

# Bowman

Q3 2024 EARNINGS CALL | NOVEMBER 7, 2024 | NASDAQ: BWMN



TRANSPORTATION



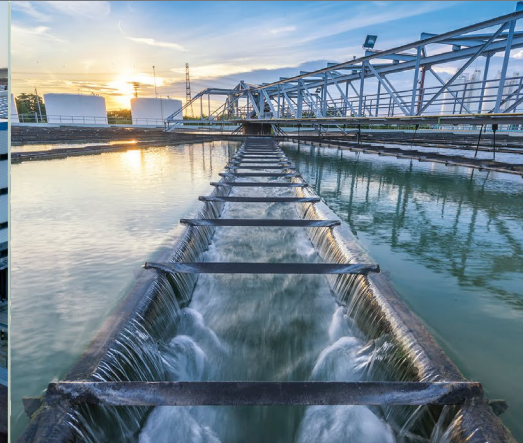
POWER & UTILITIES



ENERGY



BUILDING INFRASTRUCTURE



WATER RESOURCES

## Presenters:

**Gary Bowman**

Chairman & CEO

**Bruce Labovitz**

Chief Financial Officer



# Safe Harbor Statement

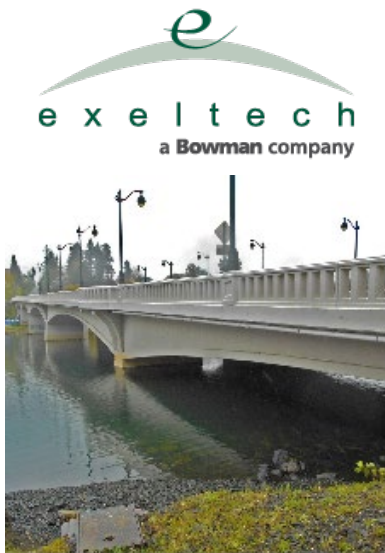


Please note that many of the comments made today are considered forward-looking statements under federal securities laws.

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).

# Q3 2024 Conference Call



## Q3 Highlights & Insights

- 21% YoY Growth in Gross Contract Revenue
- 23% YoY Growth in Net Service Billing
- 13% YoY Growth in Adjusted EBITDA
- 27% YoY Growth in Backlog
- 8% Sequential Growth in Backlog (09/30/24 vs 6/30/24)
- 8% YoY Growth in Organic Net Service Billing
- \$60 million of Annualized Net Revenue acquired year-to-date
- Continued Revenue Diversification

# Financial Highlights

## Q3 2024 Compared To Q3 2023

(Dollars in millions, except per share data)

For the Three Months Ended September 30,

	2024	2023	Change
Gross Contract Revenue	\$113.9	\$94.4	+20.6%
Net Service Billing <sup>1</sup>	\$101.4	\$82.1	+23.4%
Gross Margin	52.4%	51.6%	+80 bps
SG&A % of GCR	45.6%	44.2%	+140 bps

For the Three Months Ended September 30,

	2024	2023	Change
Net Income	\$0.8	\$1.2	-34.8%
Adjusted EBITDA <sup>1</sup>	\$17.0	\$15.1	+12.7%
Adjusted EBITDA Margin, Net <sup>1</sup>	16.7%	18.3%	-160 bps
Adjusted EPS <sup>1</sup> (basic)	\$0.31	\$0.36	-13.9%

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Adjusted EBITDA Reconciliation

(Dollars in thousands)

For the Three Months Ended September 30, For the Nine Months Ended September 30,

	2024	2023	2024	2023
<b>Net (Loss) Income (GAAP)</b>	<b>\$771</b>	<b>\$1,183</b>	<b>\$(2,869)</b>	<b>\$1,086</b>
+Interest Expense	1,938	1,538	5,844	3,545
+Depreciation & Amortization	7,395	4,500	20,572	12,785
+Tax (Benefit) Expense	(1,910)	(62)	(6,543)	(1,901)
<b>EBITDA</b>	<b>\$8,194</b>	<b>\$7,159</b>	<b>\$17,004</b>	<b>\$15,515</b>
+Non-Cash Stock Compensation	6,448	7,158	20,386	18,480
+Transaction-Related Expenses	-	63	-	186
+Settlements & Other Non-Core Expenses	1,954	560	2,767	674
+Acquisition Expenses	374	117	2,354	928
<b>Adjusted EBITDA</b>	<b>\$16,970</b>	<b>\$15,057</b>	<b>\$42,511</b>	<b>\$35,783</b>
<b>Adjusted EBITDA Margin, Net</b>	<b>16.7%</b>	<b>18.3%</b>	<b>15.1%</b>	<b>16.0%</b>

# Q3 2024 Revenue Composition

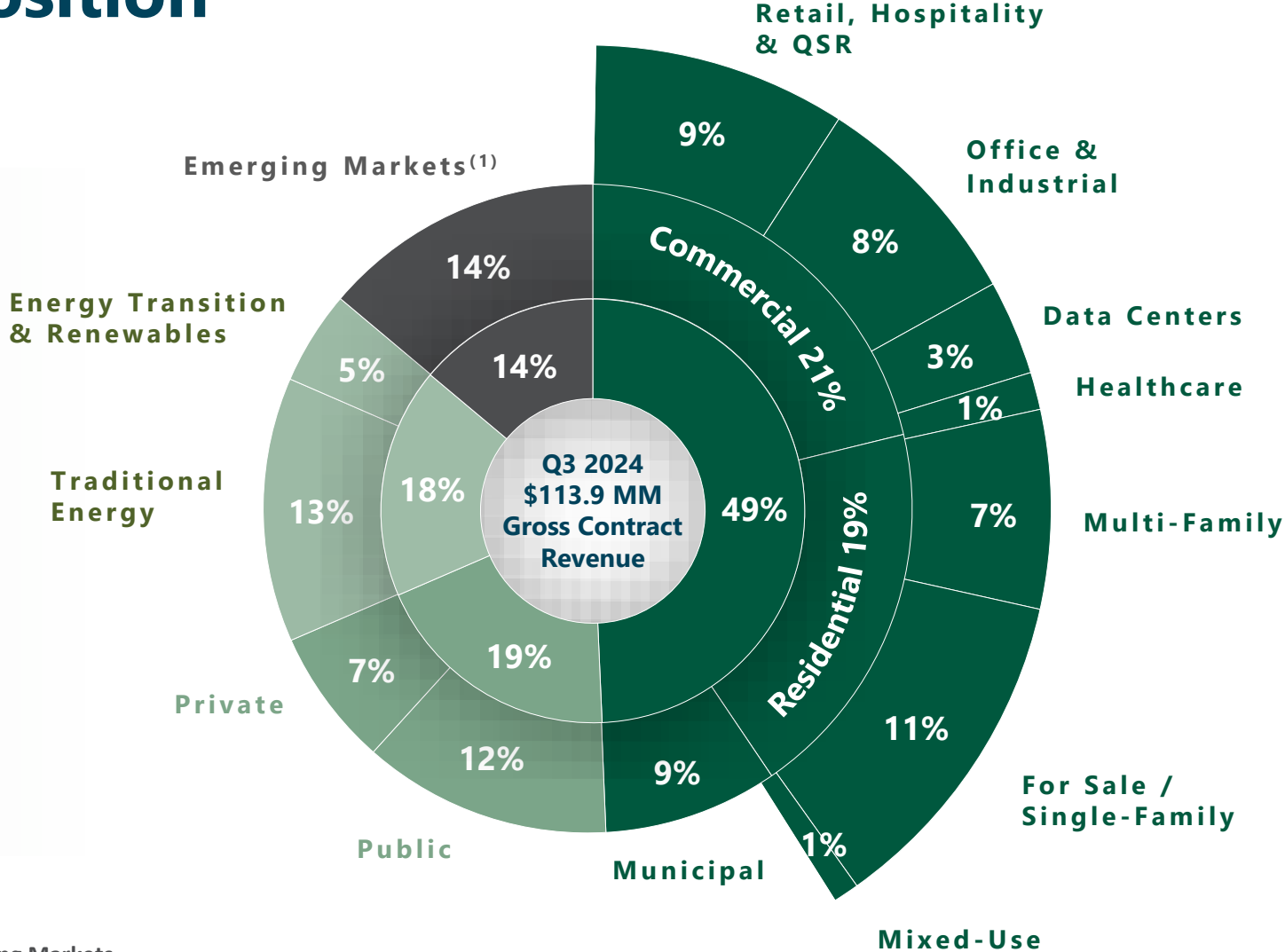
## Growth Across Diversified Markets

**21%** Gross Revenue Growth

**23%** Net Revenue Growth

**8%** T4Q Organic Growth in Net Revenue

**6%** YTD Organic Growth in Net Revenue



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

(1) Emerging Markets includes Mining, Water, Environmental and Mapping

# Organic Growth of Net Revenue by Vertical

Vertical Markets	T4Q Ended 9/30/24	Nine Months Ended 9/30/24
Emerging Markets	63.3%	47.8%
Power, Utilities & Energy	13.7%	6.2%
Transportation	17.2%	14.0%
Building Infrastructure	1.2%	1.0%
<b>Overall</b>	<b>8.3%</b>	<b>5.6%</b>



# Balance Sheet, Tax, and Capitalization

## Cash & Leverage

- \$11.7 million Cash on Hand
- \$84.7 million Net Debt
- 1.2x Net Leverage Ratio – N12M Adjusted EBITDA
- \$11.0 million Cash from Operating Activities
- \$10.7 million CapEx YTD
- \$100 million revolver - \$68 million available
- 497K shares repurchased during Q3 at \$23.89 avg
- 17.7 million total outstanding shares including all unvested restricted stock grants at 9/30/24
- M&A consideration remains cash, term notes, convertible notes and equity

## Capital Structure

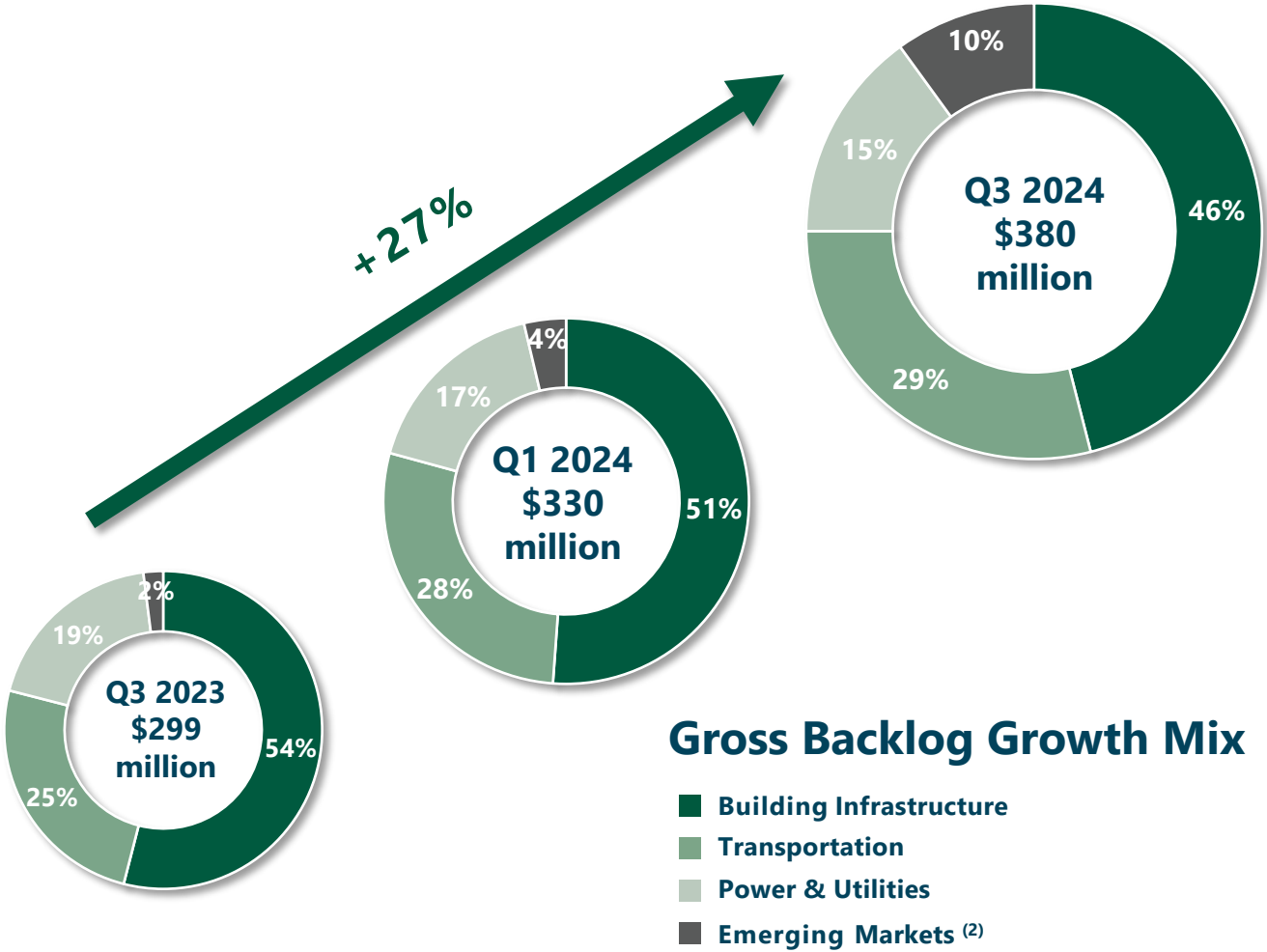
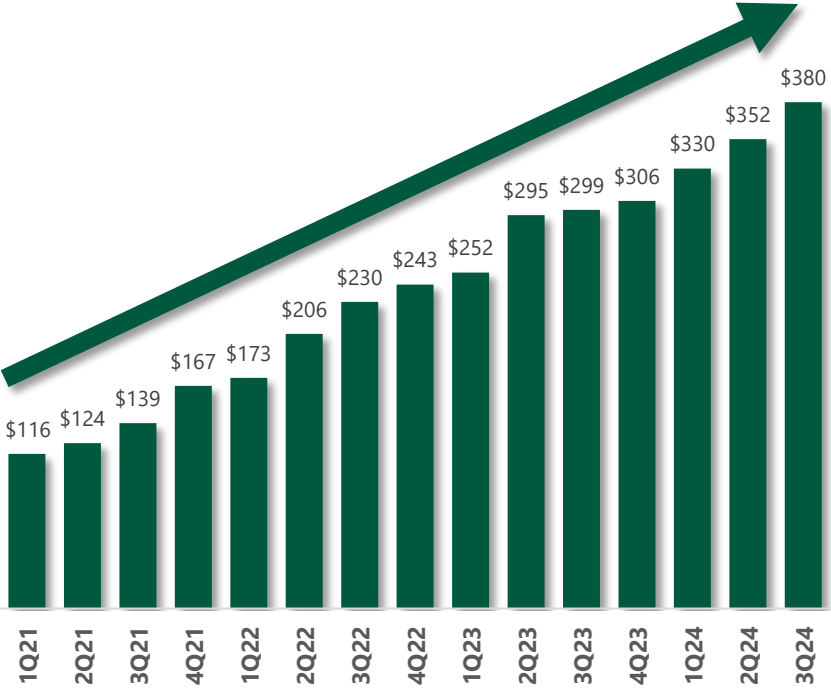




# Increasing Gross Backlog Provides Forward Visibility

## 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.

9 | (1) Gross backlog growth is defined as the difference between the backlog balance at the end of a specific period and the backlog balance at the beginning of the same period  
 (2) Emerging Markets includes Water, Mining and Natural Resources markets

# Updating Guidance

## FY 2024 Guidance History

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
November 2024	\$376 - \$386 MM	\$58 - \$63 MM






## FY 2025 Guidance

Issued	Net Revenue	Adjusted EBITDA
November 2024	\$422 - \$437 MM	\$68 - \$75 MM

Guidance Includes Acquisitions Completed to Date Only

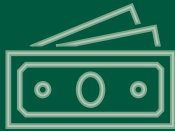
# End Market Highlights

## Q3 2024 – % Gross Revenue | YoY % Change

49.3%   +8.2% YoY	19.2%   +10.5% YoY	17.6%   +7.8% YoY		13.9%   +280.5% YoY
				
<p align="center"><b>BUILDING INFRASTRUCTURE</b></p> <ul style="list-style-type: none"> <li>• Commercial</li> <li>• Industrial</li> <li>• Municipal</li> <li>• Fulfillment Centers</li> <li>• Quick Service Restaurants</li> <li>• Residential</li> <li>• Build-for-Rent</li> <li>• Other</li> </ul>	<p align="center"><b>TRANSPORTATION INFRASTRUCTURE</b></p> <ul style="list-style-type: none"> <li>• Award starts for IDOT, VDOT, US1 in Philly and other DOTs</li> <li>• Pennsylvania Turnpike Commission – Allegheny Tunnel Transportation Improvement Project</li> <li>• Ports and Harbors</li> <li>• Cook County, Illinois win</li> </ul>	<p align="center"><b>POWER &amp; UTILITIES</b></p> <ul style="list-style-type: none"> <li>• Undergrounding (Pike, Florida Power &amp; Light, Tampa Electric)</li> <li>• Expanded gas pipeline services in Nevada &amp; CA.</li> <li>• Expanding engagement with SDG&amp;E</li> </ul>	<p align="center"><b>ENERGY SERVICES</b></p> <ul style="list-style-type: none"> <li>• Renewable Energy Solutions Provider <ul style="list-style-type: none"> <li>• Solar</li> <li>• Battery Storage</li> <li>• EV Charging Stations</li> </ul> </li> <li>• Pattern Energy - Wind Energy Project Engineering and Design</li> <li>• Fire protection services</li> </ul>	<p align="center"><b>MINING &amp; WATER RESOURCES</b></p> <ul style="list-style-type: none"> <li>• Civil Engineering and Mine Infrastructure Services</li> <li>• Copper and Aggregates</li> <li>• Geospatial Capabilities for Industrial Minerals, Cement and Aggregates</li> <li>• Water, Wastewater, Water Reclamation Services Pilot</li> <li>• Fairfax County Stormwater</li> </ul>

# 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

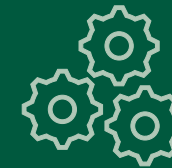


Systems, Platforms and Processes that accelerate delivery

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



A photograph of two workers in safety gear (hard hats and high-visibility vests) standing in a solar farm. The worker on the right is pointing towards the solar panels. In the background, there are several wind turbines under a clear blue sky. The overall scene is bright and sunny.

# Bowman

N A S D A Q : B W M N

**Bowman**

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



# Non-GAAP Adjusted EPS

For the three months ended September 30,

Basic

Diluted

	2024	2023	2024	2023
<b>Earnings (loss) per share (GAAP)</b>	<b>\$0.04</b>	<b>\$0.08</b>	<b>\$0.04</b>	<b>\$0.08</b>
Pre-tax basic per share adjustments	\$0.35	\$0.38	\$0.34	\$0.35
<b>Adjusted EPS before tax expense</b>	<b>\$0.39</b>	<b>\$0.46</b>	<b>\$0.38</b>	<b>\$0.43</b>
Tax expense (benefit) per share adjustment	\$0.05	\$0.05	\$0.05	\$0.04
<b>Adjusted EPS - adjusted net income</b>	<b>\$0.34</b>	<b>\$0.41</b>	<b>\$0.33</b>	<b>\$0.39</b>
Adjusted EPS allocated to non-vested shares	\$0.03	\$0.05	\$0.03	\$0.05
<b>Adjusted EPS attributable to common shares</b>	<b>\$0.31</b>	<b>\$0.36</b>	<b>\$0.30</b>	<b>\$0.34</b>

# Non-GAAP Adjusted EPS

For the nine months ended September 30,

Basic

Diluted

	2024	2023	2024	2023
<b>Earnings (loss) per share (GAAP)</b>	<b>\$(0.18)</b>	<b>\$0.08</b>	<b>\$(0.18)</b>	<b>\$0.07</b>
Pre-tax basic per share adjustments	\$0.95	\$0.97	\$0.94	\$0.89
<b>Adjusted EPS before tax expense</b>	<b>\$0.77</b>	<b>\$1.05</b>	<b>\$0.76</b>	<b>\$0.96</b>
Tax expense (benefit) per share adjustment	\$0.24	\$0.14	\$0.24	\$0.12
<b>Adjusted EPS - adjusted net income</b>	<b>\$0.53</b>	<b>\$0.91</b>	<b>\$0.52</b>	<b>\$0.84</b>
Adjusted EPS allocated to non-vested shares	\$0.04	\$0.12	\$0.04	\$0.11
<b>Adjusted EPS attributable to common shares</b>	<b>\$0.49</b>	<b>\$0.79</b>	<b>\$0.48</b>	<b>\$0.73</b>



# Reconciliation of GAAP to Non-GAAP Financial Measures

## EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

For the Three Months Ended September 30, For the Nine Months Ended September 30,

	2024	2023	2024	2023
<b>Net (Loss) Income (GAAP)</b>	<b>\$771</b>	<b>\$1,183</b>	<b>\$(2,869)</b>	<b>\$1,086</b>
+Tax Expense (Benefit) (GAAP)	(1,910)	(62)	(6,543)	(1,901)
<b>(Loss) Income Before Tax Expense (GAAP)</b>	<b>\$(1,139)</b>	<b>\$1,121</b>	<b>\$(9,412)</b>	<b>(815)</b>
+Acquisition Related Expenses	1,064	555	4,349	2,177
+Amortization Of Intangibles	3,696	1,948	10,850	5,613
+Non-Cash Stock Comp Related To Pre-IPO	796	1,744	3,473	5,207
+Other Non-Core Expenses	1,954	560	2,767	674
<b>Adjusted (Loss) Income Before Tax Expense</b>	<b>\$6,371</b>	<b>\$5,928</b>	<b>\$12,027</b>	<b>\$12,856</b>
Adjusted Income Tax (Benefit) Expense	858	620	3,791	1,665
<b>Adjusted Net (Loss) Income</b>	<b>\$5,513</b>	<b>\$5,308</b>	<b>\$8,236</b>	<b>\$11,191</b>
Adjusted Earnings Allocated To Non-Vested Shares	381	655	650	1,438
Adjusted Net (Loss) Income Attributable To Common Shareholders	\$5,132	\$4,653	\$7,586	9,753

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Gross Revenue to Net Service Billing Reconciliation

(Dollars in thousands)

For the Three Months Ended September 30,

	2024	2023
<b>Gross Contract Revenue</b>	<b>\$113,932</b>	<b>\$94,434</b>
Less: Sub-Consultants & Other Direct Expenses	\$12,569	\$12,310
<b>Net Service Billing</b>	<b>\$101,363</b>	<b>\$82,124</b>
Organic Net Service Billing (Trailing four quarters net revenue of \$361.6M less \$47.9M of acquired)	\$313,709	\$289,664

For the Nine Months Ended September 30,

	2024	2023
<b>Gross Contract Revenue</b>	<b>\$313,341</b>	<b>\$253,290</b>
Less: Sub-Consultants & Other Direct Expenses	\$32,308	\$29,811
<b>Net Service Billing</b>	<b>\$281,033</b>	<b>\$223,479</b>
Organic Net Service Billing (Net service billing less acquired net revenue from acquisitions after 9/30/2023)	\$235,972	\$223,478

# Reconciliation of GAAP to Non-GAAP Financial Measures

## EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

For the Three Months Ended September 30, For the Nine Months Ended September 30,

	2024	2023	2024	2023
<b>(Loss) Earnings Per Share (GAAP)</b>				
Basic	\$0.04	\$0.08	\$(0.18)	\$0.08
Diluted	\$0.04	\$0.08	\$(0.18)	\$0.07
<b>Adjusted (Loss) Earnings Per Share (Non-GAAP)</b>				
Basic	\$0.31	\$0.36	\$0.49	\$0.79
Diluted	\$0.30	\$0.34	\$0.48	\$0.73
<b>Weighted Average Shares Outstanding</b>				
Basic	16,537,472	12,814,971	15,559,279	12,304,751
Diluted	16,835,337	13,793,120	15,904,025	13,437,841