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DELTA REPORT

10-Q

DY - DYCOM INDUSTRIES INC

10-Q - APRIL 27, 2024 COMPARED TO 10-Q - OCTOBER 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1024
CHANGES	349
DELETIONS	332
ADDITIONS	343

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended October 28, 2023 April 27, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________ to ________

Commission File Number 001-10613

DYCOM INDUSTRIES, INC.

(*Exact name of registrant as specified in its charter*)

Florida	**59-1277135**
(*State or other jurisdiction of incorporation or organization*)	(*I.R.S. Employer Identification No.*)

11780 US Highway 1, Suite 600
Palm Beach Gardens, FL 33408
(*Address of principal executive offices, including zip code*)

Registrant's telephone number, including area code: (561) 627-7171

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value $0.33 1/3 per share	**DY**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 29,338,337 29,093,184 shares of common stock with a par value of $0.33 1/3 outstanding at November 20, 2023 May 21, 2024.

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PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)
(Unaudited)

		October 28, 2023	January 28, 2023	April 27, 2024	January 27, 2024
ASSETS	**ASSETS**				
Current assets:					
Current assets:					
Current assets:	Current assets:				
Cash and equivalents	Cash and equivalents	$ 15,665	$ 224,186		
Accounts receivable, net (Note 6)	Accounts receivable, net (Note 6)	1,461,170	1,067,013		
Contract assets	Contract assets	70,451	43,932		
Inventories	Inventories	114,016	114,972		
Income tax receivable	Income tax receivable	2,346	3,929		
Other current assets	Other current assets	45,081	38,648		
Total current assets	Total current assets	1,708,729	1,492,680		
Property and equipment, net	Property and equipment, net	430,739	367,852		
Property and equipment, net					
Property and equipment, net					

Operating lease right-of-use assets	Operating lease right-of-use assets	74,369	67,240
Goodwill	Goodwill	309,953	272,545
Intangible assets, net	Intangible assets, net	115,755	86,566
Other assets	Other assets	24,620	26,371
Total assets	Total assets	$2,664,165	$2,313,254
Total assets			
Total assets			
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**		
Current liabilities:	Current liabilities:		Current liabilities:
Accounts payable	Accounts payable	$ 215,278	$ 207,739
Current portion of debt	Current portion of debt	17,500	17,500
Contract liabilities	Contract liabilities	21,320	19,512
Accrued insurance claims	Accrued insurance claims	45,713	41,043
Operating lease liabilities	Operating lease liabilities	30,135	27,527
Income taxes payable	Income taxes payable	2,814	14,896
Other accrued liabilities	Other accrued liabilities	156,060	141,334
Total current liabilities	Total current liabilities	488,820	469,551
Long-term debt	Long-term debt	949,406	807,367
Long-term debt			
Long-term debt			
Accrued insurance claims - non-current	Accrued insurance claims - non-current	50,281	49,347
Operating lease liabilities - non-current	Operating lease liabilities - non-current	43,846	39,628
Deferred tax liabilities, net - non-current	Deferred tax liabilities, net - non-current	57,981	60,205
Other liabilities	Other liabilities	19,884	18,401
Total liabilities	Total liabilities	1,610,218	1,444,499
COMMITMENTS AND CONTINGENCIES (Note 20)	COMMITMENTS AND CONTINGENCIES (Note 20)		
COMMITMENTS AND CONTINGENCIES (Note 20)			
COMMITMENTS AND CONTINGENCIES (Note 20)			
Stockholders' equity:			
Stockholders' equity:			

Stockholders' equity:	Stockholders' equity:		
Preferred stock, par value $1.00 per share: 1,000,000 shares authorized: no shares issued and outstanding	Preferred stock, par value $1.00 per share: 1,000,000 shares authorized: no shares issued and outstanding	—	—
Common stock, par value $0.33 1/3 per share: 150,000,000 shares authorized: 29,337,537 and 29,350,021 issued and outstanding, respectively		9,779	9,783
Common stock, par value $0.33 1/3 per share: 150,000,000 shares authorized: 29,091,158 and 29,091,278 issued and outstanding, respectively			
Additional paid-in capital	Additional paid-in capital	19,147	5,654
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,548)	(1,771)
Retained earnings	Retained earnings	1,026,569	855,089
Total stockholders' equity	Total stockholders' equity	1,053,947	868,755
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$2,664,165	$2,313,254

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share amounts)
(Unaudited)

	For the Three Months Ended	
	October 28, 2023	**October 29, 2022**
Contract revenues	$ 1,136,110	$ 1,042,423
Costs of earned revenues, excluding depreciation and amortization	886,662	850,897
General and administrative	87,511	78,798
Depreciation and amortization	42,522	35,454
Total	1,016,695	965,149
Interest expense, net	(13,952)	(10,592)
Other income, net	6,906	2,474
Income before income taxes	112,369	69,156

Provision for income taxes	28,633	15,144
Net income	$ 83,736	$ 54,012
Earnings per common share:		
Basic earnings per common share	$ 2.85	$ 1.83
Diluted earnings per common share	$ 2.82	$ 1.80
Shares used in computing earnings per common share:		
Basic	29,334,798	29,524,516
Diluted	29,689,316	29,978,795

See notes to the condensed consolidated financial statements.

	For the Three Months Ended	
	April 27, 2024	April 29, 2023
Contract revenues	$ 1,142,423	$ 1,045,474
Costs of earned revenues, excluding depreciation and amortization	921,636	853,366
General and administrative	94,555	82,357
Depreciation and amortization	45,205	37,271
Total	1,061,396	972,994
Interest expense, net	(12,834)	(11,372)
Other income, net	9,251	4,991
Income before income taxes	77,444	66,099
Provision for income taxes	14,890	14,576
Net income	$ 62,554	$ 51,523
Earnings per common share:		
Basic earnings per common share	$ 2.15	$ 1.75
Diluted earnings per common share	$ 2.12	$ 1.73
Shares used in computing earnings per common share:		
Basic	29,113,943	29,369,185
Diluted	29,551,709	29,782,251

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share amounts)
(Unaudited)

	For the Nine Months Ended

	October 28, 2023	October 29, 2022
Contract revenues	$ 3,223,119	$ 2,890,996
Costs of earned revenues, excluding depreciation and amortization	2,570,437	2,394,606
General and administrative	254,699	221,514
Depreciation and amortization	117,786	107,436
Total	2,942,922	2,723,556
Interest expense, net	(37,601)	(29,057)
Other income, net	17,628	9,856
Income before income taxes	260,224	148,239
Provision for income taxes	64,719	30,835
Net income	$ 195,505	$ 117,404
Earnings per common share:		
Basic earnings per common share	$ 6.66	$ 3.97
Diluted earnings per common share	$ 6.58	$ 3.91
Shares used in computing earnings per common share:		
Basic	29,344,064	29,561,172
Diluted	29,710,603	30,007,257

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
		For the Three Months Ended			
		For the Three Months Ended			
		For the Three Months Ended			
		April 27, 2024			
		April 27, 2024			
		April 27, 2024			
Net income	Net income	$83,736	$54,012	$195,505	$117,404
Foreign currency translation (losses) gains, net of tax		(2)	(4)	223	(4)

Net income
Net income
Foreign currency translation gains, net of tax
Foreign currency translation gains, net of tax
Foreign currency translation gains, net of tax
Disposal of foreign entity
Disposal of foreign entity
Disposal of foreign entity
Comprehensive income
Comprehensive income

Comprehensive income	Comprehensive income	$83,734	$54,008	$195,728	$117,400

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands, except share amounts) thousands)
(Unaudited)

	For the Three Months Ended October 28, 2023					
	Common Stock			Accumulated Other		
	Shares	Amount	Additional Paid-in Capital	Comprehensive Loss	Retained Earnings	Total Equity
Balances as of July 29, 2023	29,332,495	$ 9,777	$ 12,982	$ (1,546)	$ 942,833	$ 964,046
Stock-based compensation	555	—	6,298	—	—	6,298
Issuance of restricted stock, net of tax withholdings	4,487	2	(133)	—		(131)
Other comprehensive loss	—	—	—	(2)	—	(2)
Net income	—	—	—	—	83,736	83,736
Balances as of October 28, 2023	29,337,537	$ 9,779	$ 19,147	$ (1,548)	$ 1,026,569	$ 1,053,947

	For the Three Months Ended October 29, 2022					
	Common Stock			Accumulated Other		
	Shares	Amount	Additional Paid-in Capital	Comprehensive Loss	Retained Earnings	Total Equity
Balances as of July 30, 2022	29,457,520	$ 9,819	$ 4,630	$ (1,769)	$ 784,336	$ 797,016
Stock options exercised	96,567	32	3,120	—	—	3,152
Stock-based compensation	290	—	4,515	—	—	4,515
Issuance of restricted stock, net of tax withholdings	1,805	1	(76)	—	—	(75)
Other comprehensive loss	—	—	—	(4)	—	(4)
Net income	—	—	—	—	54,012	54,012
Balances as of October 29, 2022	29,556,182	$ 9,852	$ 12,189	$ (1,773)	$ 838,348	$ 858,616

See notes to the condensed consolidated financial statements.

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	For the Three Months Ended April 27, 2024					
Balances as of January 27, 2024	29,091,278	$ 9,697	$ 6,217	$ (1,547)	$ 1,040,289	$ 1,054,656
Stock options exercised	3,976	1	99	—	—	100
Stock-based compensation	392	—	7,823	—	—	7,823
Issuance of restricted stock, net of tax withholdings	205,512	69	(6,217)	—	(10,113)	(16,261)
Repurchase of common stock, including applicable excise tax	(210,000)	(70)	(99)	—	(29,618)	(29,787)
Disposal of foreign entity	—	—	—	1,547	—	1,547
Net income	—	—	—	—	62,554	62,554
Balances as of April 27, 2024	29,091,158	$ 9,697	$ 7,823	$ —	$ 1,063,112	$ 1,080,632

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	For the Three Months Ended April 29, 2023					
Balances as of January 28, 2023	29,350,021	$ 9,783	$ 5,654	$ (1,771)	$ 855,089	$ 868,755
Stock options exercised	7,177	2	223	—	—	225
Stock-based compensation	326	—	6,620	—	—	6,620
Issuance of restricted stock, net of tax withholdings	185,561	63	(5,778)	—	(3,901)	(9,616)
Repurchase of common stock, including applicable excise tax	(225,000)	(75)	(99)	—	(20,124)	(20,298)
Other comprehensive income	—	—	—	225	—	225
Net income	—	—	—	—	51,523	51,523
Balances as of April 29, 2023	29,318,085	$ 9,773	$ 6,620	$ (1,546)	$ 882,587	$ 897,434

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in thousands, except share amounts)

(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Equity
	For the Nine Months Ended October 28, 2023					
Balances as of January 28, 2023	29,350,021	$ 9,783	$ 5,654	$ (1,771)	$ 855,089	$ 868,755
Stock options exercised	9,879	3	301	—		304
Stock-based compensation	1,211	—	19,240	—	—	19,240
Issuance of restricted stock, net of tax withholdings	201,426	68	(5,949)	—	(3,901)	(9,782)
Repurchase of common stock	(225,000)	(75)	(99)	—	(20,124)	(20,298)
Other comprehensive income	—	—	—	223	—	223
Net income	—	—	—	—	195,505	195,505
Balances as of October 28, 2023	29,337,537	$ 9,779	$ 19,147	$ (1,548)	$ 1,026,569	$ 1,053,947

	For the Nine Months Ended October 29, 2022										
	Common Stock			Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Retained Earnings		Total Equity	
	Shares		Amount								
Balances as of January 29, 2022	29,612,867	$	9,871	$	2,028	$	(1,769)	$	748,414	$	758,544
Stock options exercised	119,430		40		4,517		—		—		4,557
Stock-based compensation	1,568		1		12,272		—		—		12,273
Issuance of restricted stock, net of tax withholdings	126,347		42		(3,321)		—		(2,346)		(5,625)
Repurchase of common stock	(304,030)		(101)		(3,307)		—		(25,124)		(28,532)
Other comprehensive loss	—		—		—		(4)		—		(4)
Net income	—		—		—		—		117,404		117,404
Balances as of October 29, 2022	29,556,182	$	9,852	$	12,189	$	(1,773)	$	838,348	$	858,616

See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

		For the Nine Months Ended			
		October 28, 2023	October 29, 2022		
	For the Three Months Ended April 27, 2024			For the Three Months Ended April 27, 2024	For the Three Months Ended April 29, 2023
Cash flows from operating activities:	**Cash flows from operating activities:**				
Net income					
Net income					
Net income	Net income	$195,505	$117,404		
Adjustments to reconcile net income to net cash used in operating activities:	Adjustments to reconcile net income to net cash used in operating activities:				
Depreciation and amortization	Depreciation and amortization	117,786	107,436		
Depreciation and amortization					
Depreciation and amortization					
Non-cash lease expense	Non-cash lease expense	26,035	23,775		
Deferred income tax (benefit) provision		(2,224)	3,742		
Deferred income tax provision					
Stock-based compensation	Stock-based compensation	19,240	12,273		
Provision for bad debt, net		1,028	2,149		
(Recovery of) provision for bad debt, net					

(Recovery of) provision for bad debt, net			
(Recovery of) provision for bad debt, net			
Gain on sale of fixed assets	Gain on sale of fixed assets	(23,730)	(13,991)
Amortization of debt issuance costs and other	Amortization of debt issuance costs and other	2,295	2,140
Amortization of debt issuance costs and other			
Amortization of debt issuance costs and other			
Change in operating assets and liabilities:	Change in operating assets and liabilities:		
Change in operating assets and liabilities:			
Change in operating assets and liabilities:			
Accounts receivable, net			
Accounts receivable, net			
Accounts receivable, net	Accounts receivable, net	(361,051)	(350,734)
Contract assets, net	Contract assets, net	(11,265)	(32,874)
Other current assets and inventories	Other current assets and inventories	(5,695)	(37,753)
Other assets	Other assets	701	4,238
Income taxes payable/receivable	Income taxes payable/receivable	(14,602)	22,081
Accounts payable	Accounts payable	(3,503)	42,143
Accrued liabilities, insurance claims, operating lease liabilities, and other liabilities	Accrued liabilities, insurance claims, operating lease liabilities, and other liabilities	(6,631)	16,515
Net cash used in operating activities	Net cash used in operating activities	(66,111)	(81,456)
Cash flows from investing activities:	**Cash flows from investing activities:**		
Cash flows from investing activities:			
Cash flows from investing activities:			
Capital expenditures			
Capital expenditures			
Capital expenditures	Capital expenditures	(161,133)	(135,777)
Proceeds from sale of assets	Proceeds from sale of assets	30,526	14,486
Cash paid for acquisitions, net of cash acquired	Cash paid for acquisitions, net of cash acquired	(122,902)	—
Net cash used in investing activities	Net cash used in investing activities	(253,509)	(121,291)

Net cash used in investing activities			
Net cash used in investing activities			
Cash flows from financing activities:	**Cash flows from financing activities:**		
Cash flows from financing activities:			
Cash flows from financing activities:			
Proceeds from borrowings on senior credit agreement, including term loan			
Proceeds from borrowings on senior credit agreement, including term loan			
Proceeds from borrowings on senior credit agreement, including term loan	Proceeds from borrowings on senior credit agreement, including term loan	475,000	—
Principal payments on senior credit agreement, including term loan	Principal payments on senior credit agreement, including term loan	(334,125)	(13,125)
Repurchase of common stock			
Repurchase of common stock			
Repurchase of common stock	Repurchase of common stock	(20,298)	(28,532)
Exercise of stock options	Exercise of stock options	304	4,557
Exercise of stock options			
Exercise of stock options			
Restricted stock tax withholdings	Restricted stock tax withholdings	(9,782)	(5,625)
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	111,099	(42,725)
Net decrease in cash, cash equivalents and restricted cash	Net decrease in cash, cash equivalents and restricted cash	(208,521)	(245,472)
Cash, cash equivalents and restricted cash at beginning of period (Note 8)	**Cash, cash equivalents and restricted cash at beginning of period (Note 8)**	225,990	312,561
Cash, cash equivalents and restricted cash at beginning of period (Note 8)			
Cash, cash equivalents and restricted cash at beginning of period (Note 8)			

Cash, cash equivalents and restricted cash at end of period (Note 8)	**Cash, cash equivalents and restricted cash at end of period (Note 8)**	$ 17,469	$ 67,089

Cash, cash equivalents and restricted cash at end of period (Note 8)

Cash, cash equivalents and restricted cash at end of period (Note 8)

Supplemental disclosure of other cash flow activities and non-cash investing and financing activities:	**Supplemental disclosure of other cash flow activities and non-cash investing and financing activities**:		
Cash paid for interest			
Cash paid for interest			
Cash paid for interest	Cash paid for interest	$41,897	$32,338
Cash paid for taxes, net	Cash paid for taxes, net	$81,892	$ 3,811
Purchases of capital assets included in accounts payable or other accrued liabilities at period end	Purchases of capital assets included in accounts payable or other accrued liabilities at period end	$11,433	$ 9,513

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Dycom Industries, Inc. ("Dycom", the "Company", "we", "our", or "us") is a leading provider of specialty contracting services throughout the United States. These services include program management; planning; engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services for telecommunications providers. Additionally, Dycom provides underground facility locating services for various utilities, including telecommunications providers, and other construction and maintenance services for electric and gas utilities. Dycom supplies the labor, tools, and equipment necessary to provide these services to its customers.

Accounting Period. Our fiscal year ends on the last Saturday in January. As a result, each fiscal year consists of either 52 weeks or 53 weeks of operations (with the additional week of operations occurring in the fourth quarter). Fiscal 2023 2025 and fiscal 2024 each consist of 52 weeks of operations. The next 53 week fiscal period will occur in the fiscal year ending January 31, 2026.

The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries, all of which are wholly-owned, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements and should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in this report and the Company's audited financial statements included in the Company's Annual Report on Form 10-K for fiscal 2023, 2024, filed with the SEC on March 3, 2023 March 1, 2024. In the opinion of management, all adjustments considered necessary for a fair statement of the results for the interim periods presented have been included. This includes all normal and recurring adjustments and elimination of intercompany accounts and transactions. Operating results for the interim period are not necessarily indicative of the results expected for any subsequent interim or annual period.

Segment Information. The Company operates in one reportable segment. Its services are provided by its operating segments on a decentralized basis. Each operating segment consists of a subsidiary (or in certain instances, the combination of two or more subsidiaries), whose results are regularly reviewed by the Company's Chief Executive Officer, the chief operating decision maker. All of the Company's operating segments have been aggregated into one reportable segment based on their similar economic characteristics, nature of services and production processes, type of customers, and service distribution methods.

2. Significant Accounting Policies and Estimates

There have been no material changes to the Company's significant accounting policies and critical accounting estimates described in the Company's Annual Report on Form 10-K for fiscal 2023. 2024.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. These estimates are based on our historical experience and management's understanding of current facts and circumstances. At the time they are made, we believe that such estimates are fair when considered in conjunction with the Company's consolidated financial position and results of operations taken as a whole. However, actual results could differ materially from those estimates.

Per Share Data. Basic earnings per common share is computed based on the weighted average number of common shares outstanding during the period, excluding unvested restricted share units. Diluted earnings per common share includes the weighted average number of common shares outstanding during the period and dilutive potential common shares arising from our stock-based awards (including unvested restricted share units), convertible senior notes, and warrants if their inclusion is dilutive under the treasury stock method. Common stock equivalents related to stock-based awards convertible senior notes, and warrants are excluded from diluted earnings per common share calculations if their effect would be anti-dilutive.

3. Accounting Standards

Recently issued accounting pronouncements are disclosed in the Company's Annual Report on Form 10-K for fiscal 2023. 2024. As of the date of this Quarterly Report on Form 10-Q, there have been no changes in the expected dates of adoption or estimated effects on the Company's condensed consolidated financial statements of recently issued accounting pronouncements from those disclosed in the Company's Annual Report on Form 10-K for fiscal 2023. 2024. Accounting standards adopted during the nine three months ended October 28, 2023 April 27, 2024 are disclosed in this Quarterly Report on Form 10-Q.

Recently Adopted Accounting Standards

Business Combinations. Leases. In October 2021, March 2023, the FASB issued ASU 2021-08,Business Combinations 2023-01, Leases (Topic 805) 842): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. Common Control Arrangements. The amendments in require all entities including public companies to amortize leasehold improvements associated with common control leases over the useful life to the common control group. ASU 2021-08 require acquiring entities to apply ASU 2014-09, Revenue from Contracts with Customers (Topic 606) to recognize and measure contract assets and liabilities in a business combination. This update is intended to improve comparability after the business combination by providing consistent recognition and measurement of acquired revenue contracts and revenue contracts with customers not acquired in a business combination. ASU 2021-08 2023-01 is effective for annual periods fiscal years beginning after December 15, 2022 and December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual periods, with early adoption permitted. The financial statements that have not yet been made available for issuance. If an entity adopts the amendments in ASU 2021-08 should an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Transition can be applied done either retrospectively or prospectively. We adopted the provisions of ASU 2021-08 2023-01 in the first quarter of fiscal 2024 and there was no 2025 by electing to apply the guidance prospectively to all new leasehold improvements recognized on or after January 28, 2024. The adoption of this update did not have a material effect impact on our consolidated financial statements.

Reference Rate Reform. In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. ASU 2020-04 was effective for adoption at any time between March 12, 2020 and December 31, 2022. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848. ASU 2022-06 defers the sunset date included within Topic 848 from December 31, 2022 to December 31, 2024. We adopted the provisions of ASU 2020-04 in the second quarter of fiscal 2024 and there was no material effect on our consolidated financial statements.

Presentation of Financial Statements, Income Statement-Reporting Comprehensive Income, Distinguishing Liabilities from Equity, Equity, and Compensation-Stock Compensation. In July 2023, the FASB issued ASU 2023-03 to amend various SEC paragraphs in the Accounting Standards Codification to primarily reflect the issuance of SEC Staff Accounting Bulletin No. 120. Staff Accounting Bulletin No. 120 provides guidance to companies issuing share-based awards shortly before announcing material, nonpublic information to consider such material nonpublic information to adjust observable market prices if the release of material nonpublic information is expected to affect the share price.

The ASU does not provide any new guidance so there is no transition or effective date associated with it and therefore, the Company adopted the ASU with no impact to our consolidated financial statements.

Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. This ASU incorporated certain SEC disclosure requirements into the FASB Accounting Standards Codification. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics. They will also allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. ASU 2023-06 will become effective for each amendment on the effective date of the SEC's corresponding disclosure rule change. The Company adopted the ASU with no impact to our consolidated financial statements.

Accounting Standards Not Yet Adopted

Leases Segment Reporting: Improvements to Reportable Segment Disclosures. In March November 2023, the FASB issued ASU 2023-01, Leases 2023-07, Segment Reporting (Topic 842) 280): Common Control Arrangements. The amendments require all Improvements to Reportable Segment Disclosures. This ASU requires entities including public companies to amortize leasehold improvements associated with common control leases over the useful life disclose significant segment expenses, on an annual and interim basis, that are regularly provided to the common control group. chief operating decision maker, and an amount for other segment items by reportable segment, with a description of its composition. This ASU 2023-01 requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this update and all existing segment disclosures in Topic 280. This ASU is effective for fiscal years beginning after December 15, 2023, including and interim periods within those fiscal years. Early years beginning after December 15, 2024, with early adoption permitted. A retrospective approach is permitted for both interim and annual required to be applied to all prior periods presented in the financial statements that have not yet been made available for issuance. If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Transition can be done either retrospectively or prospectively. statements. We will plan to adopt the provisions of ASU 2023-01 2023-07 in the first fourth quarter of fiscal 2025 and do not expect continue to evaluate the adoption disclosure requirements related to have a material effect on our consolidated financial statements. the new standard.

Income Taxes: Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosure will be applied on a prospective basis, with the option to apply them retrospectively. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We plan to adopt the provisions of ASU 2023-09 in fiscal 2026 and we are evaluating the disclosure requirements related to the new standard.

All other new accounting pronouncements that have been issued but not yet effective are currently being evaluated and at this time are not expected to have a material impact on our financial position or results of operations.

4*. **Computation of Earnings per Common Share***

The following table sets forth the computation of basic and diluted earnings per common share (dollars in thousands, except per share amounts):

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
Net income available to common stockholders (numerator)	Net income available to common stockholders (numerator)	$ 83,736	$ 54,012	$ 195,505	$ 117,404
Net income available to common stockholders (numerator)					
Net income available to common stockholders (numerator)					
Weighted-average number of common shares (denominator)					
Weighted-average number of common shares (denominator)					
Weighted-average number of common shares (denominator)	Weighted-average number of common shares (denominator)	29,334,798	29,524,516	29,344,064	29,561,172

Basic earnings per common share	Basic earnings per common share	$ 2.85	$ 1.83	$ 6.66	$ 3.97
Basic earnings per common share					
Basic earnings per common share					
Weighted-average number of common shares					
Weighted-average number of common shares					
Weighted-average number of common shares	Weighted-average number of common shares	29,334,798	29,524,516	29,344,064	29,561,172
Potential shares of common stock arising from stock options, and unvested restricted share units	Potential shares of common stock arising from stock options, and unvested restricted share units	354,518	454,279	366,539	446,085
Potential shares of common stock arising from stock options, and unvested restricted share units					
Potential shares of common stock arising from stock options, and unvested restricted share units					
Total shares-diluted (denominator)	Total shares-diluted (denominator)	29,689,316	29,978,795	29,710,603	30,007,257
Total shares-diluted (denominator)					
Total shares-diluted (denominator)					
Diluted earnings per common share					
Diluted earnings per common share					
Diluted earnings per common share	Diluted earnings per common share	$ 2.82	$ 1.80	$ 6.58	$ 3.91
Anti-dilutive weighted shares excluded from the calculation of earnings per common share	Anti-dilutive weighted shares excluded from the calculation of earnings per common share	133,858	93,147	140,580	98,863
Anti-dilutive weighted shares excluded from the calculation of earnings per common share					
Anti-dilutive weighted shares excluded from the calculation of earnings per common share					

5. Acquisitions

On August 18, 2023,*Fiscal 2025.* During the Company first quarter of fiscal 2025, we acquired Bigham Cable Construction, Inc. ("Bigham"), a telecommunications construction contractor for $131.2 $16.2 million ($127.0 13.0 million purchase price, plus cash acquired of $8.3 million, less indebtedness of $4.1 million.) Bigham $3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the southeastern midwestern United States. This acquisition expands the Company's our geographic presence within its our existing customer base.

Purchase Price Allocation

The purchase price allocation of Bigham the acquired company is preliminary and will be completed when valuations for intangible assets and other amounts are finalized within the 12-month measurement period from the date of acquisition.

The following table summarizes the aggregate consideration paid and the estimated fair value of assets acquired and liabilities assumed as of the acquisition date (dollars in millions):

Assets		
Cash and equivalents	$	8.3 3
Accounts receivable		47.6 2
Other current assets		0
Property and equipment, net		9.9 2
Goodwill		37.4 3
Intangible assets, net		42.2 5
Total assets		146.3 16
Liabilities		
Accounts payable		8.2 0
Other accrued liabilities		2.8 0
Total liabilities		15.1 0
Net Assets Acquired	$	131.2 16

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $37.4 million $3.4 million. Goodwill and intangible assets total $79.6 $8.8 million and are deductible for tax purposes. Accounts receivable and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for fixed assets was based on an assessment of acquired assets' condition as well as an evaluation of the current market value of such assets.

The Company recorded intangible assets based on its preliminary estimate of fair value which consisted of the following (dollars in millions):

	Estimated Useful Life (in years)		Intangible Assets Acquired
Customer relationships	12.0	$	4.7
Backlog intangibles	0.3		0.3
Trade names	10.0		0.4
Total intangible assets acquired		$	5.4

Fiscal 2024. During August 2023, we acquired Bigham Cable Construction, Inc. ("Bigham"), for $131.2 million ($127.0 million fixed purchase price, plus cash acquired of $8.3 million, less indebtedness of $4.1 million). Bigham provides construction and maintenance services for telecommunications providers in the southeastern United States. This acquisition expands our geographic presence within our existing customer base.

The purchase price allocation of Bigham is preliminary and will be completed when valuations for intangible assets and other amounts are finalized within the 12-month measurement period from the date of acquisition.

The following table summarizes the aggregate consideration paid and the estimated fair value of assets acquired and liabilities assumed as of the acquisition date (dollars in millions):

Assets		
Cash and equivalents	$	8.3
Accounts receivable		45.8
Other current assets		0.1
Property and equipment, net		9.9
Goodwill		39.4
Intangible assets, net		42.2
Other assets		0.8
Total assets		146.5
Liabilities		
Accounts payable		8.3
Other accrued liabilities		2.6
Income taxes payable		4.4
Total liabilities		15.3
Net Assets Acquired	$	131.2

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $39.4 million. Goodwill and intangible assets total $81.6 million and are deductible for tax purposes. Accounts receivable and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for fixed assets was based on an assessment of acquired assets' condition as well as an evaluation of the current market value of such assets.

The Company recorded intangible assets based on its preliminary estimate of fair value which consisted of the following (dollars in millions):

	Estimated Useful Life (in years)	Intangible Assets Acquired	
Customer relationships	12.0	$	26.8
Backlog intangibles	3.0		11.6
Trade names	10.0		3.8
Total intangible assets acquired		$	42.2

The valuation of intangible assets for both acquisitions was determined using the income approach methodology. More specifically, the fair values of the customer relationships and the backlog intangibles were estimated using the multi-period excess earnings method, while the trade name was estimated using the relief-from-royalty method. Key assumptions used in estimating future cash flows included projected revenue growth rates, profit margins, discount rates, customer attrition rates and royalty rates among others. The projected future cash flows are discounted to present value using an appropriate discount rate.

Results of the business businesses acquired are included in the condensed consolidated financial statements from the date of acquisition. The results from the business businesses acquired during fiscal 2025 and 2024 were not considered material to the Company's condensed consolidated financial statements.

6. Accounts Receivable, Contract Assets, and Contract Liabilities

The following provides further details on the balance sheet accounts of accounts receivable, net; contract assets; and contract liabilities.

Accounts Receivable

Accounts receivable, net, classified as current, consisted of the following (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Trade accounts receivable	Trade accounts receivable	$ 583,621	$ 367,842		

Unbilled accounts receivable	Unbilled accounts receivable	838,471	670,066
Retainage	Retainage	42,643	32,351
Total	Total	1,464,735	1,070,259
Less: allowance for doubtful accounts	Less: allowance for doubtful accounts	(3,565)	(3,246)
Accounts receivable, net	Accounts receivable, net	$ 1,461,170	$ 1,067,013

We maintain an allowance for doubtful accounts for estimated losses on uncollected balances. The allowance for doubtful accounts changed as follows (dollars in thousands):

	For the Three Months Ended			
	For the Three Months Ended			
	For the Three Months Ended			
	April 27, 2024			
	April 27, 2024			
	April 27, 2024			
Allowance for doubtful accounts at beginning of period				
Allowance for doubtful accounts at beginning of period				
Allowance for doubtful accounts at beginning of period				
(Recovery of) provision for bad debt				
(Recovery of) provision for bad debt				
(Recovery of) provision for bad debt				
	For the Three Months Ended		**For the Nine Months Ended**	
Allowance for doubtful accounts at end of period				
	October 28, 2023	**October 29, 2022**	**October 28, 2023**	**October 29, 2022**
Allowance for doubtful accounts at beginning of period	$ 3,801	$ 785	$ 3,246	$ 724
Provision for bad debt (recovery)	(205)	2,012	1,028	2,149
Amounts charged against the allowance	(31)	—	(709)	(76)
Allowance for doubtful accounts at end of period	$ 3,565	$ 2,797	$ 3,565	$ 2,797
Allowance for doubtful accounts at end of period				

Contract Assets and Contract Liabilities

Net contract assets consisted of the following (dollars in thousands):

	October 28, 2023	January 28, 2023

	April 27, 2024			April 27, 2024	January 27, 2024
Contract assets	Contract assets	$ 70,451	$ 43,932		
Contract liabilities	Contract liabilities	21,320	19,512		
Contract assets, net	Contract assets, net	$ 49,131	$ 24,420		

The increase decrease in net contract assets, net, primarily resulted from increased services performed billings under contracts consisting of multiple tasks. During the three and nine months ended October 28, 2023 April 27, 2024, we performed services and recognized $4.2 $9.7 million, and $13.2 million, respectively, of contract revenues related to contract liabilities that existed at January 28, 2023 January 27, 2024. See Note 7, *Other Current Assets and Other Assets*, for information on our long-term contract assets.

Customer Credit Concentration

Customers whose The combined amounts of accounts receivable and contract assets, net, for Lumen Technologies were $358.4, or 25.8%, and $345.0, or 27.4%, as of April 27, 2024 and January 27, 2024, respectively, of the total combined accounts receivable and contract assets, net. No other customer had combined amounts of accounts receivable and contract assets, net, which exceeded 10% of total combined accounts receivable and contract assets, net as of October 28, 2023 April 27, 2024 or January 28, 2023 were as follows (dollars in millions):

	October 28, 2023			January 28, 2023		
	Amount		% of Total	Amount		% of Total
Lumen Technologies	$	381.2	25.2%	$	189.3	17.4%
Comcast Corporation	$	124.4	8.2%	$	125.2	11.5%
AT&T Inc.	$	102.6	6.8%	$	136.2	12.5%
Frontier Communications Corporation	$	100.8	6.7%	$	153.2	14.0%

January 27, 2024. We believe that none of the our significant customers above were experiencing financial difficulties that would materially impact the collectability of the Company's our total accounts receivable and contract assets, net, as of October 28, 2023 April 27, 2024 or January 28, 2023 January 27, 2024.

7. Other Current Assets and Other Assets

Other current assets consisted of the following (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Prepaid expenses	Prepaid expenses	$ 22,676	$ 17,357		
Deposits and other current assets	Deposits and other current assets	19,983	19,642		
Insurance recoveries/receivables for accrued insurance claims		68	—		
Restricted cash					
Restricted cash					
Restricted cash	Restricted cash	1,372	1,372		
Receivables on equipment sales	Receivables on equipment sales	982	277		
Other current assets	Other current assets	$ 45,081	$ 38,648		

Other assets consisted of the following (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Long-term contract assets	Long-term contract assets	$ 3,838	$ 8,333		
Deferred financing costs	Deferred financing costs	2,847	3,685		
Restricted cash	Restricted cash	432	432		
Insurance recoveries/receivables for accrued insurance claims	Insurance recoveries/receivables for accrued insurance claims	4,723	4,957		
Other non-current deposits and assets	Other non-current deposits and assets	12,780	8,964		
Other non-current deposits and assets					
Other non-current deposits and assets					
Other assets	Other assets	$ 24,620	$ 26,371		

Long-term contract assets represent payments made to customers pursuant to long-term agreements and are recognized as a reduction of contract revenues over the period for which the related services are provided to the customers.

See Note 11, *Accrued Insurance Claims*, for information on our Insurance insurance recoveries/receivables.

8. Cash Cash and Equivalents and Restricted Cash

Amounts of cash, cash equivalents and restricted cash reported in the condensed consolidated statement of cash flows consisted of the following (dollars in thousands):

	October 28, 2023	January 28, 2023
Cash and cash equivalents	$ 15,665	$ 224,186
Restricted cash included in:		
Other current assets	1,372	1,372
Other assets (long-term)	432	432
Cash, cash equivalents and restricted cash	$ 17,469	$ 225,990

	April 27, 2024	January 27, 2024
Cash and equivalents	$ 26,139	$ 101,086
Restricted cash included in:		
Other current assets	1,372	1,372
Other assets (long-term)	432	432
Cash equivalents and restricted cash	$ 27,943	$ 102,890

9. Property and Equipment

Property and equipment consisted of the following (dollars in thousands):

		Estimated Useful Lives (Years)	October 28, 2023	January 28, 2023			
	Estimated Useful Lives (Years)				Estimated Useful Lives (Years)	April 27, 2024	January 27, 2024
Land	Land	—	$ 8,419	$ 8,419			

Buildings	Buildings	10-35	10,553	10,466
Leasehold improvements	Leasehold improvements	1-10	18,317	17,623
Vehicles	Vehicles	1-5	856,646	815,266
Equipment and machinery	Equipment and machinery	1-10	402,215	359,021
Computer hardware and software	Computer hardware and software	1-7	138,221	165,582
Office furniture and equipment	Office furniture and equipment	1-10	11,951	12,215
Total	Total		1,446,322	1,388,592
Less: accumulated depreciation	Less: accumulated depreciation		(1,015,583)	(1,020,740)
Property and equipment, net	Property and equipment, net		$ 430,739	$ 367,852

Depreciation expense was $36.5 million $39.4 million and $31.6 $33.8 million for the three months ended October 28, 2023 April 27, 2024 and October 29, 2022, respectively and $104.8 million and $95.7 million for the nine months ended October 28, 2023 and October 29, 2022, respectively. April 29, 2023.

10. Goodwill and Intangible Assets

Goodwill

The Company's goodwill balance was $310.0 million $315.3 million and $272.5 million $312.0 million as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, respectively. Changes in the carrying amount of goodwill consisted of the following (dollars in thousands):

	Goodwill	Accumulated Impairment Losses	Total
Balance as of January 28, 2023	$ 521,576	$ (249,031)	$ 272,545
Goodwill from fiscal 2024 acquisition	37,408	—	37,408
Balance as of October 28, 2023	$ 558,984	$ (249,031)	$ 309,953

	Goodwill	Accumulated Impairment Losses	Total
Balance as of January 27, 2024	$ 561,022	$ (249,031)	$ 311,991
Goodwill from fiscal 2025 acquisition	3,317	—	3,317
Balance as of April 27, 2024	$ 564,339	$ (249,031)	$ 315,308

The Company's goodwill resides in multiple reporting units and primarily consists of expected synergies, together with the expansion of our geographic presence and strengthening of our customer base from acquisitions. Goodwill and other indefinite-lived intangible assets are assessed annually, or more frequently if events occur that would indicate a potential reduction in the fair value of a reporting unit below its carrying value. The profitability of individual reporting units may suffer periodically due to downturns in customer demand, increased costs of providing services, and the level of overall economic activity. Our customers may reduce capital expenditures and defer or cancel pending projects due to changes in technology, a slowing or uncertain economy, merger or acquisition activity, a decision to allocate resources to other areas of their business, or other reasons. The profitability of reporting units may also suffer if actual costs of providing services exceed the costs anticipated when the Company enters into contracts. Additionally, adverse conditions in the economy and future volatility in the equity and credit markets could impact the valuation of our reporting units. The cyclical nature of our business, the high level of competition existing within our industry, and the concentration of our revenues from a limited number of customers may also cause results to vary. These factors may affect individual reporting units disproportionately, relative to the Company as a whole. As a result, the performance of one or more of the reporting units could decline, resulting in an impairment of goodwill or intangible assets.

During August 2023, the first quarter of fiscal 2025, the Company acquired Bigham a telecommunications construction contractor for $131.2 million. $16.2 million ($13.0 million purchase price, plus cash acquired of $3.2 million). The purchase price was allocated based on the fair value of the assets acquired and the liabilities assumed on the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $37.4 million $3.4 million, which is deductible for tax purposes. See Note 5, *Acquisitions,* for more information regarding the acquisition.

The Company performs its annual goodwill assessment as of the first day of the fourth fiscal quarter of each fiscal year. As a result of the Company's fiscal 2023 2024 period assessment, the Company determined that the fair values of each of the reporting units and the indefinite-lived intangible asset were in excess of their carrying values and no impairment had occurred. As of October 28, 2023 April 27, 2024, the Company continues to we believe the remaining carrying amounts of goodwill and the indefinite-lived intangible asset are recoverable for all of its our reporting units.

Intangible Assets

Our intangible assets consisted of the following (dollars in thousands):

		October 28, 2023				January 28, 2023		
		Weighted Average Remaining Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
	April 27, 2024							
	Weighted Average Remaining Useful Lives (Years)							Weighted Average Remaining Useful Lives (Years)
Customer relationships	Customer relationships	8.2	$ 338,117	$ 241,285	$ 96,832	$ 312,017	$ 231,028	$ 80,989
Trade names, finite	Trade names, finite	9.3	13,050	8,602	4,448	9,250	8,448	802
Trade name, indefinite	Trade name, indefinite	Indefinite	4,700	—	4,700	4,700	—	4,700
Contract backlog	Contract backlog	2.8	11,600	1,885	9,715	—	—	—
Non-compete agreements	Non-compete agreements	4.0	75	15	60	75	—	75
			$ 367,542	$ 251,787	$ 115,755	$ 326,042	$ 239,476	$ 86,566
		$						

Amortization of our customer relationship intangibles is and our contract backlog intangibles are recognized on an accelerated basis as a function of the expected economic benefit. Amortization of our other finite-lived intangibles is recognized on a straight-line basis over the estimated useful life. Amortization expense for finite-lived intangible assets was $6.0 million $5.8 million and $3.9 million $3.5 million for the three months ended October 28, 2023 April 27, 2024 and October 29, 2022, respectively and $13.0 million and $11.7 million for the nine months ended October 28, 2023 and October 29, 2022, respectively. April 29, 2023.

As of October 28, 2023 April 27, 2024, we believe that the carrying amounts of our intangible assets are recoverable. However, if adverse events were to occur or circumstances were to change indicating that the carrying amount of such assets may not be fully recoverable, the assets would be reviewed for impairment. impairment and the assets could be impaired.

11. Accrued Insurance Claims

For claims within our insurance program, we retain the risk of loss, up to certain annual stop-loss limits, for matters related to automobile liability, general liability (including damages associated with underground facility locating services), workers' compensation, and employee group health. Losses for claims beyond our retained risk of loss are covered by insurance up to our coverage limits.

For workers' compensation losses during fiscal 2023 2025 and 2024, we retained the risk of loss up to $1.0 million on a per occurrence basis. This retention amount is applicable to all of the states in which we operate, except with respect to workers' compensation insurance in two states in which we participate in state-sponsored insurance funds.

For automobile liability and general liability losses during fiscal 2023, we retained the risk of loss up to $1.0 million on a per-occurrence basis for the first $5.0 million of insurance coverage. We also retained the risk of loss for the next $5.0 million on a per-occurrence basis with aggregate stop loss limits of $11.5 million within this layer of retention over the period from fiscal 2021 to fiscal 2023. Additionally, we retained $5.0 million risk of loss on a per occurrence basis for losses between $10.0 million and $15.0 million, if any, and we retained $10.0 million risk of loss on a per occurrence basis for losses between $30.0 million and $40.0 million, if any.

For automobile liability and general liability losses during fiscal 2024, we retained the risk of loss up to $1.0 million on a per-occurrence basis for the first $5.0 million of insurance coverage. We also retained the risk of loss for the next $10.0 million on a per-occurrence basis for losses between $5.0 million and $15.0 million, if any. Additionally, during fiscal 2024 we retained $10.0 million risk of loss on a per occurrence basis for losses between $30.0 million and $40.0 million, if any.

For automobile liability losses during fiscal 2025, we retained the risk of loss up to $2.0 million on a per-occurrence basis for the first $5.0 million of insurance coverage. We also retained the risk of loss for the next $5.0 million on a per-occurrence basis for losses between $5.0 million and $10.0 million, if any.

For general liability losses during fiscal 2025, we retained the risk of loss up to $1.0 million on a per-occurrence basis for the first $5.0 million of insurance coverage. We also retained the risk of loss for the next $5.0 million on a per-occurrence basis for losses between $5.0 million and $10.0 million, if any.

We are party to a stop-loss agreement for losses under our employee group health plan. For the calendar years 2022 and 2023, year 2024, we retain the risk of loss on an annual basis, up to the first $600,000 $700,000 of claims per participant.

Amounts for total accrued insurance claims and insurance recoveries/receivables are as follows (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Accrued insurance claims - current	Accrued insurance claims - current	$45,713	$41,043		
Accrued insurance claims - non-current	Accrued insurance claims - non-current	50,281	49,347		
Accrued insurance claims	Accrued insurance claims	$95,994	$90,390		
Insurance recoveries/receivables:	Insurance recoveries/receivables:				
Current (included in Other current assets)		$ 68	$ —		
Insurance recoveries/receivables:					
Insurance recoveries/receivables:					
Non-current (included in Other assets)					
Non-current (included in Other assets)					
Non-current (included in Other assets)	Non-current (included in Other assets)	4,723	4,957		
Insurance recoveries/receivables	Insurance recoveries/receivables	$ 4,791	$ 4,957		

Insurance recoveries/receivables represent the amount of accrued insurance claims that are covered by insurance as the amounts exceed the Company's loss retention. During the nine three months ended October 28, 2023 April 27, 2024, total insurance recoveries/receivables decreased increased approximately $0.2 million primarily due to the settlement of additional claims that exceed exceeded our loss retention. Accrued insurance claims decreased increased by a corresponding amount.

12. Leases

We lease the majority of our office facilities as well as certain equipment, all of which are accounted for as operating leases. These leases have remaining terms ranging from less than 1 year to approximately 6 years. Some leases include options to extend the lease for up to 5 years and others include options to terminate.

The following table summarizes the components of lease cost recognized in the condensed consolidated statements of operations for the three and nine months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 (dollars in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
	For the Three Months Ended			
	For the Three Months Ended			
	For the Three Months Ended			
	April 27, 2024			

		April 27, 2024			
		April 27, 2024			
Lease cost under long-term operating leases					
Lease cost under long-term operating leases					
Lease cost under long-term operating leases	Lease cost under long-term operating leases	$ 9,795	$ 8,593	$ 28,426	$ 25,520
Lease cost under short-term operating leases	Lease cost under short-term operating leases	5,745	7,183	17,845	19,898
Lease cost under short-term operating leases					
Lease cost under short-term operating leases					
Variable lease cost under short-term and long-term operating leases(1)					
Variable lease cost under short-term and long-term operating leases(1)					
Variable lease cost under short-term and long-term operating leases(1)	Variable lease cost under short-term and long-term operating leases(1)	718	897	2,868	2,917
Total lease cost	Total lease cost	$ 16,258	$ 16,673	$ 49,139	$ 48,335
Total lease cost					
Total lease cost					

(1) Variable lease cost primarily includes insurance, maintenance, and other operating expenses related to our leased office facilities.

Our operating lease liabilities related to long-term operating leases were $74.0 million $80.0 million as of October 28, 2023 April 27, 2024 and $67.2 million $76.1 million as of January 28, 2023 January 27, 2024. Supplemental balance sheet information related to these liabilities is as follows:

		October 28, 2023	January 28, 2023			
	April 27, 2024				April 27, 2024	January 27, 2024
Weighted average remaining lease term	Weighted average remaining lease term	2.9 years	2.9 years	Weighted average remaining lease term	2.9 years	2.8 years
Weighted average discount rate	Weighted average discount rate	4.8 %	3.9 %	Weighted average discount rate	5.2 %	5.0 %

Supplemental cash flow information related to our long-term operating lease liabilities for the three and nine months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 is as follows (dollars in thousands):

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
		For the Three Months Ended			
		For the Three Months Ended			
		For the Three Months Ended			
		April 27, 2024			
		April 27, 2024			
		April 27, 2024			
Cash paid for amounts included in the measurement of lease liabilities					
Cash paid for amounts included in the measurement of lease liabilities					
Cash paid for amounts included in the measurement of lease liabilities	Cash paid for amounts included in the measurement of lease liabilities	$ 10,612	$ 9,452	$ 27,692	$ 25,317
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 10,836	$ 9,202	$ 33,447	$ 28,659
Operating lease right-of-use assets obtained in exchange for operating lease liabilities					
Operating lease right-of-use assets obtained in exchange for operating lease liabilities					

As of October 28, 2023 April 27, 2024, maturities of our lease liabilities under our long-term operating leases for the next five fiscal years and thereafter are as follows (dollars in thousands):

Fiscal Year	Fiscal Year	Amount	Fiscal Year	Amount
Remainder of 2024		$ 8,248		
2025		33,178		
Remainder of 2025				
2026	2026	22,205		
2027	2027	12,262		
2028	2028	5,786		
2029	2029	2,165		
2030				
Thereafter	Thereafter	168		
Total lease payments	Total lease payments	84,012		
Less: imputed interest	Less: imputed interest	(10,031)		
Total	Total	$73,981		

As of April 27, 2024, the Company had an operating lease that is expected to commence in fiscal 2025 with a term of 130 months and initial annual rent of $3.2 million. This lease will replace certain other property leases that expire in fiscal 2026. Another lease is also expected to commence in fiscal 2025 with a term of 36 months and annual rent of $0.2 million.

13. Other Accrued Liabilities

Other accrued liabilities consisted of the following (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Accrued payroll and related taxes	Accrued payroll and related taxes	$ 37,164	$ 32,448		
Accrued employee benefit and incentive plan costs	Accrued employee benefit and incentive plan costs	54,580	44,487		
Accrued construction costs	Accrued construction costs	37,606	37,735		
Other current liabilities	Other current liabilities	26,710	26,664		
Other accrued liabilities	Other accrued liabilities	$ 156,060	$ 141,334		

14. Debt

The following table summarizes the net carrying value of our outstanding indebtedness (dollars in thousands):

	October 28, 2023	January 28, 2023		
Credit agreement - Revolving facility (matures April 2026)	$ 154,000	$ —		
Credit agreement - Term loan facility, net (matures April 2026)	317,955	330,603		
April 27, 2024			April 27, 2024	January 27, 2024
Credit Agreement - Revolving facility (matures April 2026)				
Credit Agreement - Term loan facility (matures April 2026)				

4.50% senior notes, net (mature April 2029)	4.50% senior notes, net (mature April 2029)	494,951	494,264
		966,906	824,867
	859,922		
Less: current portion	Less: current portion	(17,500)	(17,500)
Long-term debt	Long-term debt	$ 949,406	$ 807,367

Credit Agreement

On April 1, 2021, theThe Company and certain of its subsidiaries are party to an amended its and restated credit agreement, dated as of October 19, 2018, with the various lenders party thereto and Bank of America, N.A., as administrative agent (the (as amended on April 1, 2021 and May 9, 2023, the "Credit Agreement"), to among other things, decrease the which includes a revolving facility with a maximum revolver commitment to of $650.0 million from $750.0 million and decrease the a term loan facility to in the principal amount of $350.0 million from $416.3 million. . The Credit Agreement includes a $200.0 million sublimit for the issuance of letters of credit and a $50.0 million sublimit for swingline loans. As part of the amendment, the The maturity of the Credit Agreement was extended is April 1, 2026. On May 15, 2024, we amended and restated the Credit Agreement to, April 1, 2026. among other things, increase the term loan and extend the maturity date. See Note 21, *Subsequent Events,* for further information.

The following table summarizes the net carrying value of the term loan as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024 (dollars in thousands):

		October 28, 2023	**January 28, 2023**
		April 27, 2024	
		April 27, 2024	
		April 27, 2024	
Principal amount of term loan			
Principal amount of term loan			
Principal amount of term loan	Principal amount of term loan	$ 319,375	$ 332,500
Less: Debt issuance costs	Less: Debt issuance costs	(1,420)	(1,897)
Less: Debt issuance costs			
Less: Debt issuance costs			
Net carrying amount of term loan	Net carrying amount of term loan	$ 317,955	$ 330,603
Net carrying amount of term loan			
Net carrying amount of term loan			

Subject to certain conditions, the Credit Agreement provides provided us with the ability to enter into one or more incremental facilities either by increasing the revolving commitments under the Credit Agreement and/or by establishing one or more additional term loans, up to the sum of (i) $350.0 million and (ii) an aggregate amount such that, after giving effect to such incremental facilities on a pro forma basis (assuming that the amount of the incremental commitments are fully drawn and funded), the consolidated senior secured net leverage ratio does not exceed 2.25 to 1.00. The consolidated senior secured net leverage ratio is the ratio of our consolidated senior secured indebtedness reduced by unrestricted cash and equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined by the Credit Agreement. Borrowings under the Credit Agreement are guaranteed by substantially all of our domestic subsidiaries and secured by 100% of the equity interests of our direct and indirect domestic subsidiaries and 65% of the voting equity interests and 100% of the non-voting interests of our first-tier foreign subsidiaries (subject to customary exceptions).

Under our Credit Agreement, borrowings bear interest at the rates described below based upon our consolidated net leverage ratio, which is the ratio of our consolidated total funded debt reduced by unrestricted cash and equivalents in excess of $25.0 million to our trailing four-quarter consolidated EBITDA, as defined by our Credit Agreement. In addition, we incur certain fees for unused balances and letters of credit at the rates described below, also based upon our consolidated net leverage ratio.

Borrowings - Eurodollar Rate Term SOFR Loans	1.25% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.25% - 1.00% plus Base rate(1)
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.25% - 2.00%
Commercial Letters of Credit	0.625% -1.000% -1.00%

(1) Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent's prime rate, and (iii) the Eurodollar rate Term SOFR plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately $47.5 million and $47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement at each as of October 28, 2023 both April 27, 2024 and January 28, 2023, respectively. January 27, 2024.

The weighted average interest rates and fees for balances under our Credit Agreement as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024 were as follows:

		Weighted Average Rate End of Period				
		October 28, 2023	January 28, 2023			
	Weighted Average Rate End of Period				Weighted Average Rate End of Period	
	April 27, 2024				April 27, 2024	January 27, 2024
Borrowings - Term loan facility	Borrowings - Term loan facility	6.93%	6.21%	Borrowings - Term loan facility	7.05%	7.06%
Borrowings - Revolving facility(1)	Borrowings - Revolving facility(1)	7.56%	—%	Borrowings - Revolving facility(1)	8.18%	—%
Standby Letters of Credit	Standby Letters of Credit	1.50%	1.75%	Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	Unused Revolver Commitment	0.25%	0.35%	Unused Revolver Commitment	0.25%	0.30%

(1) There were no outstanding borrowings under our revolving facility as of January 28, 2023 January 27, 2024.

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00, as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At each of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under the our revolving facility of $448.5 $547.5 million and $602.5 million, respectively, as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

On May 9, 2023, the Company and certain of its subsidiaries we amended the Credit Agreement to replace LIBOR with the Secured Overnight Financing Rate ("SOFR") and provides provide that term loans and revolving loans will bear interest at a rate per annum equal to, either term SOFR or the base rate, plus, in each case, an applicable margin that will be determined based on the Company's our consolidated net leverage ratio, as specified above. "Term SOFR" will be the published forward-looking SOFR rate for the applicable interest period plus a 0.10% spread adjustment. adjustment and if such rate is less than zero, such rate shall be deemed zero.

4.50% Senior Notes Due 2029

On April 1, 2021, we issued $500.0 million aggregate principal amount of 4.50% senior notes due 2029 (the "2029 Notes"). The 2029 Notes are guaranteed on a senior unsecured basis, jointly and severally, by all of our domestic subsidiaries that guarantee the Credit Agreement.

The indenture governing the 2029 Notes contains certain covenants that limit, among other things, our ability and the ability of certain of our subsidiaries to (i) incur additional debt and issue certain preferred stock, (ii) pay certain dividends on, repurchase, or make distributions in respect of, our and our subsidiaries' capital stock or make other payments restricted by the indenture, (iii) enter into agreements that place limitations on distributions made from certain of our subsidiaries, (iv) guarantee certain debt, (v) make certain investments, (vi) sell or exchange certain assets, (vii) enter into transactions with affiliates, (viii) create certain liens, and (ix) consolidate, merge or transfer all or substantially all of our or our Subsidiaries' assets. These covenants are subject to a number of exceptions, limitations and qualifications as set forth in the indenture governing the 2029 Notes.

The following table summarizes the net carrying value of the 2029 Notes as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024 (dollars in thousands):

		October 28, 2023	January 28, 2023
		April 27, 2024	
		April 27, 2024	
		April 27, 2024	
Principal amount of 2029 Notes			
Principal amount of 2029 Notes			
Principal amount of 2029 Notes	Principal amount of 2029 Notes	$ 500,000	$ 500,000
Less: Debt issuance costs	Less: Debt issuance costs	(5,049)	(5,736)
Less: Debt issuance costs			
Less: Debt issuance costs			
Net carrying amount of 2029 Notes	Net carrying amount of 2029 Notes	$ 494,951	$ 494,264
Net carrying amount of 2029 Notes			
Net carrying amount of 2029 Notes			

The following table summarizes the fair value of the 2029 Notes, net of debt issuance costs. The fair value of the 2029 Notes is based on the closing trading price per $100 of the 2029 Notes as of the last day of trading (Level 2), which was $85.74 $91.80 and $97.50 $92.49 as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, respectively (dollars in thousands):

		October 28, 2023	January 28, 2023		
	April 27, 2024			April 27, 2024	January 27, 2024
Fair value of principal amount of 2029 Notes	Fair value of principal amount of 2029 Notes	$428,700	$451,250		
Less: Debt issuance costs	Less: Debt issuance costs	(5,049)	(5,736)		
Fair value of 2029 Notes	Fair value of 2029 Notes	$423,651	$445,514		

15. Income Taxes

Our effective income tax rate was 19.2% and 22.1% for the three months ended April 27, 2024 and April 29, 2023, respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the tax effects of the vesting and exercise of share-based awards, and changes in unrecognized tax benefits. Deferred tax assets and liabilities are based on the enacted tax rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

Our effective income tax rate was 25.5% and 21.9% for the three months ended October 28, 2023 and October 29, 2022, respectively, and 24.9% and 20.8% for the nine months ended October 28, 2023 and October 29, 2022, respectively. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, the impact of the vesting and exercise of share-based awards, tax credits recognized, and variances in non-deductible and non-taxable items. Other fluctuations in our effective income tax rate from the statutory rate each period are mainly attributable to changes in unrecognized tax benefits and tax law changes.

We are currently under IRS audit for fiscal year 2020. We believe our provision for income taxes is adequate; however, any assessment may affect our results of operations and cash flows.

16. Other Income, Net

The components of other income, net, were as follows (dollars in thousands):

	For the Three Months Ended			
	For the Three Months Ended			
	For the Three Months Ended			
	April 27, 2024			
	April 27, 2024			
	April 27, 2024			
Gain on sale of fixed assets				
Gain on sale of fixed assets				
Gain on sale of fixed assets				
	For the Three Months Ended		For the Nine Months Ended	
Miscellaneous expense, net				
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
Gain on sale of fixed assets	$ 8,357	$ 5,135	$ 23,730	$ 13,991
Discount fee expense	(2,231)	(3,266)	(7,784)	(5,682)
Miscellaneous income, net	780	605	1,682	1,547
Miscellaneous expense, net				
Miscellaneous expense, net				
Other income, net Other income, net	$ 6,906	$ 2,474	$ 17,628	$ 9,856
Other income, net				
Other income, net				

We participate in a vendor payment program sponsored by one of our customers. Eligible accounts receivable from this customer are included in the program and payment is received pursuant to a non-recourse sale to a bank partner. This program effectively reduces the time to collect these receivables as compared to that customer's standard payment terms. We incur a discount fee to the bank on the payments received that is reflected as discount fee expense in the table above and is included as an expense component in other income, miscellaneous expense, net, in the condensed consolidated statements of operations. table above.

17. Capital Stock

Repurchases of Common Stock. On August 23, 2023 the Company announced that its Board of Directors had authorized a new $150 million program to repurchase shares of the Company's outstanding common stock through February 2025 in open market or private transactions. During the three months ended October 28, 2023 April 27, 2024, the Company did not repurchase any repurchased 210,000 shares of its own common stock. stock, at an average price of $141.84, for $29.8 million. All shares repurchased have been cancelled. As of October 28, 2023 April 27, 2024, $150.0 million $90.9 million of the authorization was available for repurchases.

Restricted Stock Tax Withholdings. During the three months ended April 27, 2024 and April 29, 2023, we withheld 113,292 shares totaling $16.3 million and 101,035 shares totaling $9.6 million, respectively, to meet payroll tax withholding obligations arising from the vesting of restricted share units. All shares withheld have been cancelled. Shares of common stock withheld for tax withholdings do not reduce our total share repurchase authority.

Upon cancellation of shares repurchased or withheld for tax withholdings, the excess over par value is recorded as a reduction of additional paid-in capital until the balance is reduced to zero, with any additional excess recorded as a reduction of retained earnings. During the nine months ended October 28, 2023, $20.1 million was charged to retained earnings related to shares canceled during the period.

18. Stock-Based Awards

We have certain stock-based compensation plans under which we grant stock-based awards, including common stock, stock options, time-based restricted share units ("RSUs"), and performance-based restricted share units ("Performance RSUs") to attract, retain, and reward talented employees, officers, and directors, and to align stockholder and employee interests.

Compensation expense for stock-based awards is based on fair value at the measurement date. This expense fluctuates over time as a function of the duration of vesting periods of the stock-based awards and the Company's performance, as measured by criteria set forth in performance-based awards. Stock-based compensation expense is included in general and administrative expenses in the condensed consolidated statements of operations and the amount of expense ultimately recognized depends on the quantity of awards that actually vest. Accordingly, stock-based compensation expense may vary from period to period.

The performance criteria for the Company's performance-based equity awards utilize the Company's operating earnings (adjusted for certain amounts) as a percentage of contract revenues for the applicable annual period (a "Performance Year") and its Performance Year operating cash flow level (adjusted for certain amounts). Additionally, certain awards include three-year performance measures that, if met, result in supplemental shares awarded. For Performance RSUs, the Company evaluates compensation expense quarterly and recognizes expense for performance-based awards only if it determines it is probable that performance criteria for the awards will be met.

Stock-based compensation expense and the related tax benefit recognized during the three and nine months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 were as follows (dollars in thousands):

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
		For the Three Months Ended			
		For the Three Months Ended			
		For the Three Months Ended			
		April 27, 2024			
		April 27, 2024			
		April 27, 2024			
Stock-based compensation					
Stock-based compensation					
Stock-based compensation	Stock-based compensation	$ 6,298	$ 4,515	$ 19,240	$ 12,273
Income tax effect of stock-based compensation	Income tax effect of stock-based compensation	$ 3,201	$ 1,113	$ 4,768	$ 3,031
Income tax effect of stock-based compensation					
Income tax effect of stock-based compensation					

During the three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 the Company realized less than $0.1 $5.9 million and approximately $1.5 $2.7 million of net excess tax benefits, respectively, related to the vesting and exercise of share-based awards. During the nine months ended October 28, 2023 and October 29, 2022, the Company realized approximately $2.9 million and $4.1 million of net excess tax benefits, respectively.

As of October 28, 2023 April 27, 2024, we had unrecognized compensation expense related to stock options, RSUs, and target Performance RSUs (based on the Company's expected achievement of performance measures) of $3.7 $5.3 million, $23.6 $30.2 million, and $19.3 $29.9 million, respectively. This expense will be recognized over a weighted-average number of years of 2.8, 2.8, 3.1, 3.1, and 1.4, 1.6, respectively, based on the average remaining service periods for the awards. We may recognize an additional $13.1 $11.5 million in compensation expense in future periods after October 28, 2023 April 27, 2024 if the maximum number of Performance RSUs is earned based on certain performance measures being met.

Stock Options

The following table summarizes stock option award activity during the nine three months ended October 28, 2023 April 27, 2024:

	Stock Options	
	Shares	Weighted Average Exercise Price

Outstanding as of January 28, 2023	245,706	$	65.36
Granted	38,155	$	94.99
Options exercised	(9,879)	$	30.83
Outstanding as of October 28, 2023	273,982	$	70.73
Exercisable options as of October 28, 2023	180,369	$	64.75

	Stock Options		
	Shares		Weighted Average Exercise Price
Outstanding as of January 27, 2024	264,125	$	70.18
Granted	27,680	$	141.28
Options exercised	(3,976)	$	25.15
Outstanding as of April 27, 2024	287,829	$	77.64
Exercisable options as of April 27, 2024	207,589	$	64.92

RSUs and Performance RSUs

The following table summarizes RSU and Performance RSU award activity during the nine three months ended October 28, 2023 April 27, 2024:

	Restricted Stock					
	RSUs			Performance RSUs		
	Share Units		Weighted Average Grant Date Fair Value	Share Units		Weighted Average Grant Date Fair Value
Outstanding as of January 28, 2023	439,903	$	53.76	385,673	$	90.32
Outstanding as of January 27, 2024						
Granted	164,052	$	95.27	230,127	$	94.99
Share units vested	(198,746)	$	45.32	(112,787)	$	83.25
Forfeited or canceled	(5,417)	$	63.63	(66,706)	$	81.54
Outstanding as of October 28, 2023	399,792	$	74.86	436,307	$	95.95
Outstanding as of April 27, 2024						

The total number of granted Performance RSUs presented above consists of 157,380 117,938 target shares and 72,747 52,588 supplemental shares. The total number of Performance RSUs outstanding as of October 28, 2023 April 27, 2024 consists of 296,774 260,913 target shares and 139,533 119,173 supplemental shares. With respect to the Company's Performance Year ended January 28, 2023 January 27, 2024, the Company canceled 2,506 target added 712 supplemental shares and 57,199 cancelled 66,685 supplemental shares during the nine three months ended October 28, 2023 April 27, 2024, as a result of the performance period criteria not being met.

19. Customer Concentration and Revenue Information

Geographic Location

We provide services throughout the United States.

Significant Customers

Our customer base is highly concentrated, with our top five customers accounting for approximately 57.9% 56.4% and 67.0% 65.5% of total contract revenues during the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively. Customers whose contract revenues exceeded 10% of total contract revenues during the three and nine months ended October 28, 2023 April 27, 2024 or October 29, 2022 April 29, 2023, as well as total contract revenues from all other customers combined, were as follows (dollars in millions):

	For the Three Months Ended								For the Nine Months End			
	October 28, 2023			October 29, 2022				October 28, 2023				
		Amount	% of Total		Amount	% of Total			Amount	% of Total		Ar
	For the Three Months Ended											
	For the Three Months Ended											
	For the Three Months Ended											
	April 27, 2024											
	April 27, 2024											
	April 27, 2024											
	Amount											
	Amount											
	Amount											
AT&T Inc.												
AT&T Inc.												
AT&T Inc.	AT&T Inc.	$	145.1	12.8%	$	258.2	24.8%	$	543.8	16.9%	$	
Lumen Technologies	Lumen Technologies		187.6	16.5		142.9	13.6		486.5	15.1		
Lumen Technologies												
Lumen Technologies												
Comcast Corporation												
Comcast Corporation												
Comcast Corporation	Comcast Corporation		111.2	9.8		108.8	10.4		351.3	10.9		
Total other customers combined	Total other customers combined		692.2	60.9		532.5	51.2		1,841.5	57.1		
Total other customers combined												
Total other customers combined												
Total contract revenues	Total contract revenues	$	1,136.1	100.0%	$	1,042.4	100.0%	$	3,223.1	100.0%	$	
Total contract revenues												
Total contract revenues												

See Note 6, *Accounts Receivable, Contract Assets, and Contract Liabilities*, for information on our customer credit concentration and collectability of trade accounts receivable and contract assets.

Customer Type

Total contract revenues by customer type during the three and nine months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 were as follows (dollars in millions):

		For the Three Months Ended				For the Nine Months Ended			
		October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022	
		Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
		For the Three Months Ended							
		For the Three Months Ended							
		For the Three Months Ended							
		April 27, 2024							
		April 27, 2024							
		April 27, 2024							
		Amount							
		Amount							
		Amount							
Telecommunications									
Telecommunications									
Telecommunications	Telecommunications	$ 1,023.2	90.1%	$ 940.7	90.3%	$ 2,888.5	89.6%	$ 2,590.5	89.6%
Underground facility locating	Underground facility locating	76.9	6.7	72.1	6.9	226.6	7.0	214.5	7.4
Underground facility locating									
Underground facility locating									
Electrical and gas utilities and other									
Electrical and gas utilities and other									
Electrical and gas utilities and other	Electrical and gas utilities and other	36.0	3.2	29.6	2.8	108.0	3.4	86.0	3.0
Total contract revenues	Total contract revenues	$ 1,136.1	100.0%	$ 1,042.4	100.0%	$ 3,223.1	100.0%	$ 2,891.0	100.0%
Total contract revenues									
Total contract revenues									

Remaining Performance Obligations

Master service agreements and other contractual agreements with customers contain customer-specified service requirements, such as discrete pricing for individual tasks. In most cases, our customers are not contractually committed to procure specific volumes of services under these agreements.

Services are generally performed pursuant to these agreements in accordance with individual work orders. An individual work order generally is completed within one year. As a result, our remaining performance obligations under the work orders not yet completed is not meaningful in relation to our overall revenue at any given point in time. We apply the practical expedient in Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers,* and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

20. Commitments and Contingencies

During the fourth quarter of fiscal 2016, one of the Company's subsidiaries ceased operations. This subsidiary contributed to a multiemployer pension plan, the Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund (the "Plan"). In October 2016, the Plan demanded payment for a claimed withdrawal liability of approximately $13.0 million. million pursuant to its interpretation of Employee Retirement Income Security Act ("ERISA"). In December 2016, the subsidiary submitted a formal request to the Plan seeking review of the Plan's withdrawal liability determination. The subsidiary disputes disputed, among other things, the claim that it is required to make payment amount of a the withdrawal liability as demanded by the Plan as it believes that a statutory exemption under the Employee Retirement Income Security Act ("ERISA") applies to its activities. The Plan has taken the position that the work at issue does not qualify for that statutory exemption. Plan. The subsidiary has submitted this dispute to arbitration, as required by ERISA. In that proceeding, the arbitrator has issued an order indicating that the statutory exemption is not available to the Company's subsidiary, and the Company's subsidiary is appealing the arbitrator's ruling on various grounds. There can be no assurance that the Company's subsidiary will be successful in its appeal of the arbitrator's ruling regarding this statutory exemption. Plan's withdrawal liability determination. As required by ERISA, this subsidiary began making payments of the claimed withdrawal liability to the Plan in the amount of approximately $0.1 million per month in November 2016. The aggregate amount of these the payments made to date is currently approximately $11.7 million and that amount has been recorded by the Company as an asset. If the subsidiary prevails in disputing the amount of the withdrawal liability, all such payments any amounts that have been paid by the Company to the Plan in excess of the finally determined withdrawal liability are expected to be refunded. Given refunded to the stage of this action, it is not possible to estimate a range of loss that could result from either an adverse judgment or a settlement of this matter. Company.

From time to time, we are party to other various claims and legal proceedings arising in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, it is the opinion of management, based on information available at this time, that the ultimate resolution of any such claims or legal proceedings will not, after considering applicable insurance coverage or other indemnities to which we may be entitled, have a material effect on our financial position, results of operations, or cash flow.

Commitments

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. As of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we had $382.8 $397.0 million and $299.8 $409.6 million, respectively, of outstanding performance and other surety contract bonds. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. As of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we had $20.4 $24.1 million and $20.4 million, respectively, of outstanding surety bonds related to our insurance obligations. Additionally, we the Company periodically guarantee guarantees certain obligations of our its subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have issued standby letters of credit under our Credit Agreement that collateralize our obligations to our insurance carriers. At each of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we had $47.5 million of outstanding standby letters of credit issued under the our Credit Agreement.

21. Subsequent Events

During the second quarter of fiscal 2025, we acquired a telecommunications construction contractor for a cash purchase price of $20.8 million. The company is located in the northwestern United States with the majority of its revenues generated in Alaska. This acquisition expands our geographic presence and our customer base. Required disclosures related to this business combination will be provided upon completion of the preliminary purchase price allocation.

On May 15, 2024 the Company and certain of its subsidiaries amended and restated its Credit Agreement to, among other things, extend the maturity date of the Credit Agreement to January 15, 2029, and increase the term loan facility to $450.0 million from $310.6 million. The Credit Agreement includes a $200.0 million sublimit for the issuance of letters of credit and a $50.0 million sublimit for swingline loans.

Cautionary Note Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. These statements are intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. These statements may relate to future events, financial performance, strategies, expectations, and the competitive environment. Words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “forecast,” “target,” “outlook,” “may,” “should,” “could,” and similar expressions, as well as statements written in the future tense, identify forward-looking statements.

You should not consider forward-looking statements as guarantees of future performance or results. When made, forward-looking statements are based on information known to management at such time and/or management’s good faith belief with

respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors, assumptions, uncertainties, and risks that could cause such differences include, but are not limited to: projections of revenues, income or loss, or capital expenditures, future economic conditions and trends in the industries we serve, customer capital budgets and spending priorities, our plans for future operations, growth and services, including contract backlog, our plans for future acquisitions, dispositions, or financial needs, expected benefits and synergies of businesses acquired and future opportunities for the combined businesses, anticipated outcomes of contingent events, including litigation, availability of capital, restrictions imposed by our senior notes and credit agreement, use of our cash flow to service our debt, the effect of changes in tax law, potential liabilities and other adverse effects arising from occupational health, safety, and other regulatory matters, potential

exposure to environmental liabilities, determinations as to whether the carrying value of our assets is impaired, assumptions relating to any of the foregoing, the duration and severity of a pandemic caused by COVID-19 widespread pandemics and its public health emergencies and their ultimate impact across our business, and the other risks and uncertainties discussed within Item 1, *Business*, Item 1A, *Risk Factors,* and Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, of our Annual Report on Form 10-K for fiscal 2023, 2024, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 3, 2023 March 1, 2024 and our other periodic filings with the SEC. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement and are only made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise any forward-looking statements to reflect new information or events or circumstances arising after such date.

Item 2. *Management’s Discussion and Analysis of Financial Condition and Results of Operations.*

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for fiscal 2023. 2024. Our Annual Report on Form 10-K for fiscal 2023 2024 was filed with the SEC on March 3, 2023 March 1, 2024, and is available on the SEC's website at *www.sec.gov* and on our website at *www.dycomind.com*.

Introduction

We are a leading provider of specialty contracting services throughout the United States. These services include program management; planning; engineering and design; aerial, underground, and wireless construction; maintenance; and fulfillment services for telecommunications providers. Additionally, we provide underground facility locating services for various utilities, including telecommunications providers, and other construction and maintenance services for electric and gas utilities. We supply the labor, tools, and equipment necessary to provide these services to our customers.

Significant demand for broadband services is driven by applications that require high speed connections as well as the everyday use of mobile data devices. To respond to this demand and other advances in technology, major industry participants are constructing or upgrading significant wireline networks across broad sections of the country. These wireline networks are generally designed to provision gigabit network speeds to individual consumers and businesses, either directly or wirelessly using 5G technologies. Industry participants have stated their belief that a single high capacity fiber network can most cost effectively deliver services to both consumers and businesses, enabling multiple revenue streams from a single investment. We believe this This view is increasing the appetite for fiber deployments, and we believe that the industry's effort to deploy high capacity fiber networks continues to meaningfully broaden the set of opportunities for our industry. We are encouraged that a number of our customers are pursuing strategic transactions aimed largely in part to increase access to capital and expand fiber deployment programs. Increasing access to high-capacity telecommunications continues to be crucial to society, especially for rural America. The Infrastructure Investment and Jobs Act ("Infrastructure Act") includes over $40 billion for the construction of rural communications networks in unserved and underserved areas across the country under the Broadband Equity Access and Deployment Program ("BEAD Program"). This represents an unprecedented level of support and meaningfully increases the rural market that we expect will ultimately be addressed. States are progressing through the requirements to submit All states and territories have submitted their initial BEAD proposals. In addition, substantially all states have commenced programs that will provide funding for telecommunications networks even prior to the initiation of funding under the Infrastructure Act.

We are providing program management, planning, engineering and design, aerial, underground, and wireless construction and fulfillment services for gigabit deployments. These services are being provided across the country in numerous geographic areas to multiple customers. These deployments include networks consisting entirely of wired network elements and converged wireless/wireline multi-use networks. Fiber network deployment opportunities are increasing in rural America as new industry participants respond to emerging societal initiatives. We continue to provide integrated planning, engineering and design, procurement and construction and maintenance services to several industry participants.

Macro-economic conditions including those impacting the cost of capital, may influence the execution of some industry plans. appear stable. In addition, the market for labor remains tight has improved in many regions around the country. Automotive and equipment supply chains remain challenged, particularly for are also improving, although the large truck supply of mid-duty chassis required for specialty equipment. is still somewhat constrained. Prices for capital equipment continue to increase. It remains to be seen how long these conditions may persist. We expect demand may fluctuate less amongst customers as increases in the cost of capital slow. increase, but at a moderating rate. For several customers, we expect the pace of deployments is increasing into next to increase this year, including for those two customers whose capital expenditures were more heavily weighted toward the first half of calendar year 2023. For these customers, we are pleased that some activity may already be increasing. We are encouraged by recent longer-term industry financings. These financings have expanded the pool of capital available to fund future industry growth. Within this context, we remain confident that our scale and financial strength position us well to deliver valuable service to our customers.

We have extended our geographic reach and expanded our program management and network planning services. In fact, over the last several years we believe we have meaningfully increased the long-term value of our maintenance and operations business, a trend which we believe will parallel our deployment of gigabit wireline direct and wireless/wireline converged networks as those deployments dramatically increase the amount of outside plant network that must be extended and maintained.

Telephone companies are deploying fiber-to-the-home to enable gigabit high-speed connections. Rural electric utilities are doing the same. Dramatically increased speeds for consumers are being provisioned and consumer data usage is growing, particularly upstream. Wireless construction activity in support of newly available spectrum bands continues this year. Federal and state support for rural deployments of communications networks is dramatically increasing in scale and duration. Cable operators are increasing fiber deployments in rural America. Capacity expansion projects are underway. Customers are consolidating supply chains creating opportunities for market share growth and increasing the long-term value of our maintenance and operations business.

The cyclical nature of the industry we serve affects demand for our services. The capital expenditure and maintenance budgets of our customers, and the related timing of approvals and seasonal spending patterns, influence our contract revenues and results of operations. Factors affecting our customers and their capital expenditure budgets include, but are not limited to, overall economic conditions, the introduction of new technologies, our customers' debt levels and capital structures, our customers' financial performance, our customers' positioning and strategic plans, and any potential effects from the COVID-19 pandemic. public health emergencies or pandemics. Other factors that may affect our customers and their capital expenditure budgets include new regulations or regulatory actions impacting our customers' businesses, merger or acquisition activity involving our customers, and the physical maintenance needs of our customers' infrastructure.

Customer Relationships and Contractual Arrangements

We have established relationships with many leading telecommunications providers, including telephone companies, cable multiple system operators, wireless carriers, telecommunications equipment and infrastructure providers, as well as electric and gas utilities. Our customer base is highly concentrated, with our top five customers accounting for approximately 57.9% 56.4% and 67.0% 65.5% of our total contract revenues during the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively.

The following reflects the percentage of total contract revenues from customers who contributed at least 2.5% to our total contract revenues during the three and nine months ended October 28, 2023 April 27, 2024 or October 29, 2022 April 29, 2023:

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
AT&T Inc.	AT&T Inc.	12.8%	24.8%	16.9%	26.0%
AT&T Inc.					
AT&T Inc.					
Lumen Technologies					
Lumen Technologies					
Lumen Technologies	Lumen Technologies	16.5%	13.6%	15.1%	12.9%
Comcast Corporation	Comcast Corporation	9.8%	10.4%	10.9%	11.5%
Comcast Corporation					
Comcast Corporation					
Charter Communications, Inc.					
Charter Communications, Inc.					
Charter Communications, Inc.					
Verizon Communications Inc.	Verizon Communications Inc.	9.2%	9.1%	9.6%	8.9%
Verizon Communications Inc.					
Verizon Communications Inc.					
Brightspeed Total					
Brightspeed Total					
Brightspeed Total					
Frontier Communications Corporation	Frontier Communications Corporation	3.0%	8.5%	5.4%	7.8%
Charter Communications, Inc.		5.5%	1.8%	3.5%	1.8%
Frontier Communications Corporation					
Frontier Communications Corporation					

In addition, another customer contributed 6.1% 6.8% and 3.4% 4.6% to our total contract revenues during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022, respectively. During the nine months ended October 28, 2023 and October 29, 2022 this customer contributed 5.4% and 3.5% April 29, 2023, respectively.

We perform a majority of our services under master service agreements and other contracts that contain customer-specified service requirements. These agreements include discrete pricing for individual tasks. We generally possess multiple agreements with each of our significant customers. To the extent that such agreements specify exclusivity, there are often exceptions, including the ability of the customer to issue work orders valued above a specified dollar amount to other service providers, the performance of work with the customer's own employees, and the use of other service providers when jointly placing facilities with another utility. In many cases, a customer may terminate an agreement for convenience. Historically, multi-year master service agreements have been awarded primarily through a competitive bidding process; however, occasionally we are able to negotiate extensions to these agreements. We provide the remainder of our services pursuant to contracts for specific projects. These contracts may be long-term (with terms greater than one year) or short-term (with terms less than one year) and at times include retainage provisions under which the customer may withhold 5% to 10% of the invoiced amounts pending project completion and closeout.

The following table summarizes our contract revenues from multi-year master service agreements and other long-term contracts, as a percentage of contract revenues:

		For the Three Months Ended				For the Nine Months Ended			
		October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022	
Multi-year master service agreements	Multi-year master service agreements	75.1	%	79.6	%	77.9	%	79.4	%
Multi-year master service agreements									

Multi-year master service agreements					
Other long-term contracts					
Other long-term contracts					
Other long-term contracts	Other long-term contracts	13.9	9.8	11.8	10.8
Total long-term contracts	Total long-term contracts	89.0 %	89.4 %	89.7 %	90.2 %
Total long-term contracts					
Total long-term contracts					

Acquisitions

As part of our growth strategy, we may acquire companies that expand, complement, or diversify our business. We regularly review opportunities and periodically engage in discussions regarding possible acquisitions. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to identify, acquire, and successfully integrate companies.

On August 18, 2023, *Fiscal 2025.* During the Company first quarter of fiscal 2025, we acquired a telecommunications construction contractor for $16.2 million ($13.0 million purchase price, plus cash acquired of $3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the midwestern United States. This acquisition expands our geographic presence within our existing customer base.

Fiscal 2024. During August 2023, we acquired Bigham Cable Construction, Inc. ("Bigham" (“Bigham”), for $131.2 million ($127.0 million fixed purchase price, plus cash acquired of $8.3 million, less indebtedness of $4.1 million). Bigham provides construction and maintenance services for telecommunications providers in the southeastern United States. This acquisition expands the Company’s our geographic presence within its our existing customer base.

Results of the business businesses acquired are included in the condensed consolidated financial statements from the date of acquisition The purchase price allocation allocations of Bigham is the acquired companies are preliminary and will be completed when valuations for intangible assets and other amounts are finalized within the 12-month measurement period from the date of acquisition.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In conformity with GAAP, the preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these condensed consolidated financial statements and accompanying notes. These estimates and assumptions require the use of judgment as to the likelihood of various future outcomes and, as a result, actual results could differ materially from these estimates. There have been no material changes to our significant accounting policies and critical accounting estimates described in our Annual Report on Form 10-K for fiscal 2023. 2024.

Understanding Our Results of Operations

The following information is presented so that the reader may better understand certain factors impacting our results of operations and should be read in conjunction with our condensed consolidated financial statements and the accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q and *Critical Accounting Policies and Estimates* within Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, as well as Note 2, *Significant Accounting Policies and Estimates*, in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for fiscal 2023. 2024.

The Company uses a 52/53 week fiscal year ending on the last Saturday in January. Fiscal 2023 2025 and fiscal 2024 each consist of 52 weeks of operations. The next 53 week fiscal period will occur in the fiscal year ending January 31, 2026.

Contract Revenues. We perform a significant amount of our services under master service agreements and other contracts that contain customer-specified service requirements. These agreements include discrete pricing for individual tasks including, for example, the placement of underground or aerial fiber, directional boring, and fiber splicing, each based on a specific unit of measure. A contractual agreement exists when each party involved approves and commits to the agreement, the rights of the parties and payment terms are identified, the agreement has commercial substance, and collectability of consideration is probable. Our services are performed for the sole benefit of our customers, whereby the assets being created or maintained are controlled by the customer and the services we perform do not have alternative benefits for us. Contract revenue is recognized over time as services are performed and customers simultaneously receive and consume the benefits we provide. Output measures such as units delivered are utilized to assess progress against specific contractual performance obligations for the majority of our services. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. For us, the output method using units delivered best represents the measure of progress against the performance obligations incorporated within the contractual agreements. This method captures the amount of units delivered pursuant to contracts and is used only when our performance does not produce significant amounts of work in process prior to complete satisfaction of the performance obligation. For a portion of contract items, units to be completed consist of multiple tasks. For these items, the transaction price is allocated to each task based on relative standalone measurements, such as selling prices for similar tasks, or in the alternative, the cost to perform the tasks. Contract revenue is recognized as the tasks are completed as a measurement of progress in the satisfaction of the corresponding performance obligation.

For certain contracts, representing less than 5% of contract revenues during each of the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, we use the cost-to-cost measure of progress. These contracts are generally projects that are completed over a period of less than twelve months. Under the cost-to-cost measure of progress, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs. Contract costs include direct labor, direct materials, and subcontractor costs, as well as an allocation of indirect costs. Contract revenues are recorded as costs are incurred. We accrue the entire amount of a contract loss, if any, at the time the loss is determined to be probable and can be reasonably estimated.

Costs of Earned Revenues. Costs of earned revenues includes all direct costs of providing services under our contracts, including costs for direct labor provided by employees, services by subcontractors, operation of capital equipment (excluding depreciation), direct materials, costs of insuring our risks, and other direct costs. Under our insurance program, we retain the risk of loss, up to certain limits, for matters related to automobile liability, general liability (including damages associated with underground facility locating services), workers' compensation, and employee group health.

General and Administrative Expenses. General and administrative expenses primarily consist of employee compensation and related expenses, including performance-based compensation and stock-based compensation, legal, consulting and professional fees, information technology and development costs, provision for or recoveries of bad debt expense, acquisition and integration costs of businesses acquired, and other costs not directly related to the provision of our services under customer contracts. Our provision for bad debt expense is determined by evaluating specific accounts receivable and contract asset balances based on historical collection trends, the age of outstanding receivables, and the creditworthiness of our customers. We incur information technology and development costs primarily to support and enhance our operating efficiency. Our executive management team and the senior management of our subsidiaries perform substantially all of our sales and marketing functions as part of their management responsibilities.

Depreciation and Amortization. Our property and equipment primarily consist of vehicles, equipment and machinery, and computer hardware and software. We depreciate property and equipment on a straight-line basis over the estimated useful lives of the assets. In addition, we have intangible assets, including customer relationships, trade names, and contractual non-compete intangibles, which we amortize over their estimated useful lives. We recognize amortization of customer relationship intangibles on an accelerated basis as a function of the expected economic benefit and amortization of other finite-lived intangibles on a straight-line basis over their estimated useful lives.

Interest Expense, Net. Interest expense, net, consists of interest incurred on outstanding variable rate and fixed rate debt and certain other obligations, and the amortization of debt issuance costs. See Note 14, *Debt*, in the notes to the condensed consolidated financial statements for information on debt issuance costs and the non-cash amortization of the debt discount.

Other Income, Net. Other income, net, primarily consists of gains or losses from sales of fixed assets. assets and a loss on dissolution of foreign entities in the three months ended April 27, 2024. Other income, net also includes discount fee expense associated with the collection of accounts receivable under a customer-sponsored vendor payment program.

Seasonality and Fluctuations in Operating Results. Our contract revenues and results of operations exhibit seasonality and are impacted by adverse weather changes as we perform a significant portion of our work outdoors. Consequently, adverse weather, which is more likely to occur with greater frequency, severity, and duration during the winter, as well as reduced daylight hours, impact our operations during the fiscal quarters ending in January and April. Additionally, extreme weather conditions, such as major or extended winter storms, droughts and tornados, and natural disasters, such as floods, hurricanes, tropical storms, whether as a result of climate change or otherwise, could also impact the demand for our services or impact our ability to perform our services. Also, several holidays fall within the fiscal quarter ending in January, which decreases the number of available workdays in this fiscal quarter. Because of these factors, we are most likely to experience reduced revenue and profitability or losses during the fiscal quarters ending in January and April compared to the fiscal quarters ending in July and October.

We may also experience variations in our profitability driven by a number of factors. These factors include variations and fluctuations in contract revenues, job specific costs, insurance claims, the allowance for doubtful accounts, accruals for contingencies, stock-based compensation expense for performance-based stock awards, the fair value of reporting units for the goodwill impairment analysis, the valuation of intangibles and other long-lived assets, gains or losses on the sale of fixed assets from the timing and levels of capital assets sold, the employer portion of payroll taxes as a result of reaching statutory limits, and our effective tax rate.

Accordingly, operating results for any fiscal period are not necessarily indicative of results we may achieve for any subsequent fiscal period.

Results of Operations

The following table sets forth our condensed consolidated statements of operations for the periods indicated. Percentages represent indicated and the result amounts as percentages of dividing each item by contract revenues (totals may not add due to rounding) (dollars in millions):

	For the Three Months Ended				For the Nine Months Ended			
	October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022	
Contract revenues	$ 1,136.1	100.0 %	$ 1,042.4	100.0 %	$ 3,223.1	100.0 %	$ 2,891.0	100.0 %
Expenses:								
Costs of earned revenues, excluding depreciation and amortization	886.7	78.0	850.9	81.6	2,570.4	79.7	2,394.6	82.8
General and administrative	87.5	7.7	78.8	7.6	254.7	7.9	221.5	7.7
Depreciation and amortization	42.5	3.7	35.5	3.4	117.8	3.7	107.4	3.7
Total	1,016.7	89.5	965.1	92.6	2,942.9	91.3	2,723.6	94.2
Interest expense, net	(14.0)	(1.2)	(10.6)	(1.0)	(37.6)	(1.2)	(29.1)	(1.0)
Other income, net	6.9	0.6	2.5	0.2	17.6	0.5	9.9	0.3
Income before income taxes	112.4	9.9	69.2	6.6	260.2	8.1	148.2	5.1
Provision for income taxes	28.6	2.5	15.1	1.5	64.7	2.0	30.8	1.1
Net income	$ 83.7	7.4 %	$ 54.0	5.2 %	$ 195.5	6.1 %	$ 117.4	4.1 %

	For the Three Months Ended			
	April 27, 2024		April 29, 2023	
Contract revenues	$ 1,142.4	100.0 %	$ 1,045.5	100.0 %
Expenses:				
Costs of earned revenues, excluding depreciation and amortization	921.6	80.7	853.4	81.6
General and administrative	94.6	8.3	82.4	7.9
Depreciation and amortization	45.2	4.0	37.3	3.6
Total	1,061.4	92.9	973.0	93.1
Interest expense, net	(12.8)	(1.1)	(11.4)	(1.1)
Other income, net	9.3	0.8	5.0	0.5
Income before income taxes	77.4	6.8	66.1	6.3
Provision for income taxes	14.9	1.3	14.6	1.4
Net income	$ 62.6	5.5 %	$ 51.5	4.9 %

Contract Revenues. Contract revenues were $1,136.1 million $1,142.4 million during the three months ended October 28, 2023 April 27, 2024 compared to $1,042.4 $1,045.5 million during the three months ended October 29, 2022 April 29, 2023. Contract revenues from an acquired business businesses were $45.2 $71.2 million for the three months ended October 28, 2023 April 27, 2024. There were no acquired revenues during the three months ended October 29, 2022 April 29, 2023.

Excluding amounts generated by the acquired business, contract revenues increased by $48.5 million $25.7 million during the three months ended October 28, 2023 April 27, 2024 compared to the three months ended October 29, 2022. Included in this increase was $26.5 million of contract revenues from a change order and the closeout of several projects during the three months ended October 28, 2023 April 29, 2023. Contract revenues increased by $51.3 million $26.5 million for a telecommunications customer primarily for rural fiber deployments and by $44.7 million and $9.8 million, respectively, for two large telecommunication customers, primarily for services for fiber deployments. Additionally, there was an increase of $35.2 million for a rural telecommunications customer, and $34.0 million for another customer for fiber deployments. Contract revenue decreased by $113.1 million for a large telecommunications customer improving its network and $55.1 million $20.4 million for another telecommunications customer. customer primarily for fiber-to-the-home deployments. Contract revenues decreased by $21.7 million, $15.6 million, and $8.9 million for three large telecommunication customers. All other customers had net increases in contract revenues of $41.7 million $25.0 million on a combined basis during the three months ended October 28, 2023 April 27, 2024 compared to the three months ended October 29, 2022 April 29, 2023.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 90.1% 89.9%, 6.7% 7.1%, and 3.2% 3.0%, respectively, for the three months ended October 28, 2023 April 27, 2024 compared to 90.3% 89.7%, 6.9% 7.0%, and 2.8% 3.3%, respectively, for the three months ended October 29, 2022.

Contract revenues were $3,223.1 million during the nine months ended October 28, 2023 compared to $2,891.0 million during the nine months ended October 29, 2022. Contract revenues from an acquired business were $45.2 million for the nine months ended October 28, 2023. There were no acquired revenues during the nine months ended October 29, 2022.

Excluding amounts generated by the acquired business, contract revenues increased by $286.9 million during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022. Included in this increase was $26.5 million of contract revenues from a change order and the closeout of several projects during the nine months ended October 28, 2023. Contract revenues increased $140.8 million and $52.8 million for two large telecommunication customers primarily for fiber deployments, $113.2 million for a large telecommunications customer primarily for increases in services performed under existing contracts, $70.7 million for another customer for fiber deployments, and $65.6 million for a rural telecommunications customer. Contract revenues decreased by $207.7 million for a large telecommunications customer improving its network and $49.5 million for another telecommunications customer. All other customers had net increases in contract revenues of $101.0 million on a combined basis during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 89.6%, 7.0%, and 3.4%, respectively, for the nine months ended October 28, 2023 compared to 89.6%, 7.4%, and 3.0%, respectively, for the nine months ended October 29, 2022 April 29, 2023.

Costs of Earned Revenues. Costs of earned revenues increased to $886.7 million $921.6 million, or 78.0% 80.7% of contract revenues, during the three months ended October 28, 2023 April 27, 2024 compared to $850.9 million $853.4 million, or 81.6% of contract revenues, during the three months ended October 29, 2022 April 29, 2023. The primary components of the increase were a $40.2 million $66.0 million aggregate increase in direct labor and subcontractor costs and a $6.1 million increase in other direct costs, partially offset by a $2.7 million decrease in other direct costs, including insurance, travel cost, permits and other expenses, $0.7 million $3.6 million decrease in direct materials expense and a $1.1 million $0.2 million net decrease from lower fuel costs and higher equipment costs.

Costs of earned revenues as a percentage of contract revenues decreased 3.6% 1.0% during the three months ended October 28, 2023 April 27, 2024 compared to the three months ended October 29, 2022 April 29, 2023. Labor and subcontracted labor costs decreased 1.7% primarily due to the mix of work performed during the three months ended October 28, 2023. Other direct costs decreased 0.8% and direct Direct material costs decreased 0.6% 0.9% primarily as a result of our mix of work in which we provide materials for customers. Equipment and fuel costs decreased 0.5% 0.4% on a net basis as a percentage of contract revenues.

Costs of earned revenues increased to $2,570.4 million, or 79.7% of contract revenues, during the nine months ended October 28, 2023 compared to $2,394.6 million, or 82.8% of contract revenues, during the nine months ended October 29, 2022. The primary components of the increase were a $170.1 million aggregate increase in direct labor and subcontractor costs, a $8.7 million increase in other direct costs including insurance, travel cost, permits and other expenses, a $1.2 million increase in direct materials expense, and a $4.1 million net decrease lower fuel costs and higher equipment costs.

Costs of earned revenues as a percentage of contract revenues decreased 3.1% during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022 0.1%. Labor and subcontracted labor costs decreased 1.3% increased 0.4% primarily due to the mix of work performed. Equipment and fuel costs decreased 0.7% on a net basis as a percentage of contract revenues. Direct material costs decreased 0.6%, primarily as a result of our mix of work in which we provide materials for our customers, and other direct costs decreased 0.4% performed during the nine three months ended October 28, 2023 April 27, 2024.

General and Administrative Expenses. General and administrative expenses increased to $87.5 million $94.6 million, or 7.7% 8.3% of contract revenues, during the three months ended October 28, 2023 April 27, 2024 compared to $78.8 million $82.4 million, or 7.6% 7.9% of contract revenues, during the three months ended October 29, 2022 April 29, 2023. The increase in total general and administrative expenses during the three months ended October 28, 2023 April 27, 2024 is mainly attributable to an increase in administrative, payroll, performance based compensation, stock based compensation and other costs.

General and administrative expenses increased to $254.7 million, or 7.9% of contract revenues, during the nine months ended October 28, 2023 compared to $221.5 million, or 7.7% of contract revenues, during the nine months ended October 29, 2022. The increase in total general and administrative expenses during the nine months ended October 28, 2023 is mainly attributable to an increase in administrative, compensation, and other costs.

Depreciation and Amortization. Depreciation expense was $36.5 million $39.4 million, or 3.4% of contract revenues, during the three months ended April 27, 2024 compared to $33.8 million, or 3.2% of contract revenues, during the three months ended October 28, 2023 compared to $31.6 million, or 3.0% of contract revenues, during the three months ended October 29, 2022. Depreciation expense was $104.8 million, or 3.3% of contract revenues, during the nine months ended October 28, 2023 compared to $95.7 million, or 3.3% of contract revenues, during the nine months ended October 29, 2022 April 29, 2023. The increase in depreciation expense during the three and nine months ended October 28, 2023 April 27, 2024 is primarily due to higher capital expenditures to support our growth in operations and the normal replacement cycle of fleet assets.

Amortization expense was $6.0 $5.8 million and $3.9 million $3.5 million during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively and $13.0 million and $11.7 million during the nine months ended October 28, 2023 and October 29, 2022. respectively. The increase in amortization expense during the three and nine months ended October 28, 2023 April 27, 2024 is due to the increase in amortizing intangibles from the acquired business. businesses.

Interest Expense, Net. Interest expense, net was $14.0 million $12.8 million and $10.6 million $11.4 million during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively, as a result of higher interest rates on funded debt balances offset in part by and higher outstanding borrowings during the current period and lower interest income on invested cash balances.

Interest expense, net was $37.6 million and $29.1 million during the nine months ended October 28, 2023 and October 29, 2022, respectively, as a result of higher interest rates on funded debt balances, offset in part by higher interest income on invested cash balances.

Other Income, Net. Other income, net was $6.9 million $9.3 million and $2.5 million $5.0 million during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022, respectively and $17.6 million and $9.9 million during the nine months ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively. Gain on sale of fixed assets, net was $8.4 million $12.4 million and $5.1 million $7.8 million during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022, respectively and $23.7 million and $14.0 million during the nine months ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively. The change in other income, net is primarily a function of the number of assets sold and prices obtained for those assets during each respective period. Other income, net also reflects $2.2 $2.9 million and $3.3 $3.2 million of expense during the three months ended October 28, 2023 April 27, 2024 and October 29, 2022 respectively, and $7.8 million and $5.7 million during the nine months ended October 28, 2023 and October 29, 2022, April 29, 2023 respectively, associated with the non-recourse sale of accounts receivable under a customer-sponsored vendor payment program.

Income Taxes. The following table presents our income tax provision and effective income tax rate for the three and nine months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 (dollars in millions):

		For the Three Months Ended		For the Nine Months Ended	
		October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
		For the Three Months Ended			
		For the Three Months Ended			
		For the Three Months Ended			
		April 27, 2024			
		April 27, 2024			
		April 27, 2024			
Income tax provision					
Income tax provision					
Income tax provision	Income tax provision	$ 28.6	$ 15.1	$ 64.7	$ 30.8
Effective income tax rate	Effective income tax rate	25.5 %	21.9 %	24.9 %	20.8 %
Effective income tax rate					
Effective income tax rate					

Our effective income tax rate was 25.5% 19.2% and 21.9% 22.1% for the three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively, and 24.9% and 20.8% respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the nine months ended October 28, 2023 and October 29, 2022, respectively. full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the impact tax effects of the vesting and exercise of share-based awards, tax credits recognized, and variances in non-deductible and non-taxable items. Other fluctuations in our effective income tax rate from the statutory rate each period are mainly attributable to changes in unrecognized tax benefits benefits. Deferred tax assets and liabilities are based on the enacted tax law changes. rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

We are currently under IRS audit for fiscal year 2020. We believe our provision for income taxes is adequate; however, any assessment may affect our results of operations and cash flows. flows.

Net Income. Net income was $83.7 $62.6 million for the three months ended October 28, 2023 April 27, 2024 compared to $54.0 $51.5 million for the three months ended October 29, 2022. Net income was $195.5 million the nine months ended October 28, 2023 compared to $117.4 million the nine months ended October 29, 2022 April 29, 2023.

Non-GAAP Adjusted EBITDA. Adjusted EBITDA is a Non-GAAP measure, as defined by Regulation G of the SEC. We define Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, and certain non-recurring items. Management believes Adjusted EBITDA is a helpful measure for comparing the Company’s operating performance with prior periods as well as with the performance of other companies with different capital structures or tax rates. The following table provides a reconciliation of net income to Non-GAAP Adjusted EBITDA (dollars in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
	For the Three Months Ended			
	For the Three Months Ended			
	For the Three Months Ended			
	April 27, 2024			
	April 27, 2024			
	April 27, 2024			
Net income				

Net income					
Net income	Net income	$ 83,736	$ 54,012	$ 195,505	$ 117,404
Interest expense, net	Interest expense, net	13,952	10,592	37,601	29,057
Interest expense, net					
Interest expense, net					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes	Provision for income taxes	28,633	15,144	64,719	30,835
Depreciation and amortization	Depreciation and amortization	42,522	35,454	117,786	107,436
Depreciation and amortization					
Depreciation and amortization					
Earnings Before Interest, Taxes, Depreciation & Amortization (“EBITDA”)					
Earnings Before Interest, Taxes, Depreciation & Amortization (“EBITDA”)					
Earnings Before Interest, Taxes, Depreciation & Amortization (“EBITDA”)	Earnings Before Interest, Taxes, Depreciation & Amortization (“EBITDA”)	168,843	115,202	415,611	284,732
Gain on sale of fixed assets	Gain on sale of fixed assets	(8,357)	(5,135)	(23,730)	(13,991)
Gain on sale of fixed assets					
Gain on sale of fixed assets					
Stock-based compensation expense					
Stock-based compensation expense					
Stock-based compensation expense	Stock-based compensation expense	6,298	4,515	19,240	12,273
Non-GAAP Adjusted EBITDA	Non-GAAP Adjusted EBITDA	$ 166,784	$ 114,582	$ 411,121	$ 283,014
Non-GAAP Adjusted EBITDA					
Non-GAAP Adjusted EBITDA					
Non-GAAP Adjusted EBITDA % of contract revenues	Non-GAAP Adjusted EBITDA % of contract revenues	14.7 %	11.0 %	12.8 %	9.8 %
Non-GAAP Adjusted EBITDA % of contract revenues					
Non-GAAP Adjusted EBITDA % of contract revenues					

Liquidity and Capital Resources

We are subject to concentrations of credit risk relating primarily to our cash and equivalents, accounts receivable, and contract assets. Cash and equivalents primarily include balances on deposit with banks and totaled $15.7 million $26.1 million as of October 28, 2023 April 27, 2024 compared to $224.2 million $101.1 million as of January 28, 2023 January 27, 2024. We maintain our cash and equivalents at financial institutions we believe to be of high credit quality. To date, For all periods presented, we have not experienced any loss or lack of access to cash in our operating accounts.

Sources of Cash. Our sources of cash are operating activities, long-term debt, equity offerings, bank borrowings, proceeds from the sale of idle and surplus equipment and real property, and stock option proceeds. Cash flow from operations is primarily influenced by demand for our services and operating margins, but can also be influenced by working capital needs associated with the services that we provide. In particular, working capital needs may increase when we have growth in operations and where project costs, primarily associated with labor, subcontractors, equipment, and materials, are required to be paid before the related customer balances owed to us are invoiced and collected. Our working capital (total current assets less total current liabilities, excluding the current portion of debt) was $1,237.4 $1,130.8 million as of October 28, 2023 April 27, 2024 compared to $1,040.6 $1,061.2 million as of January 28, 2023 January 27, 2024.

Capital resources are used primarily to purchase equipment and maintain sufficient levels of working capital to support our contractual commitments to customers. We periodically borrow from draw upon and repay our revolving credit facility depending on our cash requirements. We currently intend to retain any earnings for use in the business and other capital allocation strategies which may include share repurchases, investment in acquisitions and extinguishment of debt. share repurchases. Consequently, we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Our level of capital expenditures can vary depending on the customer demand for our services, the replacement cycle we select for our equipment, and overall growth. We intend to fund these expenditures primarily from operating cash flows, availability under our credit agreement Credit Agreement (as defined below), and cash on hand. We expect capital expenditures, net of disposals, to range from $220.0 million to $230.0 million during fiscal 2025 to support growth opportunities and the replacement of certain fleet assets.

Sufficiency of Capital Resources. We believe that our capital resources, including existing cash balances and amounts available under our Credit Agreement, are sufficient to meet our financial obligations. These obligations include payments on our debt, working capital requirements, and the purchase of equipment at our expected level of operations for at least the next 12 months. Our capital requirements may increase to the extent we seek to grow by acquisitions that involve consideration other

than our stock, experience difficulty or delays in collecting amounts owed to us by our customers, increase our working capital in connection with new or existing customer programs, or we repurchase our common stock, or repay credit agreement Credit Agreement borrowings. Changes in financial markets or other components of the economy could adversely impact our ability to access the capital markets, in which case we would expect to rely on a combination of available cash and our credit agreement Credit Agreement to provide short-term funding. Management regularly monitors the financial markets and assesses general economic conditions for

possible impact on our financial position. We believe our cash investment policies are prudent and expect that any volatility in the capital markets would not have a material impact on our cash investments.

Net Cash Flows. The following table presents our net cash flows for the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023 (dollars in millions):

		For the Nine Months Ended			
For the Three Months Ended				For the Three Months Ended	
		October 28, 2023	October 29, 2022	April 27, 2024	April 29, 2023
Net cash flows:	Net cash flows:				
Used in operating activities	Used in operating activities	$ (66.1)	$ (81.5)		
Used in operating activities					
Used in operating activities					
Used in investing activities	Used in investing activities	$ (253.5)	$ (121.3)		
Provided by (used in) financing activities	Provided by (used in) financing activities	$ 111.1	$ (42.7)		

Cash used in Operating Activities. Depreciation and amortization, non-cash lease expense, stock-based compensation, amortization of debt issuance costs, deferred income taxes, gain on sale of fixed assets and (recovery) provision for bad debt were the primary non-cash items in cash flows from operating activities during the current and prior periods.

During the nine three months ended October 28, 2023 April 27, 2024, net cash used in operating activities was $66.1 $37.4 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used $402.0 $153.2 million of operating cash flow during the nine three months ended October 28, 2023 April 27, 2024. Changes that used operating cash flow during the nine three months ended October 28, 2023 April 27, 2024 included an increase in accounts receivable, a decrease in income taxes payable/receivable, an increase accrued liabilities, and a decrease in contract assets, net, and an increase in other current assets and inventories, accounts payable of $361.1 $126.2 million, $14.6 million $18.0 million, $11.3 million, and $5.7 million $15.4 million, respectively. In addition, changes that used operating cash flow during the nine three months ended October 28, 2023 April 27, 2024 included a decrease in accrued liabilities of $6.6 million and accounts payable of $3.5 million. A decrease an increase in other current assets and inventories of $0.7 million $8.1 million. Changes that provided operating cash flow during the nine three months ended October 28, 2023. April 27, 2024 included an increase in income taxes payable, a decrease in contract assets, net, and a decrease in other assets of $10.2 million, $2.2 million and $2.2 million, respectively.

Days sales outstanding ("DSO") is calculated based on the ending balance of total current and non-current accounts receivable (including unbilled accounts receivable), net of the allowance for doubtful accounts, and current contract assets, net of contract liabilities, divided by the average daily revenue for the most recently completed quarter. Long-term contract assets are excluded from the calculation of DSO, as these amounts represent payments made to customers pursuant to long-term agreements and are recognized as a reduction of contract revenues over the period for which the related services are provided to the customers. Including these balances in DSO is not meaningful to the average time to collect accounts receivable and current contract asset balances. Our DSO was 121 110 as of October 28, 2023 April 27, 2024 compared to 112 106 as of October 29, 2022 April 29, 2023.

See Note 6, *Accounts Receivable, Contract Assets, and Contract Liabilities*, for further information on our customer credit concentration as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024 and Note 19, *Customer Concentration and Revenue Information,* for further information on our significant customers. We believe that none of our significant customers were experiencing financial difficulties that would materially impact the collectability of our total accounts receivable and contract assets, net as of October 28, 2023 April 27, 2024 or January 28, 2023 January 27, 2024.

During the nine three months ended October 29, 2022 April 29, 2023, net cash used in operating activities was $81.5 $85.1 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used $336.4 $184.6 million of operating cash flow during the nine three months ended October 29, 2022 April 29, 2023. Changes that used operating cash flow during the nine three months ended October 29, 2022 April 29, 2023 included an increase in accounts receivable, decrease in accrued liabilities, increase in other current assets and inventories, and decrease in accounts payable of $118.3 million, $26.0 million, $16.3 million, and $10.5 million, respectively. In addition, changes that used operating cash flow during the three months ended April 29, 2023 included an increase in contract assets of $8.7 million and a net decrease in income taxes payable of $350.7 million, $37.8 million, and $32.9 million, respectively. Changes that $5.6 million. A decrease in other assets of $0.8 million provided operating cash flow during the nine three months ended October 29, 2022 included an increase in accounts payable of $42.1 million and a net increase in income taxes payable of $22.1 million. In addition, changes that provided operating cash flow included a decrease in other assets of $4.2 million and an increase in accrued liabilities of $16.5 million April 29, 2023.

Cash Used in Investing Activities. Net cash used in investing activities was $253.5 $42.2 million during the nine three months ended October 28, 2023 April 27, 2024 compared to $121.3 $33.6 million during the nine three months ended October 29, 2022 April 29, 2023. During the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, capital expenditures were $161.1 $42.0 million and $135.8 $42.9 million, respectively. Capital expenditures increased during Additionally, we acquired the nine months ended October 28, 2023, primarily as assets of a result of spending telecommunications construction contractor for new work

opportunities and the replacement of certain fleet assets. $13.0 million. These expenditures were offset in part by proceeds from the sale of assets of $30.5 $12.7 million and $14.5 $9.3 million during the nine three months ended October 28, 2023 April 27, 2024 and October 29, 2022 April 29, 2023, respectively. During the third quarter of fiscal 2024, we paid $122.9 million, net of cash acquired for the acquisition of Bigham.

Cash Provided by (Used in) Financing Activities. Net cash provided by financing activities was $111.1 $4.7 million during the nine three months ended October 28, 2023 April 27, 2024. During the nine three months ended October 28, 2023 April 27, 2024, borrowings and repayments under our credit agreement

Credit Agreement were $475.0 million $120.0 million and $69.4 million, respectively. We repurchased 210,000 shares of our common stock in open market transactions, at an average price of $141.84 per share, for $29.8 million, during the three months ended April 27, 2024. We used approximately $334.1 also paid $16.3 million to repay borrowings under our Credit Agreement. tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the three months ended April 27, 2024. This was partially offset by the exercise of stock options, which provided $0.1 million during the three months ended April 27, 2024.

Net cash used in financing activities was $34.1 million during the three months ended April 29, 2023. We repurchased 225,000 shares of our common stock in open market transactions, at an average price of $90.21 per share, for $20.3 million, $20.3 million, during the nine three months ended October 28, 2023 April 29, 2023. We also paid $9.8 $9.6 million to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the nine three months ended October 28, 2023. This was partially offset by the exercise of stock options, which provided $0.3 million during the nine months ended October 28, 2023.

Net cash used in financing activities was $42.7 million during the nine months ended October 29, 2022. We repurchased 304,030 shares of our common stock in open market transactions, at an average price of $93.85 per share, for $28.5 million, during the nine months ended October 29, 2022. We also paid $5.6 million to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the nine months ended October 29, 2022 April 29, 2023. In addition, we used approximately $13.1 million $4.4 million to repay term loan borrowings under our Credit Agreement. This was partially offset by the exercise of stock options, which provided $4.6 million $0.2 million during the nine three months ended October 29, 2022 April 29, 2023.

Compliance with Credit Agreement. We are As of April 27, 2024, we were party to a credit agreement, dated as of October 19, 2018, as amended, with the various lenders party thereto and Bank of America, N.A., as administrative agent (as amended on April 1, 2021 and May 9, 2023, the "Credit Agreement"), which includes a revolving facility with a revolver commitment in aggregate amount equal to of $650.0 million and a term loan facility in the aggregate principal amount of $350.0 million. The Credit Agreement also includes a $200.0 million sublimit for the issuance of letters of credit and a $50.0 million sublimit for swingline loans. The maturity of the Credit Agreement was on April 1, 2026. On May 15, 2024, we amended and restated the Credit Agreement to, among other things, increase the term loan and extend the maturity date. The following discussion of the Credit Agreement is April 1, 2026. as of April 27, 2024, which was prior to the amendment and restatement. See Note 21, *Subsequent Events,* for further information.

Subject to certain conditions, the Credit Agreement provides provided us with the ability to enter into one or more incremental facilities either by increasing the revolving commitments under the Credit Agreement and/or by establishing one or more additional term loans, up to the sum of (i) $350.0 million and (ii) an aggregate amount such that, after giving effect to such incremental facilities on a pro forma basis (assuming that the amount of the incremental commitments are fully drawn and funded), the consolidated senior secured net leverage ratio does not exceed 2.25 to 1.00. The consolidated senior secured net leverage ratio is the ratio of our consolidated senior secured indebtedness reduced by unrestricted cash and equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined by the Credit Agreement. Borrowings under the Credit Agreement are guaranteed by substantially all of our domestic subsidiaries and secured by 100% of the equity interests of our direct and indirect domestic subsidiaries and 65% of the voting equity interests and 100% of the non-voting interests of our first-tier foreign subsidiaries (subject to customary exceptions).

Under our Credit Agreement, borrowings bear interest at the rates described below based upon our consolidated net leverage ratio, which is the ratio of our consolidated total funded debt reduced by unrestricted cash and equivalents in excess of $25.0 million to our trailing four-quarter consolidated EBITDA, as defined by our Credit Agreement. In addition, we incur certain fees for unused balances and letters of credit at the rates described below, also based upon our consolidated net leverage ratio.

Borrowings - Eurodollar Rate Term SOFR Loans	1.25% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.25% - 1.00% plus Base rate(1)
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.25% - 2.00%
Commercial Letters of Credit	0.625% - 1.00%

(1) Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent's prime rate, and (iii) the Eurodollar rate Term SOFR plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately $47.5 million and $47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement at each as of October 28, 2023 both April 27, 2024 and January 28, 2023, respectively. January 27, 2024.

The weighted average interest rates and fees for balances under our Credit Agreement as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024 were as follows:

	Weighted Average Rate End of Period	
	October 28, 2023	January 28, 2023
Borrowings - Term loan facility	6.93%	6.21%
Borrowings - Revolving facility(1)	7.56%	—%
Standby Letters of Credit	1.50%	1.75%
Unused Revolver Commitment	0.25%	0.35%

	Weighted Average Rate End of Period	Weighted Average Rate End of Period
	April 27, 2024	January 27, 2024
Borrowings - Term loan facility	7.05%	7.06%
Borrowings - Revolving facility(1)	8.18%	—%
Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	0.25%	0.30%

(1) There were no outstanding borrowings under our revolving facility as of January 29, 2022 January 27, 2024.

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00 as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At each of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under the our revolving facility of $448.5 $547.5 million and $602.5 million, respectively, as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

On May 9, 2023, the Company and certain of its subsidiaries we amended the Credit Agreement to replace LIBOR with the Secured Overnight Financing Rate ("SOFR") and provides provide that term loans and revolving loans will bear interest at a rate per annum equal to, either term SOFR or the base rate, plus, in each case, an applicable margin that will be determined based on the Company's our consolidated net leverage ratio, as specified above. "Term SOFR" will be the published forward-looking SOFR rate for the applicable interest period plus a 0.10% spread adjustment. adjustment and if such rate is less than zero, such rate shall be deemed zero.

The indenture governing the 2029 Notes contains certain covenants that limit, among other things, our ability and the ability of certain of our subsidiaries to (i) incur additional debt and issue certain preferred stock, (ii) pay certain dividends on, repurchase, or make distributions in respect of, our and our subsidiaries' capital stock or make other payments restricted by the indenture, (iii) enter into agreements that place limitations on distributions made from certain of our subsidiaries, (iv) guarantee certain debt, (v) make certain investments, (vi) sell or exchange certain assets, (vii) enter into transactions with affiliates, (viii) create certain liens, and (ix) consolidate, merge or transfer all or substantially all of our or our Subsidiaries' assets. These

covenants are subject to a number of exceptions, limitations and qualifications as set forth in the indenture governing the 2029 Notes.

Contractual Obligations. The following table sets forth our outstanding contractual obligations as of October 28, 2023 April 27, 2024 (dollars in thousands):

		Due less than 1 Year	Due Thereafter	Total	Due less than 1 Year	Due Thereafter	Total
2029 Notes	2029 Notes	$ —	$ 500,000	$ 500,000			
Credit agreement – revolving facility	Credit agreement – revolving facility	—	154,000	154,000			
Credit agreement – term loan facility	Credit agreement – term loan facility	17,500	301,875	319,375			
Fixed interest payments on long-term debt(1)	Fixed interest payments on long-term debt(1)	22,500	101,250	123,750			
Obligations under long-term operating leases		34,039	49,973	84,012			
Obligations under short-term operating leases(2)		1,546	—	1,546			
Obligations under long-term operating leases(2)							
Obligations under short-term operating leases(3)							
Employment agreements	Employment agreements	28,532	5,886	34,418			

Purchase and other contractual obligations(3)	120,324	26,368	146,692
Purchase and other contractual obligations(4)			
Total Total	$224,441	$1,139,352	$1,363,793

(1) Includes interest payments on our $500.0 million principal amount of 2029 Notes outstanding, and excludes interest payments on our variable rate debt. Variable rate debt as of October 28, 2023 April 27, 2024 consisted of $319.4 $310.6 million outstanding under our term loan facility. facility and $55.0 million of revolver borrowings.

(2)Amounts represent undiscounted lease obligations under long-term operating leases and exclude long-term operating leases that have not yet commenced as of April 27, 2024. See Note 12, *Leases*, for further information.

(3)Amounts represent lease obligations under short-term operating leases that are not recorded on our condensed consolidated balance sheet as of October 28, 2023 April 27, 2024.

(3) (4)We have committed capital for the expansion of our vehicle fleet in order to accommodate manufacturer lead times. As of October 28, 2023 April 27, 2024, purchase and other contractual obligations includes approximately $101.5 million $128.0 million for issued orders with delivery dates scheduled to occur over the next 12 months.

Our condensed consolidated balance sheet as of October 28, 2023 April 27, 2024 includes a long-term liability of approximately $50.3 $54.4 million for accrued insurance claims. This liability has been excluded from the table above as the timing of payments is uncertain.

The liability for unrecognized tax benefits for uncertain tax positions was approximately $16.3 $17.6 million and $15.8 $17.6 million as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, respectively, and is included in other liabilities in the condensed consolidated balance sheets. This amount has been excluded from the contractual obligations table because we are unable to reasonably estimate the timing of the resolution of the underlying tax positions with the relevant tax authorities.

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. As of October 28, 2023 and January 28, 2023 we We had $382.8 $397.0 million and $299.8 $409.6 million of outstanding performance and other surety contract bonds, as of April 27, 2024 and January 27, 2024, respectively. The estimated cost to complete projects secured by our outstanding performance and other surety contract bonds was approximately $114.4 million $158.3 million as of October 28, 2023 April 27, 2024. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. As of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, we had $20.4 $24.1 million and $20.4 million, respectively, of outstanding surety bonds related to our insurance obligations. Additionally, we the Company periodically guarantee guarantees certain obligations of our its subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have standby letters of credit issued under our Credit Agreement as part of our insurance program. These letters of credit collateralize obligations to our insurance carriers in connection with the settlement of potential claims. In connection with these collateral obligations, we had $47.5 million outstanding standby letters of credit issued under our Credit Agreement as of October 28, 2023 both April 27, 2024 and January 28, 2023, respectively. January 27, 2024.

Backlog. Backlog is not a measure defined by United States generally accepted accounting principles ("GAAP") and should be considered in addition to, but not as a substitute for, GAAP results. Participants in our industry often disclose a calculation of their backlog; however, our methodology for determining backlog may not be comparable to the methodologies

used by others. We utilize our calculation of backlog to assist in measuring aggregate awards under existing contractual relationships with our customers. We believe our backlog disclosures will assist investors in better understanding this estimate of the services to be performed pursuant to awards by our customers under existing contractual relationships.

Our backlog is an estimate of the uncompleted portion of services to be performed under contractual agreements with our customers and totaled $6.613 billion $6.364 billion and $6.141 $6.917 billion at October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, respectively. We expect to complete 57.9% 60.7% of the October 28, 2023 April 27, 2024 total backlog during the next twelve months. Our backlog represents an estimate of services to be performed pursuant to master service agreements and other contractual agreements over the terms of those contracts. their terms. These estimates are based on contract terms and evaluations regarding the timing of the services to be provided. In the case of master service agreements, backlog is estimated based on the work performed in the preceding twelve month period, when available. applicable. When estimating backlog for newly initiated master service agreements and other long and short-term contracts, we also consider the anticipated scope of the contract and information received from the customer during the procurement process and, where applicable, other ancillary information. A significant The majority of our backlog comprises services under master service agreements and other long-term contracts.

Generally, our customers are not contractually committed to procure specific volumes of services. Contract revenue estimates reflected in our backlog can be subject to change due to a number of factors, including contract cancellations or changes in the amount of work we expect to be performed. In addition, contract revenues reflected in our backlog may be realized in different periods from those previously anticipated due to these factors as well as project accelerations delays or cancellations delays due to various reasons, including, but not limited to, changes in customer spending priorities, project cancellations, regulatory interruptions, scheduling changes, commercial issues such as permitting, engineering revisions, job site conditions, and adverse weather. The amount or timing of our backlog can also be impacted by the merger or acquisition activity of our customers. Many of our contracts may be cancelled by our customers, or work previously awarded to us pursuant to these contracts may be cancelled, regardless of whether or not we are in default. The amount of backlog related to uncompleted projects in which a provision for estimated losses was recorded is not material.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk.*

Our primary exposure to market risk relates to unfavorable changes in interest rates on our fixed-rate and variable-rate debt. Fluctuations in interest rates impact the fair value of our fixed-rate debt and interest expense on our variable-rate debt. At October 28, 2023 April 27, 2024, 50% 58% of our debt, on a gross basis, incurred interest at a fixed-rate and the remaining 50% 42% of the debt incurred interest at a variable-rate.

On April 1, 2021, we issued $500.0 million aggregate principal amount of 4.50% senior notes due 2029 (the "2029 Notes"). The 2029 Notes are guaranteed on a senior unsecured basis, jointly and severally, by all of our domestic subsidiaries that guarantee the Credit Agreement. The fair value of the fixed rate 2029 Notes will change with changes in market interest rates. Generally, the fair value of the fixed rate 2029 Notes will increase as interest rates fall and decrease as interest rates rise. The following table summarizes the carrying amount and fair value of the 2029 Notes, net of debt issuance costs. The fair value of the 2029 Notes is based on the closing trading price per $100 of the 2029 Notes as of the last day of trading (Level 2), which was $85.74 $91.80 and $97.50 $92.49 as of October 28, 2023 April 27, 2024 and January 28, 2023 January 27, 2024, respectively (dollars in thousands):

	October 28, 2023	January 28, 2023
Principal amount of 2029 Notes	$ 500,000	$ 500,000
Less: Debt issuance costs	(5,049)	(5,736)
Net carrying amount of 2029 Notes	$ 494,951	$ 494,264

	October 28, 2023	January 28, 2023
Fair value of principal amount of 2029 Notes	$ 428,700	$ 451,250
Less: Debt issuance costs	(5,049)	(5,736)
Fair value of 2029 Notes	$ 423,651	$ 445,514

	April 27, 2024	January 27, 2024
Principal amount of 2029 Notes	$ 500,000	$ 500,000
Less: Debt issuance costs	(4,591)	(4,820)
Net carrying amount of 2029 Notes	$ 495,409	$ 495,180

	April 27, 2024	January 27, 2024
Fair value of principal amount of 2029 Notes	$ 459,000	$ 462,450
Less: Debt issuance costs	(4,591)	(4,820)
Fair value of 2029 Notes	$ 454,409	$ 457,630

A hypothetical 50 basis point change in the market interest rates in effect would result in an increase or decrease in the fair value of the 2029 Notes of approximately $11.8 $10.8 million, calculated on a discounted cash flow basis as of October 28, 2023 April 27, 2024.

Our Credit Agreement permits borrowings at a variable rate of interest. On October 28, 2023 April 27, 2024, we had variable rate debt outstanding of $154.0 million $55.0 million of revolver borrowings and $319.4 $310.6 million of term loan borrowings under our Credit Agreement. Interest related to these borrowings fluctuates based on SOFR or the Base rate. The Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent's prime rate, and (iii) the Eurodollar rate plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero. At the current level of borrowings, for every 50 basis point change in the interest rate, interest expense associated with such borrowings would correspondingly change by approximately $2.4 million $1.8 million annually.

Item 4. *Controls and Procedures.*

Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of October 28, 2023 April 27, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of
October 28, 2023, April 27, 2024, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and (2) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

The SEC's general guidance permits the exclusion of an assessment of the effectiveness of a registrant's disclosure controls and procedures as they relate to its internal control over financial reporting for an acquired business during the first year following such acquisition if, among other circumstances and factors, there is not adequate time between the acquisition date and the date of assessment. As previously noted in this Form 10-Q, we acquired Bigham on August 18. 2023. This acquisition represents approximately 5.8% of our total assets as of October 28, 2023 and 1.4% of our total contract revenues for the nine months ended October 28, 2023. See Note 5, Acquisitions, of the Notes to the Condensed Consolidated Financial Statements for additional information regarding the acquisition. Management's assessment and conclusion on the effectiveness of the Company's disclosure controls and procedures as of October 28, 2023 excludes an assessment of internal control over financial reporting of Bigham.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. ***Legal Proceedings.***

Refer to Note 20, *Commitments and Contingencies*, in the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A*. Risk Factors.*

Our business is subject to a variety of risks and uncertainties. These risks are described elsewhere in this Quarterly Report on Form 10-Q or our other filings with the U.S. Securities and Exchange Commission, including Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 28, 2023 January 27, 2024. The risks identified in such reports have not changed in any material respect.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds*.**

(a) During the three months ended October 28, 2023 April 27, 2024, the Company did not sell any equity securities that were not registered under the Securities Act of 1933.

(b) Not applicable.

(c) The following table summarizes the Company's purchase of its common stock during the three months ended
October 28, 2023: April 27, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 30, 2023 - August 26, 2023	—	$ —	—	(2)
August 27, 2023 - September 23, 2023	—	$ —	—	(2)
September 24, 2023 - October 28, 2023	—	$ —	—	(2)

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 28, 2024 - February 24, 2024	—	$ —	—	(3)
February 25, 2024 - March 23, 2024	—	$ —	—	(3)
March 24, 2024 - April 27, 2024	210,000	$ 141.84	—	(3)

(1) All shares repurchased have been subsequently canceled.

(2) Average price paid per share excludes 1% excise tax on share repurchases.

(2) (3) *Repurchases of Common Stock.* On August 23, 2023 the Company announced that its Board of Directors had authorized a new $150 million program to repurchase shares of the Company's outstanding common stock through February 2025 in open market or private transactions. During the three months ended October 28, 2023 April 27, 2024, the Company did not repurchase any repurchased 210,000 shares of its own common stock. stock, at an average price of $141.84, for $29.8 million. As of October 28, 2023 April 27, 2024, $150.0 million $90.9 million of the authorization was available for repurchases.

Item 5. *Other Information.*

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements by our Directors and Officers

During the three months ended October 28, 2023 April 27, 2024, our directors and officers (as defined in Rule 16a-1(f) of the Securities and Exchange Act of 1934, as amended) did not adopt, terminate or modify Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

Item 6. *Exhibits.*

Exhibits furnished pursuant to the requirements of Form 10-Q:

Exhibit Number	
10.1*	Employment Agreement between Dycom Industries, Inc. and Heather M. Floyd, dated March 25, 2024 (incorporated by reference to exhibit 10.1 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on March 26, 2024).
31.1 +	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 +	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 ++	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 ++	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 +	The following materials from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 28, 2023 April 27, 2024, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to Condensed Consolidated Financial Statements.
104 +	The cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 28, 2023 April 27, 2024, formatted in Inline XBRL (included as Exhibit 101)
+	Filed herewith
++	Furnished herewith
*	Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DYCOM INDUSTRIES, INC.

Registrant

Date: November 22, 2023 May 23, 2024

/s/ Steven E. Nielsen

Name: Steven E. Nielsen

Title: President and Chief Executive Officer

Date: November 22, 2023 May 23, 2024

/s/ H. Andrew DeFerrari

Name: H. Andrew DeFerrari

Title: Senior Vice President and Chief Financial Officer

Exhibit 31.1

DYCOM INDUSTRIES, INC.
CERTIFICATIONS PURSUANT TO
RULES 13A-14(A) OR 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Steven E. Nielsen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dycom Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 22, 2023 May 23, 2024

/s/ Steven E. Nielsen

Steven E. Nielsen
President and Chief Executive Officer

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Exhibit 31.2

DYCOM INDUSTRIES, INC.
CERTIFICATIONS PURSUANT TO
RULES 13A-14(A) OR 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, H. Andrew DeFerrari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dycom Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 22, 2023 May 23, 2024

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari
Senior Vice President and Chief Financial Officer

Exhibit 32.1

DYCOM INDUSTRIES, INC.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending October 28, 2023 April 27, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 22, 2023 May 23, 2024

/s/ Steven E. Nielsen

Steven E. Nielsen

President and Chief Executive Officer

A signed original of this written statement required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Dycom Industries, Inc. and will be retained by Dycom Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 even if the document with which it is submitted to the Securities and Exchange Commission is so incorporated by reference.

Exhibit 32.2

DYCOM INDUSTRIES, INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending October 28, 2023 April 27, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 22, 2023 May 23, 2024

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari

Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Dycom Industries, Inc. and will be retained by Dycom Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 even if the document with which it is submitted to the Securities and Exchange Commission is so incorporated by reference.

DISCLAIMER