WILLDAN

WILLDAN GROUP, INC.

Q1 FY25 Earnings Call

NASDAQ: WLDN

May 8, 2025

Mike Bieber, President & CEO
Kim Early, Executive Vice President & CFO

Q1'25 Key Takeaways

Strong start to the year

Q1'25 vs. Q1'24

- Contract Revenue $152M **+ 24%**
- Adjusted EBITDA $14M **+ 31%**
- GAAP EPS $0.32 **+ 52%**
- Adjusted EPS $0.63 **+ 58%**

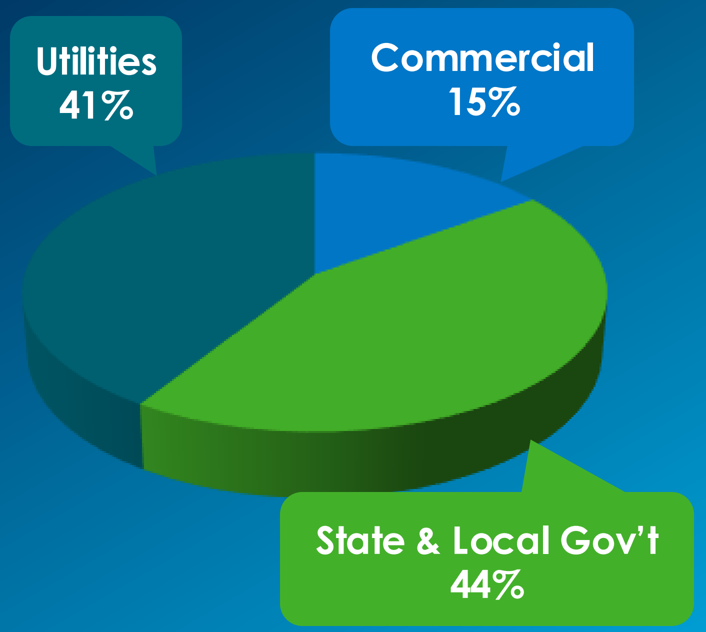
Closed two acquisitions

Load growth and execution fuel positive long-term outlook

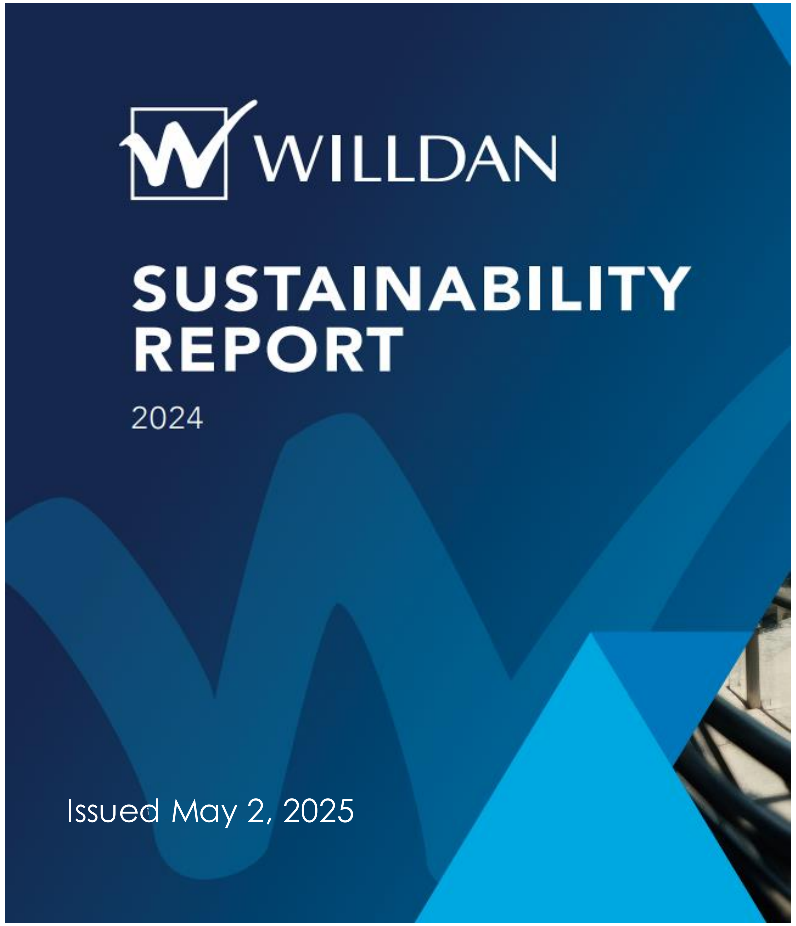
Expanded credit facility

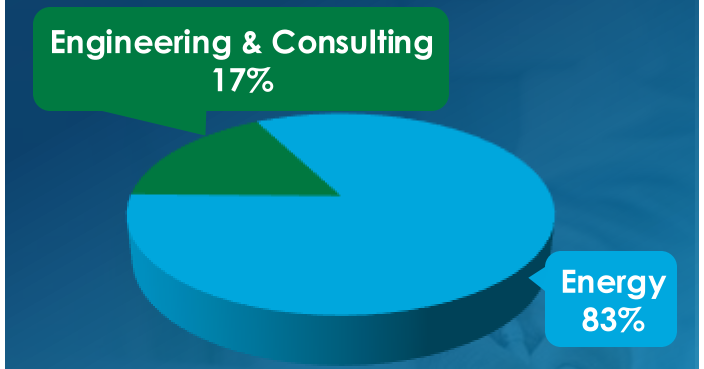
Willdan Provides Energy & Infrastructure Solutions

Customer Mix*



* Expressed as % of FY2025 Proforma Contract Revenue





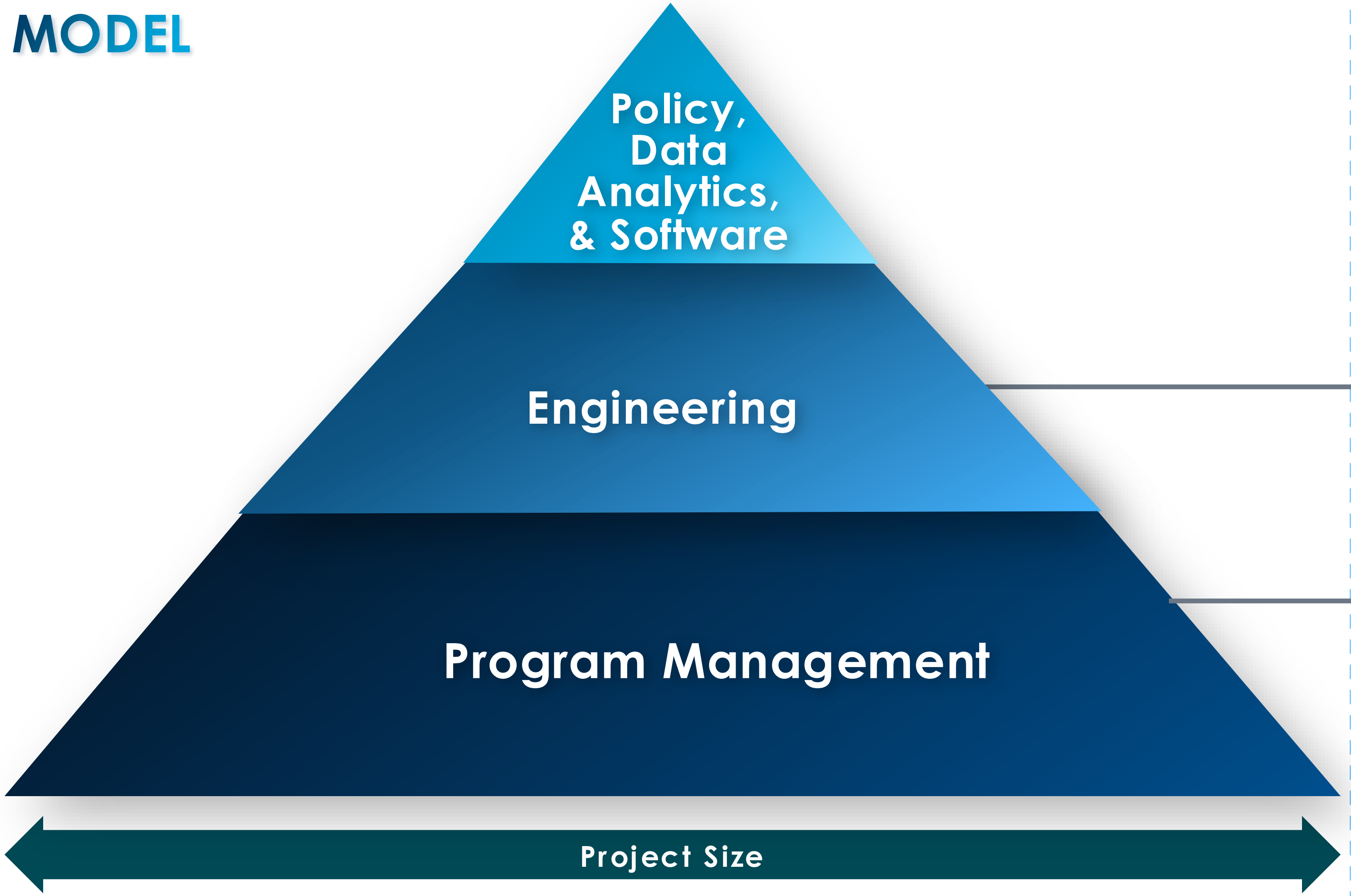
55 Offices

25 (states plus Canada, D.C. & Puerto Rico)

1,770 Employees (as of 04/04/25)

Upfront Policy Work Informs Willdan Strategy

MODEL



COLLABORATION EXAMPLE

City of Fairfield, CA

Since 2000 – Financial Planning and Civil Engineering Services

2025 – $30M energy program management contract

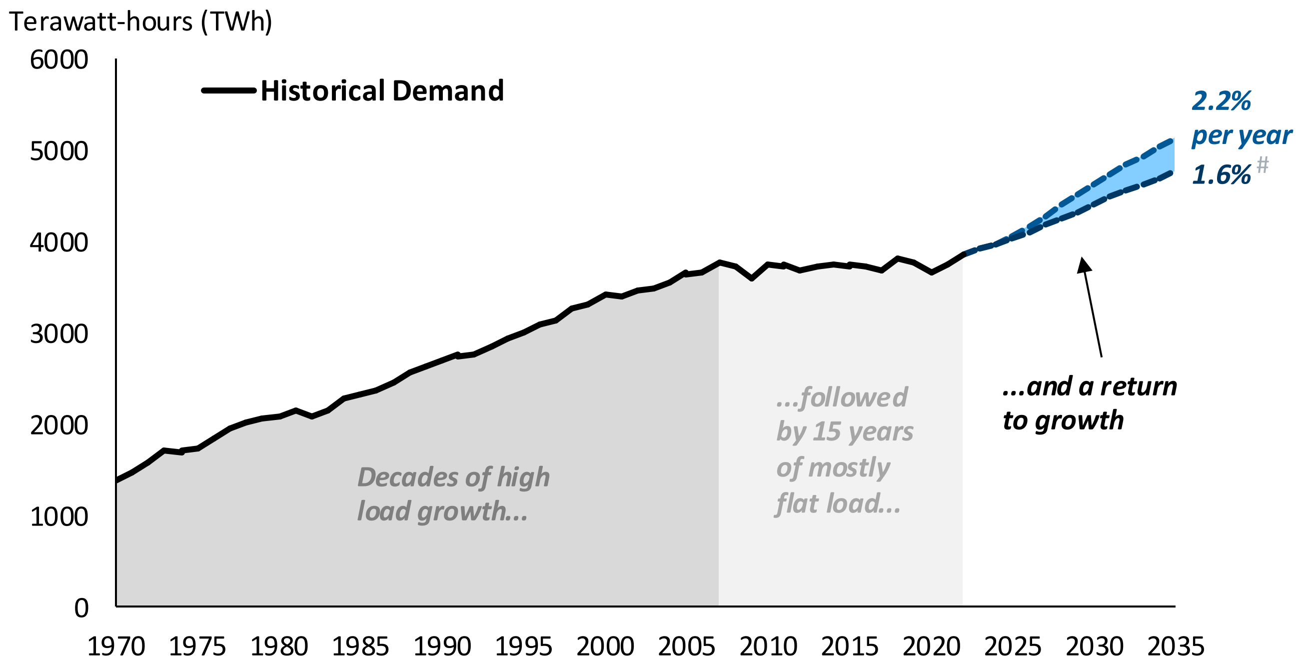
Notable Wins

Since last earnings call

Client	Description
1. City of Fairfield, CA - $30M	Energy and infrastructure modernization services
2. Paramount Unified School District - $18M	Engineering and oversight for EV charging stations and solar arrays
3. National Grid - $20M	Multiple-award small business energy efficiency
4. Warner School District Construction - $11M	Performance contracting
5. CPUC Integrated Resource Planning - $9.8M	CAISO Integrated Resource Planning technical support

Business Trends

50% Increase in Electricity Demand by 2050*



** A study conducted by PA Consulting April 7, 2025.*

 # Energy and Environmental Economics (E3) Analysis, February 2025. E3 is a Willdan company.

Dynamic landscape fuels positive long-term outlook

Tariff Uncertainty

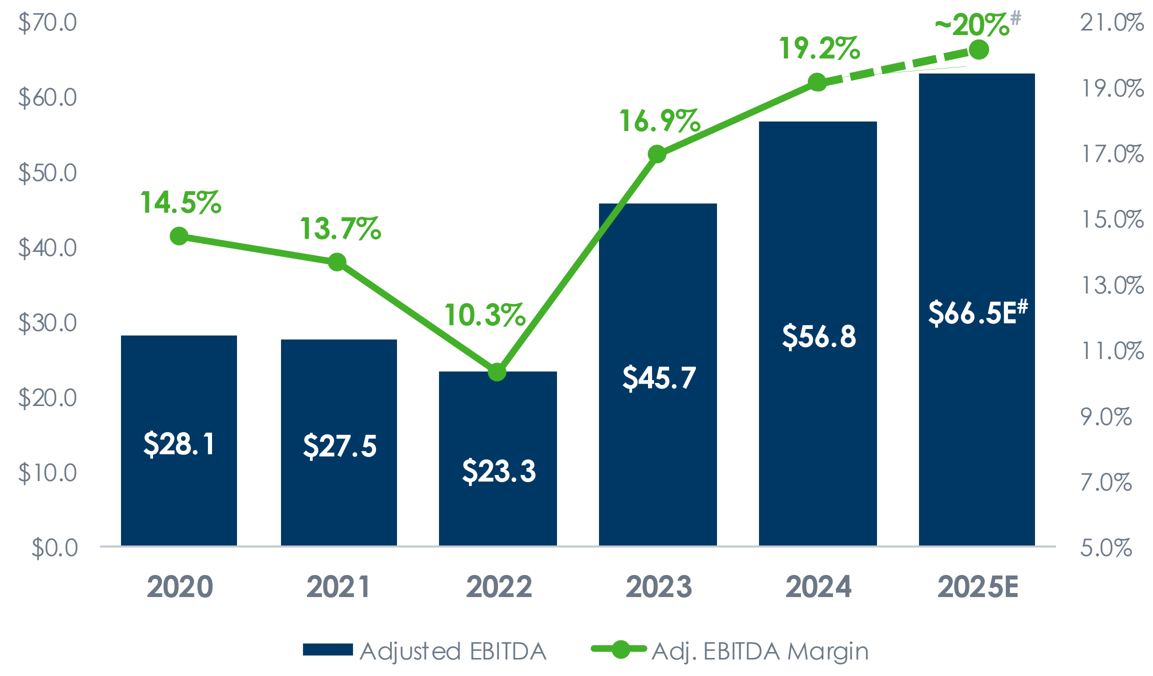
- Risks
  - Equipment price escalation
  - Project delays
- Mitigation
  - More flexible contract terms
  - Alternative equipment sources

Proactively managing tariff exposures

Operating Margin Trends

Adj. EBITDA Growth and Margin Improvement

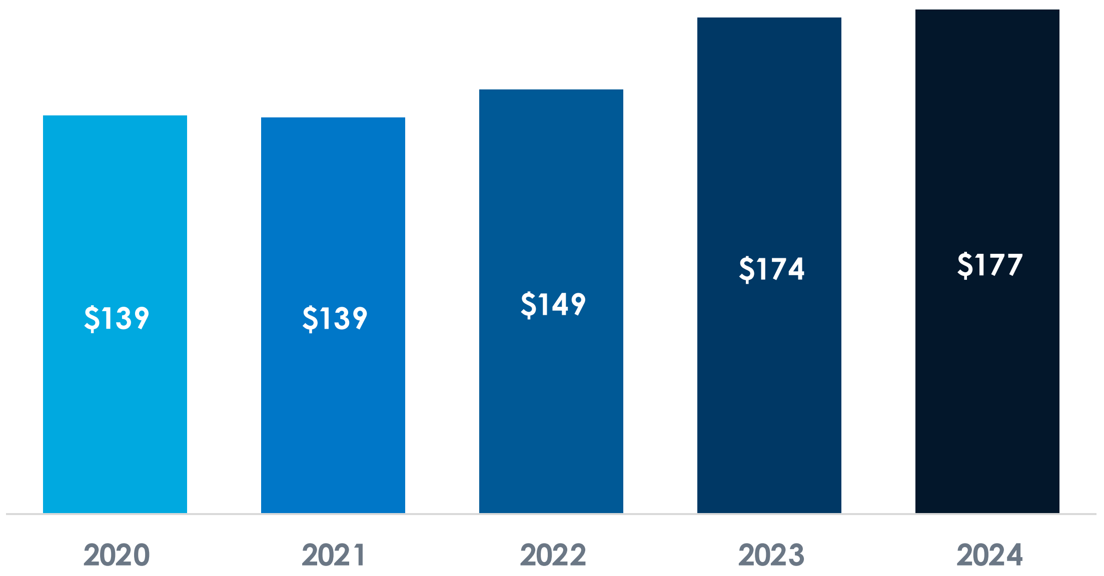
($ in millions)



#Adj.EBITDA and Adj. EBITDA margin are based on the mid-point of 2025 Financial Targets.

Net Revenue Per Employee*

($ in thousands)



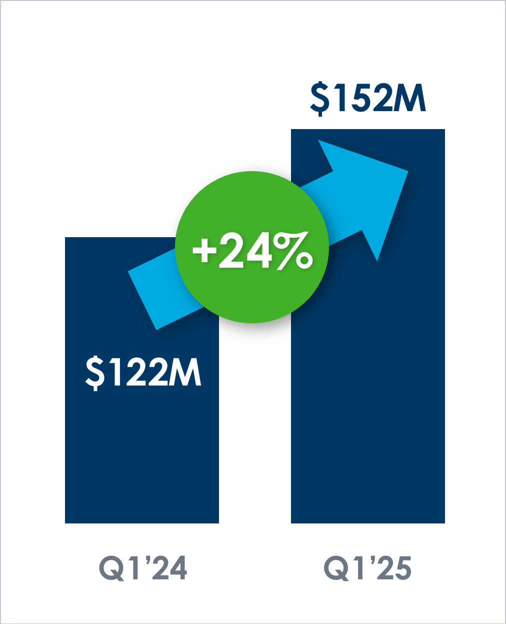
** Net Revenue per employee based on average headcount over the period.*

Disciplined execution and efficient cost structure driving operating margin

Q1’25 Results

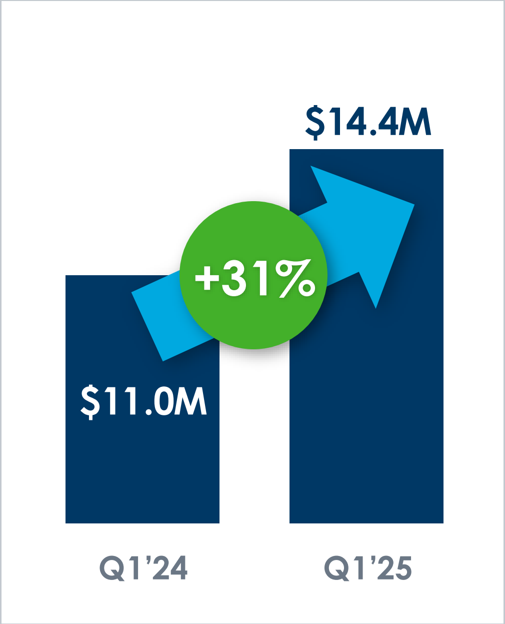
($ in millions, except for EPS)

Contract Revenue



Net Revenue

Adjusted EBITDA

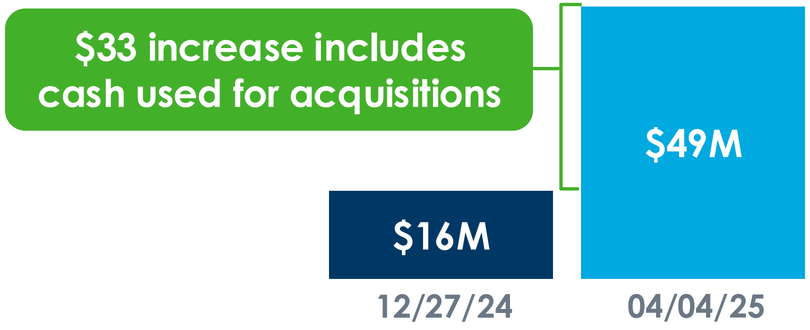


Adjusted EPS

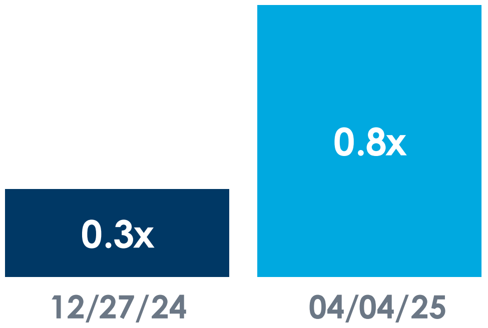
Broad-based demand plus operating leverage drove strong Q1

Balance Sheet & Cash Flow

NET DEBT



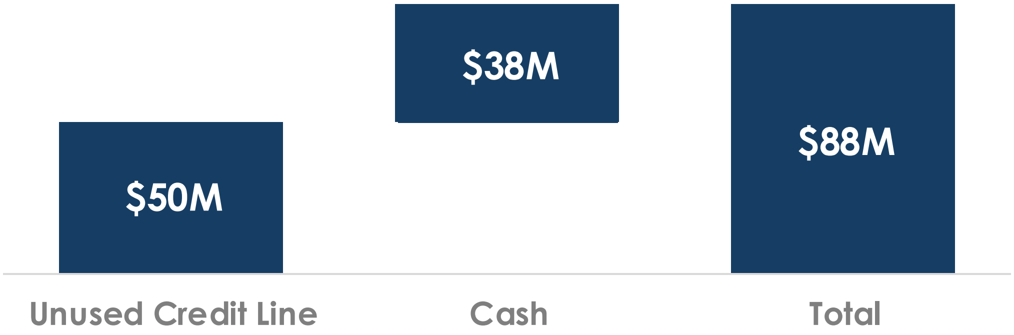
NET DEBT/ADJUSTED EBITDA TTM



FREE CASH FLOW

($ in millions except FCF per share)	TTM @ Q1'25	Per Share
Cash Flow From Operations	$49	
Less: Capital Expenditures	9	
Free Cash Flow	**$40**	**$2.74**

TOTAL LIQUIDITY



Low leverage and liquidity support continued investment in strategic growth

$200M Expanded Credit Facility

- Amendment to Credit Agreement executed on May 5, 2025
  - Revolving Credit Facility increased to $100M
  - Term Loan A reduced to $50M
  - New $50M Delayed Draw Term Loan established
- Lowered interest rate
- Reduced annual debt service

Increasing Financial Targets*

Financial Target	From	To
Net Revenue	$320-330M	**$325-335M**
Adjusted EBITDA	$63-67M	**$65-68M**
Adjusted Diluted EPS	$2.70-2.85	**$2.75-2.90**

* **Financial Targets assume:**
- No future acquisitions
- Full-year effective tax rate of **16%**
- **15.1M** average diluted common shares

Q&A

Reconciliation of Contract to Net Revenue

($ in millions) *Note: totals may not foot due to rounding*	FY2023	FY2024	Q1'24	Q1'25
CONSOLIDATED				
Contract Revenue	$510.1	$565.8	$122.5	$152.4
Subcontractor services & other direct costs	240.4	269.5	53.6	67.0
Net Revenue	**$269.7**	**$296.3**	**$68.9**	**$85.4**
ENERGY SEGMENT				
Contract Revenue	$427.0	$473.3	$100.7	$126.2
Subcontractor services & other direct costs	236.6	266.1	52.7	66.1
Net Revenue	**$190.4**	**$207.2**	**$48.0**	**$60.1**
ENGINEERING & CONSULTING SEGMENT				
Contract Revenue	$83.1	$92.5	$21.7	$26.1
Subcontractor services & other direct costs	3.8	3.4	0.9	1.0
Net Revenue	**$79.3**	**$89.1**	**$20.8**	**$25.1**

Appendix

Reconciliation GAAP Net Income to Adjusted EPS

($ & shares in millions except per share amounts) *Note: totals may not foot due to rounding*	FY2023	FY2024	Q1'24	Q1'25
Net Income	**$10.9**	**$22.6**	**$2.9**	**$4.7**
Stock-based Compensation, net of tax	4.3	6.1	1.1	2.0
Intangible Amortization, net of tax	8.2	5.9	1.5	2.1
Interest Accretion, net of tax	-	0.1	-	0.3
Transaction Costs, net of tax	0.4	-	-	0.2
Adjusted Net Income	**$23.8**	**$34.7**	**$5.6**	**$9.3**
Diluted Weighted Average Shares Outstanding	13.606	14.245	13.910	14.628
Diluted EPS	$0.80	$1.58	$0.21	$0.32
Adjusted Diluted EPS	**$1.75**	**$2.43**	**$0.40**	**$0.63**
Period Growth in Adjusted Diluted EPS	*98.9%*	*38.9%*	*25.0%*	*57.5%*

Reconciliation GAAP Net Income to Adjusted EBITDA

($ in millions) *Note: totals may not foot due to rounding*	FY2023	FY2024	Q1'24	Q1'25
Net Income	$10.9	$22.6	$2.9	$4.7
Interest Expense	9.4	7.8	2.1	1.8
Income Tax Expense (Benefit)	3.7	4.1	1.0	0.5
Stock-based Compensation	5.3	7.4	1.4	2.4
Depreciation and Amortization	16.4	14.7	3.6	4.4
Interest Accretion	-	0.2	-	0.4
Transaction Costs	-	-	-	0.2
(Gain) Loss on Sale of Equipment	(0.1)	-	(0.0)	(0.0)
Adjusted EBITDA	**$45.7**	**$56.8**	**$11.0**	**$14.4**
Adjusted EBITDA Margin *(as % of Net Revenue)*	***16.9%***	***19.2%***	***16.0%***	***16.9%***