REFINITIV

DELTA REPORT

10-Q

NVEEU - NV5 GLOBAL, INC.

10-Q - JUNE 29, 2024 COMPARED TO 10-Q - MARCH 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	518
CHANGES	195
DELETIONS	142
ADDITIONS	181

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 30, 2024 June 29, 2024

OR

☐ **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 001-35849

NV5 Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-3458017**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 South Park Road, Suite 350	
Hollywood, Florida	**33021**
(Address of principal executive offices)	(Zip Code)

(954) 495-2112
(Registrant's telephone number, including area code)

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, $0.01 par value	**NVEE**	**The NASDAQ Stock Market**

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 ☒ 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 ☒ 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 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 ☒

As of May 3, 2024 August 2, 2024, there were 16,145,926 16,280,601 shares outstanding of the registrant's common stock, $0.01 par value.

NV5 GLOBAL, INC.
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share data)

	March 30, 2024	**December 30, 2023**
	June 29, 2024	**December 30, 2023**
Assets		
Current assets:		

Current assets:
Current assets:
Cash and cash equivalents
Billed receivables, net
Unbilled receivables, net
Prepaid expenses and other current assets
Total current assets
Property and equipment, net
Right-of-use lease assets, net
Intangible assets, net
Goodwill
Deferred income tax assets, net
Other assets
Total assets

Liabilities and Stockholders’ Equity
Liabilities and Stockholders’ Equity
Liabilities and Stockholders’ Equity

Current liabilities:
Current liabilities:
Current liabilities:
Accounts payable
Accounts payable
Accounts payable
Accrued liabilities
Billings in excess of costs and estimated earnings on uncompleted contracts
Billings in excess of costs and estimated earnings on uncompleted contracts
Billings in excess of costs and estimated earnings on uncompleted contracts
Other current liabilities
Current portion of contingent consideration
Current portion of notes payable and other obligations
Total current liabilities
Contingent consideration, less current portion
Other long-term liabilities
Notes payable and other obligations, less current portion
Deferred income tax liabilities, net
Total liabilities
Commitments and contingencies
Commitments and contingencies
Commitments and contingencies
Stockholders’ equity:
Stockholders’ equity:
Stockholders’ equity:
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding
Common stock, $0.01 par value; 45,000,000 shares authorized, 15,953,908 and 15,895,255 shares issued and outstanding as of March 30, 2024 and December 30, 2023, respectively

Common stock, $0.01 par value; 45,000,000 shares authorized, 16,280,601 and 15,895,255 shares issued and outstanding as of June 29, 2024 and December 30, 2023, respectively	
Additional paid-in capital	
Accumulated other comprehensive loss	
Retained earnings	
Total stockholders’ equity	
Total liabilities and stockholders’ equity	

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME (LOSS)

(UNAUDITED)

(in thousands, except share data)

	Three Months Ended		**Three Months Ended**		**Six Months Ended**
	Three Months Ended				
	Three Months Ended				
	March 30, 2024				
	March 30, 2024				
	March 30, 2024				
Gross revenues					
Gross revenues					
		June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Gross revenues					
Direct costs:					
Direct costs:					
Direct costs:					
Salaries and wages					
Salaries and wages					
Salaries and wages					
Sub-consultant services					
Sub-consultant services					
Sub-consultant services					
Other direct costs					
Other direct costs					
Other direct costs					
Total direct costs					
Total direct costs					
Total direct costs					
Gross profit					
Gross profit					
Gross profit					
Operating expenses:					
Operating expenses:					
Operating expenses:					
Salaries and wages, payroll taxes, and benefits					
Salaries and wages, payroll taxes, and benefits					
Salaries and wages, payroll taxes, and benefits					

General and administrative
General and administrative
General and administrative
Facilities and facilities related
Facilities and facilities related
Facilities and facilities related
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Total operating expenses
Total operating expenses
Total operating expenses
Income from operations
Income from operations
Income from operations
Interest expense
Interest expense
Interest expense
Income before income tax expense
Income before income tax expense
Income before income tax expense
Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Income tax benefit (expense)
Net income
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

Comprehensive income (loss):
Comprehensive income (loss):
Comprehensive income (loss):
Comprehensive income:
Comprehensive income:
Comprehensive income:
Net income
Net income
Net income
Foreign currency translation losses, net of tax
Foreign currency translation losses, net of tax
Foreign currency translation losses, net of tax
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share data)

	Three Months Ended				
	Common Stock				
	Shares				
	Shares				
	Shares	**Amount**	**Total**	**Amount**	**Total**
Balance, December 31, 2022					
Balance, April 1, 2023					
Stock-based compensation					
Restricted stock issuance, net					
Reclassification of liability-classified awards to equity-classified awards					
Other comprehensive loss					
Net income					
Balance, July 1, 2023					
Balance, March 30, 2024					
Balance, March 30, 2024					
Balance, March 30, 2024					
Stock-based compensation					
Restricted stock issuance, net					
Stock issuance for acquisitions					
Net income					
Balance, April 1, 2023					
Balance, December 30, 2023					
Balance, December 30, 2023					
Balance, December 30, 2023					

Stock-based compensation
Restricted stock issuance, net
Stock issuance for acquisitions
Stock issuance for acquisitions
Stock issuance for acquisitions
Other comprehensive loss
Other comprehensive loss
Reclassification of liability-classified awards to equity-classified awards
Payment of contingent consideration with common stock
Other comprehensive loss
Net income
Balance, March 30, 2024
Balance, June 29, 2024

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share data)

	Six Months Ended					
	Common Stock		**Additional Paid-In Capital**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Total**
	Shares	**Amount**				
Balance, December 31, 2022	**15,523,300**	**$ 155**	**$ 471,300**	**$ —**	**$ 222,785**	**$ 694,240**
Stock-based compensation	—	—	9,571	—	—	9,571
Restricted stock issuance, net	246,263	3	(3)	—	—	—
Stock issuance for acquisitions	121,345	1	14,470	—	—	14,471
Reclassification of liability-classified awards to equity-classified awards	—	—	1,697	—	—	1,697
Other comprehensive loss	—	—	—	(191)	—	(191)
Net income	—	—	—	—	21,360	21,360
Balance, July 1, 2023	**15,890,908**	**$ 159**	**$ 497,035**	**$ (191)**	**$ 244,145**	**$ 741,148**
Balance, December 30, 2023	**15,895,255**	**$ 159**	**$ 508,256**	**$ (18)**	**$ 267,398**	**$ 775,795**
Stock-based compensation	—	—	12,179	—	—	12,179
Restricted stock issuance, net	337,894	4	(4)	—	—	—
Stock issuance for acquisitions	41,428	—	3,958	—	—	3,958
Reclassification of liability-classified awards to equity-classified awards	—	—	2,429	—	—	2,429
Payment of contingent consideration with common stock	6,024	—	600	—	—	600
Other comprehensive loss	—	—	—	(677)	—	(677)
Net income	—	—	—	—	8,315	8,315
Balance, June 29, 2024	**16,280,601**	**$ 163**	**$ 527,418**	**$ (695)**	**$ 275,713**	**$ 802,599**

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Three Months Ended	
	March 30, 2024	**April 1, 2023**
	Six Months Ended	
	June 29, 2024	**July 1, 2023**
Cash flows from operating activities:		
Net income		
Net income		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Non-cash lease expense		
Provision for doubtful accounts		
Stock-based compensation		
Change in fair value of contingent consideration		
Gain on disposals of property and equipment		
Other		
Deferred income taxes		
Amortization of debt issuance costs		
Changes in operating assets and liabilities, net of impact of acquisitions:		
Billed receivables		
Billed receivables		
Billed receivables		
Unbilled receivables		
Prepaid expenses and other assets		
Accounts payable		
Accrued liabilities and other long-term liabilities		
Billings in excess of costs and estimated earnings on uncompleted contracts		
Billings in excess of costs and estimated earnings on uncompleted contracts		
Billings in excess of costs and estimated earnings on uncompleted contracts		
Contingent consideration		
Other current liabilities		
Net cash provided by operating activities		
Cash flows from investing activities:		
Cash flows from investing activities:		
Cash flows from investing activities:		
Cash paid for acquisitions (net of cash received from acquisitions)		
Cash paid for acquisitions (net of cash received from acquisitions)		
Cash paid for acquisitions (net of cash received from acquisitions)		
Proceeds from sale of assets		
Purchase of property and equipment		
Net cash used in investing activities		
Cash flows from financing activities:		

Cash flows from financing activities:
Cash flows from financing activities:
Borrowings from Senior Credit Facility
Borrowings from Senior Credit Facility
Borrowings from Senior Credit Facility
Payments on notes payable and other obligations
Payments of contingent consideration
Payments of borrowings from Senior Credit Facility
Net cash provided by financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Effect of exchange rate changes on cash and cash equivalents
Effect of exchange rate changes on cash and cash equivalents
Effect of exchange rate changes on cash and cash equivalents
Net decrease in cash and cash equivalents
Net decrease in cash and cash equivalents
Net decrease in cash and cash equivalents
Cash and cash equivalents – beginning of period
Cash and cash equivalents – end of period

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Three Months Ended	
	March 30, 2024	**April 1, 2023**
	Six Months Ended	
	June 29, 2024	**July 1, 2023**
Non-cash investing and financing activities:		
Contingent consideration (earn-out)		
Contingent consideration (earn-out)		
Contingent consideration (earn-out)		
Notes payable and other obligations issued for acquisitions		
Stock issuance for acquisitions		
Reclassification of liability-classified awards to equity-classified awards		
Finance leases		
Finance leases		
Finance leases		
Payment of contingent consideration with common stock		

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

Note 1 – Organization and Nature of Business Operations

Business

NV5 Global, Inc. and its subsidiaries (collectively, the “Company” or “NV5 Global”) is a provider of technology, conformity assessment, consulting solutions, and software applications to public and private sector clients in the infrastructure, utility services, construction, real estate, environmental, and geospatial markets, operating nationwide and abroad. The Company’s clients include the U.S. Federal, state and local governments, and the private sector. NV5 Global provides a wide range of services, including, but not limited to:

- Utility services
- LNG services
- Engineering
- Civil program management
- Surveying
- Construction quality assurance
- Code compliance consulting
- Forensic services
- Litigation support
- Ecological studies
- MEP & technology design
- Commissioning
- Building program management
- Environmental health & safety
- Real estate transaction services
- Energy efficiency & clean energy services
- Mission critical services
- 3D geospatial data modeling
- Environmental & natural resources
- Robotic survey solutions
- Geospatial data applications & software

Fiscal Year

The Company operates on a "52/53 week" fiscal year ending on the Saturday closest to the calendar quarter end.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for reporting of interim financial information. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

In the opinion of management, the accompanying unaudited interim consolidated financial statements of the Company contain all adjustments necessary to present fairly the financial position and results of operations of the Company as of the dates and for the periods presented. Accordingly, these statements should be read in conjunction with the consolidated financial statements and notes contained in the Company’s Annual Report on Form 10-K for the year ended December 30, 2023 (the “2023 Form 10-K”). The results of operations and cash flows for the interim periods presented are not necessarily indicative of the results to be expected for any future interim period or for the full 2024 fiscal year.

Performance Obligations

To determine the proper revenue recognition method, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services that is not separately identifiable from other promises in the contracts and therefore, is not distinct.

The Company’s performance obligations are satisfied as work progresses or at a point in time. Revenue on the Company's cost-reimbursable contracts is recognized over time using direct costs incurred or direct costs incurred to date as compared to the estimated total direct costs for performance obligations because it depicts the transfer of control to the customer. Contract costs include labor, sub-consultant services, and other direct costs.

Gross revenue from services transferred to customers at a point in time is recognized when the customer obtains control of the asset, which is generally upon delivery and acceptance by the customer of the reports and/or analysis performed.

As of March 30, 2024 June 29, 2024, the Company had $1,047,250 $980,802 of remaining performance obligations, of which $771,383 $743,872 is expected to be recognized over the next 12 months and the majority of the balance over the next 24 months. Contracts for which work authorizations have been received are included in performance obligations. Performance obligations include only those amounts that have been funded and authorized and does not reflect the full amounts the Company may receive over the term of such contracts. In the case of non-government contracts and project awards, performance obligations include future revenue at contract or customary rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, the Company includes revenue from such contracts in performance obligations to the extent of the remaining estimated amount.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed receivables, unbilled receivables (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the Consolidated Balance Sheet. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized on these contracts as of the reporting date. This liability is generally classified as current. During the three and six months ended March 30, 2024 June 29, 2024 the Company performed services and recognized $22,417 $8,692 and $31,108, respectively, of revenue related to its contract liabilities that existed as of December 30, 2023.

Goodwill and Intangible Assets

Goodwill is the excess of consideration paid for an acquired entity over the amounts assigned to assets acquired, including other identifiable intangible assets and liabilities assumed in a business combination. To determine the amount of goodwill resulting from a business combination, the Company performs an assessment to determine the acquisition date fair value of the acquired company's tangible and identifiable intangible assets and liabilities.

Goodwill is required to be evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate the asset may be impaired. An entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. These qualitative factors include macroeconomic and industry conditions, cost factors, overall financial performance, and other relevant entity-specific events. If the entity determines that this threshold is met, then the Company applies a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The Company determines fair value through multiple valuation techniques, and weights the results accordingly. Subjective and complex judgments are required in assessing whether an event of impairment of goodwill has occurred, including assumptions and estimates used to determine the fair value of its reporting units. The Company has elected to perform its annual goodwill impairment review as of August 1 of each year. The Company conducts its annual impairment tests on the goodwill using the quantitative method of evaluating goodwill.

As of August 1, 2023, the Company conducted its annual impairment tests using the quantitative method of evaluating goodwill. Based on the quantitative analyses the Company determined the fair value of each of the reporting units exceeded its carrying value. Therefore, the goodwill was not impaired and the Company did not recognize an impairment charge relating to goodwill as of August 1, 2023. Furthermore, there were no indicators, events, or changes in circumstances that would indicate goodwill was impaired during the period from August 2, 2023 through March 30, 2024 June 29, 2024.

Identifiable intangible assets primarily include customer backlog, customer relationships, trade names, non-compete agreements, and developed technology. Amortizable intangible assets are amortized on either a straight-line or sum-of-the-years' digits basis over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the assets may be impaired. If an indicator of impairment exists, the Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then impairment, if any, is measured as the difference between fair value and carrying value, with fair value typically based on a discounted cash flow model. There were no indicators, events, or changes in circumstances that would indicate intangible assets were impaired during the three six months ended March 30, 2024 June 29, 2024. See Note 8, *Goodwill and Intangible Assets*, for further information on goodwill and identified intangibles.

There have been no material changes in the Company's significant accounting policies described in the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 30, 2023.

Note 3 – Recently Issued Accounting Pronouncements

Recently Adopted Accounting Pronouncements

None.

Accounting Pronouncements Not Yet Adopted

(in thousands, except share data)

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of the segment's profit or loss in assessing performance and deciding how to allocate resources. This ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Company is currently evaluating evaluated the impact of adopting ASU 2023-07 and expects it to result in additional disclosures when adopted.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"). This ASU requires disaggregated information about a reporting entity's effective tax rate reconciliations as well as additional information on income taxes paid. This ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating evaluated the impact of adopting ASU 2023-09 and expects it to result in additional disclosures when adopted.

SEC Climate Disclosures

In March 2024, the SEC adopted rules to enhance and standardize disclosures related to the impacts and risks of climate-related matters. Under the new rules, an entity will be required to disclose information about climate-related risks that have materially impacted, or are likely to have a material impact, on its business strategy, results of operations, or financial condition. In addition, certain disclosures related to severe weather events, other natural conditions, and material greenhouse gas emissions will be required in the audited financial statements. This guidance is effective prospectively and is effective for annual periods beginning with the year ending December 31, 2025, or in the case of the Company the fiscal year ending January 3, 2026. On April 4, 2024, the SEC announced that it will stay implementation of its final rule pending the results of a legal challenge. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

Note 4 – Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period, excluding unvested restricted shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. The effect of potentially dilutive securities is not considered during periods of loss or if the effect is anti-dilutive.

The weighted average number of shares outstanding in calculating basic earnings per share for the three six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 exclude 659,765 732,856 and 705,953 688,377 non-vested restricted shares, respectively. During the three and six months ended March 30, 2024 June 29, 2024 there were 9,355 and April 1, 2023 5,833 weighted average securities, respectively, which are not included in the calculation of diluted weighted average shares outstanding because their impact is anti-dilutive or their performance conditions have not been met. During the three and six months ended July 1, 2023, there were 5,559 111,584 and 34,633 41,536 weighted average securities, respectively, which are not included in the calculation of diluted weighted average shares outstanding because their impact is anti-dilutive or their performance conditions have not been met.

The following table represents a reconciliation of the net income and weighted average shares outstanding for the calculation of basic and diluted earnings per share:

	Three Months Ended		Three Months Ended		Six Months Ended
	Three Months Ended				
	Three Months Ended				
	March 30, 2024				
	March 30, 2024				
	March 30, 2024				
Numerator:					
Numerator:					

	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Numerator:				
Net income – basic and diluted				
Net income – basic and diluted				
Net income – basic and diluted				
Denominator:				
Denominator:				
Denominator:				
Basic weighted average shares outstanding				
Basic weighted average shares outstanding				
Basic weighted average shares outstanding				
Effect of dilutive non-vested restricted shares and units				
Effect of dilutive non-vested restricted shares and units				
Effect of dilutive non-vested restricted shares and units				
Effect of issuable shares related to acquisitions				
Effect of issuable shares related to acquisitions				
Effect of issuable shares related to acquisitions				
Diluted weighted average shares outstanding				
Diluted weighted average shares outstanding				
Diluted weighted average shares outstanding				

Note 5 – Business Acquisitions

2024 Acquisitions

The Company has completed two five acquisitions during 2024. The aggregate purchase price for the two five acquisitions was $51,646, $64,300, including $46,500 $56,427 in cash, $2,325 $3,534 of the Company's common stock, and a potential earn-out earn-outs of up to $12,500 $14,100 payable in cash, which has have been recorded at an estimated fair value of $2,821. $4,339. The cash portion portions of the purchase price prices and other related costs associated with the transaction transactions were partially financed through the Company's amended and restated credit agreement (the "Second A&R Credit Agreement" or "Senior Credit Facility") with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, for further detail on the Second A&R Credit Agreement. An option-based model was and a probability-weighted approach were used to determine the fair value of the earn-out, earn-outs, which is a are generally accepted valuation technique techniques that embodies embody all significant assumption types. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair values of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2024 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, prepaid expenses, deferred tax liabilities, and other certain liabilities.

2023 Acquisitions

On April 6, 2023, the Company acquired all of the outstanding equity interests in the Visual Information Solutions commercial geospatial technology and software business ("VIS") from L3Harris. VIS is a provider of subscription-based software solutions for the analysis and management of software applications and Analytics as a Service (AaaS) solutions. The Company acquired VIS for a cash purchase price of $75,371. The purchase price and other related costs associated with the transaction were financed through the Company's Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities will be was completed within the one-year measurement period as required by ASC 805. The acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, and deferred tax liabilities.

On February 22, 2023, the Company acquired all of the outstanding equity interests in Continental Mapping Acquisition Corp. and its subsidiaries, including Axim Geospatial, LLC (collectively "Axim"), a provider of comprehensive geospatial services and solutions addressing critical mission requirements for customers across the defense and intelligence and state and local government sectors. The aggregate purchase price of the acquisition was $139,569, including $119,736 in cash, a $6,333 promissory note, and $13,500 of the Company's common stock. The cash portion of the purchase price and other related costs associated with the transaction were financed through the Company's Second A&R Credit Agreement. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, the Company engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair value of assets and liabilities was completed within the one-year measurement period as required by ASC 805.

The Company completed five other acquisitions during 2023. The aggregate purchase price for the five acquisitions was $9,477, including $8,000 in cash, $867 of the Company's common stock, and a potential earn-out of up to $640 payable in cash, which has been recorded at an estimated fair value of $610. A probability-weighted approach was used to determine the fair value of the earn-out, which is a generally accepted valuation technique that embodies all significant assumption types. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2023 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, and deferred tax liabilities.

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(UNAUDITED)
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The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date for the acquisitions closed during the three six months ended March 30, 2024 June 29, 2024 and the fiscal year ended December 30, 2023:

	2024	2024	2023			2024		2023			
	Total	**Total**	**VIS**	**Axim**	**Other**	**Total**	**Total**	**VIS**	**Axim**	**Other**	**Total**
Cash											
Billed and unbilled receivables, net											
Right-of-use assets											
Property and equipment											
Prepaid expenses											
Other assets											
Intangible assets:											
Customer relationships											
Customer relationships											
Customer relationships											
Trade name											
Customer backlog											
Developed technology											
Non-compete											
Total Assets											
Liabilities											
Deferred tax liabilities											
Net assets acquired											
Consideration paid (Cash, Notes and/or stock)											
Consideration paid (Cash, Notes and/or stock)											
Consideration paid (Cash, Notes and/or stock)											
Contingent earn-out liability (Cash and stock)											
Total Consideration											
Excess consideration over the amounts assigned to the net assets acquired (Goodwill)											

Goodwill was recorded based on the amount by which the purchase price exceeded the fair value of the net assets acquired and the amount is attributable to the reputation of the business acquired, the workforce in place and the synergies to be achieved from these acquisitions. See Note 8, *Goodwill and Intangible Assets*, for further information on fair value adjustments to goodwill and identified intangibles.

The consolidated financial statements of the Company include the results of operations from any business acquired from their respective dates of acquisition. The following table presents the results of operations of businesses acquired from their respective dates of acquisition for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023.

	Three Months Ended	Three Months Ended		Three Months Ended	Six Months Ended
	March 30, 2024	April 1, 2023			
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023	
Gross revenues					
Income before income taxes					

General and administrative expenses for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 include acquisition-related costs pertaining to the Company's acquisition activities. Acquisition-related costs were not material to the Company's consolidated financial statements.

The following table presents the unaudited, pro forma consolidated results of operations (in thousands, except per share amounts) for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 as if the fiscal 2024 and 2023 acquisitions had occurred at the beginning of fiscal year 2023. The pro forma information provided below is compiled from pre-acquisition financial information and includes pro forma adjustments for amortization expense of intangible assets to reflect the fair value of identified assets acquired, to record the effects of financing from the Company's Senior Credit Facility, to record the effects of promissory notes issued, adjustments to other certain expenses, and to record the income tax impact of these adjustments. The pro forma results are not necessarily indicative of (i) the results of operations that would have occurred had the operations of these acquisitions actually been acquired at the beginning of fiscal year 2023 or (ii) future results of operations:

	Three Months Ended	
	March 30, 2024	April 1, 2023
Gross revenues	$ 216,029	$ 214,320
Net income	$ 698	$ 4,935
Basic earnings per share	$ 0.05	$ 0.33
Diluted earnings per share	$ 0.04	$ 0.32

Adjustments were made to the pro forma results to adjust amortization of intangible assets to reflect fair value of identified assets acquired, to record the effects of financing from the Company's Senior Credit Facility, to record the effects of promissory notes issued, and to record the income tax effect of these adjustments.

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Gross revenues	$ 236,824	$ 235,354	$ 456,677	$ 453,766
Net income	$ 8,015	$ 14,818	$ 9,292	$ 19,196
Basic earnings per share	$ 0.52	$ 0.98	$ 0.61	$ 1.28
Diluted earnings per share	$ 0.51	$ 0.96	$ 0.59	$ 1.24

Note 6 – Billed and Unbilled Receivables

Billed and unbilled receivables consists of the following:

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Billed receivables		
Less: allowance for doubtful accounts		

Billed receivables, net	
Unbilled receivables	
Unbilled receivables	
Unbilled receivables	
Less: allowance for doubtful accounts	
Unbilled receivables, net	

Note 7 – Property and Equipment, net

Property and equipment, net, consists of the following:

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Office furniture and equipment		
Computer equipment		
Survey and field equipment		
Leasehold improvements		
Total		
Less: accumulated depreciation		
Property and equipment, net		

Depreciation expense was $3,923 $4,025 and $3,265 $7,948 for the three and six months ended March 30, 2024 and April 1, 2023 June 29, 2024, respectively, of which $1,561 $1,524 and $1,255 $3,085 was included in other direct costs costs. Depreciation expense was $3,605 and $6,871 for each of the three and six months ended March 30, 2024 July 1, 2023, respectively, of which $1,366 and April 1, 2023. $2,620 was included in other direct costs.

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Note 8 – Goodwill and Intangible Assets

Goodwill

The changes in the carrying value by reportable segment for the three six months ended March 30, 2024 June 29, 2024 were as follows:

			Three Months Ended					Six Months Ended			
	December 30, 2023	December 30, 2023	2024 Acquisitions	Adjustments	Foreign Currency Translation of non-USD functional currency goodwill	March 30, 2024	December 30, 2023	2024 Acquisitions	Adjustments	Foreign Currency Translation of non-USD functional currency goodwill	June 29, 2024
INF											
BTS											
GEO											
Total											

Goodwill of $9,429 $13,566 from acquisitions completed during the three six months ended March 30, 2024 June 29, 2024 is expected to be deductible for income tax purposes. During the three six months ended March 30, 2024 June 29, 2024, the Company recorded purchase price adjustments of $363 $517 that increased goodwill related to 2023 acquisitions.

Intangible Assets

(in thousands, except share data)

Intangible assets, net, as of March 30, 2024 June 29, 2024 and December 30, 2023 consist of the following:

	March 30, 2024				December 30, 2023							
	June 29, 2024				December 30, 2023							
	Gross Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Finite-lived intangible assets:													
Customer relationships(1)													
Customer relationships(1)													
Customer relationships(1)													
Trade name(2)													
Customer backlog(3)													
Non-compete(4)													
Developed technology(5)													
Total finite-lived intangible assets													

(1) Amortized on a straight-line or sum-of-the-years' digits basis over estimated lives (2 to 17 years)
(2) Amortized on a straight-line basis over their estimated lives (1 to 5 years)
(3) Amortized on a straight-line basis over their estimated lives (1 to 10 years)
(4) Amortized on a straight-line basis over their contractual lives (2 (1 to 5 years)
(5) Amortized on a straight-line basis over their estimated lives (5 to 10 years)

The identifiable intangible assets acquired during the three six months ended March 30, 2024 June 29, 2024 consist of customer relationships, trade name, customer backlog, and non-competes with weighted average lives of 12.4 10.9 years, 2.0 1.9 years, 1.0 year, and 4.0 3.9 years, respectively. Amortization expense was $12,120 $13,567 and $9,037 $25,687 during the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 $11,300 and $20,334 during the three and six months ended July 1, 2023, respectively.

Note 9 – Accrued Liabilities

Accrued liabilities consist of the following:

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Current portion of lease liability		

Accrued vacation	
Payroll and related taxes	
Benefits	
Accrued operating expenses	
Other	
Total	

Note 10 – Notes Payable and Other Obligations

Notes payable and other obligations consists of the following:

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Senior credit facility		
Uncollateralized promissory notes		
Finance leases		
Other obligations		
Debt issuance costs, net of amortization		
Total notes payable and other obligations		
Current portion of notes payable and other obligations		
Notes payable and other obligations, less current portion		

As of March 30, 2024 June 29, 2024 and December 30, 2023, the carrying amount of debt obligations approximates their fair values based on Level 2 inputs as the terms are comparable to terms currently offered by local lending institutions for arrangements with similar terms to industry peers with comparable credit characteristics.

Senior Credit Facility

On August 13, 2021 (the "Closing Date"), the Company amended and restated its Credit Agreement (the "Second A&R Credit Agreement" or "Senior Credit Facility"), originally dated December 7, 2016 and as amended to the Closing Date, with Bank of America, N.A. ("Bank of America"), as administrative agent, swingline lender and letter of credit issuer, the other lenders party thereto, and certain of the Company's subsidiaries as guarantors. Pursuant to the Second A&R Credit Agreement, the previously drawn term commitments of $150,000 and revolving commitments totaling $215,000 in the aggregate were converted into revolving commitments totaling $400,000 in the aggregate. These revolving commitments are available through August 13, 2026 (the "Maturity Date") and an aggregate amount of approximately $138,750 was drawn under the Second A&R Credit Amendment on the Closing Date to repay previously existing borrowings under the term and revolving facilities prior to such amendment and restatement. Borrowings under the Second A&R Credit Agreement are secured by a first priority lien on substantially all of the assets of the Company. The Second A&R Credit Agreement also includes an accordion feature permitting the Company to request an increase in the revolving facility under the Second A&R Credit Agreement by an additional amount of up to $200,000 in the aggregate. As of March 30, 2024 June 29, 2024 and December 30, 2023, the outstanding balance on the Second A&R Credit Agreement was $230,750 $241,750 and $195,750, respectively.

Borrowings under the Second A&R Credit Agreement bear interest at variable rates which are, at the Company's option, tied to a Eurocurrency rate equal to either Term SOFR (Secured Overnight Financing Rate) or Daily Simple SOFR, plus in each case an applicable margin or a base rate denominated in U.S. dollars. Interest rates remain subject to change based on the Company's consolidated leverage ratio. As of March 30, 2024 June 29, 2024, the Company's interest rate was 6.7%.

The Second A&R Credit Agreement contains financial covenants that require NV5 Global to maintain a consolidated net leverage ratio (the ratio of the Company's pro forma consolidated net funded indebtedness to the Company's pro forma consolidated EBITDA for the most recently completed measurement period) of no greater than 4.00 to 1.00.

These financial covenants also require the Company to maintain a consolidated fixed charge coverage ratio of no less than 1.10 to 1.00 as of the end of any measurement period. As of March 30, 2024 June 29, 2024, the Company was in compliance with the financial covenants.

(in thousands, except share data)

The Second A&R Credit Agreement contains covenants that may have the effect of limiting the Company's ability to, among other things, merge with or acquire other entities, enter into a transaction resulting in a Change in Control, create certain new liens, incur certain additional indebtedness, engage in certain transactions with affiliates, or engage in new lines of business or sell a substantial part of their assets. The Second A&R Credit Agreement also contains customary events of default, including (but not limited to) a default in the payment of principal or, following an applicable grace period, interest, breaches of the Company's covenants or warranties under the Second A&R Credit Agreement, payment default or acceleration of certain indebtedness, certain events of bankruptcy, insolvency or liquidation, certain judgments or uninsured losses, changes in control and certain liabilities related to ERISA based plans.

The Second A&R Credit Agreement limits the payment of cash dividends (together with certain other payments that would constitute a "Restricted Payment" within the meaning of the Second A&R Credit Agreement and generally including dividends, stock repurchases and certain other payments in respect to warrants, options, and other rights to acquire equity securities), unless the Consolidated Leverage Ratio would be less than 3.25 to 1.00 and available liquidity (defined as unrestricted, domestically held cash plus revolver availability) would be at least $30,000, in each case after giving effect to such payment.

Total debt issuance costs incurred and capitalized in connection with the issuance of the Second A&R Credit Agreement were $3,702. Total amortization of debt issuance costs was $185 and $194 $370 during the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 $171 and $365 during the three and six months ended July 1, 2023, respectively.

Other Obligations

The Company has aggregate obligations related to acquisitions of $12,951 $11,716 and $16,491 as of March 30, 2024 June 29, 2024 and December 30, 2023, respectively. As of March 30, 2024 June 29, 2024, the Company's weighted average interest rate on other outstanding obligations was 3.6%.

Note 11 – Contingent Consideration

The following table summarizes the changes in the carrying value of estimated contingent consideration:

	March 30, 2024	**December 30, 2023**
	June 29, 2024	**December 30, 2023**
Contingent consideration, beginning of the year		
Additions for acquisitions		
Reduction of liability for payments made		
Decrease of liability related to re-measurement of fair value		
Total contingent consideration, end of the period		
Current portion of contingent consideration		
Contingent consideration, less current portion		

Note 12 – Commitments and Contingencies

Litigation, Claims and Assessments

The Company is subject to certain claims and lawsuits typically filed against the engineering, consulting and construction profession, alleging primarily professional errors or omissions. The Company carries professional liability insurance, subject to certain deductibles and policy limits, against such claims. However, in some actions, parties are seeking damages that exceed our insurance coverage or for which we are not insured. While management does not believe that the resolution of these claims will have a material adverse effect, individually or in aggregate, on its financial position, results of operations or cash flows, management acknowledges the uncertainty surrounding the ultimate resolution of these matters.

Note 13 – Stock-Based Compensation

In June 2023, the Company's stockholders approved the NV5 Global, Inc. 2023 Equity Incentive Plan (the "2023 Equity Plan"). The 2023 Equity Plan provides directors, executive officers, and other employees of the Company with additional incentives by allowing them to acquire ownership interest in the business and, as a result, encouraging them to contribute to the Company’s success. The Company may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units, and other cash-based or stock-based awards. As of

(in thousands, except share data)

March 30, 2024 June 29, 2024, 2,108,472 1,808,924 shares of common stock are authorized, reserved, and registered for issuance under the 2023 Equity Plan. The restricted shares of common stock granted generally provide for service-based cliff vesting after two to four years following the grant date.

The following summarizes the activity of restricted stock awards during the three six months ended March 30, 2024 June 29, 2024:

	Number of Unvested Restricted Shares of Common Stock and Restricted Stock Units	**Number of Unvested Restricted Shares of Common Stock and Restricted Stock Units**	**Weighted Average Grant Date Fair Value**	**Number of Unvested Restricted Shares of Common Stock and Restricted Stock Units**	**Weighted Average Grant Date Fair Value**
December 30, 2023					
Granted					
Vested					
Forfeited					
March 30, 2024					
June 29, 2024					

Stock-based compensation expense relating to restricted stock awards during the three and six months ended March 30, 2024 June 29, 2024 was $7,322 and April 1, 2023 was $6,666 $13,988, respectively, and $5,826, $4,902 and $10,728 during the three and six months ended July 1, 2023, respectively. Stock-based compensation expense during the three and six months ended March 30, 2024 June 29, 2024 includes $862 and April 1, 2023 includes $948 and $614, $1,809, respectively, of expense related to the Company's liability-classified awards, respectively. awards. Stock-based compensation expense during the three and six months ended July 1, 2023 includes $543 and $1,157, respectively, of expense related to the Company's liability-classified awards. The total estimated amount of the liability-classified awards for fiscal 2024 is approximately $9,420. $8,678. Approximately $32,128 $51,368 of deferred compensation, which is expected to be recognized over the remaining weighted average vesting period of 1.4 2 years, is unrecognized at March 30, 2024 June 29, 2024. The total fair value of restricted shares vested during the three six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 was $2,593 $18,653 and $1,685, $20,851, respectively.

Note 14 – Income Taxes

As of March 30, 2024 June 29, 2024 the Company had net deferred income tax assets of $2,339. $4,744. As of December 30, 2023, the Company had net deferred income tax liabilities of $2,837. Deferred The change from net deferred income tax liabilities primarily relate to depreciation and intangible assets, which are partially offset by net deferred income tax assets related is primarily due to the capitalization of research and development costs under Section 174 of the Internal Revenue Code and other deferred tax items. the amortization of intangible assets.

The Company's effective income tax rate was 21.2% (8.7%) and 19.7% (6.7%) during the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 8.2% and 11.7% during the three and six months ended July 1, 2023, respectively. The difference between the effective income tax rate and the combined statutory federal and state income tax rate was primarily due to an increase in federal tax credits recorded in the first quarter of 2024 and 2023.

tax credits and a decrease in the recognition of excess tax benefits from stock-based payments in the first half of fiscal 2024 as compared to the first half of fiscal 2023.

The Company evaluates tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. Fiscal years 2012 through 2014 are considered open tax years in the State of California. Fiscal years 2020 through 2023 are considered open tax years in the U.S. federal jurisdiction, state jurisdictions, including the State of California, and foreign jurisdictions. It is not expected that there will be a significant change in the unrecognized tax benefits within the next 12 months.

In 2021, the Organization for Economic Co-operation and Development ("OECD") released Pillar Two Global Anti-Base Erosion model rules, designed to ensure large corporations are taxed at a minimum rate of 15% in all countries of operation. The United States has not yet enacted legislation implementing the

Pillar Two rules, however, they have been enacted or substantively enacted in certain jurisdictions in which the Company operates. We are The Company is continuing to assess the Pillar Two rules, however, based on the legislation enacted at this stage, the impact of Pillar Two is not expected to be material.

Note 15 – Reportable Segments

The Company reports segment information in accordance with ASC Topic No. 280 "*Segment Reporting*" ("Topic No. 280"). The Company is organized into three operating and reportable segments: Infrastructure ("INF"), which includes the Company's engineering, civil program management, utility services, and construction quality assurance practices; Building, Technology & Sciences ("BTS"), which includes the Company's environmental health sciences, clean energy consulting, buildings and program management, and MEP & technology design practices; and Geospatial Solutions ("GEO"), which includes the Company's geospatial solution practices.

The Company's chief operating decision maker ("CODM") group is comprised of the Company's Executive Chairman and Co-Chief Executive Officers. The Company identified changes to the CODM group effective March 1, 2024 when Dickerson Wright transitioned from his role as Chief Executive Officer to Executive Chairman of the Company, and Alexander Hockman and Benjamin Heraud were appointed Co-Chief Executive Officers. There was no change in the Company's operating or reportable segments as a result of the change in CODM.

The Company evaluates the performance of these reportable segments based on their respective operating income before the effect of amortization expense related to acquisitions and other unallocated corporate expenses. The following tables set forth summarized financial information concerning our reportable segments:

	Three Months Ended		Three Months Ended	Six Months Ended
	Three Months Ended			
	Three Months Ended			
	March 30, 2024			
	March 30, 2024			
	March 30, 2024			
Gross revenues				
Gross revenues				
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Gross revenues				
INF				
INF				
INF				
BTS				
BTS				
BTS				
GEO				
GEO				
GEO				
Total gross revenues				
Total gross revenues				
Total gross revenues				
Segment income before taxes				
Segment income before taxes				
Segment income before taxes				
INF				
INF				
INF				
BTS				
BTS				
BTS				
GEO				

(in thousands, except share data)

GEO
GEO
Total Segment income before taxes
Total Segment income before taxes
Total Segment income before taxes
Corporate(1)
Corporate(1)
Corporate(1)
Total income before taxes
Total income before taxes
Total income before taxes

(1) Includes amortization of intangibles of $12,120 $13,567 and $9,037 $25,687 for the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 $11,300 and $20,334 during the three and six months ended July 1, 2023, respectively.

The Company disaggregates its gross revenues from contracts with customers by geographic location, customer-type and contract-type for each of our reportable segments. Disaggregated revenues include the elimination of inter-segment revenues which has been allocated to each segment. The Company believes this best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by economic factors. Gross revenue, classified by the major geographic areas in which the Company's customers were located, were as follows:

	Three Months Ended March 30, 2024				**Three Months Ended April 1, 2023**											
	Three Months Ended June 29, 2024				**Six Months Ended June 29, 2024**											
	INF	**INF**	**BTS**	**GEO**	**Total**	**INF**	**BTS**	**GEO**	**Total**	**INF**	**BTS**	**GEO**	**Total**	**INF**	**BTS**	**GEO**	**Total**
United States																
Foreign																
Total gross revenues																

	Three Months Ended July 1, 2023							
	Three Months Ended July 1, 2023							
	Three Months Ended July 1, 2023				**Six Months Ended July 1, 2023**			
	INF	**BTS**	**GEO**	**Total**	**INF**	**BTS**	**GEO**	**Total**
United States								
Foreign								
Total gross revenues								

Gross revenue by customer were as follows:

	Three Months Ended March 30, 2024	**Three Months Ended April 1, 2023**

	Three Months Ended June 29, 2024					Six Months Ended June 29, 2024											
	INF	INF	BTS	GEO	Total	INF	BTS	GEO	Total	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Public and quasi-public sector																	
Private sector																	
Total gross revenues																	

	Three Months Ended July 1, 2023				Six Months Ended July 1, 2023			
	Three Months Ended July 1, 2023							
	Three Months Ended July 1, 2023							
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Public and quasi-public sector								
Private sector								
Total gross revenues								

Gross revenues by contract type were as follows:

	Three Months Ended March 30, 2024					Three Months Ended April 1, 2023											
	Three Months Ended June 29, 2024					Six Months Ended June 29, 2024											
	INF	INF	BTS	GEO	Total	INF	BTS	GEO	Total	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Cost-reimbursable contracts																	
Fixed-unit price contracts																	
Total gross revenues																	

	Three Months Ended July 1, 2023				Six Months Ended July 1, 2023			
	Three Months Ended July 1, 2023							
	Three Months Ended July 1, 2023							
	INF	BTS	GEO	Total	INF	BTS	GEO	Total
Cost-reimbursable contracts								
Fixed-unit price contracts								
Total gross revenues								

NV5 Global, Inc. and Subsidiaries
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(UNAUDITED)
(in thousands, except share data)

Note 16 – Stockholders' Equity

Accumulated Other Comprehensive Loss

The Company's accumulated other comprehensive loss consists of foreign currency translation adjustments related to the Company's foreign operations with functional currency other than the U.S. dollar. The after-tax changes in accumulated other comprehensive loss by component were as follows:

		Accumulated Other Comprehensive Loss
Foreign currency translation adjustments balance, December 30, 2023	$	(18)
Other comprehensive loss		(501) (677)
Foreign currency translation adjustments balance, March 30, 2024 June 29, 2024	$	(519) (695)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of the financial condition and results of operations of NV5 Global, Inc. and its subsidiaries (collectively, the "Company," "we," "our," "us," or "NV5 Global") should be read in conjunction with the financial statements included elsewhere in this Quarterly Report and the audited financial statements for the year ended December 30, 2023, included in our Annual Report on Form 10-K. This Quarterly Report contains, in addition to unaudited historical information, forward-looking statements, which involve risk and uncertainties. The words "believe," "expect," "estimate," "may," "will," "could," "plan," or "continue," and similar expressions are intended to identify forward-looking statements. Our actual results could differ materially from those anticipated in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, those discussed under the headings "Risk Factors" in our Annual Report on Form 10-K for the year ended December 30, 2023 and this Quarterly Report on Form 10-Q, if any. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to (and we expressly disclaim any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Quarterly Report on Form 10-Q. Amounts presented are in thousands, except per share data.

Overview

We are a provider of technology, conformity assessment, consulting solutions, and software applications to public and private sector clients. We focus on the infrastructure, utility services, construction, real estate, environmental, and geospatial markets. Our primary clients include U.S. Federal, state, municipal, and local government agencies, and military and defense clients. We also serve quasi-public and private sector clients from the education, healthcare, utility services, and public utilities, including schools, universities, hospitals, health care providers, and insurance providers.

Fiscal Year

We operate on a "52/53 week" fiscal year ending on the Saturday closest to the calendar quarter end.

Recent Acquisitions

We have completed two five acquisitions during 2024. The aggregate purchase price for the two five acquisitions was $51,646, $64,300, including $46,500 $56,427 in cash, $2,325 $3,534 of our common stock, and a potential earn-out earn-outs of up to $12,500 $14,100 payable in cash, which were recorded at an estimated fair value of $2,821. $4,339. The cash portion portions of the purchase price prices and other related costs associated with the transaction transactions were partially financed through the Company's amended and restated credit agreement (the "Second A&R Credit Agreement" or "Senior Credit Facility") with Bank of America, N.A. and other lenders party thereto. See Note 10, *Notes Payable and Other Obligations*, of the Notes to the Consolidated Financial Statements included elsewhere herein for further detail on the Second A&R Credit Agreement. An option-based model was and a probability-weighted approach were used to determine the fair value of the earn-out, earn-outs, which is a are generally accepted valuation technique techniques that embodies embody all significant assumption types. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed, we engaged an independent third-party valuation specialist to assist in the determination of fair values. The final determination of the fair values of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The 2024 acquisitions will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the asset and liability fair values as of the relevant acquisition date, including intangible assets, accounts receivable, prepaid expenses, deferred tax liabilities, and other certain liabilities.

Segments

Our operations are organized into three operating and reportable segments:

- *Infrastructure ("INF")* – includes our engineering, civil program management, utility services, and construction quality assurance practices;
- *Building, Technology & Sciences ("BTS")* – includes our environmental health sciences, clean energy consulting, buildings and program management, and MEP & technology design practices; and
- *Geospatial Solutions ("GEO")* – includes our geospatial solution practices.

For additional information regarding our reportable segments, see Note 15, *Reportable Segments,* of the Notes to Consolidated Financial Statements included elsewhere herein.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting estimates, see Management's Discussion and Analysis of Financial Condition and Results of Operations that is included in the 2023 Form 10-K.

Results of Operations

Consolidated Results of Operations

The following table represents our condensed results of operations for the periods indicated (dollars in thousands):

	Three Months Ended		Three Months Ended		Six Months Ended
	Three Months Ended				
	Three Months Ended				
	March 30, 2024				
	March 30, 2024				
	March 30, 2024				
Gross revenues					
Gross revenues					
		June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Gross revenues					
Direct costs					
Direct costs					
Direct costs					
Gross profit					
Gross profit					
Gross profit					
Operating expenses					
Operating expenses					
Operating expenses					
Income from operations					
Income from operations					
Income from operations					
Interest expense					
Interest expense					
Interest expense					
Income tax expense					
Income tax expense					
Income tax expense					
Income tax benefit (expense)					
Net income					
Net income					
Net income					

Three Months Ended March 30, 2024 June 29, 2024 Compared to the Three Months Ended April 1, 2023 July 1, 2023

Gross Revenues

Our consolidated gross revenues increased by $28,978, $13,688, or 15.7% 6.1%, for the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues from acquisitions of $23,717 $13,864 completed since the first second quarter of 2023 and organic increases in our geospatial solutions business of $6,210, infrastructure services of $2,588, international engineering and consulting services of $1,484, $3,297 and real estate transaction infrastructure services of $1,440. $2,697. These increases were partially offset by decreases in our LNG liquefied natural gas ("LNG") business of $3,871 $5,215 driven by project cycles and our power delivery and utility services of $2,464. $1,209.

Gross Profit

As a percentage of gross revenues, our gross profit margin was 52.9% 52.2% and 52.1% 49.5% for the three months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, respectively. As a percentage of gross revenues, sub-consultant services and other direct costs decreased 0.3% 2% and 0.7% 1%, respectively. These decreases were partially offset by an increase in direct salaries and wages as a percentage of gross revenues of 0.2% 0.3%. The decrease in sub-consultant services as a percentage of gross revenues was primarily driven by an increased proportion of infrastructure services that utilizes less sub-consultant services, a decrease in the proportion of our LNG business, and a mix of business in our geospatial solutions business requiring a lower level of sub-consultant services. The decrease in other direct costs as a percentage of gross revenues was primarily driven by the mix of business in our real estate transaction services and our LNG business requiring a lower level of outside rental and related expenses. The decrease in sub-consultant services and increase in direct salaries and wages as a percentage of gross revenues was primarily driven by a mix of business in our geospatial solutions business, power delivery and utility services, and construction quality assurance services leading to the utilization of a greater proportion of our direct employees. LNG business.

Operating expenses

Our operating expenses increased $21,106, $21,529, or 24.3% 24.0%, for the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase in operating expenses primarily resulted from increased payroll costs of $12,762, amortization expenses of $3,083, and general and administrative expenses of $4,323. $9,627, payroll costs of $9,161, and amortization expenses of $2,267. The increase in general and administrative expenses was primarily due to earn-out fair value adjustments of $6,655 that occurred during the three months ended July 1, 2023 that decreased the contingent consideration liability related to acquisitions, incremental expenses from acquisitions of $1,121, and an increase in information technology costs of $741. The increase in payroll costs was primarily driven by an increase in employees as compared to the prior year period driven by our 2023 and 2024 acquisitions. The increase in amortization expense was driven by acquisitions. The increase in general and administrative expenses was primarily due to incremental expenses from acquisitions of $2,945 and a change in earn-out fair value adjustments of $859.

Interest Expense

Our interest expense increased $2,610 $958 for the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase in interest expense resulted from a higher weighted average interest rate and an increase in our Senior Credit Facility indebtedness.

Income taxes

Our effective income tax rate was 21.2% (8.7%) and 19.7% 8.2% for the three months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, respectively. The increase decrease in the effective income tax rate was primarily the result of an increase in federal tax credits, partially offset by a decrease in excess tax benefits from stock-based payments offset by an increase in federal tax credits in the first second quarter of 2024.

Net income

Our net income decreased $5,539, $7,506, or 93.1% 48.7%, for the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The decrease was primarily a result of increases in general and administrative expenses of $9,627, payroll costs of $9,161, amortization expenses of $2,267, and interest expense of $958, partially offset by an increase in gross profit of $12,971.

Six Months Ended June 29, 2024 Compared to the Six Months Ended July 1, 2023

Gross Revenues

Our consolidated gross revenues increased by $42,666, or 10.5%, for the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues from acquisitions of $37,605 completed since the beginning of fiscal 2023 and organic increases in our infrastructure services of $5,286, geospatial solutions business of $5,239, international engineering and consulting services of $4,836, civil program management services of $2,855, and real estate transaction services of $1,830. These increases were partially offset by decreases in our LNG business of $9,086 driven by project cycles and our power delivery and utility services of $3,674.

Gross Profit

As a percentage of gross revenues, our gross profit margin was 52.5% and 50.7% for the six months ended June 29, 2024 and July 1, 2023, respectively. As a percentage of gross revenues, sub-consultant services and other direct costs decreased 1.3% and 0.8%, respectively. These decreases were partially offset by an increase in direct salaries and wages as a percentage of gross revenues of 0.3%. The decrease in sub-consultant services as a percentage of gross revenues was primarily driven by an increased proportion of infrastructure services that utilizes less sub-consultant services, a decrease in the proportion of our LNG business, and a mix of business in our geospatial solutions business requiring a lower level of sub-consultant services. The decrease in other direct costs as a percentage of gross revenues was primarily driven by a decrease in the proportion of our LNG business.

Operating expenses

Our operating expenses increased $42,635, or 24.1%, for the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in operating expenses primarily resulted from increased payroll costs of $21,923, general and administrative expenses of $13,948, and amortization expenses of $5,353. The increase in payroll costs was primarily driven by an increase in employees as compared to the prior year period driven by our 2023 and 2024 acquisitions. The increase in general and administrative expenses was primarily due to earn-out fair value adjustments of $7,514 that occurred during the six months ended July 1, 2023 that decreased the contingent consideration liability related to acquisitions, incremental expenses from acquisitions of $4,011, and an increase in information technology costs of $1,426. The increase in amortization expense was driven by acquisitions.

Interest Expense

Our interest expense increased $3,568 for the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in interest expense resulted from a higher weighted average interest rate and an increase in our Senior Credit Facility indebtedness.

Income taxes

Our effective income tax rate was (6.7%) and 11.7% for the six months ended June 29, 2024 and six months ended July 1, 2023, respectively. The decrease in the effective income tax rate was primarily the result of an increase in federal tax credits, partially offset by a decrease in excess tax benefits from stock-based payments in the second quarter of 2024.

Net income

Our net income decreased $13,045, or 61.1%, for the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The decrease was primarily a result of increases in payroll costs of $12,762, amortization expenses of $3,083, $21,923, general and administrative expenses of $4,323, $13,948, amortization expenses of $5,353, and interest expense of $2,610, $3,568, partially offset by an increase in gross profit of $16,830. $29,802.

Segment Results of Operations

The following tables set forth summarized financial information concerning our reportable segments (dollars in thousands):

	Three Months Ended		Three Months Ended		Six Months Ended	
	Three Months Ended					
	Three Months Ended					
	March 30, 2024					
	March 30, 2024					
	March 30, 2024					
Gross revenues						
Gross revenues						
		June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023	
Gross revenues						
INF						
INF						
INF						
BTS						
BTS						
BTS						
GEO						
GEO						
GEO						
Total gross revenues						

Total gross revenues

Total gross revenues

Segment income before taxes

Segment income before taxes

Segment income before taxes

INF

INF

INF

BTS

BTS

BTS

GEO

GEO

GEO

For additional information regarding our reportable segments, see Note 15, *Reportable Segments*, of the Notes to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Three Months Ended March 30, June 29, 2024 Compared to Three Months Ended April 1, 2023 July 1, 2023

INF Segment

Our gross revenues from INF increased $2,041, $4,117, or 2.3% 4.3%, during the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues of $5,660 $7,568 from acquisitions completed since the first second quarter of 2023 and organic increases in our infrastructure services of $2,588 $2,697 and civil program management services of $1,372, $1,482. These increases were partially offset by decreases in our increases in our LNG business of $3,871 $5,215 driven by project cycles. cycles and in our power delivery and utility services of $1,209.

Segment income before taxes from INF decreased $1,940, increased $335, or 11.4% 2.0%, during the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The decrease increase was primarily due to decreased increased gross revenues, partially offset by lower margins driven by the mix of business in our LNG business requiring a higher level of sub-consultant services, partially offset by increased gross revenues. business.

BTS Segment

Our gross revenues from BTS increased $7,129, $9,575, or 13.5% 17.7%, during the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues of $4,459 $5,330 from acquisitions completed since the first second quarter of 2023 and organic increases in our real estate transactional services of $1,440 and our international engineering and consulting services of $1,484. $3,297.

Segment income before taxes from BTS increased $1,682, $2,269, or 20.0% 28.0% during the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase was primarily due to increased gross revenues.

GEO Segment

Our gross revenues from GEO decreased $4 during the three months ended June 29, 2024 compared to the three months ended July 1, 2023.

Segment income before taxes from GEO increased $19,808, $1,976, or 45.8% 13.3%, during the three months ended March 30, 2024 June 29, 2024 compared to the three months ended April 1, 2023 July 1, 2023. The increase was due to increased margins driven by the mix of business requiring a lower level of sub-consultant services, partially offset by a decrease in revenue.

Six Months EndedJune 29, 2024 Compared to Six Months Ended July 1, 2023

INF Segment

Our gross revenues from INF increased $6,158, or 3.3%, during the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues of $13,228 from acquisitions completed since the beginning of fiscal 2023 and organic increases in our infrastructure services of $5,286 and civil program management services of $2,855. These increases were partially offset by decreases in our LNG business of $9,086 driven by project cycles and in our power delivery and utility services of $3,674.

Segment income before taxes from INF decreased $1,605, or 4.8%, during the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The decrease was primarily due to decreased margins driven by our LNG business, partially offset by increased gross revenues.

BTS Segment

Our gross revenues from BTS increased $16,704, or 15.6%, during the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in gross revenues was primarily due to incremental gross revenues of $9,812 from acquisitions completed since the beginning of fiscal 2023 and organic increases in our international engineering and consulting services of $4,836 and real estate transactional services of $1,830.

Segment income before taxes from BTS increased $3,951, or 23.9% during the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase was primarily due to increased gross revenues.

GEO Segment

Our gross revenues from GEO increased $19,804, or 17.2%, during the six months ended June 29, 2024 compared to the six months ended July 1, 2023. The increase in gross revenues was primarily due to incremental revenue of $13,598 $14,565 from acquisitions completed since the first quarter beginning of fiscal 2023 and organic increases in our geospatial solution services of $6,210. $5,239.

Segment income before taxes from GEO increased $3,692, $5,668, or 52.6% 26.0%, during the three six months ended March 30, 2024 June 29, 2024 compared to the three six months ended April 1, 2023 July 1, 2023. The increase was primarily due to increased gross revenues.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents balances, cash flows from operations, borrowing capacity under our Senior Credit Facility, and access to financial markets. Our principal uses of cash are operating expenses, working capital requirements, capital expenditures, repayment of debt, and acquisition expenditures. We believe our sources of liquidity, including cash flows from operations, existing cash and cash equivalents and borrowing capacity under our Senior Credit Facility will be sufficient to meet our projected cash requirements for at least the next twelve months. We will monitor our capital requirements thereafter to ensure our needs are in line with available capital resources and believe that there are no significant cash requirements currently known to us and affecting our business that cannot be met from our reasonably expected future operating cash flows, including upon the maturity of the Senior Credit Facility in 2026.

Operating activities

Net cash provided by operating activities was $19,554 $8,242 for the three six months ended March 30, 2024 June 29, 2024, compared to $11,282 $25,502 during the three six months ended April 1, 2023 July 1, 2023. The increase decrease was a result of decreases in net income and increases in working capital, partially offset by a decrease in net income. capital. The changes in our working capital that contributed to increased decreased cash flows from operations were primarily a result of decreases increases in billed receivables of $15,556, increases in unbilled receivables of $8,272 $15,200, and decreases in accrued liabilities and other-long term liabilities of $5,809, partially offset by increases in accounts payable of $12,300, partially offset by a decrease $12,719. The increases in advanced billings of $5,422. The decreases in billed and unbilled receivables and advanced billings was were primarily due to timing of project billings billing cycles. The decreases in accrued liabilities and other long-term liabilities were primarily due to decreases in accrued operating expenses of $2,883 and accrued vacation of $1,556. The increase in accounts payable was primarily related to timing of payments.

Investing activities

During the three six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, net cash used in investing activities totaled $48,985 $62,603 and $123,697, $196,186, respectively. The decrease in cash used in investing activities was primarily a result of decreased cash paid for acquisitions of $72,253. $132,295.

Financing activities

Net cash flows provided by financing activities totaled $29,595 $39,141 during the three six months ended March 30, 2024 June 29, 2024 compared to $105,215 $161,076 during the three six months ended April 1, 2023 July 1, 2023. The decrease in cash provided by financing activities was primarily a result of decreased borrowings on our Senior Credit Facility of $75,000 $122,000 during the three six months ended March 30, 2024 June 29, 2024.

Financing

Senior Credit Facility

On August 13, 2021 (the "Closing Date"), we amended and restated our Credit Agreement (the "Second A&R Credit Agreement" or "Senior Credit Facility"), originally dated December 7, 2016 and as amended to the Closing Date, with Bank of America, N.A. ("Bank of America"), as administrative agent, swingline lender and letter of credit issuer, the other lenders party thereto, and certain of our subsidiaries as guarantors. Pursuant to the Second A&R Credit Agreement, the previously drawn term commitments of $150,000 and revolving commitments totaling $215,000 in the aggregate were converted into revolving commitments totaling $400,000 in the aggregate. These revolving commitments are available through August 13, 2026 (the "Maturity Date") and an aggregate amount of approximately $138,750 was drawn under the Second A&R Credit Amendment on the Closing Date to repay previously existing borrowings under the term and revolving facilities prior to such amendment and restatement. Borrowings under the Second A&R Credit Agreement are secured by a first priority lien on substantially all of our assets. The Second A&R Credit Agreement also includes an accordion feature permitting us to request an increase in the revolving facility under the Second A&R Credit Agreement by an additional amount of up to $200,000 in the aggregate. As of March 30, 2024 June 29, 2024 and December 30, 2023, the outstanding balance on the Second A&R Credit Agreement was $230,750 $241,750 and $195,750, respectively.

Borrowings under the Second A&R Credit Agreement bear interest at variable rates which are, at our option, tied to a Eurocurrency rate equal either Term SOFR (Secured Overnight Financing Rate) or Daily Simple SOFR, plus in each case an applicable margin, or a base rate denominated in U.S. dollars. Interest rates remain subject to change based on our consolidated leverage ratio. As of March 30, 2024 June 29, 2024 our interest rate was 6.7%.

The Second A&R Credit Agreement contains financial covenants that require us to maintain a consolidated net leverage ratio (the ratio of our pro forma consolidated net funded indebtedness to our pro forma consolidated EBITDA for the most recently completed measurement period) of no greater than 4.00 to 1.00.

These financial covenants also require us to maintain a consolidated fixed charge coverage ratio of no less than 1.10 to 1.00 as of the end of any measurement period. As of March 30, 2024 June 29, 2024, we were in compliance with the financial covenants.

The Second A&R Credit Agreement contains covenants that may have the effect of limiting our ability to, among other things, merge with or acquire other entities, enter into a transaction resulting in a Change in Control, create certain new liens, incur certain additional indebtedness, engage in certain transactions with affiliates, or engage in new lines of business, or sell a substantial part of their assets. The Second A&R Credit Agreement also contains customary events of default, including (but not limited to) a default in the payment of principal or, following an applicable grace period, interest, breaches of our covenants or warranties under the Second A&R Credit Agreement, payment default or acceleration of certain indebtedness, certain events of bankruptcy, insolvency or liquidation, certain judgments or uninsured losses, changes in control, and certain liabilities related to ERISA based plans.

The Second A&R Credit Agreement limits the payment of cash dividends (together with certain other payments that would constitute a "Restricted Payment" within the meaning of the Second A&R Credit Agreement and generally including dividends, stock repurchases, and certain other payments in respect to warrants, options, and other rights to acquire equity securities), unless the Consolidated Leverage Ratio would be less than 3.25 to 1.00 and available liquidity (defined as unrestricted, domestically held cash plus revolver availability) would be at least $30,000, in each case after giving effect to such payment.

Total debt issuance costs incurred and capitalized in connection with the issuance of the Second A&R Credit Agreement were $3,702. Total amortization of debt issuance costs was $185 and $194 $370 during the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, respectively.

Other Obligations

We have aggregate obligations related to acquisitions of $5,149, $3,915, $3,849, and $3,953 $3,952 due in the remainder of fiscal 2024, 2025, and 2026, respectively. As of March 30, 2024 June 29, 2024, our weighted average interest rate on other outstanding obligations was 3.6%.

Recently Issued Accounting Pronouncements

For information on recently issued accounting pronouncements, see Note 3, *Recently Issued Accounting Pronouncements*, of the Notes to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Cautionary Statement about Forward-Looking Statements

Our disclosure and analysis in this Quarterly Report on Form 10-Q, contain “forward-looking” statements within the meaning of Section 27A of the Securities Act Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. From time to time, we also provide forward-looking statements in other materials we release to the public, as well as oral forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding our “expectations,” “hopes,” “beliefs,” “intentions,” or “strategies” regarding the future. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. We have tried, wherever possible, to identify such statements by using words such as “anticipate,” “believe,” “expect,” “intend,” “estimate,” “predict,” “project,” “may,” “might,” “should,” “would,” “will,” “likely,” “will likely result,” “continue,” “could,” “future,” “plan,” “possible,” “potential,” “target,” “forecast,” “goal,” “observe,” “seek,” “strategy” and other words and terms of similar meaning, but the absence of these words does not mean that a statement is not forward looking. The forward-looking statements in this Quarterly Report on Form 10-Q reflect the Company’s current views with respect to future events and financial performance.

Forward-looking statements are not historical factors and should not be read as a guarantee or assurance of future performance or results, and will not necessarily be accurate indications of the times at, or by, or if such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management’s good faith beliefs, expectations and assumptions as of that time with respect to future events. Because forward-looking statements relate to the future, they 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 that could cause such differences include, but are not limited to:

- our ability to retain the continued service of our key professionals and to identify, hire and retain additional qualified professionals,
- changes in demand from the local and state government and private clients that we serve,

- any material outbreak or material escalation of international hostilities, including developments in the conflict involving Russia and the Ukraine or the war involving Israel and Hamas, and the economic consequences of related events such as the imposition of economic sanctions and resulting market volatility,
- changes in general domestic and international economic conditions such as inflation rates, interest rates, tax rates, higher labor and healthcare costs, recessions, and changing government policies, laws and regulations, including those relating to energy efficiency,
- the U.S. government and other governmental and quasi-governmental budgetary and funding approval process,
- our ability to successfully execute our mergers and acquisitions strategy, including the integration of new companies into our business,
- the possibility that our contracts may be terminated by our clients,
- our ability to win new contracts and renew existing contracts,
- competitive pressures and trends in our industry and our ability to successfully compete with our competitors,
- our dependence on a limited number of clients,
- our ability to complete projects timely, in accordance with our customers' expectations, or profitability,
- our ability to successfully manage our growth strategy,
- our ability to raise capital in the future,
- the credit and collection risks associated with our clients,
- our ability to comply with procurement laws and regulations,
- weather conditions and seasonal revenue fluctuations may adversely impact our financial results,
- the enactment of legislation that could limit the ability of local, state and federal agencies to contract for our privatized services,
- our ability to complete our backlog of uncompleted projects as currently projected,
- the risk of employee misconduct or our failure to comply with laws and regulations,
- our ability to control, and operational issues pertaining to, business activities that we conduct with business partners and other third parties,
- our need to comply with a number of restrictive covenants and similar provisions in our senior credit facility that generally limit our ability to (among other things) incur additional indebtedness, create liens, make acquisitions, pay dividends and undergo certain changes in control, which could affect our ability to finance future operations, acquisitions or capital needs,
- significant influence by our principal stockholder and the existence of certain anti-takeover measures in our governing documents, and
- other factors identified throughout this Quarterly Report on Form 10-Q, including those discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business."

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties, or assumptions, many of which are beyond our control, which may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, those factors described in Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 30, 2023. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-Q, 8-K and 10-K reports filed with the SEC. Our Annual Report on Form 10-K filing for the fiscal year ended December 30, 2023 listed various important factors that could cause actual results to differ materially from expected and historic results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995, as amended. Readers can find them in "Item 1A. Risk Factors" of that filing and under the same heading of this filing. You may obtain a copy of our Annual Report on Form 10-K through our website, www.nv5.com. Information contained on our website is not incorporated into this report. In addition to visiting our website, you may read and copy any document we file with the SEC at www.sec.gov.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to certain market risks from transactions that are entered into during the normal course of business. We have not entered into derivative financial instruments for trading purposes. We have no significant market risk exposure to interest rate changes related to the promissory notes related to acquisitions since these contain fixed interest rates. Our only debt subject to interest rate risk is the Senior Credit Facility which rates are variable, at our option, tied to a Eurocurrency rate equal to either Term SOFR (Secured Overnight Financing Rate) or Daily Simple SOFR, plus in each case an applicable rate or a base rate denominated in U.S. dollars. Interest rates are subject to change based on our Consolidated Senior Leverage Ratio (as defined in the Credit Agreement). As of March 30, 2024 June 29, 2024, there was $230,750 $241,750 outstanding on the Senior Credit Facility. A one percentage point change in the assumed interest rate of the Senior Credit Facility would change our annual interest expense by approximately $2,308 $2,418 annually.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of its management, including the Company's Executive Chairman and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Executive Chairman and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures were 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 are (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the Executive Chairman and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to the Company’s internal control over financial reporting as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) that occurred during the quarter ended March 30, 2024 June 29, 2024 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.

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position.

ITEM 1A. RISK FACTORS.

There have been no material changes to any of the principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 30, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Securities

During the three months ended March 30, 2024 June 29, 2024, we the Company issued the following securities that were not registered under the Securities Act (amounts in thousands, except share data) thousands):

On January 19, 2024 April 2, 2024, we agreed to issue $5,000 $1,000 of shares of our common stock as partial consideration in an acquisition. These shares were sold in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, as a transaction by an issuer not involving a public offering.

On March 13, 2024 April 4, 2024, we agreed to issue $800 $1,500 of share shares of our common stock as partial consideration in an acquisition. These shares were sold in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, as a transaction by an issuer not involving a public offering.

On May 15, 2024, we agreed to issue $600 of shares of our common stock as partial consideration in an acquisition. These shares were sold in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, as a transaction by an issuer not involving a public offering.

Issuer Purchase of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Number	Description
10.1†	Employment Agreement dated as of March 1, 2024 between NV5, Inc. and Alexander Hockman (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
10.2†	Employment Agreement dated as of March 1, 2024 between NV5 Consultants, Inc. and Benjamin Heraud (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
10.3†	Second Amendment to Employment Agreement, dated as of March 1, 2024, between NV5 Holdings, Inc. and Edward Codispoti (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
10.4†	Third Amendment to Employment Agreement, dated as of March 1, 2024, between NV5 Holdings, Inc. and Richard Tong (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
10.5†	Third Amendment to Employment Agreement, dated as of March 1, 2024, between NV5 Holdings, Inc. and MaryJo OBrien (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
10.6†	Employment Agreement dated as of March 1, 2024 between NV5 Holdings, Inc. and Dickerson Wright (Incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2024).
31.1*	Certification of Executive Chairman pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certifications of Executive ChairmanChairman and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

† Indicates a management contract or compensatory plan, contract, or arrangement.

* Filed herewith.

** Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NV5 GLOBAL, INC.

Date: May 9, 2024 August 8, 2024

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer
(Principal Financial and Accounting Officer)

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Exhibit 31.1

CERTIFICATION

I, Dickerson Wright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 30, 2024 June 29, 2024 of NV5 Global, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: May 9, 2024 August 8, 2024

/s/ Dickerson Wright

Dickerson Wright
Executive Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Edward Codispoti, certify that*:*

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 30, 2024 June 29, 2024 of NV5 Global, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: May 9, 2024 August 8, 2024

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION 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 NV5 Global, Inc. (the “Company”) on Form 10-Q for the quarter ended March 30, 2024 June 29, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Dickerson Wright, Executive Chairman of the Company, and Edward Codispoti, Chief Financial Officer of the Company, each certify, to the best of his knowledge, pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: May 9, 2024 August 8, 2024

/s/ Dickerson Wright

Dickerson Wright
Executive Chairman

Date: May 9, 2024 August 8, 2024

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference.

A signed original of this written statement required by Rule 13a-14(b) or 15d-14(b) of the Exchange Act and Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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