



TETRA TECH

**Q3
24**

Earnings Call

August 1, 2024

Dan Batrack, Chairman & CEO

Steve Burdick, Executive VP & CFO

Leslie Shoemaker, Ph.D., Executive VP

Joseph Fong, High Performance Buildings Lead

WATER & ENVIRONMENT

Forward-Looking Statements & Non-GAAP Financial Measures



All statements in this communication other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, risk profile and investment strategies, and any statements regarding future economic conditions or performance, and the expected financial and operational results of Tetra Tech. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. These statements involve risks and uncertainties, such as those related to fluctuations in Tetra Tech’s quarterly operating results and stock price, and the other risks detailed from time to time in Tetra Tech’s SEC reports. Any forward-looking statements are made as of the date hereof. We do not intend, and undertake no obligation, to update any forward-looking statement.

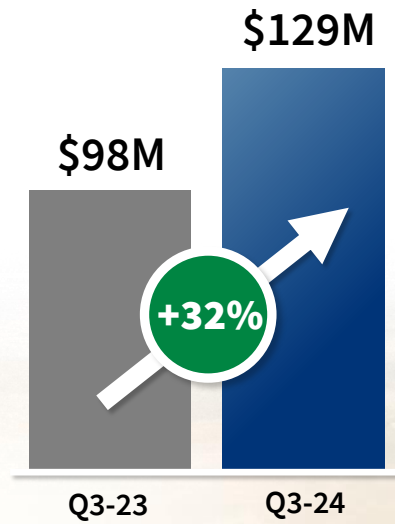
To supplement the financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we present certain non-GAAP financial measures within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended. We provide these non-GAAP financial measures because we believe they provide a valuable perspective on our financial results. However, non-GAAP measures have limitations as analytical tools and should not be considered in isolation and are not in accordance with, or a substitute for, GAAP measures. In addition, other companies may define non-GAAP measures differently which limits the ability of investors to compare non-GAAP measures of Tetra Tech to those used by our peer companies. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is available at tetratech.com/investors.

Q3-24 Record Results

Net Revenue




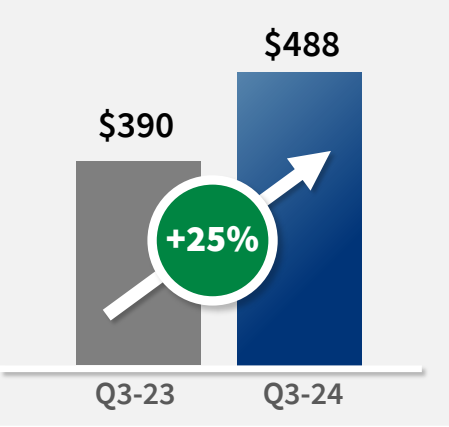
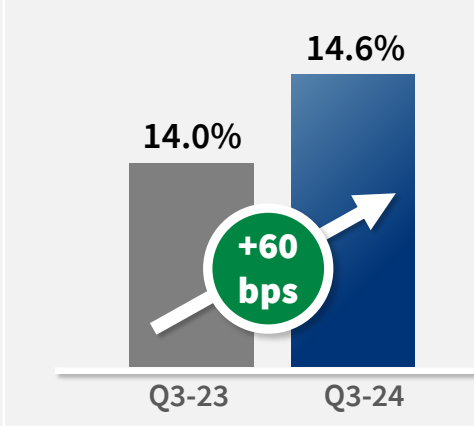

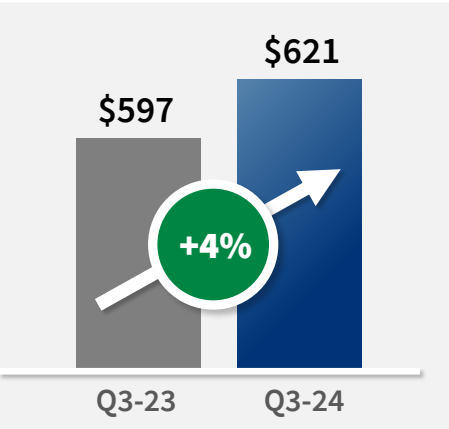
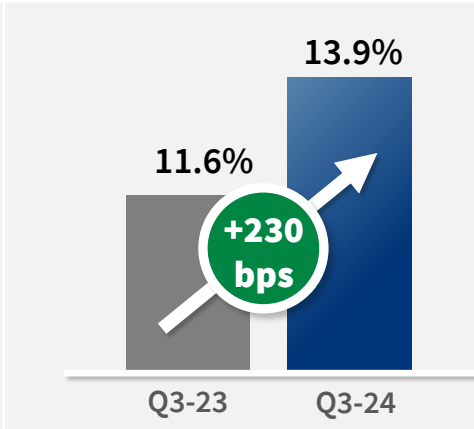
Operating Income







EPS



Q3-24 Performance by Segment

Segment	Net Revenue (\$M)	OI Margin (%)	Comments
 <p>GSG</p>	 <p>\$390 \$488 +25% Q3-23 Q3-24</p>	 <p>14.0% 14.6% +60 bps Q3-23 Q3-24</p>	<ul style="list-style-type: none"> • USAID / Ukraine Up • Advanced Water Treatment Up • Environmental Up
 <p>CIG</p>	 <p>\$597 \$621 +4% Q3-23 Q3-24</p>	 <p>11.6% 13.9% +230 bps Q3-23 Q3-24</p>	<ul style="list-style-type: none"> • Sustainable Infrastructure Up • Renewable Energy Up • RPS Margin Up

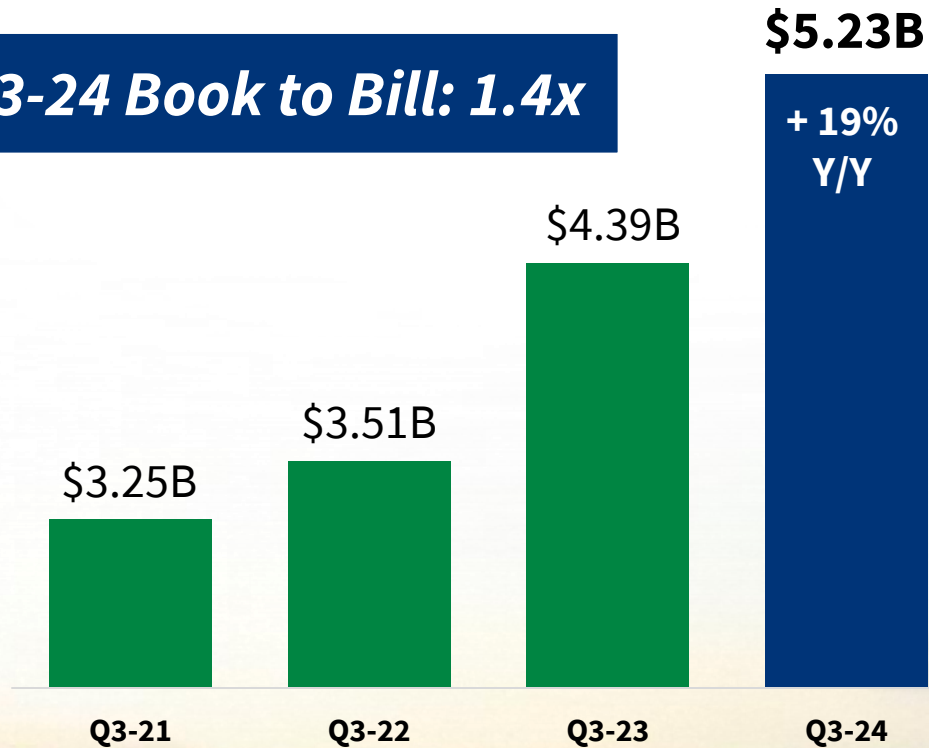
Q3-24 Net Revenue by Customer

Customer	% of Net Rev.	Y/Y*	Comments
 <p>U.S. Federal</p>	30%	+34%	<ul style="list-style-type: none"> • USAID / Ukraine up • Civilian and Defense Environmental up
 <p>U.S. State & Local</p>	11%	+8%	<ul style="list-style-type: none"> • Advanced Water Treatment up • Environmental up
 <p>U.S. Commercial</p>	19%	+7%	<ul style="list-style-type: none"> • Renewable Energy up • Environmental Remediation up
 <p>International</p>	40%	+5%	<ul style="list-style-type: none"> • Canadian Sustainable Infrastructure up • Australian Sustainable Infrastructure up

*U.S. State and Local Y/Y excludes disaster response; U.S. Federal up 18% without Ukraine

Q3-24 Backlog

Q3-24 Book to Bill: 1.4x

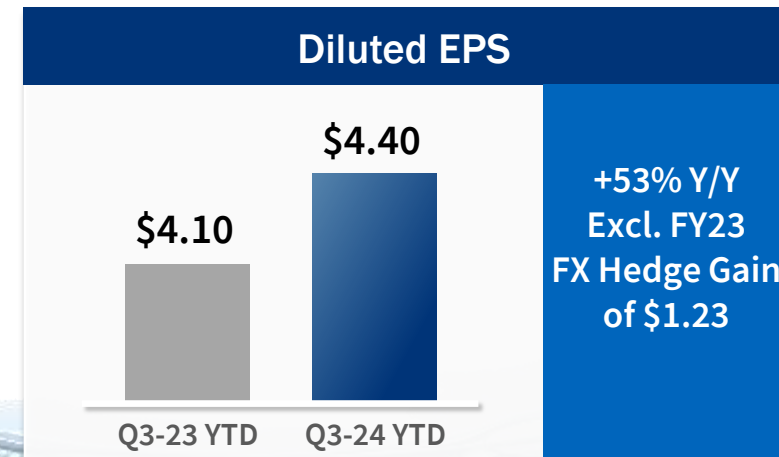
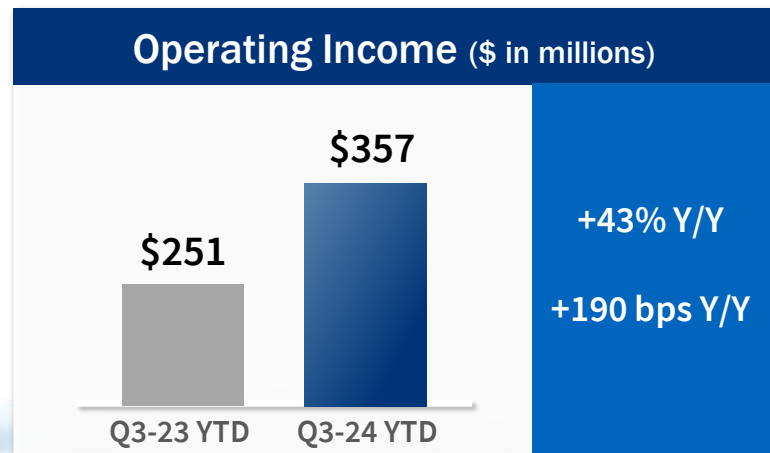
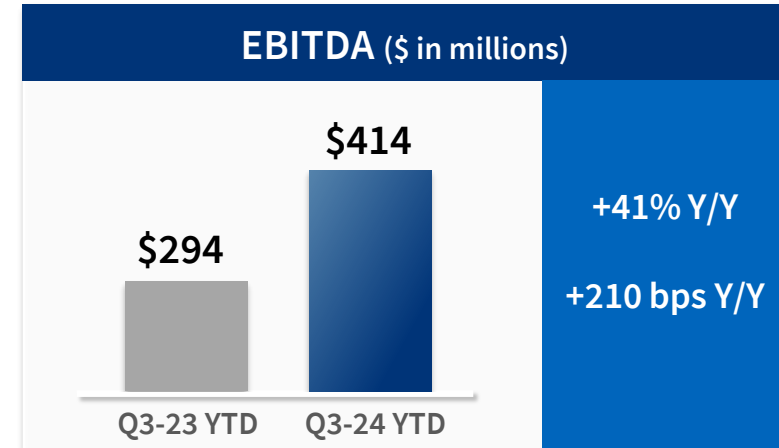
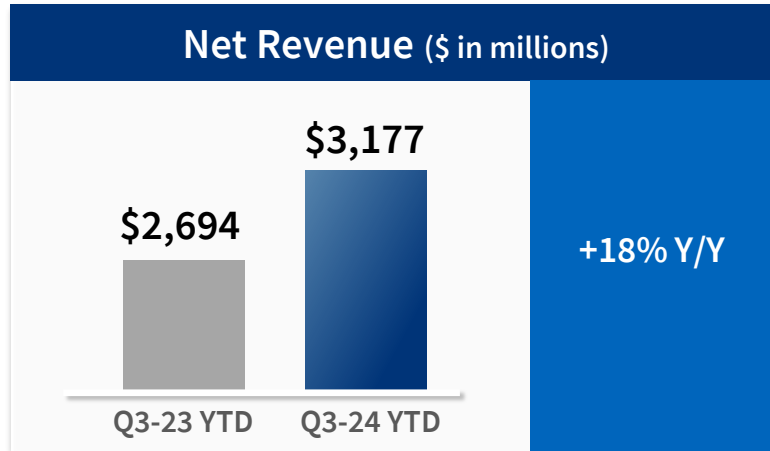


Recent Key Contract Wins

- **\$439 million** for expanding energy resiliency through innovative solutions for diversified generation, delivery and storage of energy in Ukraine
- **\$73 million** to increase energy resiliency and support sustainable infrastructure throughout West Africa
- **\$65 million** for disaster preparedness associated with impacts from climate change and rising sea levels across vulnerable areas in the Asia Pacific region
- **\$64 million** for supporting sustainable land and infrastructure systems including water resource management and irrigation in developing countries
- **\$56 million** to design advanced water treatment and PFAS removal solution for a new facility in Virginia
- **\$54 million** for sustainable infrastructure programs addressing climate change adaptation in Southeast Asia
- **\$35 million** for assessment and restoration for water and environmental impacts associated with fire recovery in Hawaii
- **\$32 million** for investigation and evaluation of contaminated sediments within the Anacostia River in the Potomac River Basin
- **\$27 million** to assess and design water leachate treatment solutions in municipal landfills in California

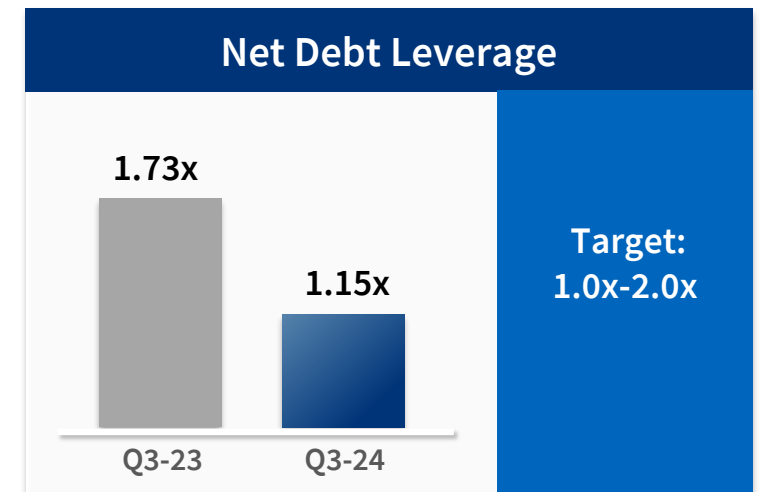
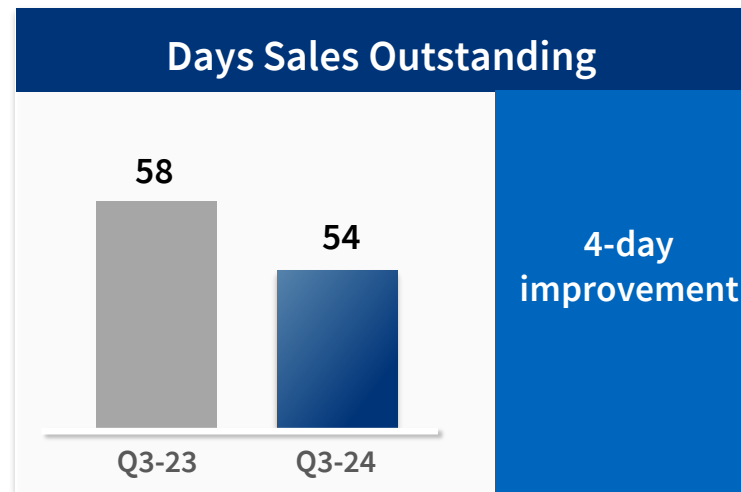
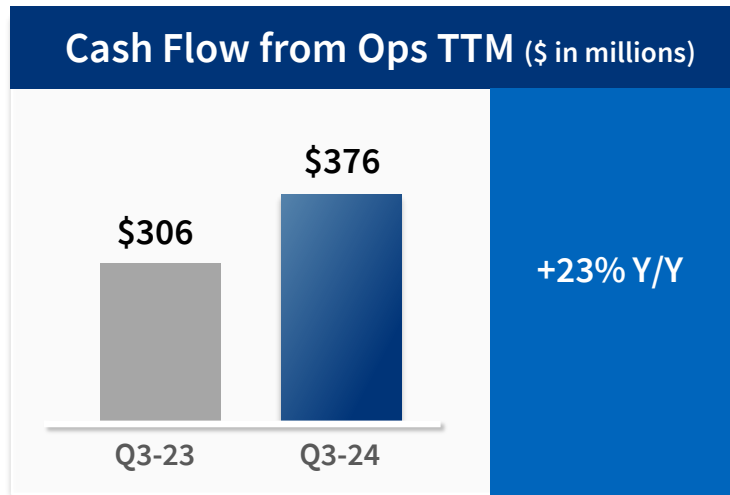
\$2 Billion of New Orders in the Quarter

FY24 YTD Financial Overview



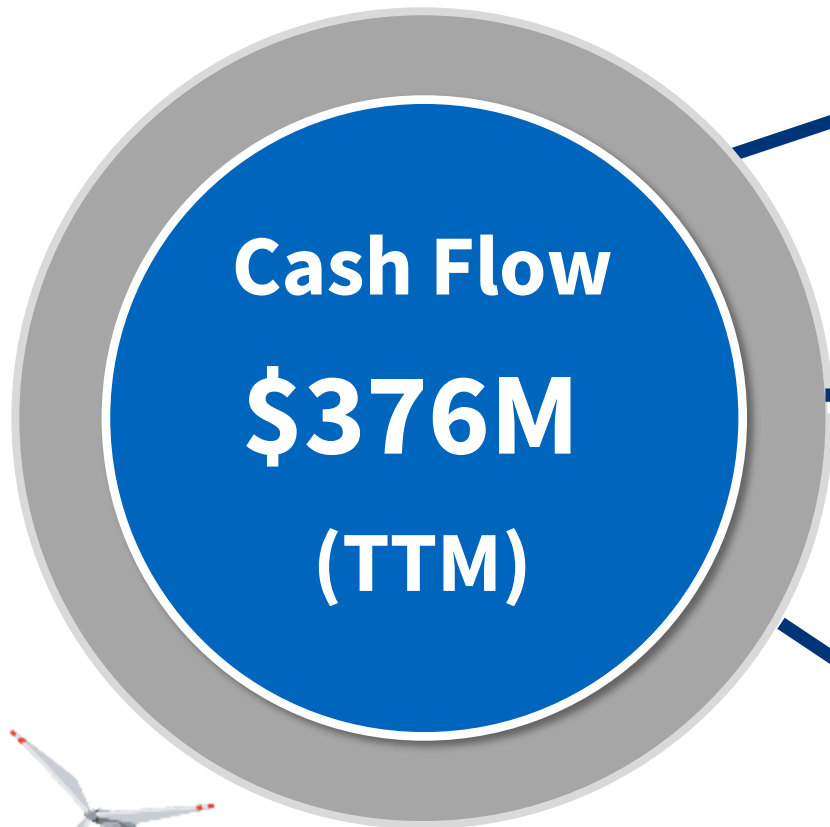
EBITDA increases continue to exceed Net Revenue growth

Q3-24 Cash Flow Overview



Cash Flow from Operations has exceeded Net Income every year for the last two decades

Capital Allocation



Debt Facilities

- \$800M existing liquidity available
- Balanced debt: fixed (2/3) & variable (1/3)
- Invest in organic & acquisitive strategic priorities

Acquisitions

- Strong strategically aligned pipeline
- Technical innovation
- Water & Environment focus

Dividends & Stock Buyback

- Q4-24 Dividend: \$0.29 per share, +12% Y/Y
- Previously approved buyback: \$348M available
- 5:1 stock split effective after close of trading Sept. 6th

Increased Funding for Global Priority Water Programs



U.K. Water Utilities



- \$110B in AMP 8 water spending
- Triple investment in new infrastructure to \$45B
- Target sewer system overflow reduction by 44%

Tetra Tech Proprietary Tools:

WATERNET™

Csoft



U.S. Municipal Water



- National Clean Water Needs - \$630B; up 73%
- \$37B to address PFAS drinking water regulations
- \$10B new water bond proposed in California

Tetra Tech Proprietary Tools:

Csoft

 **HYDROWEB**
Contrôle des eaux

 **OCEANSMAP™**
An Ocean Of Data. Integrated.

Sources: Ofwat July 2024 price review, U.S. EPA Clean Watersheds Needs Survey dated April 2024, American Water Works Association

Water for High-Tech & Manufacturing

**Fabrication &
Manufacturing Facilities**

**CHIPS Act &
Supply Chain Resiliency**

\$200B spend over the next 10 years



**Mission Critical
Data Centers**

**AI-Computing &
Race to Liquid Cooling**

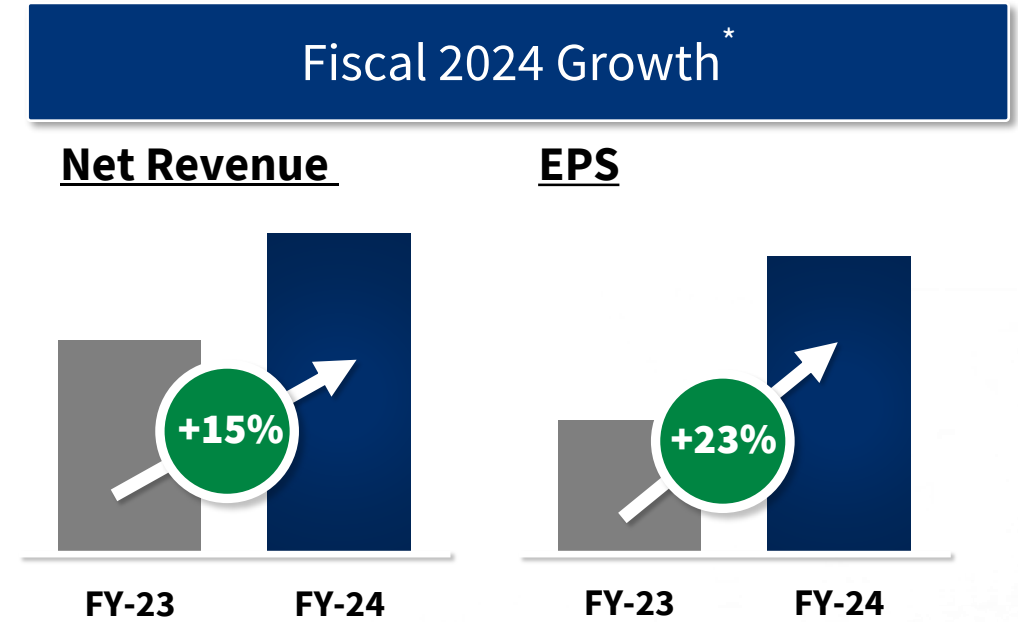
\$500B spend by 2027



Sources: Semiconductor Industry Association – 2023 State of the US Semiconductor Industry, Dell’Oro Group

Increasing FY24 Guidance

	Net Revenue	EPS
Q4-24	\$1.09B - \$1.14B	\$1.82 - \$1.87
FY-24	\$4.27B - \$4.32B	\$6.23 - \$6.28



*Midpoint of the range on GAAP basis

Assumptions FY-24

- Pre-stock split
- Includes intangible amortization of \$50 million or \$0.67 per share
- Q4-24 effective tax rate: 27%
- 54 million average diluted shares
- Excludes contributions from future acquisitions

Q3-24 Summary

- Strong demand for differentiated *Leading with Science*[®] water and environmental services
- All-time high revenue and backlog
- Backlog and client funding increases are providing momentum for FY24 and beyond
- Raising FY24 guidance for Net Revenue & EPS



TETRA TECH

Questions & Answers

WATER & ENVIRONMENT