1'22 vs. H1'21 of Energy Efficiency & International MEP
- 117% total growth in subscription-based Energy Efficiency H1'22 vs. H1'21

### ✔ Environmental Health Sciences

#### **Real Estate Transaction Services Growth Continues & Expanding Compliance Services in the Southwest**

- 83% EHS total growth H1'22 vs. H1'21
- Real Estate Transactions
  - 19% organic growth H1'22 vs. H1'21
  - 110% total growth H1'22 vs. H1'21
- Environmental Compliance grew 71% H1'22 vs. H1'21

### ✔ Geospatial

#### **Growth Across Geospatial Vertical and Expansion of Utility Geospatial Leadership Position**

- Geospatial growth continued to increase in the second quarter
- Acceleration of Offshore Wind Farm Growth Initiative
- Strong growth in utility geospatial services
- Addition of Geo1 strengthens leadership position in electrical utility geospatial market

# KEY WINS & BACKLOG

## 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

### Federal & State Government- \$8 million

Geospatial services to support the US Geological Survey's 3D Elevation Program, the US Army Reserve's Installation Geospatial Information & Services program, and a federally-owned utility's ongoing right of way program



Infrastructure

### City of Oceanside, CA - \$7 million

Program management, inspections, environmental compliance, and geospatial services for a water reclamation and recycling project to support the City's innovative indirect potable reuse initiative



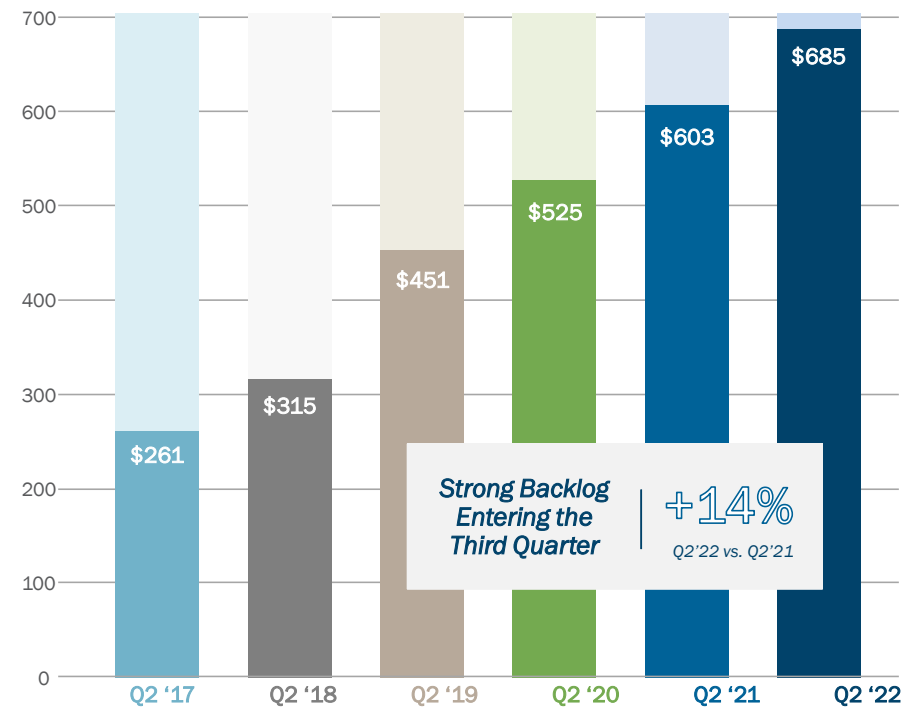
Infrastructure

### Caltrans - \$7 million

Program management contract amendment to provide on-call construction inspection, office engineering, claims resolution, and constructability services for transportation projects throughout Caltrans District 10

## Backlog

(\$ in Millions)



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.



## Q2 ACQUISITION: ELECTRIC UTILITY GEOSPATIAL EXPANSION

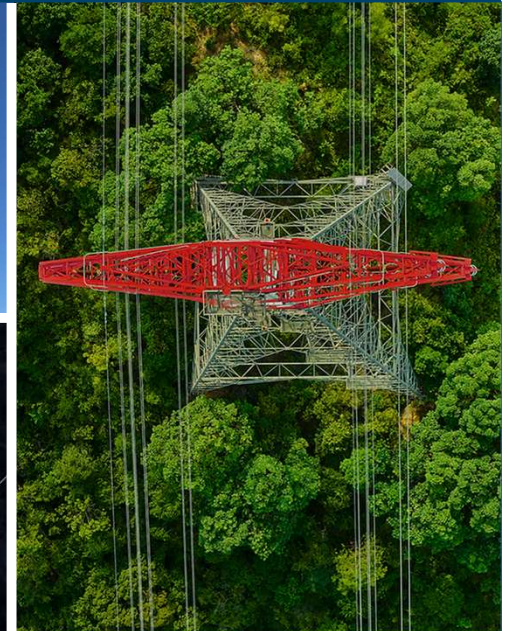


*Expands National Electrical Utility  
Geospatial Leadership Position*

NV5

*Leading geospatial survey and  
analytics company, leveraging multi-sensor  
integrations to deliver unique client insights*

- Specializes in innovative lidar, imagery, and advanced data analytics in the electric utility market
- Penetration of Targeted Prominent Southwest Utility
- Excels in developing multiple sensor integrations and data analytics
- Expands low to medium altitude remote sensing offerings to NV5 clients
- Complements NV5's offerings in:
  - *Utility Asset Inspection*
  - *Vegetation Encroachment*
  - *Wildfire Risk Mitigation*



# FINANCIAL OVERVIEW

**Ed Codispoti**  
**CFO**



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The image is an architectural rendering of a city street intersection. It shows a multi-lane road with a dedicated bike lane on the left, marked with green and white diagonal stripes. A 'DO NOT ENTER' sign is placed at the intersection. Pedestrians are walking on the sidewalk, and a cyclist is riding in the bike lane. A utility pole stands near the corner. The background features multi-story buildings and a clear sky. The overall scene depicts a modern, walkable, and bike-friendly urban environment.

## SECOND QUARTER 2022 RESULTS

	NV5 Consolidated Second Quarter		
	2022	2021	Growth (YoY)
Gross Revenues	\$202.7M	\$179.5M	13%
Net Income	\$17.3M	\$13.6M	27%
Adjusted EBITDA <sup>1</sup>	\$37.8M	\$34.2M	10%
GAAP Diluted EPS	\$1.13	\$0.91	24%
Adjusted EPS <sup>2</sup>	\$1.49	\$1.34	11%

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 POSITION & NET LEVERAGE

### Cash & Leverage

*Cash on Hand*  
7/2/22 **\$44.4** Million

*Debt*  
7/2/22 **\$92.8** Million

*Q2 Payment on  
Credit Facility* **\$35.0** Million

*Net Leverage*  
7/2/22 **0.4x**

*Capacity Under  
Credit Facility* **\$336.3** Million

- ✔ Strong Balance Sheet to Support Growth
- ✔ Cashflows to Support Most M&A Activity & Growth Initiatives
- ✔ Minimal Leverage or Dependence on External Funding
- ✔ \$35M Debt Reduction Payment on Credit Facility in Second Quarter
- ✔ Access to \$336M under Credit Facility

# GROWTH POSITIONING

**Dickerson Wright**  
*Chairman & CEO*



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## SECOND HALF DRIVERS & GUIDANCE

### Drivers of 2022 Growth & Profitability

- ✓ **Tailwinds** from Robust Infrastructure Spending
- ✓ **Utility Services** Continues to Be One of NV5's Fastest Growing Sectors
- ✓ **Geospatial** Growth in Utilities, Environmental, and Offshore Wind
- ✓ **International** Growth & Expansion of Offshoring
- ✓ **Energy Efficiency & Clean Energy** Continue Growth Trajectory
- ✓ **M&A Pipeline** Strong with Multiple Targets in Due Diligence
- ✓ **Backlog & Pipeline** Strong for H2'22 & Entering 2023

### Economic Resilience

- Mandated, Non-Discretionary Services
- Aging Infrastructure
- Strong Cash Position & Minimal Debt
- Competitive Advantages of Cash Position on M&A and Offshoring Talent in International Operations

**\$795M - \$815M**

2022 GROSS REVENUES GUIDANCE



**\$3.90 - \$4.29**

2022 GAAP EPS GUIDANCE\*

**\$5.43 - \$5.82**

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	
	July 2, 2022	July 3, 2021
<b>Net Income - per diluted share</b>	\$1.13	\$0.91
<b>Per diluted share adjustments:</b>		
Add: Amortization expense of intangible assets and acquisition-related costs	0.50	0.58
Income tax expense	(0.14)	(0.15)
<b>Adjusted EPS</b>	<b>\$1.49</b>	<b>\$1.34</b>

## RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

in thousands

	Three Months Ended	
	July 2, 2022	July 3, 2021
<b>Net Income</b>	\$ 17,268	\$ 13,638
Add: Interest expense	887	1,568
Income tax expense	4,445	3,346
Depreciation and amortization	10,891	11,394
Share-based compensation	4,826	4,094
Acquisition-related costs*	(506)	180
<b>Adjusted EBITDA</b>	<b>\$ 37,811</b>	<b>\$ 34,220</b>

\* Acquisition-related costs include contingent consideration fair value adjustments.