

N|V|5

Third Quarter 2024 Preliminary Results



N|V|5

Thursday, November 7, 2024



Disclaimer

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. All statements other than statements of historical fact contained in this presentation - including statements regarding our future goals, targets, and growth potential - are forward-looking statements. Please note that unless otherwise stated all references to third quarter 2024 comparisons are being made against the third quarter of 2023.

NV5 uses 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, and which may be discussed during this call includes adjusted earnings per share and 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.

NV5 has not completed preparation of its financial statements for the third quarter of 2024. The select results included in this presentation for the quarter are preliminary and unaudited and are thus inherently uncertain and subject to change as it completes preparation of its financial statements for the third quarter ended September 28, 2024. NV5 is in the process of completing its customary close and review procedures for the quarter ended September 28, 2024, and there can be no assurance that final results for this period will not differ from these estimates. During the course of the preparation of NV5's consolidated financial statements and related notes for the quarter ended September 28, 2024, we may identify items that could cause final reported results to be materially different from the preliminary financial results presented herein.



BUSINESS OVERVIEW

NIV5

The Nexus of Engineering & Technology

3

Record Q3 Performance & Q4 Backlog

Q3'24 Backlog:
\$914M

Q3'24 vs Q3'23

- >> **+6%*** Organic Growth
- >> **+13%** Increase in Gross Profit
- >> **+31%** Increase in Net Income
- >> **+21%** increase in Adjusted EBITDA
- >> **18%** Adjusted EBITDA Margin

- Strong organic growth & profitability with potential for additional growth & margin expansion
- Positioned to benefit from strong client investment in target sectors
- Record backlog entering Q4 & 2025
- Robust M&A pipeline

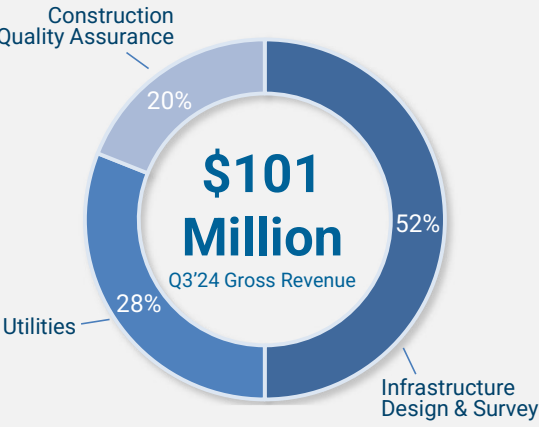
2024 Growth Target

Achieved Growth Target of
\$1 Billion
Revenue Run Rate
by End of 2024

Next target will create even more
growth opportunities!

**New Target
Coming Soon!**

Infrastructure



Utility, Transportation & Water Infrastructure

- Engineering Design
- Forensics Engineering
- Materials Testing & Quality Assurance
- Civil Program Management
- Surveying & Mapping
- Utility Undergrounding

Vision for the Future

- Sustainable Infrastructure
- Departments of Transportation
- Florida Expansion
- Water Resources & Infrastructure
- Strategic Utility Undergrounding
- Geographic Utility Services Expansion
- Densifying the Platform
- Data Centers



Infrastructure at a Glance

2,100
Employees *(Annualized)*

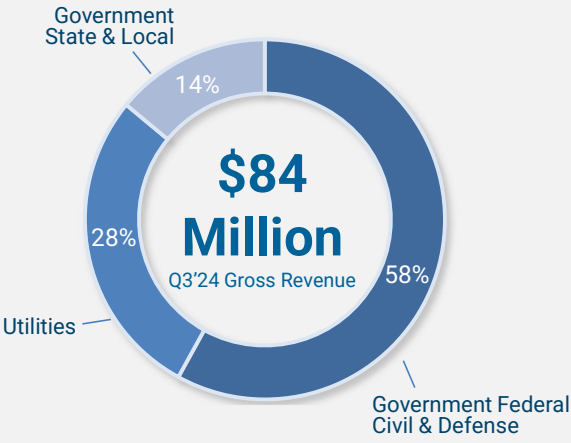
Nationwide
Geographic Reach
(Software Worldwide)

Noteworthy Project Wins

- **\$34M** Utility Hardening Design & Survey Southern California
- **\$10M** North Carolina DOT Roadway Design & Environmental Analysis
- **\$7M** Northern California Electrical Transmission Undergrounding



Geospatial



Geospatial Data Solutions for Infrastructure, Water & Natural Resources

- Utility & Transportation Infrastructure
- Coastal, Marine & Water Resources
- Natural Resources & Forestry
- Defense & Intelligence
- Subscription-Based Geospatial Software

Vision for the Future

- Asset Lifecycle Management
- Departments of Transportation
- Utility Transmission & Distribution
- Water Systems
- Defense and Intelligence
- Hydro-spatial
- Hurricane Impact Assessments
- Subscription-Based Software



Geospatial at a Glance

1,300
Employees *(Annualized)*

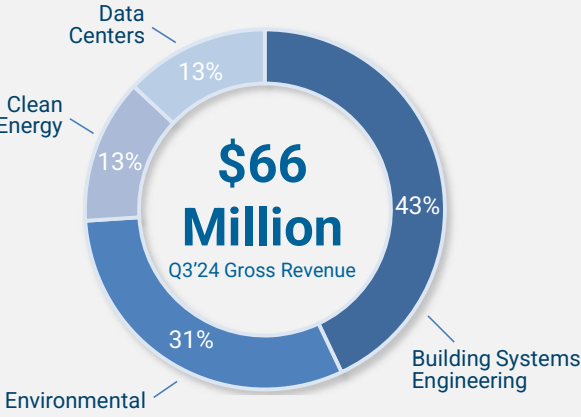
Nationwide
Geographic Reach
(Software Worldwide)

Noteworthy Project Wins

- **\$290M** National Geospatial-Intelligence Agency Luna A Program IDIQ
- **\$26M** Utility Grid Efficiency & Reliability Wins
- **\$10M** U.S. Geological Survey Natural & Water Resources
- **\$5M** NOAA Lake Michigan Hydrographic



Buildings & Technology



Sustainable Buildings & Mission Critical Facilities

- Data Centers
- MEP-FP & Building Technology Design
- Commissioning
- Decarbonization & Clean Energy Consulting
- Building Digitization & Digital Twins

Vision for the Future

- **Data Centers** - Expansion of NV5 Services, Aggressive Domestic Growth
- **Clean Energy** – Leverage High Value / Demand Services to Drive Additional Services
- **Building Digitization** – Increased efficiency for traditional design services
- **International** – Increased Market Share, Geographical Expansion
- **Subscription Based Revenue** – Continued Growth of Monitoring Based Commissioning / Digital Twins
- **Turn Key Solutions** – Leverage Extensive Expertise to Deliver High Value to Clients



Buildings & Technology at a Glance

1,600
Employees *(Annualized)*

U.S., Asia & Middle East
Geographic Reach

Noteworthy Project Wins

- **\$14M** Data Center Wins
- **\$5M** Building Digitization Wins
- **1,100** Retail Store Scan to BIM Project
- **\$3.4M** State Department Commissioning Project
- **\$1.6M** Ground up Casino MEP/Technology Design





FINANCIAL OVERVIEW

Preliminary NV5 Consolidated Third Quarter 2024 Results

	NV5 Consolidated Third Quarter	
	Q3'24	Q3'23 ⁴
Gross Revenues	\$250.9M	\$237.5M
Gross Profit	\$129.5M	\$114.3M
Net Income	\$17.1M	\$13.1M
Adjusted EBITDA ¹	\$44.5M	\$36.7M
GAAP Diluted EPS ²	\$0.27	\$0.21
Adjusted EPS ³	\$0.44	\$0.36



- Adjusted EBITDA excludes stock compensation and acquisition-related costs.
- Includes increased diluted shares outstanding of 63,042,962 in Q3'24 vs. 61,991,348 in Q3'23.

- Adjusted to eliminate amortization expense of intangible assets from acquisitions and acquisition-related costs, net of tax benefits. Acquisition-related costs include contingent consideration fair value adjustment.
- Includes adjustments for prior reporting periods

Preliminary NV5 Cash Flows Highlights

Cash & Leverage

	<u>Q3'24</u>	<u>Q3'23</u>	
<u>Cash Flows from Operations</u>	\$48.9 Million	\$19.9 Million	+145%
<u>Cash on Hand</u> 9/28/24	\$73.3 Million	\$44.8 Million	+63%
<u>Net Leverage</u> 9/28/24	1.3x		



GROWTH POSITIONING

Recent Mergers & Acquisitions



California Water Resources Group



Water resources and wastewater consulting engineers serving municipal governments and other government agencies

- **Expand water resources services** a growth area for NV5's Infrastructure business
- **Mandated services offering** delivering compliance for required Clean Water Act, environmental regulations, and port infrastructure requirements
- **Synergies with existing business** including existing water resources group and geospatial water infrastructure/hydrospatial services

Subscription-based building digitization services, including building information modeling, reality capture & digital twin solutions

- **Subscription-based delivery model** replicable with other NV5 building digitization clients
- **Expansion of building digitization offering** a growing component of all NV5 Buildings and Technology service offerings
- **Synergies with existing business** in both the Buildings & Technology business as well as the digital twin including existing water resources group and geospatial water infrastructure/hydrospatial services

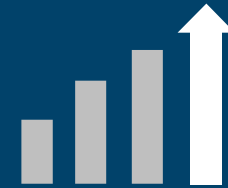
NV5 Vision

1. *Improved Profit Margin Promotes Accelerated Growth*
2. *Expanded Service Offerings*
3. *Positions to Support Global Growth*
4. *Nimble & Opportunistic*

2024 Budget

\$939M - \$943M

2024 GROSS REVENUES



\$0.48 - \$0.54

2024 GAAP EPS

\$1.15 - \$1.19

2024 ADJUSTED EPS

NV5

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Appendix

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

in thousands

	Three Months Ended	
	Sept. 28, 2024	Sept. 30, 2023
Net Income	\$ 17,078	\$ 13,056
Add: Interest expense	4,547	3,882
Income tax benefit	(1,110)	(2,185)
Depreciation and amortization	16,761	14,434
Stock-based compensation	5,955	5,777
Acquisition-related costs*	1,299	1,702
Adjusted EBITDA	\$ 44,530	\$ 36,666

RECONCILIATION OF GAAP EPS TO ADJUSTED EPS

	Three Months Ended	
	Sept. 28, 2024	Sept. 30, 2023
Net Income - per diluted share	\$0.27	\$0.21
Per diluted share adjustments:		
Add: Amortization expense of intangible assets and acquisition-related costs	0.22	0.20
Income tax expense	(0.05)	(0.05)
Adjusted EPS	\$0.44	\$0.36

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

Appendix

ORGANIC GROWTH CALCULATION

	Three Months Ended
	September 28 2024
Gross revenue growth	6%
Subtract the incremental growth coming from acquisitions	(-6)
Smaller business units not accepting new contracts	1%
Pass-through revenue	5%
Organic growth	6%

Organic growth adjusts for acquisitions and divestitures reflected in mergers and acquisitions activity, including the impact in 2024 of gross revenue for our five acquisitions completed in the first half of 2024, as well as divestitures and other structural changes, including discontinuation of certain businesses from accepting new contracts. Pass through revenue adjustments deduct sub-consultant services and other direct costs from gross revenue. For the real estate transactional business, we do not deduct sub-consultant services or other direct costs because gross revenue is the best measure of performance since the use of sub-consultant services is fundamental to the business model.