



WILLDAN GROUP, INC.

Q4 FY24 Earnings Call

NASDAQ: WLDN

March 6, 2025

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.

2024 Key Takeaways

Strong Finish to a Record Year in 2024

FY'24 vs. FY'23

- Contract Revenue \$566M **+ 11%**
- Adjusted EBITDA \$57M **+ 24%**
- GAAP EPS \$1.58 **+ 98%**
- Adjusted EPS \$2.43 **+ 39%**
- FCF/share \$4.49 **+ 108%**

Expanded commercial business

Load growth and execution fuel positive long-term outlook

Willdan Provides Energy & Infrastructure Solutions



1,800
Employees

(as of 03/06/25)



54 Offices in
25 States

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

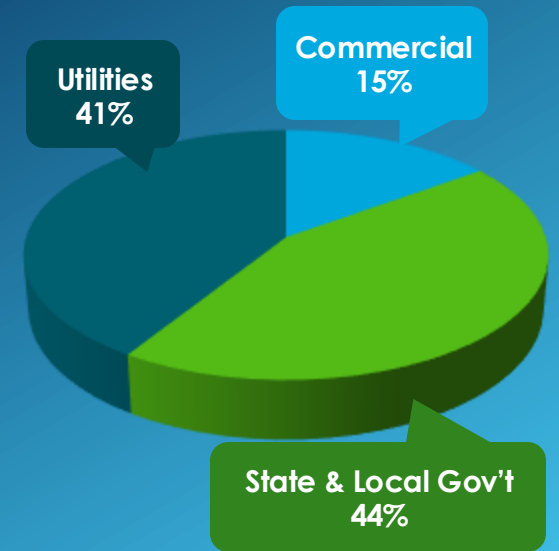


9,200 GWH and
117 MM Therms Saved
12,500,000

Metric Tons of GHG
Emissions Avoided (12/27/24)

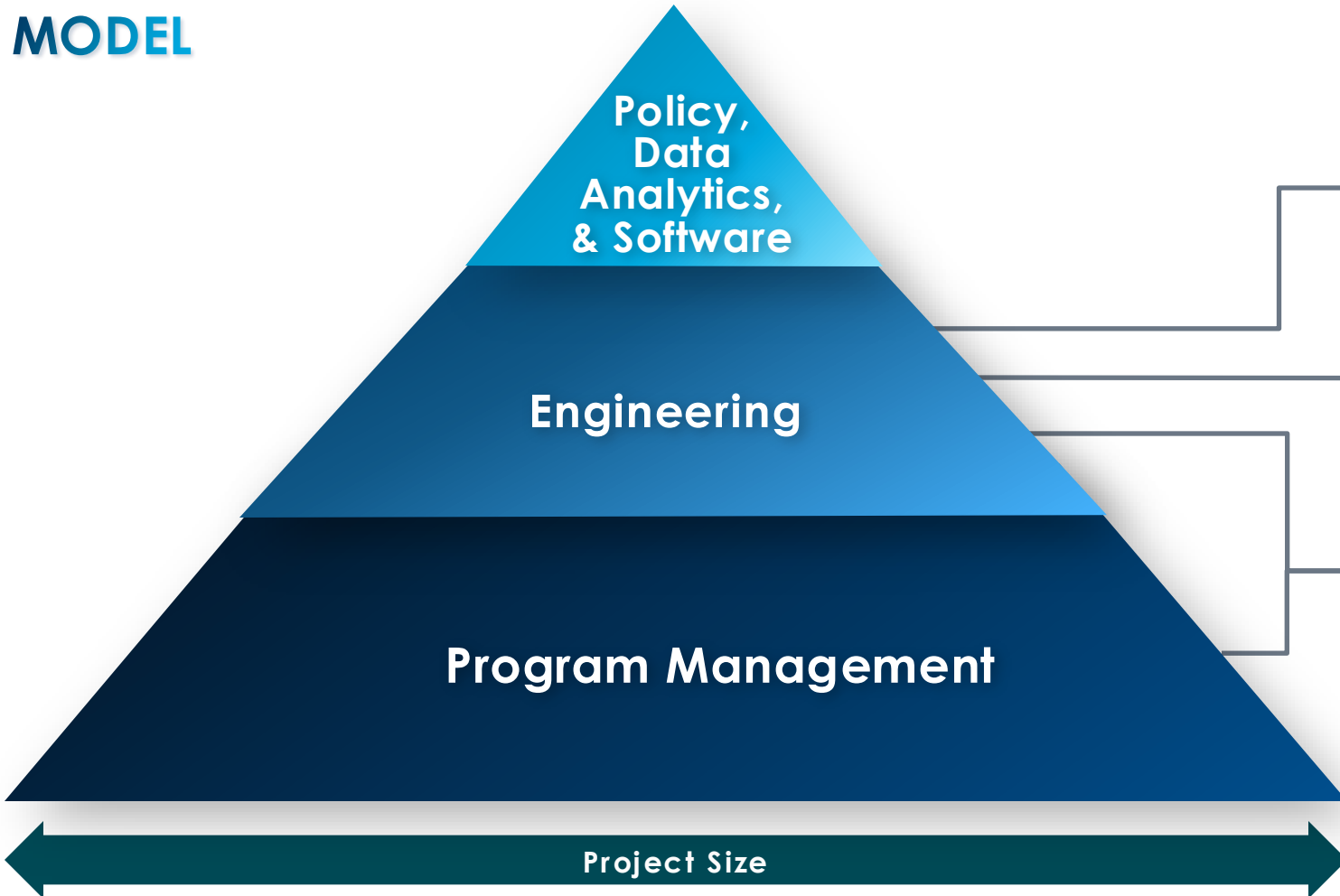
Our Customers

% by proforma FY'24 Revenue



Upfront Policy Work Informs Willdan Strategy

MODEL



ACQUISITIONS

Alpha Inspections
\$4M/YR*

Enica Engineering
\$10M/YR*

Alternative Power Generation
\$37M/YR*

**FY'24 Revenue*

Notable Wins

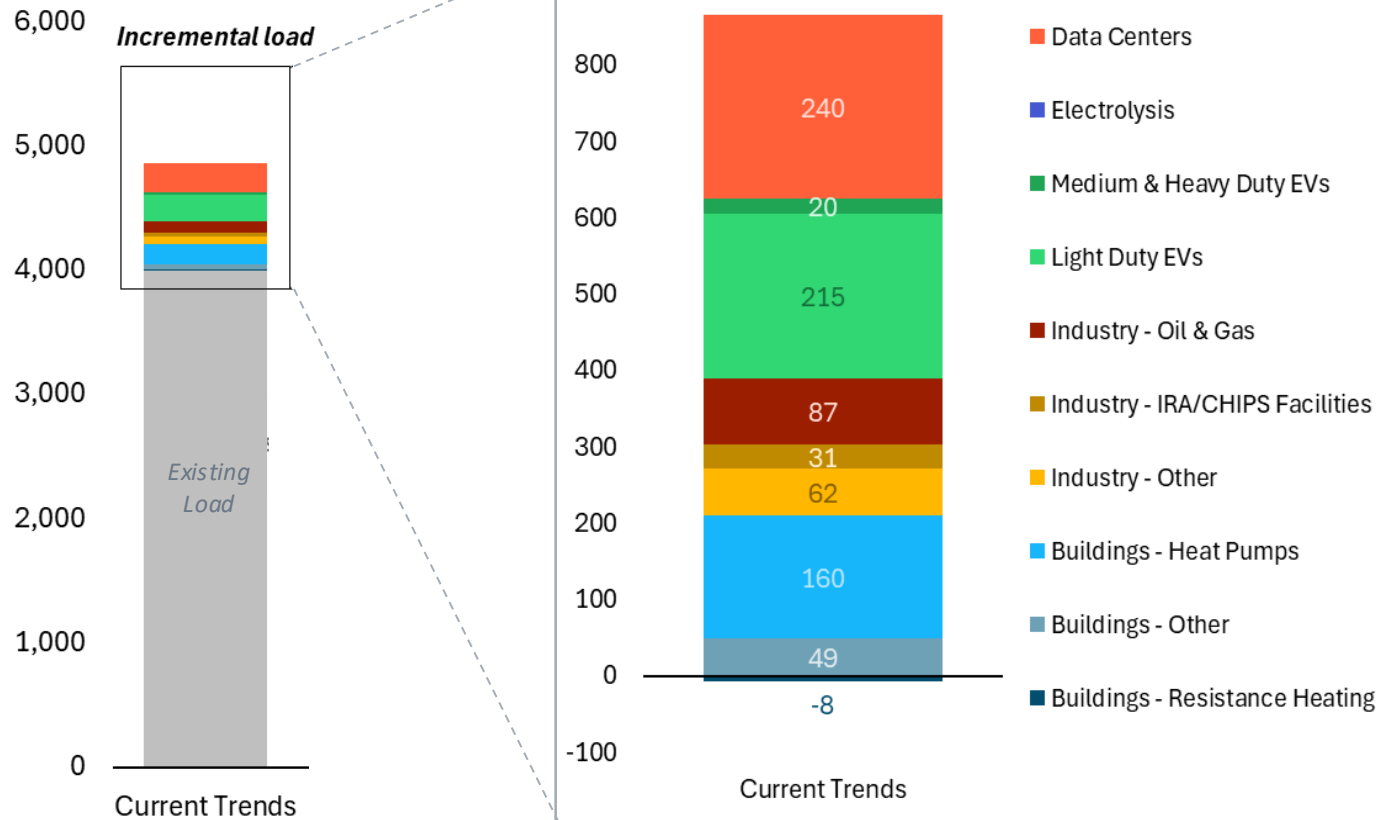
Since last earnings call

Client	Description
1. LADWP Commercial Energy Efficiency - \$330M	5 Year expanded scope and volume
2. Los Angeles County (SoCalREN) - \$15M	2 Year Commercial energy program
3. Central California Rural Regional Energy Network (CCREN) - \$6M	3 Year Commercial direct install and regulatory support
4. South Coast Air Quality Management District - \$10M	4 Year Multifamily and Small Business energy program
5. Snohomish County Public Utility - \$1M	Energy efficiency for telecom and data centers
6. City of South Lake Tahoe - \$11M	Energy and infrastructure modernization project

Electricity Demand Represents Opportunities

Total U.S. Electricity Demand in 2035

Terawatt-hours (TWh)



- Data centers
- Electric vehicles
- Building electrification

Alpha Inspections Acquisition

- ▶ **Trusted city building and safety services**
- ▶ **Complements Willdan's Civil Engineering position in central Florida**
- ▶ **~\$4 Million in 2024 Revenue**
- ▶ **Accretive to 2025 margins, earnings, and EPS**



APG Acquisition

- **Electrical engineering & grid interconnection experts**
- **Customized solutions in commercial market**
- **~\$37 Million in 2024 Revenue**
- **Accretive to 2025 margins, earnings, and EPS**

Substations
for data
centers &
renewables

Solar /
Storage

Microgrids

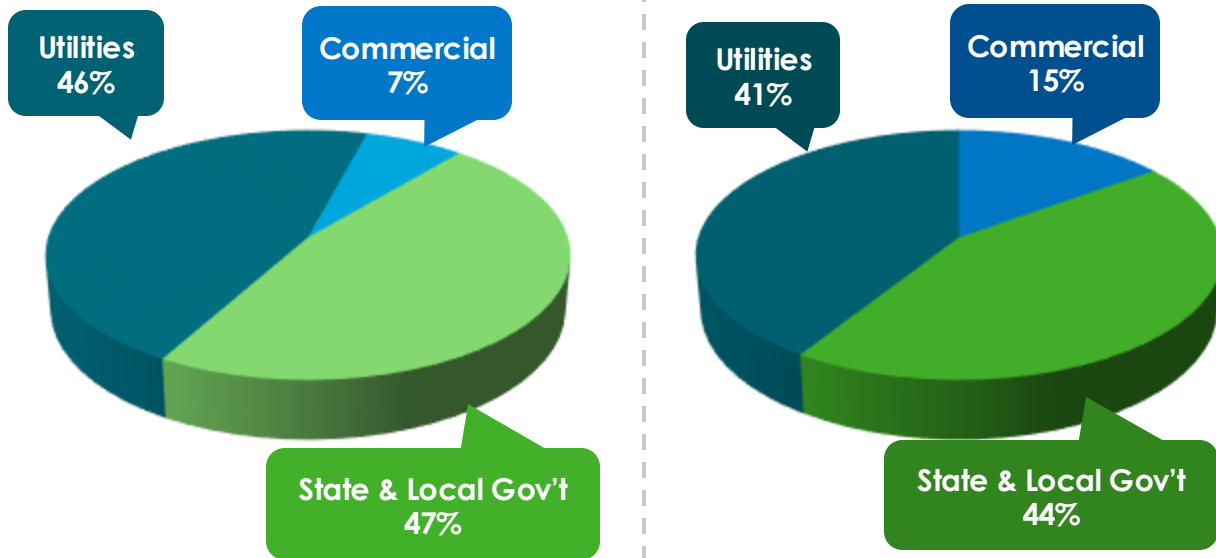
EV charging



Customer Mix and Margin Trend

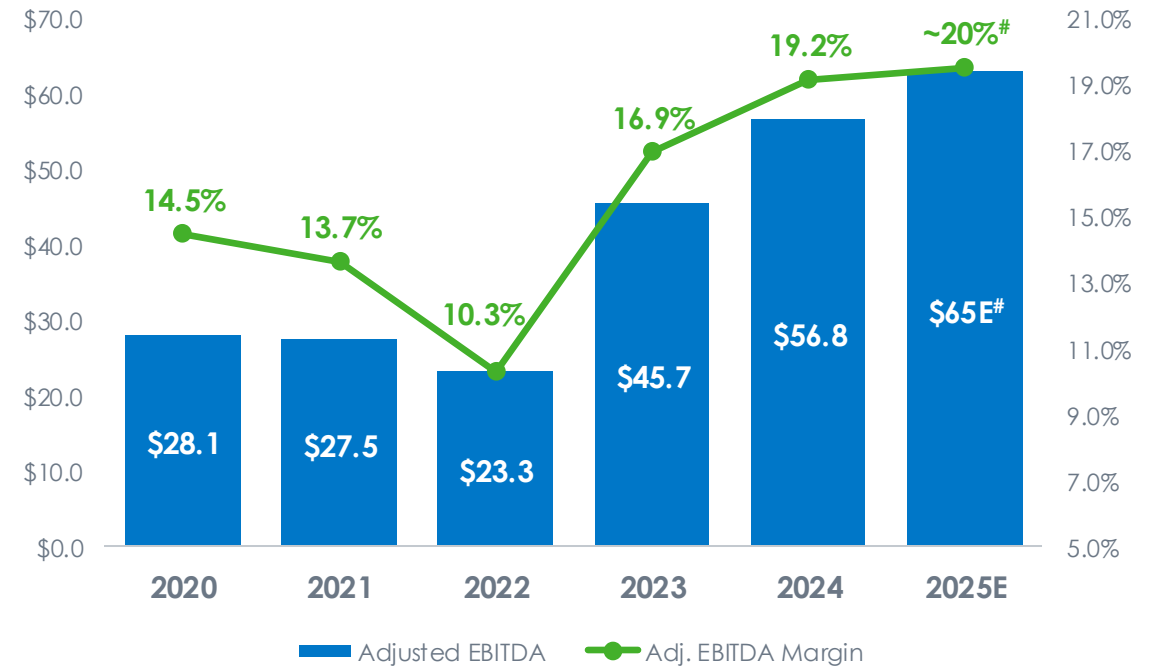
(\$ in millions)

Actual FY'24 vs. Proforma FY'24*



*Proforma customer revenue mix at the end of FY24 assuming acquisitions owned January 1, 2024.

Adj. EBITDA Growth and Margin Improvement



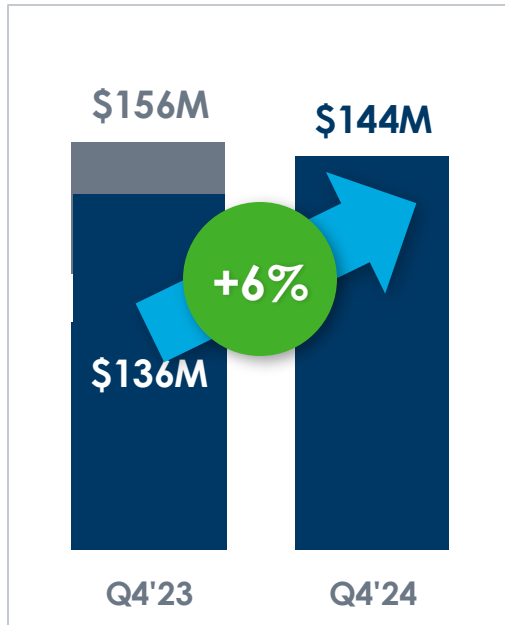
#Adj. EBITDA and Adj. EBITDA margin are based on the mid-point of 2025 Financial Targets.

Continuing progress on Commercial market expansion and margin improvement

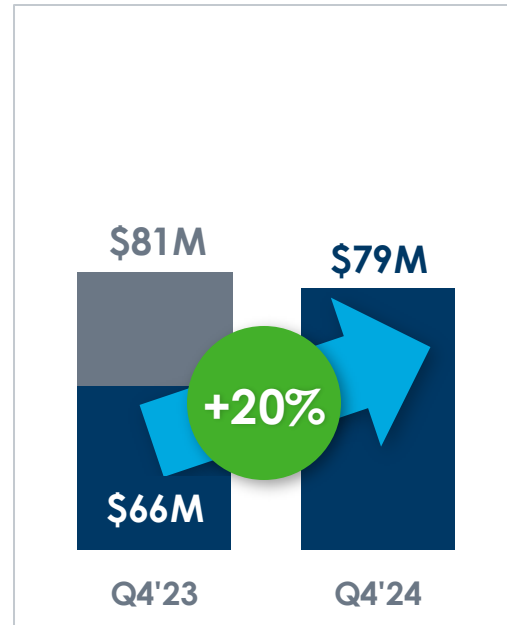
Q4'24 Results

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS



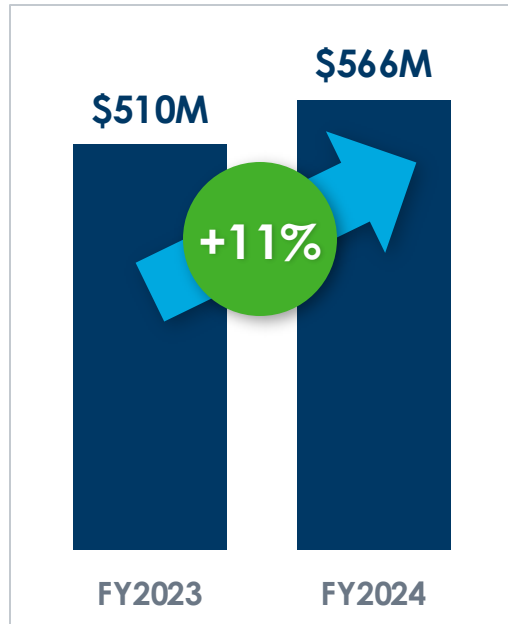
Extraordinary Q4'23 contract addition

Strong finish to a record year

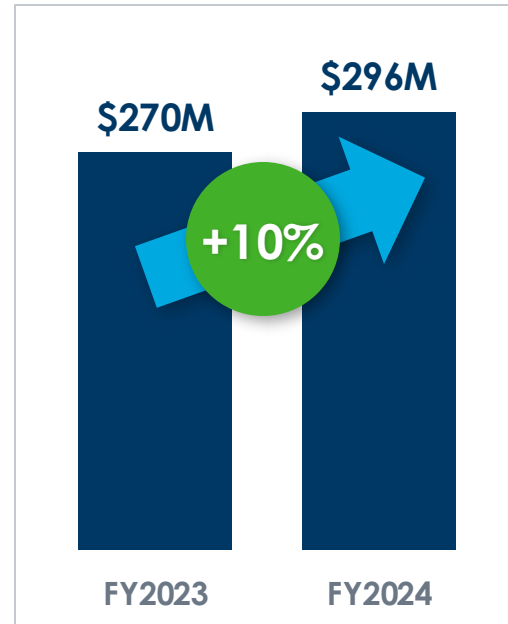
FY2024 Results

(\$ in millions, except for EPS)

Contract Revenue



Net Revenue



Adjusted EBITDA



Adjusted EPS



Strength in all areas

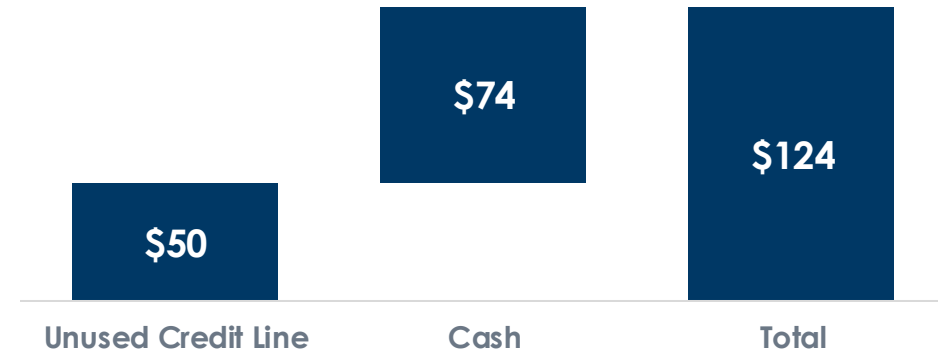
Balance Sheet & Cash Flow

(\$ in millions)

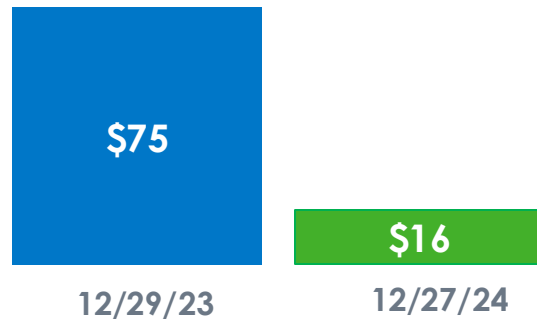
FREE CASH FLOW

	Q4'23	Q4'24	FY2023	FY2024
Cash Flow From Operations	\$15	\$33	\$39	\$72
Less: Capital Expenditures	2	2	10	8
Free Cash Flow	\$13	\$31	\$29	\$64
Free Cash Flow per Share			\$2.13	\$4.49

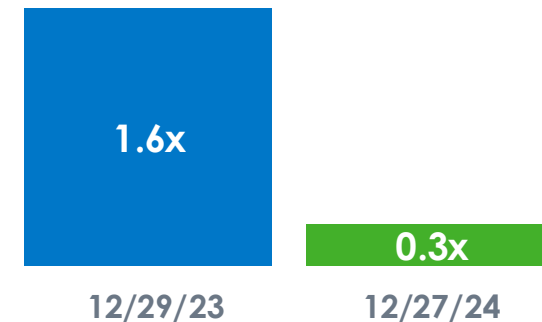
TOTAL LIQUIDITY



NET DEBT



NET DEBT/ADJUSTED EBITDA TTM



Robust cash flow and reduced leverage provide capital for investment

2025 Financial Targets

(\$ in millions, except for EPS)

- Net Revenue between **\$320-330 million**
- Adjusted EBITDA between **\$63-67 million**
- Adjusted Diluted EPS between **\$2.70-2.85**
- Financial Targets assume
 - Full-year effective tax rate of **16%**
 - **15.1** 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>	Q4'23	Q4'24	FY2023	FY2024
CONSOLIDATED				
Contract Revenue	\$155.7	\$144.1	\$510.1	\$565.8
Subcontractor services & other direct costs	74.9	64.8	240.4	269.5
Net Revenue	\$80.8	\$79.3	\$269.7	\$296.3
ENERGY SEGMENT				
Contract Revenue	\$134.6	\$120.7	\$427.0	\$473.3
Subcontractor services & other direct costs	74.0	64.1	236.6	266.1
Net Revenue	\$60.6	\$56.6	\$190.4	\$207.2
ENGINEERING & CONSULTING SEGMENT				
Contract Revenue	\$21.0	\$23.4	\$83.1	\$92.5
Subcontractor services & other direct costs	0.9	0.7	3.8	3.4
Net Revenue	\$20.1	\$22.7	\$79.3	\$89.1

Reconciliation GAAP Net Income to Adjusted EPS

(\$ & shares in millions except per share amounts)

Note: totals may not foot due to rounding

	Q4'23	Q4'24	FY2023	FY2024
Net Income	\$8.0	\$7.7	\$10.9	\$22.6
<i>Stock-based Compensation, net of tax</i>	1.0	1.7	4.3	6.1
<i>Intangible Amortization, net of tax</i>	1.8	1.5	8.2	5.9
<i>Interest Accretion, net of tax</i>	-	0.1	-	0.1
<i>Refinancing Costs, net of tax</i>	-	-	0.4	-
Adjusted Net Income	\$10.8	\$10.9	\$23.8	\$34.7
Diluted Weighted Average Shares Outstanding	13.731	14.509	13.606	14.245
Diluted EPS	\$0.58	\$0.53	\$0.80	\$1.58
Adjusted Diluted EPS	\$0.80	\$0.75	\$1.75	\$2.43
<i>Period Growth in Adjusted Diluted EPS</i>	122%	(6.3%)	98.9%	38.9%

Reconciliation GAAP Net Income to Adjusted EBITDA

<i>(\$ in millions)</i> <i>Note: totals may not foot due to rounding</i>	Q4'23	Q4'24	FY2023	FY2024
Net Income	\$8.0	\$7.7	\$10.9	\$22.6
Interest Expense	2.3	1.8	9.4	7.8
Income Tax Expense (Benefit)	2.0	2.2	3.7	4.1
Stock-based Compensation	1.3	2.0	5.3	7.4
Depreciation and Amortization	3.9	3.8	16.4	14.7
Interest Accretion	-	0.2	-	0.2
(Gain) Loss on Sale of Equipment	-	-0.0	(0.1)	-
Adjusted EBITDA	\$17.5	\$17.7	\$45.7	\$56.8
Adjusted EBITDA Margin <i>(as % of Net Revenue)</i>	21.6%	22.3%	16.9%	19.2%