



THIRD QUARTER 2019 EARNINGS

November 7, 2019

Dickerson Wright, Chairman & CEO
Edward Codispoti, CFO

DISCLAIMER

This conference call may contain “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including statements concerning future events and future financial performance.

The Company cautions that these statements are qualified by important factors including those discussed in the risk factors section of NV5's annual report on Form 10-K for the year ended December 29th, 2018, which is on file with the Securities and Exchange Commission, as well as in other documents that the Company files with the commission from time to time. These factors could cause actual results to differ materially from those reflected by the forward-looking statements contained herein. While the Company may elect to update forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so even if estimates change and therefore you should not rely on these forward-looking statements as representing views as of any date subsequent to today. 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. Please note that unless otherwise stated all references to third quarter 2019 comparisons are being made against the third quarter of 2018.

I would like to remind everyone that a webcast replay of this call and its accompanying presentation will also be available via the link provided in today's news release and the “Investors” section of the Company's website. Any redistribution, retransmission or rebroadcast of this call in any way without the express written consent of NV5 Global, Inc. is strictly prohibited.

Dickerson Wright
Chairman & CEO



NIV5

THIRD QUARTER 2019 RESULTS

- **Gross revenues** for Q3 2019 were \$131.0M compared to \$104.2M in Q3 2018, an **increase of 26% year-over-year**.
- **Net revenues** for Q3 2019 were \$103.9M compared to \$84.4M in Q3 2018, an **increase of 23% year-over-year**.
- **EBITDA** for the quarter was \$14.4 million or 14% of Net Revenues, an **increase of 3%** from \$14.0 million of Net Revenues in Q3 2018.
- **Backlog** was \$463 million as of September 28, 2019, a **35% increase** from \$342 million as of September 29, 2018.

Q3 Financials

\$131.0m

Gross Revenues

\$103.9m

Net Revenues

26%

Gross Rev. YoY Growth

23%

Net Rev. YoY Growth

\$14.4M

EBITDA

\$0.78

Adjusted EPS

\$463M

Backlog (12-months)

\$4.1M

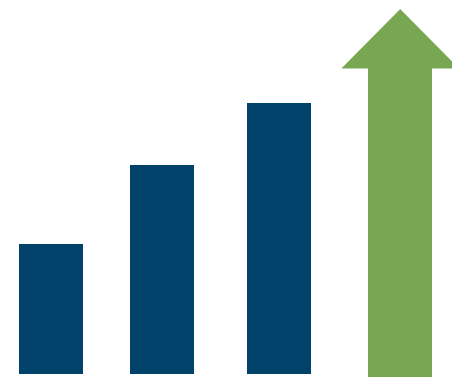
Cash Flows from Operations

2019 OUTLOOK

Full-Year Guidance

\$511M - \$527M

2019 REVENUE GUIDANCE



\$3.18 - \$3.42

2019 ADJUSTED EPS GUIDANCE

(\$1.91 - \$2.15 GAAP EPS Guidance)

- **Gross Revenue Guidance**

22 - 26% increase over 2018 gross revenues of \$418M

\$511 - \$527M

- **Net Revenues Guidance**

20 - 24% increase over 2018 net revenues of \$334M

\$401 - \$415M

- **FY2019 Adjusted Earnings Per Share**

\$3.18 - \$3.42

- **FY 2019 GAAP Earnings Per Share**

\$1.91 - \$2.15

CHALLENGES IN Q3

Event

Resolution

Increased Overhead

- Integration of Q2 & Q3 Acquisitions
- Erosion of utilization



- Scalable indirect costs begin Q4
- Full synergy expected in 2020

LNG Conversion

- Work expected to begin in Q3
- Project Delay Until Q4



- Expected to begin work in Q4
- Positive partial impact in Q4

Infrastructure Southeast

- North Carolina DOT funding
- Uncertain timeframe for DOT funding



- Expected to commence during 1st Quarter 2020
- Full funding expected by end of 1st Quarter 2020

Hong Kong Unrest

- Challenges for employees
- Slow down of projects



- Expansion of Malaysia & Dubai
- Energiz Growth in Asia and US
- Opportunities in Saudi Arabia and Philippines

KEY ACCOMPLISHMENTS

Infrastructure



- **A Northern California Municipality**
\$20M potential: owner's rep., oversight and design review
- **Nassau Community College**
\$6M architectural & engineering services
- **A Southern California Municipality's Department of Public Works**
\$5M land surveying
- **A New York Public Works Authority**
\$5.5M civil and site engineering, traffic engineering and construction management
- **A New Jersey Public Works Authority**
\$5M design and permitting of 22-mile section of greenway

Energy



- **Geographic Expansion**
Rocky Mountain, Southwest & Texas MSAs
- **Fire Risk Mitigation**
\$10M in new projects
- **Vehicle Charging Stations & Generator Replacement**
\$5M engineering design & permit support
- **Substation Expansion**
\$3M feasibility studies & distribution design
- **Geysers Geothermal Power Plant**
Chief Building Official
- **TC Energy**
Environmental compliance of new infrastructure

Building Technologies



- **New Projects**
\$20M in new Q3 contracts
- **Quincy Illinois Veterans Home**
\$3M commissioning & LEED
- **Southern California International Airport**
\$2.7M MEP design
- **Salt Lake City International Airport**
\$1.7M commissioning

International



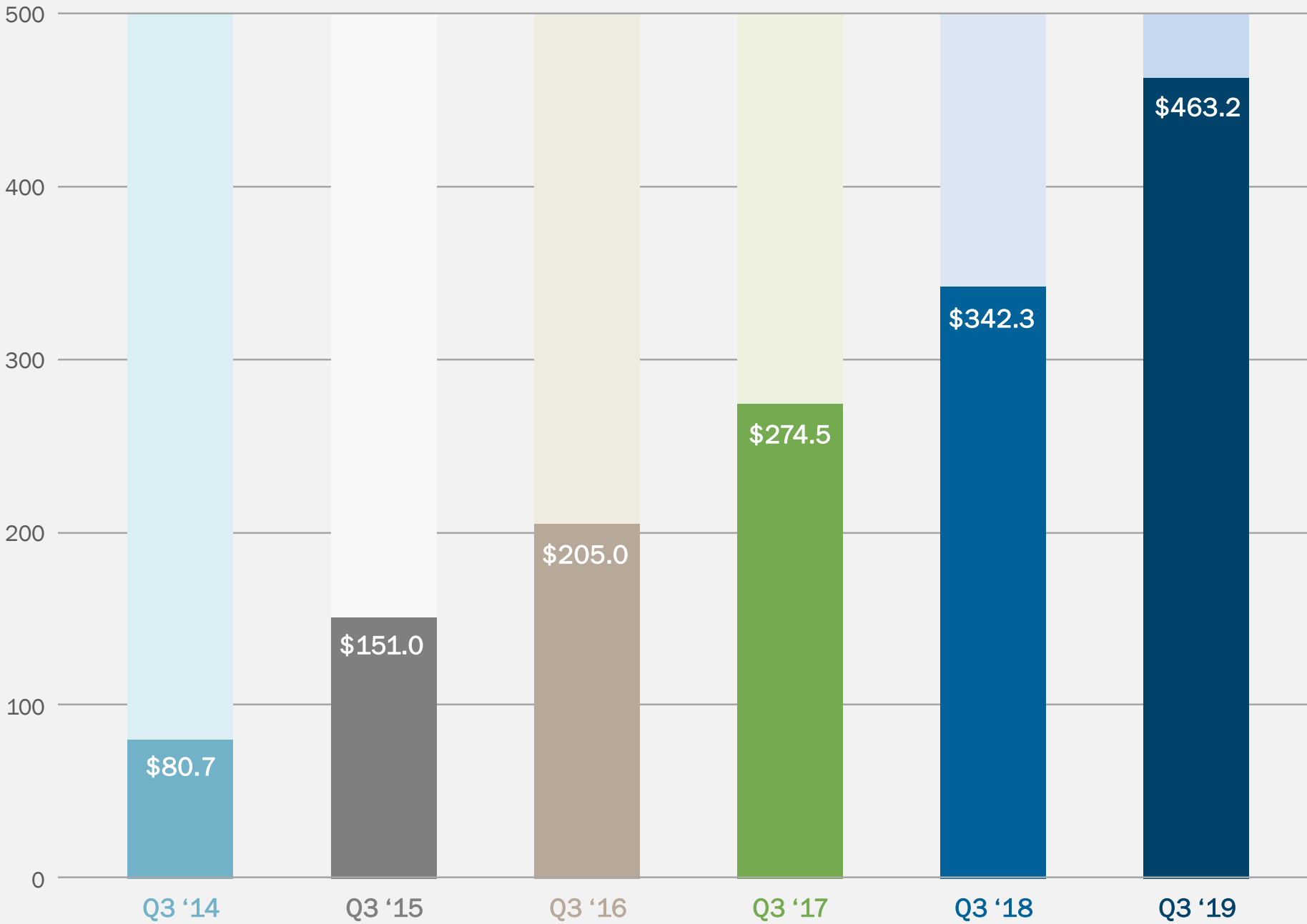
- **Hong Kong Architectural Services Department**
3-year MEP-FP contract
- **Citibank**
Full-floor and partial-floor fit outs for Kuala Lumpur office
- **Safran**
MEP-FP, localization and design review for aircraft disc brake manufacturing facility
- **Riyadh Mall**
Conditional survey of MEP, IT/AV and security

BACKLOG GROWTH

35%

Q3 '19 Backlog Growth vs. Q3 '18

Healthy backlog for the
4th quarter & 2020



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

CROSS-SELLING UPDATE

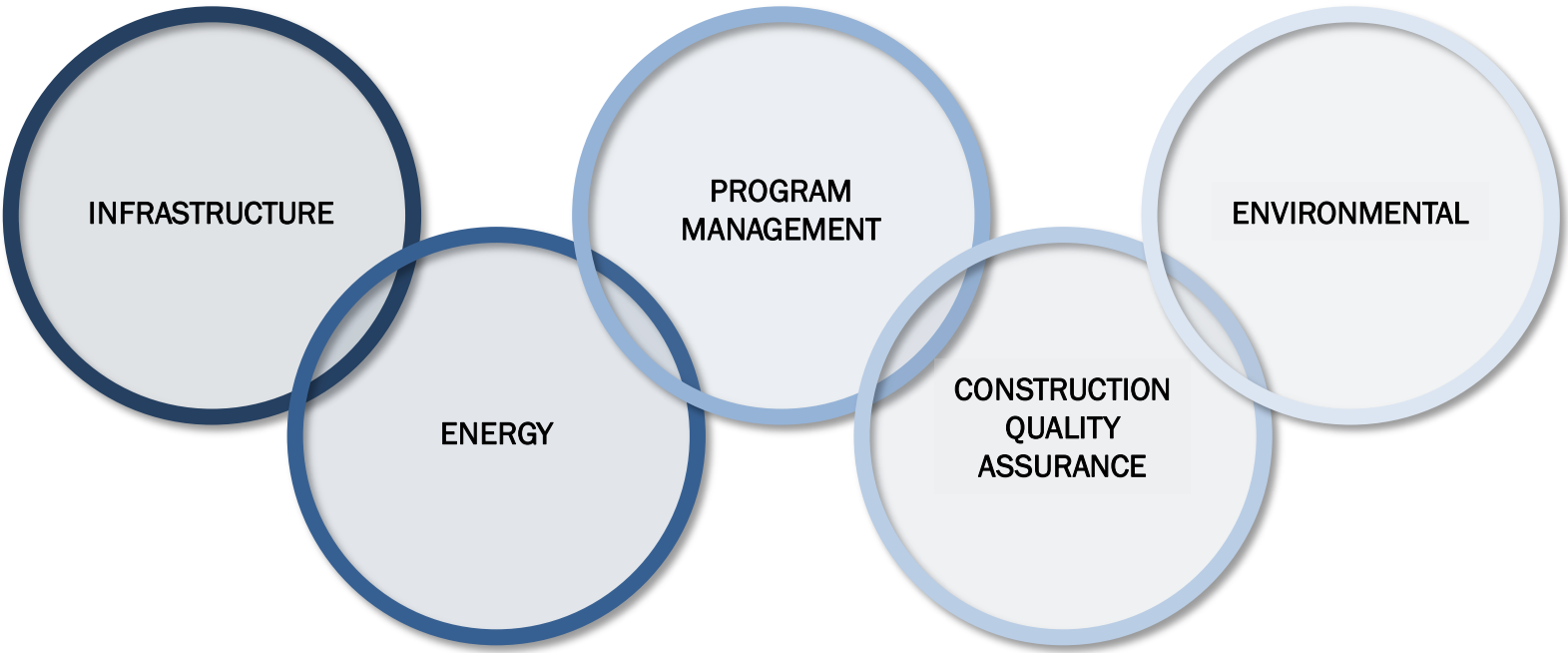
Insourcing subcontracted work to increase margins and maintain control of delivered products

Annual Target:

\$20.8m

Q3 YTD Achievement:

\$15.1m



Example:

Average Margin Increase
for In-House Work

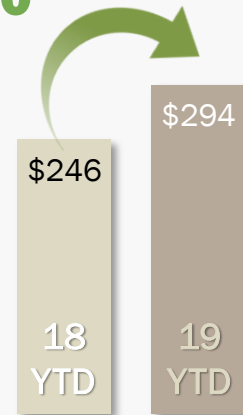
10%

YTD EBITDA Impact

+\$1.5m

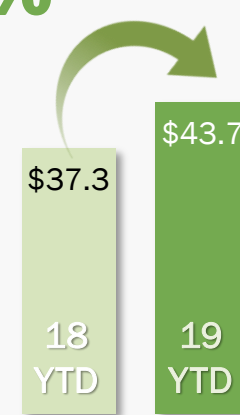
NINE MONTHS ENDED SEPTEMBER 28, 2019

+20%



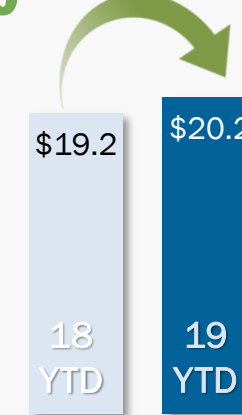
Net Revenue

+17%



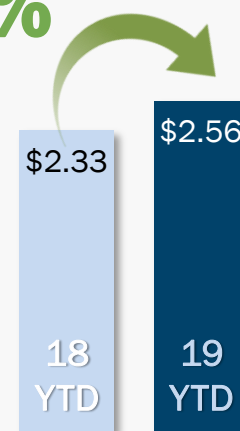
EBITDA

+5%



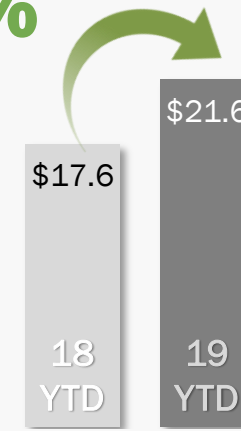
Net Income

+10%



Adjusted EPS

+23%



Cash Flows from Operations

ACQUISITIONS

M&A Trends

Pricing

- Multiples Consistent with Historical Pricing
- Seller Representation
- Legal and Accounting Fees Higher
- Pressure from Private Equity

Pipeline

- Healthy Pipeline
- Opportunities in All Five Verticals
- Continue to be Preferred – Flat Organization

Focus

- Densify Existing Platform
- Competitive Advantage in New Service Lines
- Expand to Key Geographies



Close Date: July 1st

Expertise:

- Geotechnical Engineering
- Pavement Engineering
- Materials Testing

Locations:

- Anaheim, CA
- Wilsonville, OR
- Seattle, WA
- Tacoma, WA
- Longview, WA
- Vancouver, WA

Rationale:

- Strengthen Pacific Northwest
- Supports ENERGY 2021 Initiative



Close Date: July 2nd

Expertise:

- Engineering Design
- Surveying & Mapping

Locations:

- Phoenix, AZ
- San Diego, CA
- Boise, ID
- Albuquerque, NM
- Portland, OR
- Salem, OR
- Seattle, WA

Rationale:

- Strengthen Pacific Northwest
- Supports ENERGY 2021 Initiative
- Access to Key DOTs & Utilities

ACQUISITIONS



Signing Date: November 6th

Expertise:

- Geospatial Solutions

Locations:

- Anchorage, AK
- St. Petersburg, FL
- Bengaluru (India)
- Lexington, KY
- Portland, OR
- Corvallis, OR
- Dulles, VA
- Sheboygan Falls, WI

Rationale:

- Rapidly growing field
- Solid barriers to entry
- Leader in technology and analytics
- Exceptional client list



*“North America’s
largest independent
geospatial data firm”*

ACQUISITIONS

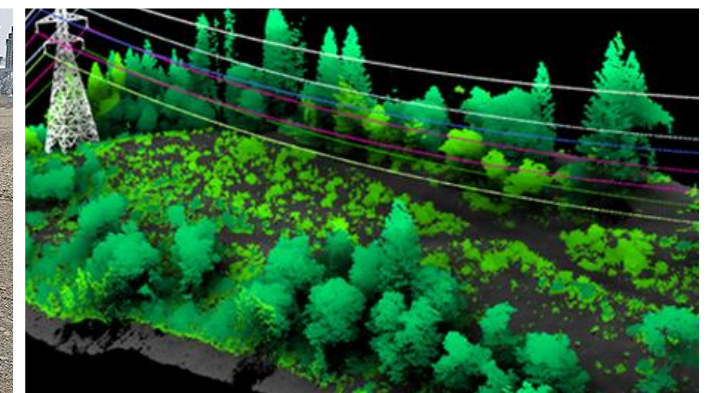


Full-service national provider of high technology solutions to the Engineering Sector

- Proprietary and patented technology and proprietary processes
- Subscription-based revenue for multiple applications
- No service duplication or significant facility overlap
- Immediately enhances and adds organic growth opportunities for NV5 geospatial service offering
- Platform for new “Technology” service line

Transaction Details:

- \$303m purchase price
- \$30m Adjusted EBITDA on \$128m revenue (2019E)
- All cash transaction
- No share dilution

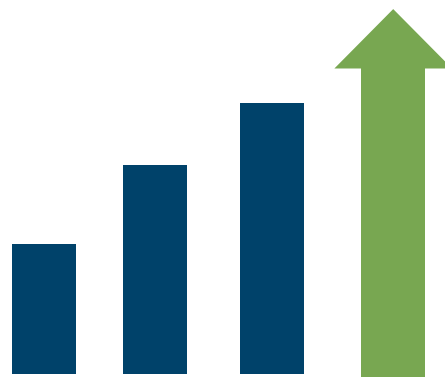


PRELIMINARY 2020 OUTLOOK

A Look Ahead

\$655M - \$710M

2020 REVENUE GUIDANCE



\$4.32 - \$4.78

2020 ADJUSTED EPS GUIDANCE



**Delivering Solutions
Improving Lives**

