



WILLDAN GROUP, INC.

Q1 FY24 Earnings Call

NASDAQ: WLDN

May 2, 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.

Q1'24 Key Takeaways

Excellent first quarter vs. tough comparison

- Revenue \$123M **+ 19%**
- Adjusted EBITDA \$11M **+ 12%**
- Cash flow from operations \$27M **+ 56%**

Electrification and energy transition megatrends driving demand for our services

Strong financial position to pursue strategic acquisitions

Willdan Transitions Communities To Clean Energy & A Sustainable Future



1,610
Employees

(as of March 29, 2024)



53 Offices in
25 States

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

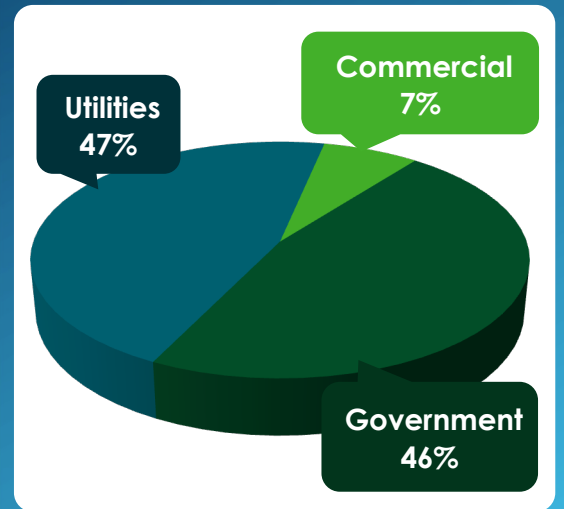


8,100 GWH and
92 MM Therms Saved

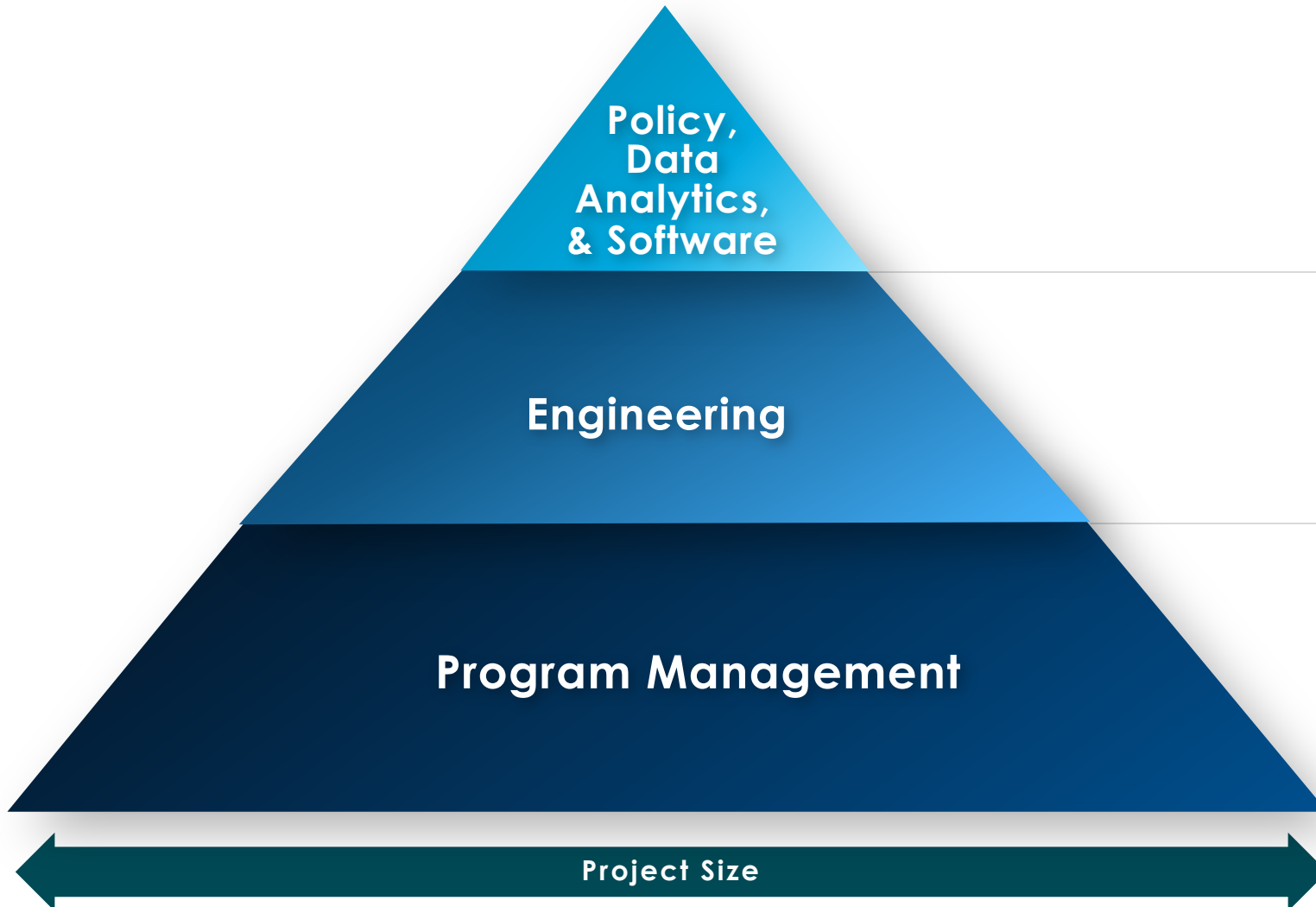
7,700,000
Metric Tons of GHG
Emissions Avoided

Our Customers

% by Revenue



Upfront Policy Work Informs Strategy



Trend	Comment
↑	Two new LoadSEER licenses
↑	Strong demand for municipal services
↑↑	Executing strong 2024 backlog

Notable Wins

Since last earnings call

Client	Description
1. Confidential Eastern IOU	LoadSEER Software License
2. Confidential Western IOU	LoadSEER Software License
3. Chicago Metropolitan Planning Agency	Develop Comprehensive Climate Action Plan
4. Real Estate Investment Firm	Optimizing Data Center Locations based on Electric Utility Analysis
5. AT&T Data Center	Energy Efficiency Program Replacing Power Supply Systems
6. Pasadena Water and Power	Strategic Plan to Source all Electricity From Carbon-Free Sources

AI Data Center Load Growth is a Game Changer

Microsoft to invest more than \$10 billion on renewable energy capacity for data centers

- CNBC

Why AI Software is a game changer for productivity in the energy industry

- Fast Company Executive Board

Apple Intensifies Talks With OpenAi for iPhone Generative AI Features

- The Business Times

New Amazon \$11 billion project will be an artificial intelligence data center

- WSBT News

Generational Growth: AI, data centers and the coming US power demand surge

- Goldman Sachs

Data centers, bitcoin and EVs send utilities scrambling for more power

- CanaryMedia

Meta's \$35 Billion Bet on AI Fuels the Tech Arms Race

- PYMNTS

IEA Study Sees AI, Cryptocurrency Doubling Data Center Energy Consumption by 2026

- Data Center Frontier

Electricity Load Growth Nearly Doubles

2023 vs. 2022 over the next five years; Source: 2023 FERC Filings

Megatrends contributing to electricity demand and load growth

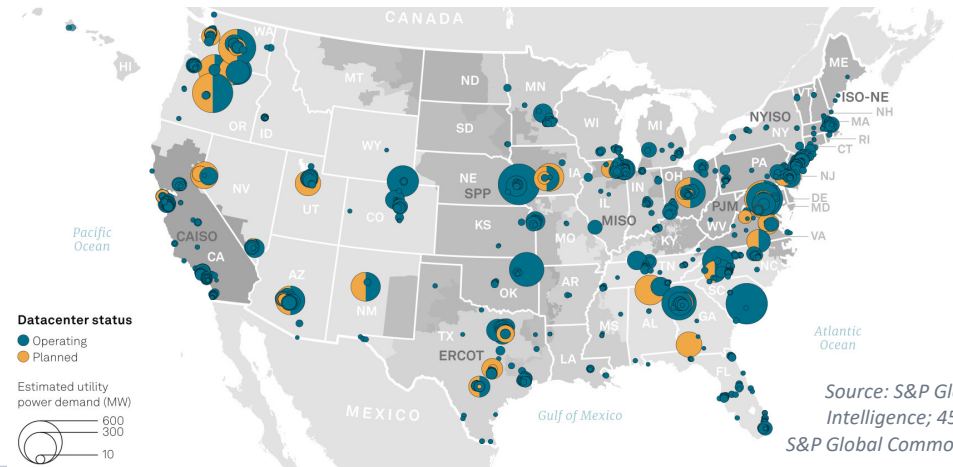
Electrification of cities, buildings and transportation



New industrial and manufacturing facilities

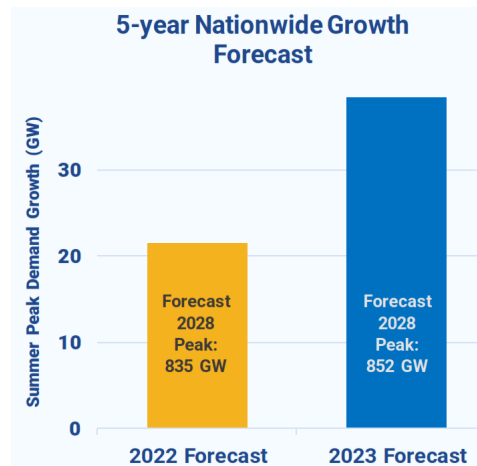
New AI and crypto driven data centers

AI is expected to drive more power demand from data centers



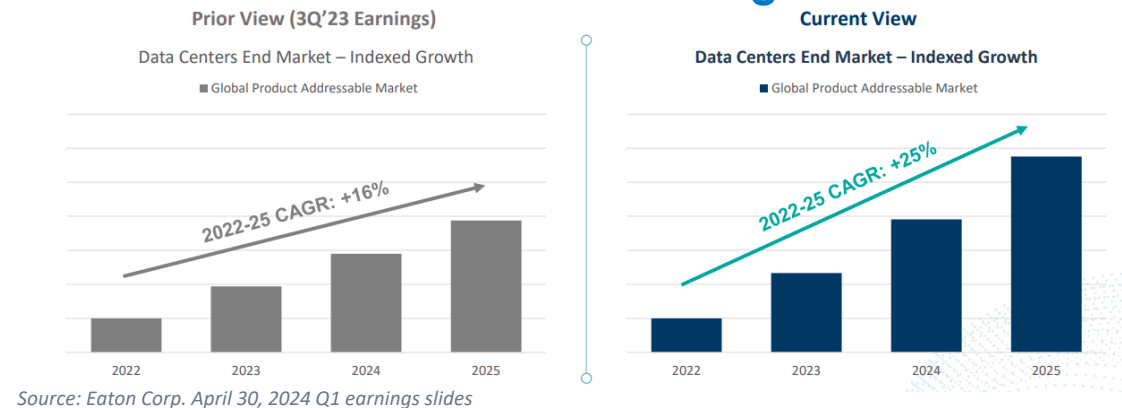
Source: S&P Global Market Intelligence; 451 Research; S&P Global Commodity Insights

US forecast peak demand increased 17GWs Y/Y



Source: 2023 FERC filings

Data center end market growth

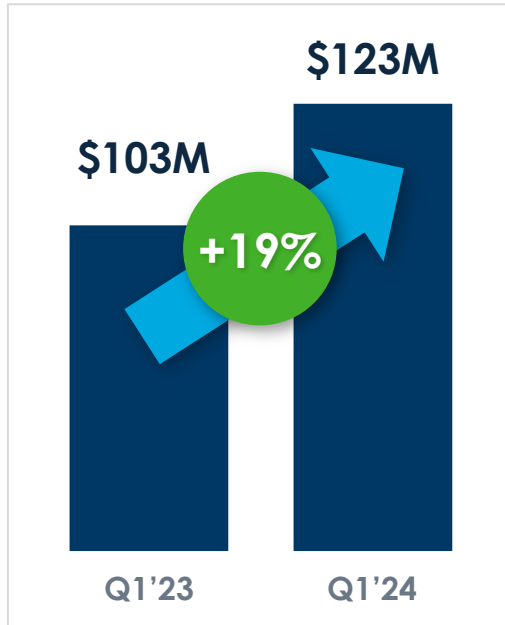


Source: Eaton Corp. April 30, 2024 Q1 earnings slides

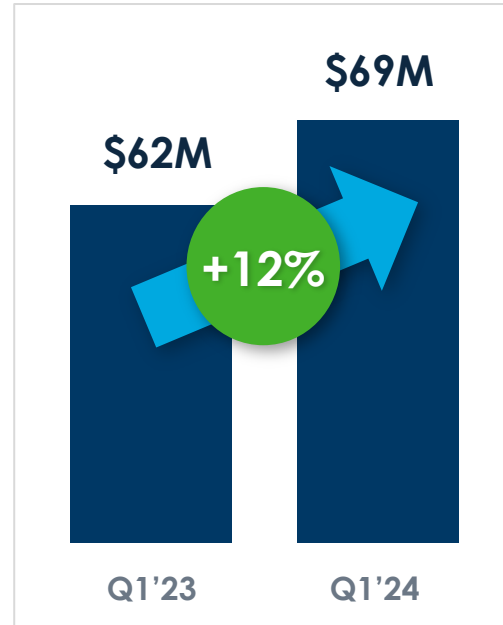
Q1 '24 Results

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS

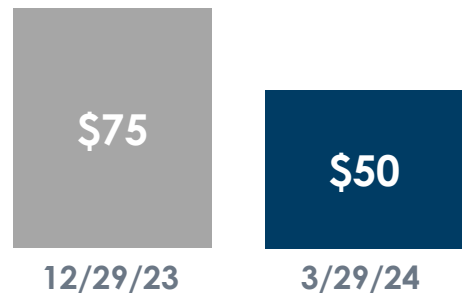


Growth attributable to increased performance across all service areas

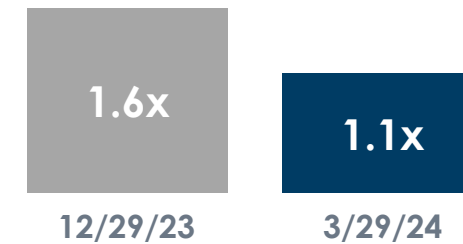
Balance Sheet & Cash Flow

(\$ in millions)

NET DEBT



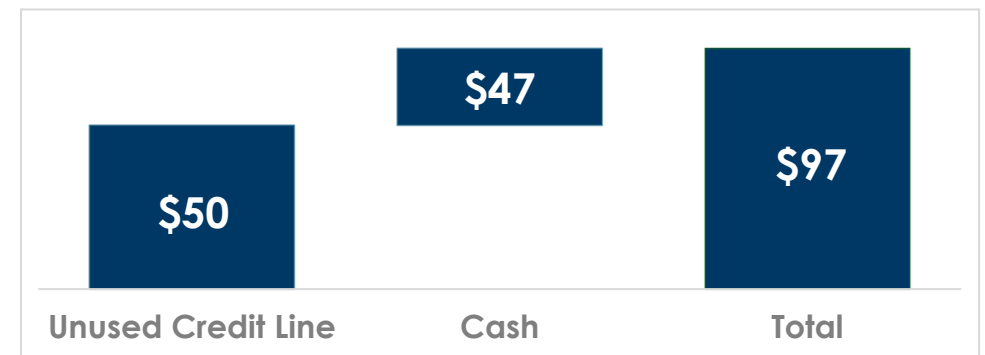
NET DEBT / ADJUSTED EBITDA TTM



FREE CASH FLOW

	Q1'23	Q1'24
Cash Flow From Operations	\$17	\$27
Less: Capital Expenditures	3	2
Free Cash Flow	\$14	\$25

TOTAL LIQUIDITY



Strong cash flow and reduced leverage provide liquidity for growth and M&A

2024 Financial Targets

(\$ in millions, except for EPS)

- Net Revenue between **\$270-280 million**
- Adjusted EBITDA between **\$48-50 million**
- Adjusted Diluted EPS between **\$1.80-1.87**
- Financial Targets assume
 - Full-year effective tax rate of **25%**
 - **14.2** million average diluted common shares

A background image showing two hands shaking in a firm grip, symbolizing a business agreement or partnership. The image is overlaid with a semi-transparent blue filter. The text 'Q&A' is centered in white.

Q&A

Appendix: Reconciliation of Contract to Net Revenue

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q1'23	Q1'24
CONSOLIDATED		
Contract Revenue	\$102.6	\$122.5
Subcontractor services & other direct costs	40.9	53.6
Net Revenue	61.7	68.9
ENERGY SEGMENT		
Contract Revenue	\$83.3	\$100.7
Subcontractor services & other direct costs	40.1	52.6
Net Revenue	43.2	48.1
ENGINEERING & CONSULTING SEGMENT		
Contract Revenue	\$19.3	\$21.7
Subcontractor services & other direct costs	0.8	0.9
Net Revenue	18.5	20.8

Reconciliation GAAP Net Income to Adjusted EPS

<i>(\$ in millions except per share amounts)</i> <i>Note: totals may not foot due to rounding</i>	Q1'23	Q1'24
Net Income (Loss)	\$0.9	\$2.9
<i>Stock-based Compensation, net of tax</i>	1.2	1.1
<i>Intangible Amortization, net of tax</i>	2.1	1.5
Adjusted Net Income	\$4.2	\$5.5
Diluted Weighted Average Shares Outstanding	13.470	13.910
Diluted Earnings (Loss) Per Share	\$0.07	\$0.21
Adjusted Diluted EPS	\$0.32	\$0.40

Reconciliation GAAP Income to Adjusted EBITDA

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q1'23	Q1'24
Net Income	\$0.9	\$2.9
Interest Expense	2.5	2.1
Income Tax Expense (Benefit)	0.8	1.0
Stock-based Compensation	1.5	1.4
Depreciation and Amortization	4.2	3.6
(Gain) Loss on Sale of Equipment	-	-
Adjusted EBITDA	\$9.9	\$11.0
<i>Adjusted EBITDA Margin</i> <i>(as % of Net Revenue)</i>	16.0%	16.0%