

Bowman

Q2 2024 EARNINGS CALL | AUGUST 7, 2024 | NASDAQ: BWMN



TRANSPORTATION



POWER & UTILITIES



ENERGY



BUILDING INFRASTRUCTURE



WATER RESOURCES

Presenters:

Gary Bowman

Chairman & CEO

Bruce Labovitz

Chief Financial Officer

Safe Harbor Statement



Please note that many of the comments made today are considered forward-looking statements under federal securities laws.

As described in our filings with the SEC, these statements are subject to numerous risks and uncertainties that could cause future results to differ from those expressed, and we are not obligated to publicly update or revise these forward-looking statements. In addition, on today's call, we will discuss certain non-GAAP financial information such as Adjusted EBITDA, Adjusted EPS and Net Service Billing.

You can find this information, together with the reconciliations to the most directly comparable GAAP information, in our second quarter earnings press release and our 8-K filed with the SEC and on our website at [bowman.com](https://www.bowman.com).

Q2 2024 Conference Call



Q2 Highlights & Insights

- 26% YoY Growth in Gross Contract Revenue
- 27% YoY Growth in Net Service Billing
- 21% YoY Growth in Adjusted EBITDA
- 19% YoY Growth in Backlog
- 7% Sequential Growth in Backlog (06/30/24 vs 3/31/24)
- 6% YoY Growth in Organic Net Service Billing
- \$51.5 million of Annualized Net Revenue acquired year-to-date
- Continued Revenue Diversification

Financial Highlights

Q2 2024 Compared To Q2 2023

(Dollars in millions, except per share data)

For the Three Months Ended June 30

	2024	2023	Change
Gross Contract Revenue	\$104.5	\$82.8	+26.2%
Net Service Billing ¹	\$94.0	\$73.8	+27.4%
Gross Margin	52.5%	50.4%	+211 bps
SG&A % of GCR	47.0%	46.3%	+71 bps

For the Three Months Ended June 30

	2024	2023	Change
Net (Loss) Income	\$(2.0)	\$(0.6)	-\$1.4
Adjusted EBITDA ¹	\$13.4	\$11.1	+20.7%
Adjusted EBITDA Margin, Net ¹	14.3%	15.0%	-70 bps
Adjusted EPS ¹ (basic)	\$(0.03)	\$0.15	-\$0.18

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted EBITDA Reconciliation

(Dollars in thousands)

	For the Three Months Ended June 30	
	2024	2023
Net (Loss) Income (GAAP)	\$(2,082)	\$(634)
+Interest Expense	1,775	1,112
+Depreciation & Amortization	7,181	4,719
+Tax (Benefit) Expense	(1,180)	(1,625)
EBITDA	\$5,694	\$3,572
+Non-Cash Stock Compensation	6,077	6,888
+Transaction-Related Expenses	-	123
+Settlements & Other Non-Core Expenses	414	113
+Acquisition Expenses	1,227	357
Adjusted EBITDA	\$13,412	\$11,053
Adjusted EBITDA Margin, Net	14.3%	15.0%

Non-GAAP Adjusted EPS

For the three months ended June 30

Basic

Diluted

	2024	2023	2024	2023
Earnings (loss) per share (GAAP)	\$(0.13)	\$(0.05)	\$(0.13)	\$(0.05)
Pre-tax basic per share adjustments	\$0.38	\$0.27	\$0.38	\$0.25
Adjusted EPS before tax expense	\$0.25	\$0.22	\$0.25	\$0.20
Tax expense (benefit) per share adjustment	\$0.28	\$0.04	\$0.28	\$0.05
Adjusted EPS - adjusted net income	\$(0.03)	\$0.18	\$(0.03)	\$0.15
Adjusted EPS allocated to non-vested shares	-	\$0.03	-	\$0.02
Adjusted EPS attributable to common shares	\$(0.03)	\$0.15	\$(0.03)	\$0.13

Q2 2024 Revenue Composition

Growth Across Diversified Markets

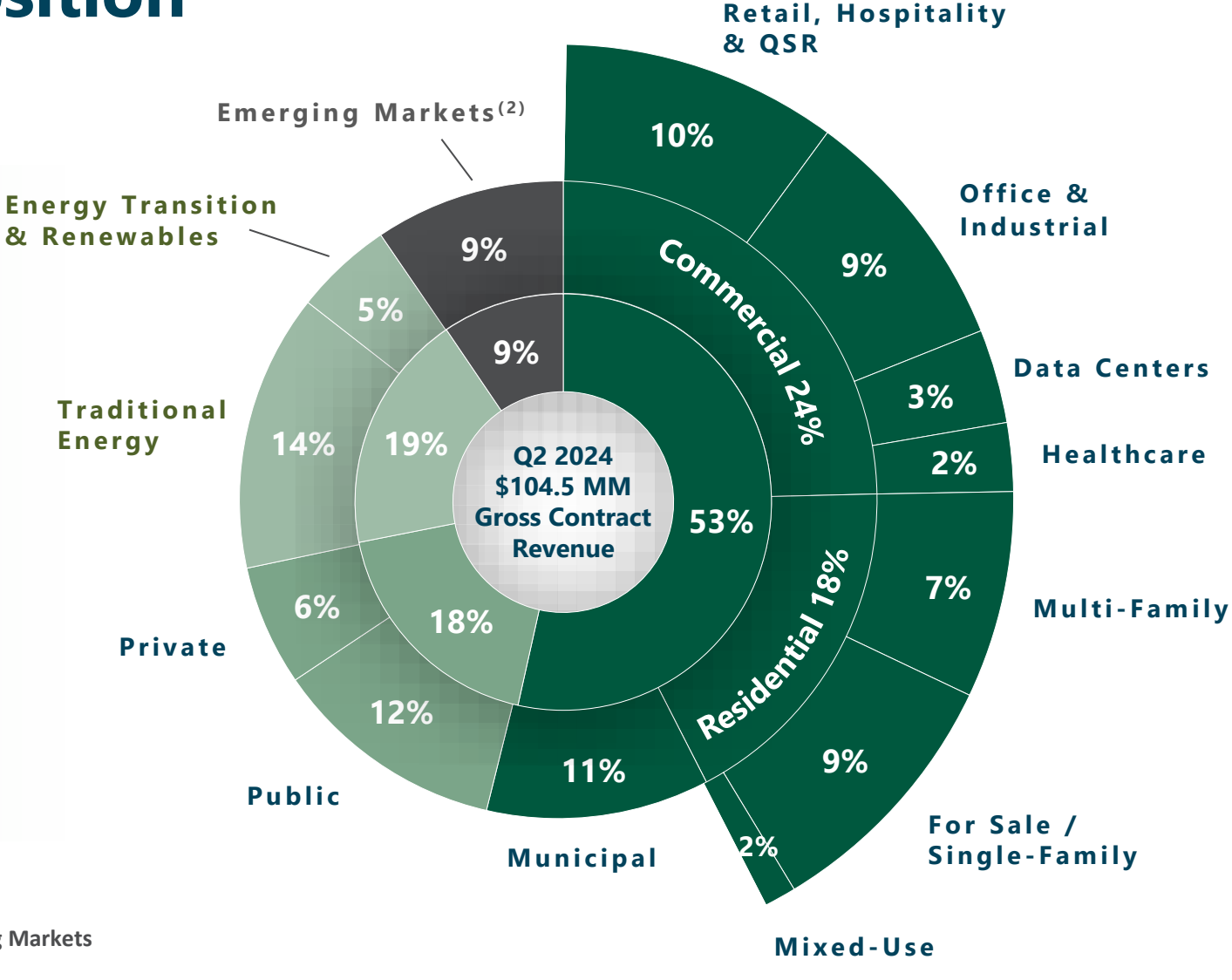
26% Gross Revenue Growth

5% Organic Growth in Gross Revenue

27% Net Revenue Growth

6% Organic Growth in Net Revenue

10% As Adjusted Organic Growth in Net Revenue⁽¹⁾



- Building Infrastructure
- Power, Utilities & Energy
- Transportation
- Emerging Markets

(1) Adjusted to include organic growth on acquired revenue
 (2) Emerging Markets includes Mining, Water, Environmental and Mapping

Proforma Organic Revenue Growth by Vertical

For The Six Months Ended June 30

Vertical Markets	Proforma as Adjusted ⁽¹⁾	Proforma as Eliminated ⁽²⁾
Emerging Markets	57.0%	50.3%
Power, Utilities & Energy	19.9%	9.7%
Transportation	14.8%	11.4%
Building Infrastructure	(1.4)%	(10.5)%
Weighted Average	7.1%	(1.0)%

Balance Sheet, Tax, and Capitalization

Cash & Leverage

- \$23 million Cash on Hand
- \$71 million Net Debt
- 1.4x Net Leverage Ratio – T4Q Adjusted EBITDA
- \$5.6 million Cash from Operating Activities
- \$7.5 million Cap Ex Expenditure YTD
- \$100 million revolver
- 17.6 million total outstanding shares including all unvested restricted stock grants at 06/30/24
- M&A consideration remains cash, seller notes, and equity

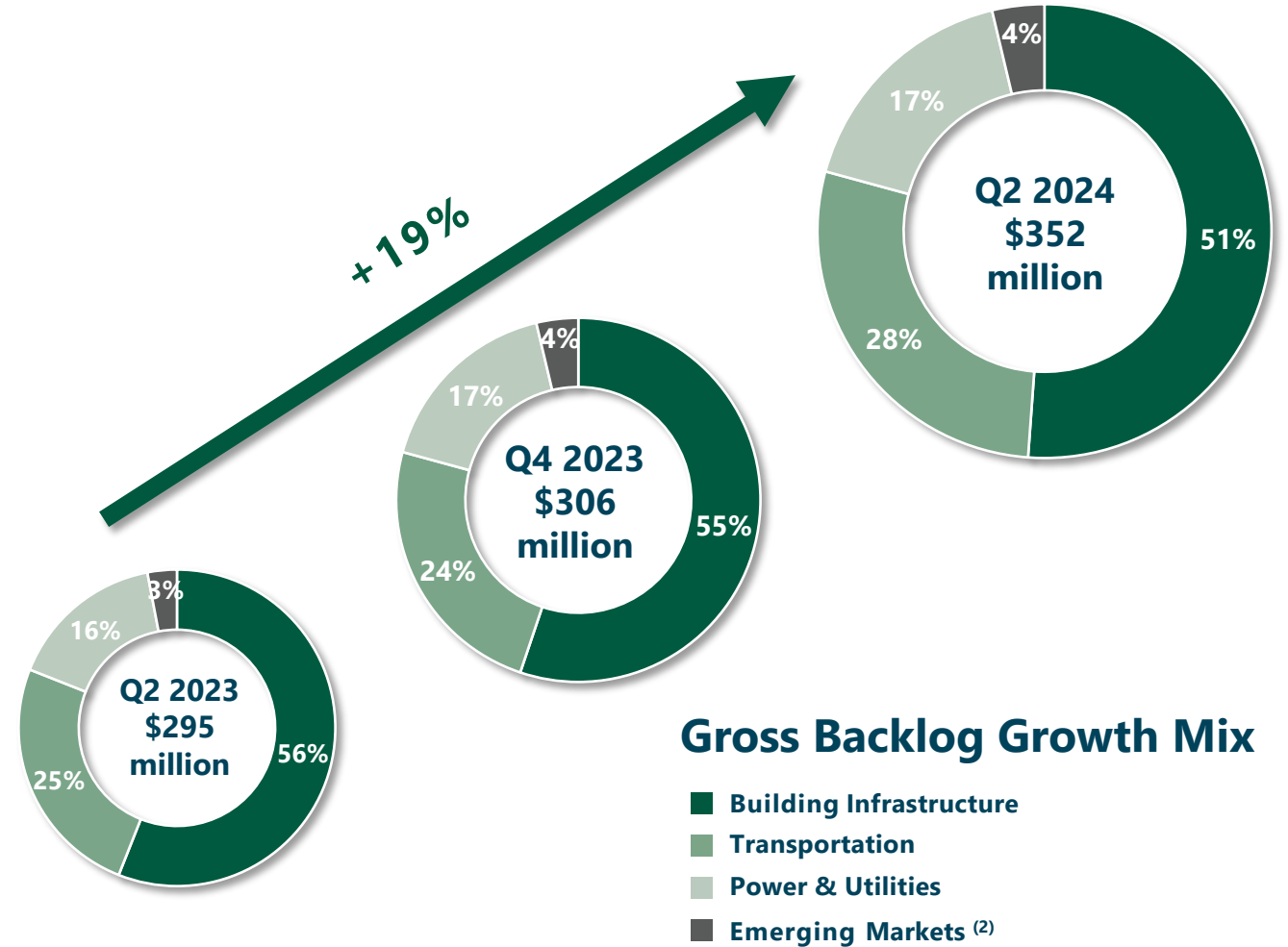
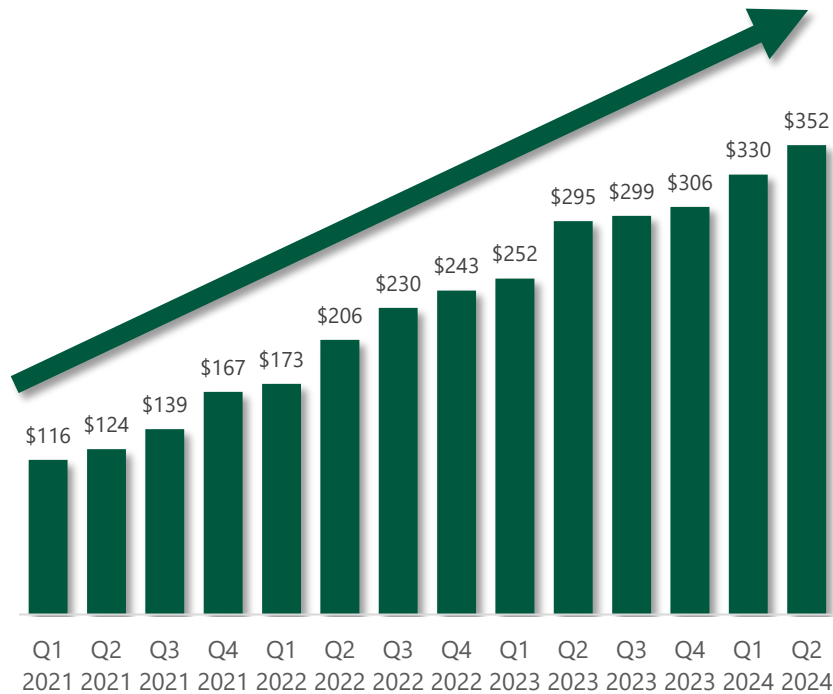
Capital Structure



Increasing Gross Backlog Provides Forward Visibility

Gross Backlog Growth Story (1)

(in Millions)



Note: Backlog represents the total dollar amount of revenues we expect to record in the future from the performance of work under contracts we have been awarded. There is no assurance that backlog will be realized as revenues in the amounts reported or, if realized, will result in profits.

Updating Guidance






FY 2024 Guidance

Issued	Net Revenue	Adjusted EBITDA
November 2023	\$345 - \$360 MM	\$56 - \$62 MM
March 2024	\$363 - \$378 MM	\$59 - \$65 MM
May 2024	\$382 - \$397 MM	\$63 - \$69 MM
August 2024	\$375 - \$385 MM	\$58 - \$63 MM

Guidance Includes Acquisitions Completed to Date Only

End Market Highlights

Q2 2024 – % Gross Revenue | YoY % Change

53.5% +15.0% YoY	18.4% +21.2% YoY	18.6% +24.8% YoY		9.5% +269.2% YoY
				
<p align="center">BUILDING INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Commercial • Industrial • Municipal • Fulfillment Centers • Quick Service Restaurants • Residential • Build-for-Rent • Other 	<p align="center">TRANSPORTATION INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Inroads with FDOT and RIDOT and other DOTs • Pennsylvania Turnpike Commission – Allegheny Tunnel Transportation Improvement Project • Mobile mapping for interstate highways • Canadian Railway Assignment in Illinois 	<p align="center">POWER & UTILITIES</p> <ul style="list-style-type: none"> • Undergrounding (Pike, Florida Power & Light, Tampa Electric) • Expanded gas pipeline services in Nevada • Expanding engagement with SDG&E 	<p align="center">ENERGY SERVICES</p> <ul style="list-style-type: none"> • Renewable Energy Solutions Provider <ul style="list-style-type: none"> • Solar • Battery Storage • EV Charging Stations • Pattern Energy - Wind Energy Project Engineering and Design 	<p align="center">MINING & WATER RESOURCES</p> <ul style="list-style-type: none"> • Civil Engineering and Mine Infrastructure Services • Copper and Aggregates • Geospatial Capabilities for Industrial Minerals, Cement and Aggregates • Water, Wastewater, Water Reclamation Services Pilot • Fairfax County Stormwater

Successes and Awards

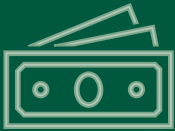


Highlights & Insights

- Recent Ports & Harbors Wins – private and public/prime and sub
- Geospatial, Mapping and GIS – methane-detection solutions
- Data Centers – viability and land-use modification studies
- Environmental & Weather – climate change, sea level rise and resiliency
- Utilities & Municipalities – staff augmentation and embedded services
- Transportation Services – construction management and inspection (CEI)
- Mining Infrastructure – heap leach construction support and QA
- Commercial & Residential – master planned communities, retail and QSR
- Fire Protection Engineering – national and international DOD work
- MEP – refrigerant standards regulatory changes

Key Initiatives and M&A Pipeline

Operations



Commitment to fostering work-sharing and collaboration

Challenge employees to share best practices

Expose employees to technical training and professional development

Technology

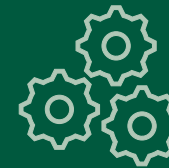


Systems, Platforms and Processes that accelerate delivery

Extensive iteration and applied learning

Multi-dimensional production and communications

Business Development



Well-connected rainmaking talent

Seasoned professionals with real-world experience

Networked closers

Strategic acquisitions that generate revenue synergies

The background image shows two workers from behind, wearing white hard hats and high-visibility yellow safety vests. The vest on the right has the word "Bowman" printed on it in green. They are standing on a solar farm with rows of solar panels stretching into the distance. In the background, several wind turbines are visible against a clear blue sky. The overall scene is bright and sunny, suggesting a clear day.

Bowman

N A S D A Q : B W M N

B O W M A N C O N S U L T I N G G R O U P L T D .



APPENDIX

Reconciliation of GAAP to Non-GAAP Financial Measures

EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

	For the Three Months Ended June 30	
	2024	2023
Net (Loss) Income (GAAP)	\$(2,082)	\$(634)
+Tax Expense (Benefit) (GAAP)	(1,180)	(1,625)
(Loss) Income Before Tax Expense (GAAP)	\$(3,262)	\$(2,259)
+Acquisition Related Expenses	1,936	772
+Amortization Of Intangibles	3,815	2,296
+Non-Cash Stock Comp Related To Pre-IPO	1,121	1,742
+Other Non-Core Expenses	414	113
Adjusted (Loss) Income Before Tax Expense	\$4,024	\$2,664
Adjusted Income Tax (Benefit) Expense	4,593	550
Adjusted Net (Loss) Income	\$(569)	\$2,114
Adjusted Earnings Allocated To Non-Vested Shares	-	285
Adjusted Net (Loss) Income Attributable To Common Shareholders	\$(569)	\$1,829

Reconciliation of GAAP to Non-GAAP Financial Measures

Gross Revenue to Net Service Billing Reconciliation

(Dollars in thousands)

	For the Three Months Ended June 30	
	2024	2023
Gross Contract Revenue	\$104,501	\$82,755
Less: Sub-Consultants & Other Direct Expenses	\$10,520	\$8,963
Net Service Billing	\$93,981	\$73,792

Non-GAAP Adjusted EPS

BASIC ADJUSTED EPS

For the Three Months Ended June 30

Earnings (loss) per share (GAAP)

Pre-tax basic per share adjustments

Adjusted EPS before tax expense

Tax expense (benefit) per share adjustment

Adjusted EPS - adjusted net income

Adjusted EPS allocated to non-vested shares

Adjusted EPS attributable to common shares

2024	2023
\$(0.13)	\$(0.05)
\$0.36	\$0.27
\$0.24	\$0.22
\$0.28	\$0.04
\$(0.04)	\$0.18
-	\$0.02
\$(0.04)	\$0.16

Non-GAAP Adjusted EPS – Dilutive

DILUTIVE ADJUSTED EPS

For the Three Months Ended June 30

(Loss) Earnings per share (GAAP)

Pre-tax basic per share adjustments

Adjusted EPS before tax expense

Tax expense (benefit) per share adjustment

Adjusted EPS - adjusted net income

Adjusted EPS allocated to non-vested shares

Adjusted EPS attributable to common shares

2024	2023
\$(0.12)	\$(0.05)
\$0.36	\$0.25
\$0.24	\$0.20
\$0.27	\$0.04
\$(0.03)	\$0.16
-	\$0.02
\$(0.03)	\$0.14

Reconciliation of GAAP to Non-GAAP Financial Measures

EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

	For the Three Months Ended June 30	
	2024	2023
(Loss) Earnings Per Share (GAAP)		
Basic	\$(0.13)	\$(0.05)
Diluted	\$(0.12)	\$(0.05)
Adjusted (Loss) Earnings Per Share (Non-GAAP)		
Basic	\$(0.03)	\$0.15
Diluted	\$(0.03)	\$0.14
Weighted Average Shares Outstanding		
Basic	16,343,639	12,276,173
Diluted	16,836,437	13,176,766