



WILLDAN GROUP, INC.

Q2 FY24 Earnings Call

NASDAQ: WLDN

August 1, 2024

Mike Bieber, President & CEO

Kim Early, Executive Vice President & CFO

Safe Harbor Statement – Statements in this presentation that are not purely historical, are forward-looking statements that involve risks and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Willdan's actual results could differ materially from those in any such forward-looking statements. Willdan's business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan's SEC reports including, but not limited to, the Annual Report on Form 10-K for the year ended December 29, 2023. Willdan disclaims any obligation, and does not undertake, to update or revise any forward-looking statements.

Q2'24 Key Takeaways

Results exceeded expectations

- Contract Revenue \$141M **+ 18%**
- Adjusted EBITDA \$13M **+ 56%**
- GAAP EPS of \$0.33, up from \$0.03
- Adjusted EPS \$0.55 **+ 112%**

Strong free cash flow YTD

Raising FY24 financial targets

Load growth fuels positive long-term outlook

Willdan Transitions Communities To Clean Energy & A Sustainable Future



1,678
Employees

(as of June 28, 2024)



53 Offices in
25 States

*(including Canada,
District of Columbia,
and Puerto Rico)*



8,500 GWH and

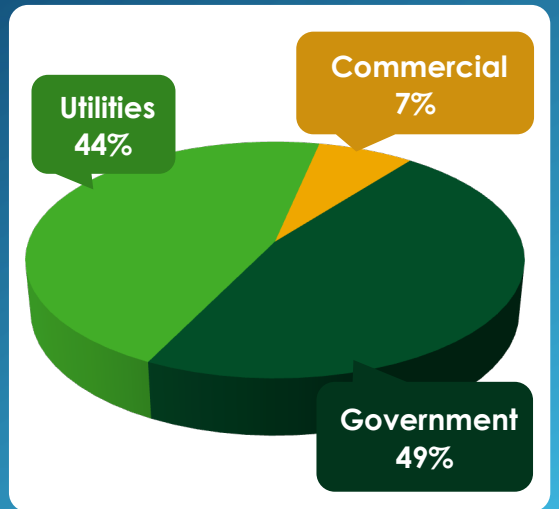
98 MM
Therms Saved

7,800,000

Metric Tons of GHG
Emissions Avoided (12/31/23)

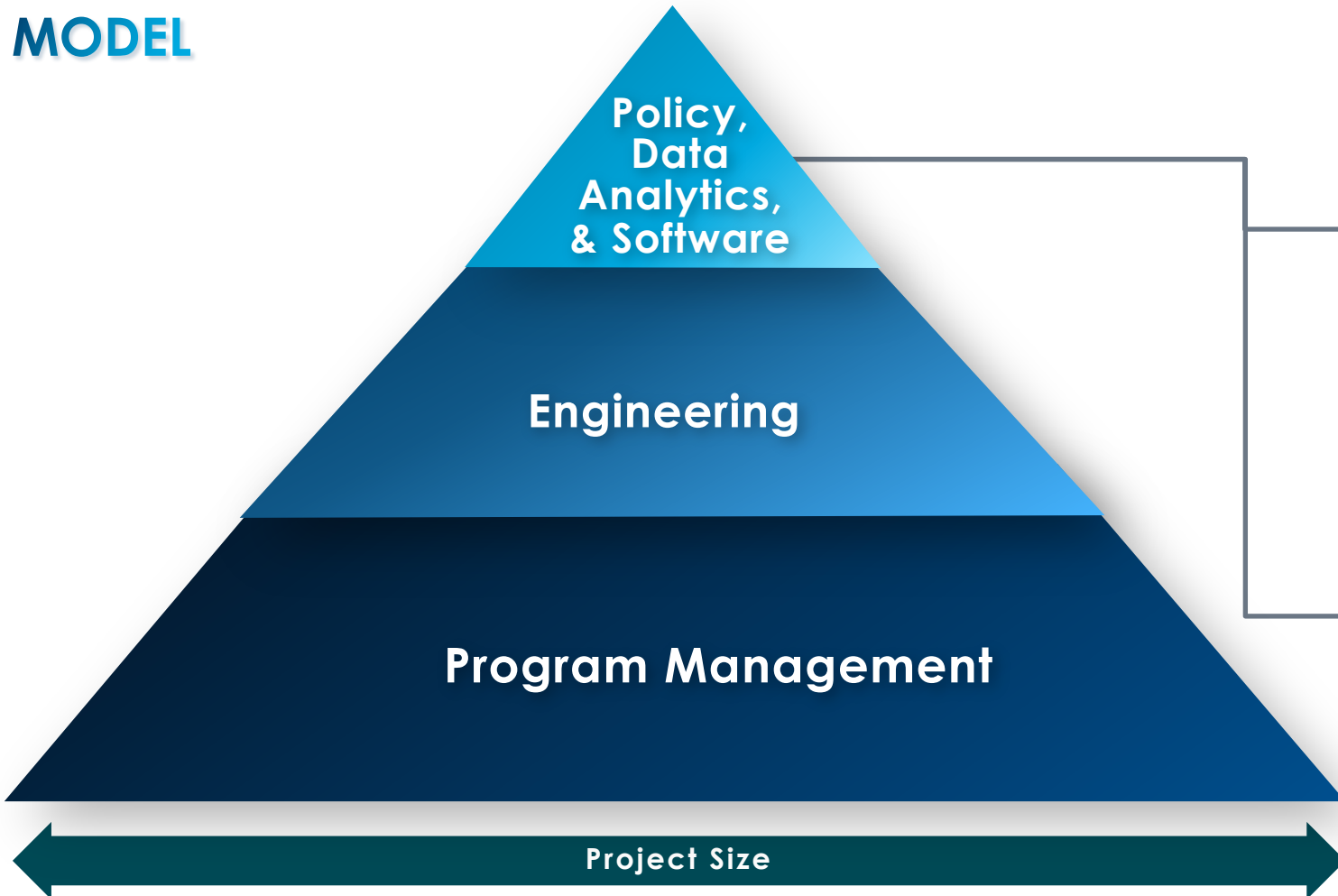
Our Customers

% by 1H'24 Revenue



Upfront Policy Work Informs Willdan Strategy

MODEL



EXAMPLES

New England IOU

Since 2013 - Policy & Data Analytics

2023 - Software

2024 - >\$30M Program Management

City of Paramount, CA

Since 1973 - Consulting & Engineering

2024 - \$18M Program Management

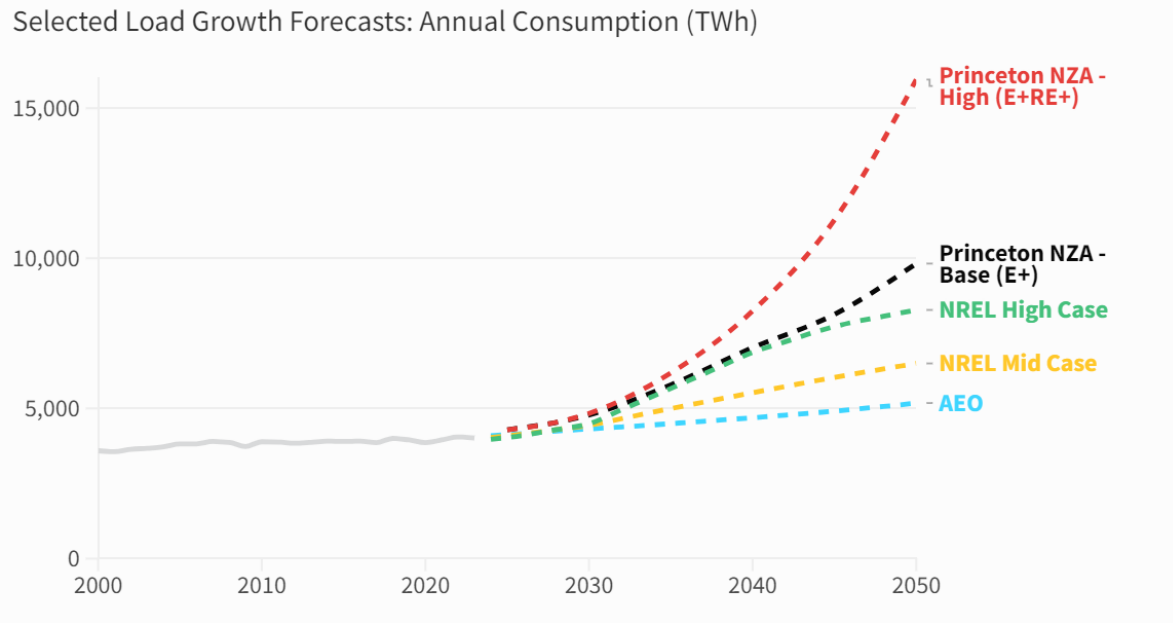
Notable Wins

Since last earnings call

Client	Description
1. Meta (formerly Facebook)	Study on Emissions Related to Voluntary Clean Energy Procurement
2. State of Virginia	Grid Impact for Energy Demand in the Largest Data Center Market
3. Glendale Water & Power	Distributed Energy Resources Evaluation
4. City of Paramount, CA	Solar, EV Charging, and Storage
5. Washington Municipal Utility	Energy Design Assistance Contract

Load Growth Creating Willdan Opportunities

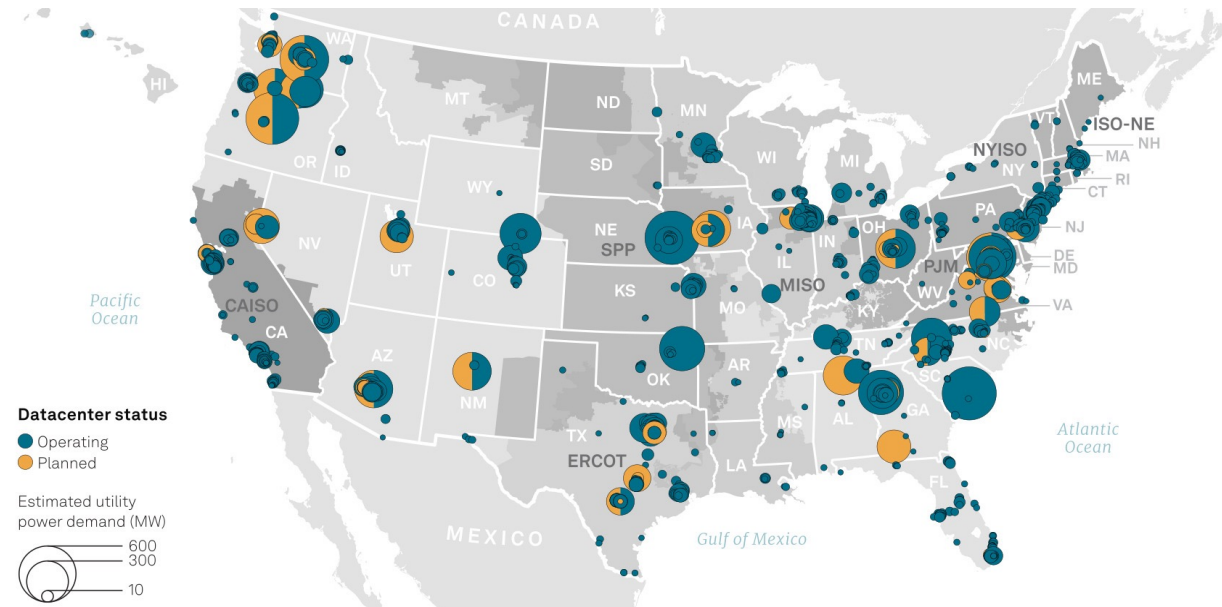
Certain Load Growth, Uncertain Speed & Scale



Source: U.S. Energy Information Administration (Historic), U.S. Energy Information Administration (AEO), Net-Zero America (Princeton), National Renewable Energy Laboratory (NREL)

CSIS ENERGY SECURITY AND CLIMATE CHANGE PROGRAM

AI Expected to Drive More Power Demand from Data Centers



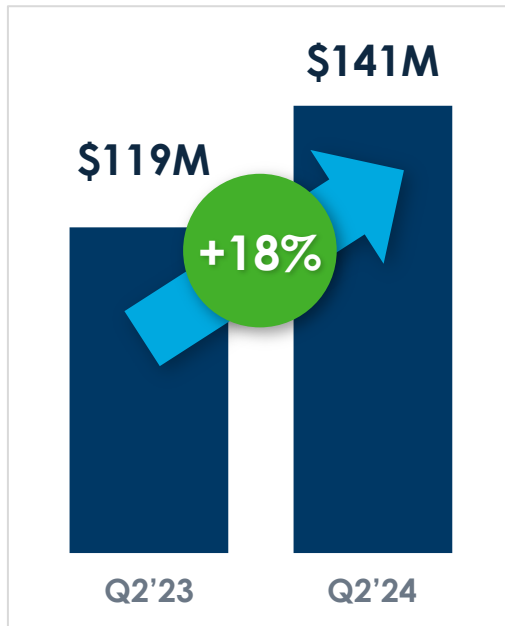
Source: S&P Global Market Intelligence; 451 Research; S&P Global Commodity Insights

Dynamic landscape fuels positive long-term outlook

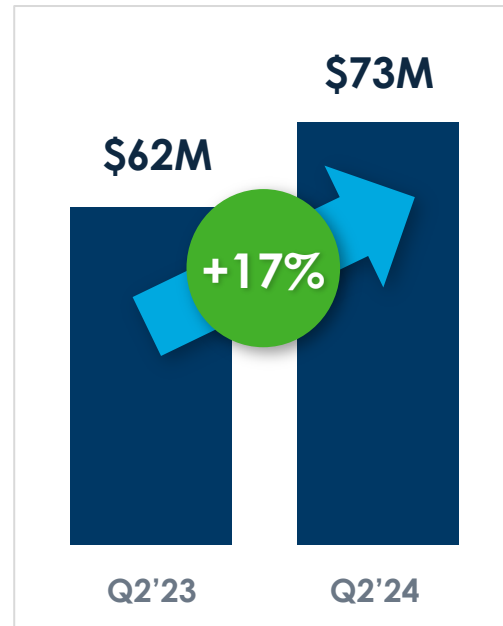
Q2'24 Results

(\$ in millions, except for EPS)

Contract Revenue



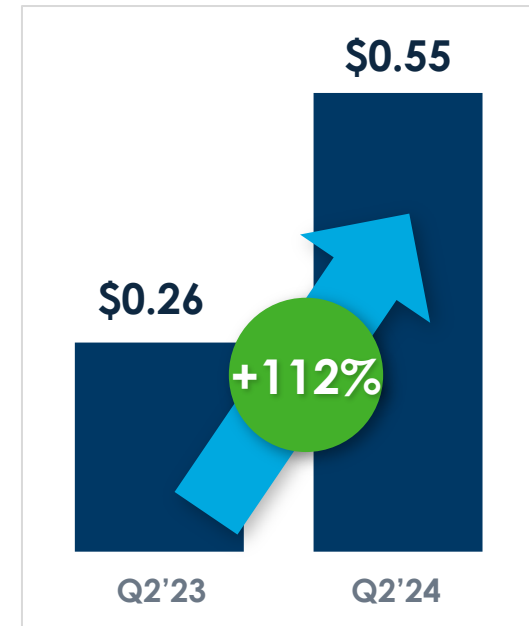
Net Revenue



Adjusted EBITDA



Adjusted EPS

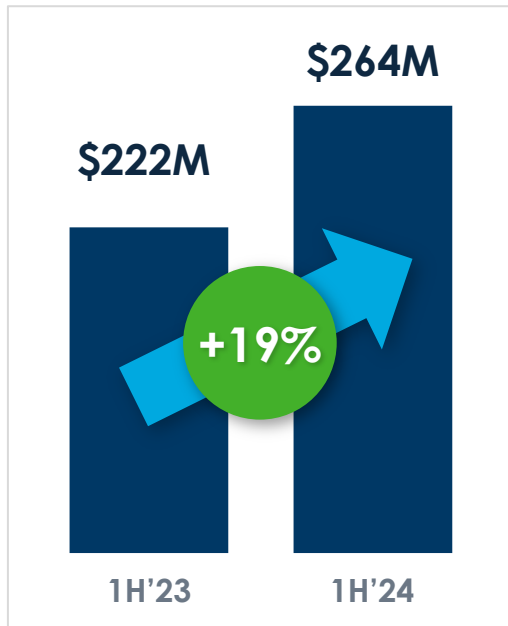


Growth in program management, utility programs, and municipal engineering services

1H'24 Results

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS



Growth in program management, utility programs, and municipal engineering services

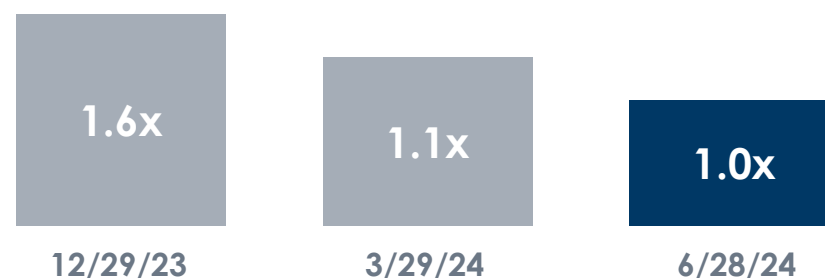
Balance Sheet & Cash Flow

(\$ in millions)

NET DEBT



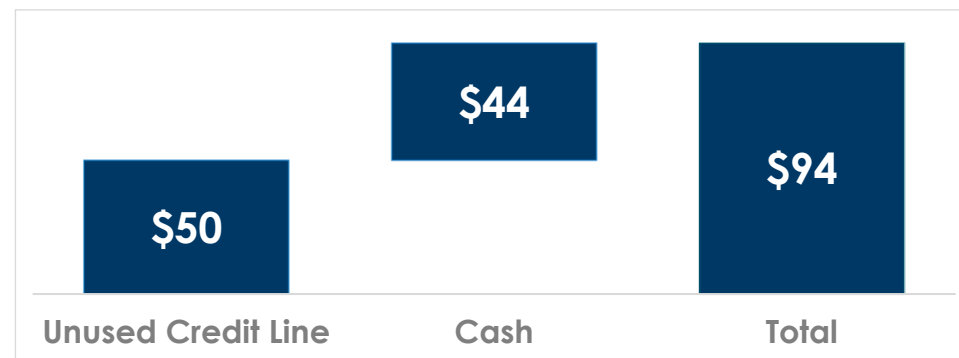
NET DEBT / ADJUSTED EBITDA TTM



FREE CASH FLOW

	Q2'23	Q2'24	1H'23	1H'24
Cash Flow From Operations	\$2	\$1	\$19	\$28
Less: Capital Expenditures	2	2	6	4
Free Cash Flow	\$ --	\$(1)	\$13	\$24

TOTAL LIQUIDITY



Strong cash flow and reduced leverage provide liquidity for investment in growth

Raising 2024 Financial Targets

(\$ in millions, except for EPS)

- Net Revenue between **\$280-290 million**
- Adjusted EBITDA between **\$50-52 million**
- Adjusted Diluted EPS between **\$2.00-2.10**
- Financial Targets assume
 - Full-year effective tax rate of **14%**
 - **14.2** million average diluted common shares



Q&A

Reconciliation of Contract to Net Revenue

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q2'23	Q2'24	1H'23	1H'24
CONSOLIDATED				
Contract Revenue	\$119.1	\$141.0	\$221.7	\$263.5
Subcontractor services & other direct costs	57.1	68.5	98.1	122.1
Net Revenue	\$62.0	\$72.5	\$123.6	\$141.4
ENERGY SEGMENT				
Contract Revenue	\$98.0	\$117.9	\$181.3	\$218.6
Subcontractor services & other direct costs	56.1	67.6	96.2	120.2
Net Revenue	\$41.9	\$50.3	\$85.1	\$98.4
ENGINEERING & CONSULTING SEGMENT				
Contract Revenue	\$21.1	\$23.1	\$40.4	\$44.9
Subcontractor services & other direct costs	1.0	1.0	1.9	1.9
Net Revenue	\$20.0	\$22.1	\$38.5	\$43.0

Reconciliation GAAP Net Income to Adjusted EPS

<i>(\$ & shares in millions except per share amounts)</i> <i>Note: totals may not foot due to rounding</i>	Q2'23	Q2'24	1H'23	1H'24
Net Income	\$0.4	\$4.6	\$1.3	\$7.5
<i>Stock-based Compensation, net of tax</i>	1.0	1.6	2.3	2.8
<i>Intangible Amortization, net of tax</i>	2.1	1.5	4.2	3.0
Adjusted Net Income	\$3.5	\$7.7	\$7.8	\$13.3
Diluted Weighted Average Shares Outstanding	13.487	14.074	13.481	14.001
Diluted EPS	\$0.03	\$0.33	\$0.10	\$0.54
Adjusted Diluted EPS	\$0.26	\$0.55	\$0.58	\$0.95

Reconciliation GAAP Net Income to Adjusted EBITDA

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q2'23	Q2'24	1H'23	1H'24
Net Income	\$0.4	\$4.6	\$1.3	\$7.5
Interest Expense	2.2	2.0	4.7	4.1
Income Tax Expense (Benefit)	0.2	0.7	1.0	1.7
Stock-based Compensation	1.3	1.9	2.8	3.3
Depreciation and Amortization	4.1	3.6	8.3	7.2
(Gain) Loss on Sale of Equipment	-	-	-	-
Adjusted EBITDA	\$8.2	\$12.8	\$18.1	\$23.9
<i>Adjusted EBITDA Margin</i> <i>(as % of Net Revenue)</i>	13.3%	17.7%	14.6%	16.9%