REFINITIV

DELTA REPORT

10-Q

DY - DYCOM INDUSTRIES INC

10-Q - OCTOBER 26, 2024 COMPARED TO 10-Q - JULY 27, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	683
CHANGES	398
DELETIONS	137
ADDITIONS	148

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

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended July 27, 2024 October 26, 2024

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

Commission File Number 001-10613

DYCOM INDUSTRIES, INC.

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

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

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

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

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

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

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

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

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

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

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

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

There were 29,104,143 29,175,865 shares of common stock with a par value of $0.33 1/3 outstanding at August 20, 2024 November 19, 2024.

Dycom Industries, Inc.

Table of Contents

PART I - FINANCIAL INFORMATION

PART II - OTHER INFORMATION

PART I - FINANCIAL INFORMATION

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

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

	July 27, 2024	January 27, 2024	October 26, 2024	January 27, 2024
ASSETS				
Current assets:				
Current assets:				
Current assets:				
Cash and equivalents				
Accounts receivable, net (Note 6)				
Contract assets				
Inventories				
Income tax receivable				
Other current assets				
Total current assets				
Property and equipment, net				
Property and equipment, net				
Property and equipment, net				
Operating lease right-of-use assets				
Goodwill				
Intangible assets, net				
Other assets				
Total assets				
Total assets				

Total assets		
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:	Current liabilities:	Current liabilities:
Accounts payable		
Current portion of debt		
Contract liabilities		
Accrued insurance claims		
Operating lease liabilities		
Income taxes payable		
Other accrued liabilities		
Total current liabilities		
Long-term debt		
Long-term debt		
Long-term debt		
Accrued insurance claims - non-current		
Operating lease liabilities - non-current		
Deferred tax liabilities, net - non-current		
Other liabilities		
Total liabilities		
COMMITMENTS AND CONTINGENCIES (Note 20)		
COMMITMENTS AND CONTINGENCIES (Note 20)		
COMMITMENTS AND CONTINGENCIES (Note 20)		
Stockholders' equity:		
Stockholders' equity:		
Stockholders' equity:		
Preferred stock, par value $1.00 per share: 1,000,000 shares authorized: no shares issued and outstanding		
Common stock, par value $0.33 1/3 per share: 150,000,000 shares authorized: 29,098,029 and 29,091,278 issued and outstanding, respectively		
Common stock, par value $0.33 1/3 per share: 150,000,000 shares authorized: 29,175,619 and 29,091,278 issued and outstanding, respectively		
Additional paid-in capital		
Accumulated other comprehensive loss		
Retained earnings		
Total stockholders' equity		
Total liabilities and stockholders' equity		

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

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

	For the Three Months Ended			
	July 27, 2024	**July 29, 2023**	**October 26, 2024**	**October 28, 2023**
Contract revenues				
Contract revenues				

Contract revenues
Costs of earned revenues, excluding depreciation and amortization
Costs of earned revenues, excluding depreciation and amortization
Costs of earned revenues, excluding depreciation and amortization
General and administrative
Depreciation and amortization
Total
Total
Total
Interest expense, net
Interest expense, net
Interest expense, net
Loss on debt extinguishment
Other income, net
Other income, net
Other income, net
Income before income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Net income
Net income
Net income
Earnings per common share:
Earnings per common share:
Earnings per common share:
Basic earnings per common share
Basic earnings per common share
Basic earnings per common share
Diluted earnings per common share
Diluted earnings per common share
Diluted earnings per common share
Shares used in computing earnings per common share:
Shares used in computing earnings per common share:
Shares used in computing earnings per common share:
Basic
Basic
Basic
Diluted
Diluted
Diluted

See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share amounts)
(Unaudited)

	For the Six Months Ended		For the Nine Months Ended	
	July 27, 2024	July 29, 2023	October 26, 2024	October 28, 2023
Contract revenues				
Contract revenues				
Contract revenues				
Costs of earned revenues, excluding depreciation and amortization				
Costs of earned revenues, excluding depreciation and amortization				
Costs of earned revenues, excluding depreciation and amortization				
General and administrative				
Depreciation and amortization				
Total				
Total				
Total				
Interest expense, net				
Interest expense, net				
Interest expense, net				
Loss on debt extinguishment				
Other income, net				
Income before income taxes				
Provision for income taxes				
Provision for income taxes				
Provision for income taxes				
Net income				
Net income				
Net income				
Earnings per common share:				
Earnings per common share:				
Earnings per common share:				
Basic earnings per common share				
Basic earnings per common share				
Basic earnings per common share				
Diluted earnings per common share				
Diluted earnings per common share				
Diluted earnings per common share				
Shares used in computing earnings per common share:				
Shares used in computing earnings per common share:				
Shares used in computing earnings per common share:				
Basic				
Basic				
Basic				
Diluted				
Diluted				
Diluted				

See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.

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

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Net income						
Foreign currency translation gains, net of tax						
Foreign currency translation (losses) gains, net of tax						
Disposal of foreign entity						
Comprehensive income						

See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.

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

	For the Three Months Ended						July 27, 2024			October 26, 2024			
	Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity		
Balances as of April 27, 2024													
Balances as of April 27, 2024													
Balances as of April 27, 2024													
Stock-based compensation													
Stock-based compensation													
Stock-based compensation													
Issuance of restricted stock, net of tax withholdings													
Net income													
Net income													
Net income													
Balances as of July 27, 2024													

For the Three Months Ended
For the Three Months Ended
For the Three Months Ended

	July 29, 2023				
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity

	Shares					
Balances as of April 28, 2023						
Balances as of April 28, 2023						
Balances as of April 28, 2023						
Balances as of July 27, 2024						
Balances as of July 27, 2024						
Stock options exercised						
Stock-based compensation						
Issuance of restricted stock, net of tax withholdings						
Net income						
Net income						
Net income						
Balances as of October 26, 2024						

	For the Three Months Ended For the Three Months Ended For the Three Months Ended October 28, 2023					
	Shares	**Common Stock**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Total Equity**
Balances as of July 29, 2023						
Balances as of July 29, 2023						
Balances as of July 29, 2023						
Stock-based compensation						
Stock-based compensation						
Stock-based compensation						
Issuance of restricted stock, net of tax withholdings						
Other comprehensive loss						
Other comprehensive loss						
Other comprehensive loss						
Net income						
Balances as of October 28, 2023						

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.
See notes to the condensed consolidated financial statements.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)
(Unaudited)

	For the Six Months Ended		July 27, 2024				For the Nine Months Ended				October 26, 2024
	Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balances as of January 27, 2024											
Balances as of January 27, 2024											
Balances as of January 27, 2024											
Stock options exercised											
Stock-based compensation											
Issuance of restricted stock, net of tax withholdings											
Repurchase of common stock, including applicable excise tax											
Repurchase of common stock, including applicable excise tax											
Repurchase of common stock, including applicable excise tax											
Disposal of foreign entity											
Net income											
Balances as of July 27, 2024											
Balances as of October 26, 2024											

For the Six Months Ended

For the Six Months Ended

For the Six Months Ended

July 29, 2023

For the Nine Months Ended

For the Nine Months Ended

For the Nine Months Ended

October 28, 2023

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balances as of January 28, 2023											
Balances as of January 28, 2023											
Balances as of January 28, 2023											
Stock options exercised											
Stock-based compensation											
Issuance of restricted stock, net of tax withholdings											
Repurchase of common stock, including applicable excise tax											
Repurchase of common stock, including applicable excise tax											
Repurchase of common stock, including applicable excise tax											
Other comprehensive income											
Net income											

Balances as of July 29, 2023	
Balances as of October 28, 2023	

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

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

	For the Six Months Ended	
	July 27, 2024	**July 29, 2023**
	For the Nine Months Ended	
	October 26, 2024	**October 28, 2023**
Cash flows from operating activities:		
Net income		
Net income		
Net income		
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Non-cash lease expense		
Deferred income tax (benefit) provision		
Deferred income tax benefit		
Stock-based compensation		
(Recovery of) provision for bad debt, net		
(Recovery of) provision for bad debt, net		
(Recovery of) provision for bad debt, net		
Gain on sale of fixed assets		
Loss on debt extinguishment		
Amortization of debt issuance costs and other		
Amortization of debt issuance costs and other		
Amortization of debt issuance costs and other		
Change in operating assets and liabilities:		
Change in operating assets and liabilities:		
Change in operating assets and liabilities:		
Change in operating assets and liabilities, net of acquisitions:		
Change in operating assets and liabilities, net of acquisitions:		
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net		
Accounts receivable, net		
Accounts receivable, net		
Contract assets, net		
Other current assets and inventories		
Other assets		
Income taxes payable/receivable		
Accounts payable		
Accrued liabilities, insurance claims, operating lease liabilities, and other liabilities		
Net cash used in operating activities		

Net cash provided by (used in) operating activities

Cash flows from investing activities:

Cash flows from investing activities:

Cash flows from investing activities:

Capital expenditures

Capital expenditures

Capital expenditures

Proceeds from sale of assets

Cash paid for acquisitions, net of cash acquired

Net cash used in investing activities

Net cash used in investing activities

Net cash used in investing activities

Cash flows from financing activities:

Cash flows from financing activities:

Cash flows from financing activities:

Proceeds from borrowings on senior credit agreement, including term loan

Proceeds from borrowings on senior credit agreement, including term loan

Proceeds from borrowings on senior credit agreement, including term loan

Principal payments on senior credit agreement, including term loan

Debt issuance costs

Debt issuance costs

Debt issuance costs

Repurchase of common stock

Exercise of stock options

Exercise of stock options

Exercise of stock options

Restricted stock tax withholdings

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities

Net cash provided by financing activities

Net cash provided by financing activities

Net cash provided by financing activities

Net decrease in cash, cash equivalents and restricted cash

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

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

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

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

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

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

Supplemental disclosure of other cash flow activities and non-cash investing and financing activities:

Cash paid for interest

Cash paid for interest

Cash paid for interest

Cash paid for taxes, net

Purchases of capital assets included in accounts payable or other accrued liabilities at period end

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

See notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

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

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

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

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

2. Significant Accounting Policies and Estimates

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

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

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

3. Accounting Standards

Recently issued accounting pronouncements are disclosed in the Company's Annual Report on Form 10-K for fiscal 2024. As of the date of this Quarterly Report on Form 10-Q, there have been no changes in the expected dates of adoption or estimated effects on the Company's condensed consolidated financial statements of recently issued accounting pronouncements from those disclosed in the Company's Annual Report on Form 10-K for fiscal 2024. Accounting standards adopted during the six nine months ended July 27, 2024 October 26, 2024 are disclosed in this Quarterly Report on Form 10-Q.

Recently Adopted Accounting Standards

Leases. In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements. The amendments require all entities including public companies to amortize leasehold improvements associated with common control leases over the useful life to the common control group. ASU 2023-01 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been made available for issuance. If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Transition can be done either retrospectively or prospectively. We adopted the provisions of ASU 2023-01 in the first quarter of fiscal 2025 by electing to apply the guidance prospectively to all new leasehold improvements recognized on or after January 28, 2024. The adoption of this update did not have a material impact on our consolidated financial statements.

Accounting Standards Not Yet Adopted

Segment Reporting: Improvements to Reportable Segment Disclosures. In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU requires entities to disclose significant segment expenses, on an annual and interim basis, that are regularly provided to the chief operating decision maker, and an amount for other segment items by reportable segment, with a description of its composition. This ASU requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this update and all existing segment disclosures in Topic 280. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A retrospective approach is required to be applied to all prior periods presented in the financial statements. We plan to adopt the provisions of ASU 2023-07 in the fourth quarter of fiscal 2025, and continue which will result in additional disclosures in the notes to evaluate our consolidated financial statements. The adoption of the disclosure requirements related to the new standard. provisions of ASU 2023-07 will not impact our financial position or results of operations.

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

Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, Income Statement (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires public entities to disclose, in the notes to the financial statements, specified information about certain costs and expenses at each interim and annual reporting period. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the standard on our condensed consolidated financial statements.

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

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

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

	For the Three Months Ended		For the Six Months Ended		For the Three Months Ended		For the Nine Months Ended	
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023
Net income available to common stockholders (numerator)								
Weighted-average number of common shares (denominator)								
Weighted-average number of common shares (denominator)								
Weighted-average number of common shares (denominator)								
Basic earnings per common share								
Basic earnings per common share								
Basic earnings per common share								
Weighted-average number of common shares								
Weighted-average number of common shares								
Weighted-average number of common shares								
Potential shares of common stock arising from stock options, and unvested restricted share units								
Total shares-diluted (denominator)								
Diluted earnings per common share								
Diluted earnings per common share								

Diluted earnings per common share
Anti-dilutive weighted shares excluded from the calculation of earnings per common share
Anti-dilutive weighted shares excluded from the calculation of earnings per common share
Anti-dilutive weighted shares excluded from the calculation of earnings per common share

5. Acquisitions

Fiscal 2025. During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of $150.7 million. The acquired business provides wireless construction services for telecommunications providers in various states. This acquisition expands our geographic presence within our existing customer base.

During the second quarter of fiscal 2025, we acquired a telecommunications construction contractor for a total purchase price of $25.1 $24.5 million ($21.0 20.4 million purchase price plus cash acquired of $4.1 million). The acquired company is located in the northwestern United States and provides construction and maintenance services to telecommunications providers, with the majority of its revenues generated in Alaska. This acquisition expands our geographic presence and our customer base.

During the first quarter of fiscal 2025, we acquired a telecommunications construction contractor for $16.0 million ($12.8 million purchase price, plus cash acquired of $3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the midwestern United States. This acquisition expands our geographic presence within our existing customer base.

The purchase price allocations of these two three acquired companies are preliminary and will be completed when valuations for intangible assets and other amounts are finalized within the 12-month measurement period from the respective dates of acquisition.

The following table summarizes the aggregate consideration paid and the estimated fair value of assets acquired and liabilities assumed for each of the acquisitions described above as of the respective acquisition dates (dollars in millions):

	First quarter of fiscal 2025	First quarter of fiscal 2025	Second quarter of fiscal 2025	First quarter of fiscal 2025	Second quarter of fiscal 2025	Third quarter of fiscal 2025
Assets						
Cash and equivalents						
Cash and equivalents						
Cash and equivalents						
Accounts receivable						
Inventories						
Other current assets						
Property and equipment						
Goodwill						
Intangible assets						
Other assets						
Total assets						
Liabilities						
Liabilities						
Liabilities						
Accounts payable						
Accounts payable						
Accounts payable						
Other accrued liabilities						
Other liabilities						
Total liabilities						
Net Assets Acquired						

Net Assets Acquired
Net Assets Acquired

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $8.6 $20.6 million for the 2025 acquisitions. Goodwill and intangible assets total $20.6 $160.7 million and are deductible for tax purposes. Accounts receivable and current liabilities were either stated at their historical carrying value, values, which approximates approximate fair value given the short-term nature of these assets and liabilities or were stated at their fair values based on an evaluation of the current market value of such assets and liabilities. The estimate of fair value for inventories and fixed assets was based on an assessment of acquired assets' condition as well as an evaluation of the current market value of such assets.

The Company recorded intangible assets for the three acquisitions completed in fiscal 2025 based on its preliminary estimate of fair value which consisted of the following (dollars in millions):

	Estimated Useful Life (in years)	Estimated Useful Life (in years)	Intangible Assets Acquired	Estimated Useful Life (in years)	Intangible Assets Acquired
Customer relationships					
Backlog intangibles					
Backlog intangibles (first and second quarter fiscal 2025 acquisitions)					
Backlog intangibles (third quarter fiscal 2025 acquisition)					
Trade names					
Total intangible assets acquired					

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

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

Assets		
Cash and equivalents	$	8.3
Accounts receivable		45.8
Other current assets		0.3
Property and equipment, net		9.9
Goodwill		39.2
Intangible assets, net		42.2
Other assets		0.8
Total assets		146.5
Liabilities		
Accounts payable		8.3
Other accrued liabilities		2.6
Income taxes payable		4.4
Total liabilities		15.3
Net Assets Acquired	$	131.2

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $39.2 million. Goodwill and intangible assets total $81.4 million and are deductible for tax purposes. Accounts receivable and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for fixed assets was based on an assessment of acquired assets' condition as well as an evaluation of the current market value of such assets.

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

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

The valuation of intangible assets for both fiscal 2025 and fiscal 2024 acquisitions was determined using the income approach methodology. More specifically, the fair values of the customer relationships and the backlog intangibles were estimated using the multi-period excess earnings method, while the trade name was estimated using the relief-from-royalty method. Key assumptions used in estimating future cash flows included projected revenue growth rates, profit margins, discount rates, customer attrition rates and royalty rates among others. The projected future cash flows are discounted to present value using an appropriate discount rate.

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

6. Accounts Receivable, Contract Assets, and Contract Liabilities

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

Accounts Receivable

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

	July 27, 2024	January 27, 2024
	October 26, 2024	January 27, 2024
Trade accounts receivable		
Unbilled accounts receivable		
Retainage		
Total		
Less: allowance for doubtful accounts		
Accounts receivable, net		

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

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Allowance for doubtful accounts at beginning of period						
Provision for (recovery of) bad debt						
Amounts charged against the allowance						
Allowance for doubtful accounts at end of period						

Contract Assets and Contract Liabilities

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

	July 27, 2024	January 27, 2024
	October 26, 2024	January 27, 2024
Contract assets		
Contract liabilities		
Contract assets, net		

The increase decrease in contract assets, net, primarily resulted from increased services performed billings under contracts consisting of multiple tasks. During the three and six nine months ended July 27, 2024 October 26, 2024, we performed services and recognized $2.9 $2.2 million and $12.5 $14.7 million, respectively, of contract revenues related to contract liabilities that existed at January 27, 2024. See Note 7, *Other Current Assets and Other Assets*, for information on our long-term contract assets.

Customer Credit Concentration

We have two customers whose combined amounts of accounts receivable and contract assets, net, exceeded 10% of total combined accounts receivable and contract assets, net. The combined amounts of accounts receivable and contract assets, net, for Lumen Technologies were $402.7, $401.9 million, or 25.9% 24.1%, and $345.0 million, or 27.4%, as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively, and Charter Communications were $164.25, $186.9 million, or 10.6% 11.2%, and $108.2 million, or 8.6%, as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively, of the total combined accounts receivable and contract assets, net. No other customer had combined amounts of accounts receivable and contract assets, net, which exceeded 10% of total combined accounts receivable and contract assets, net as of July 27, 2024 October 26, 2024 or January 27, 2024. We believe that none of our significant customers were experiencing financial difficulties that would materially impact the collectability of our total accounts receivable and contract assets, net, as of July 27, 2024 October 26, 2024 or January 27, 2024.

7. Other Current Assets and Other Assets

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

	July 27, 2024	January 27, 2024
	October 26, 2024	January 27, 2024
Prepaid expenses		
Deposits and other current assets		
Restricted cash		
Restricted cash		
Restricted cash		
Receivables on equipment sales		
Other current assets		

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

	July 27, 2024	January 27, 2024
Long-term contract assets	$ —	$ 2,610
Deferred financing costs	5,485	2,544
Restricted cash	432	432
Insurance recoveries/receivables for accrued insurance claims	3,714	4,760
Other non-current deposits and assets	16,580	14,301
Other assets	$ 26,211	$ 24,647

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

	October 26, 2024	January 27, 2024
Deferred financing costs	5,270	2,544
Insurance recoveries/receivables for accrued insurance claims	3,350	4,760
Restricted cash	432	432
Long-term contract assets	—	2,610
Other non-current assets	25,999	14,301
Other assets	$ 35,051	$ 24,647

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

8. Cash and Equivalents and Restricted Cash

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

	July 27, 2024	January 27, 2024

	October 26, 2024	January 27, 2024
Cash and equivalents		
Restricted cash included in:		
Other current assets		
Other current assets		
Other current assets		
Other assets (long-term)		
Cash equivalents and restricted cash		

9. Property and Equipment

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

	Estimated Useful Lives (Years)	Estimated Useful Lives (Years)	July 27, 2024	January 27, 2024	Estimated Useful Lives (Years)	October 26, 2024	January 27, 2024
Land							
Buildings							
Leasehold improvements							
Vehicles							
Equipment and machinery							
Computer hardware and software							
Office furniture and equipment							
Total							
Less: accumulated depreciation							
Property and equipment, net							

Depreciation expense was $40.7 million $42.4 million and $34.5 $36.5 million for the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively and $80.0 million $122.4 million and $68.3 million $104.8 million for the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023.

10. Goodwill and Intangible Assets

Goodwill

The Company's goodwill balance was $320.4 million $332.4 million and $312.0 million as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively. Changes in the carrying amount of goodwill consisted of the following (dollars in thousands):

	Goodwill	Goodwill	Accumulated Impairment Losses	Total	Goodwill	Accumulated Impairment Losses	Total
Balance as of January 27, 2024							
Goodwill from fiscal 2024 acquisition							
Goodwill adjustment from fiscal 2024 acquisition							
Goodwill from fiscal 2025 acquisitions							
Balance as of July 27, 2024							
Balance as of October 26, 2024							

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

During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of $150.7 million. The purchase price was allocated based on the fair value of the assets acquired and the liabilities assumed on the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $12.0 million, which is deductible for tax purposes. See Note 5, *Acquisitions,* for more information regarding the acquisition.

During the second quarter of fiscal 2025, the Company acquired a telecommunications construction contractor for $25.1 $24.5 million ($21.0 20.4 million purchase price plus cash acquired of $4.1 million). The purchase price was allocated based on the fair value of the assets acquired and the liabilities assumed on the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $5.4 million, which is deductible for tax purposes. See Note 5, *Acquisitions,* for more information regarding the acquisition.

During the first quarter of fiscal 2025, the Company acquired a telecommunications construction contractor for $16.0 million ($12.8 million purchase price, plus cash acquired of $3.2 million). The purchase price was allocated based on the fair value of the assets acquired and the liabilities assumed on the date of acquisition. The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $3.2 million, which is deductible for tax purposes. See Note 5, *Acquisitions,* for more information regarding the acquisition.

The Company performs its annual goodwill assessment as of the first day of the fourth fiscal quarter of each fiscal year. As a result of the Company's fiscal 2024 period assessment, the Company determined that the fair values of each of the reporting units and the indefinite-lived intangible asset were in excess of their carrying values and no impairment had occurred. As of July 27, 2024 October 26, 2024, we believe the carrying amounts of goodwill and the indefinite-lived intangible asset are recoverable for all of our reporting units.

Intangible Assets

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

				July 27, 2024			January 27, 2024					
				October 26, 2024			January 27, 2024					
	Weighted Average Remaining Useful Lives (Years)		**Weighted Average Remaining Useful Lives (Years)**	**Gross Carrying Amount**	**Accumulated Amortization**	**Intangible Assets, Net**	**Gross Carrying Amount**	**Accumulated Amortization**	**Intangible Assets, Net**	**Weighted Average Remaining Useful Lives (Years)**	**Gross Carrying Amount**	**Accur Amortiz**
Customer relationships												
Trade names, finite												
Trade name, indefinite												
Contract backlog												
Non-compete agreements												
		$										

Amortization of our customer relationship intangibles and our contract backlog intangibles are recognized on an accelerated basis as a function of the expected economic benefit. Amortization of our other finite-lived intangibles is recognized on a straight-line basis over the estimated useful life. Amortization expense for finite-lived intangible assets was $5.9 million $9.6 million and $3.5 million $6.0 million for the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively and $11.8 million $21.3 million and $7.0 million $13.0 million for the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023.

As of July 27, 2024 October 26, 2024, total amortization expense for existing finite-lived intangible assets for the next five fiscal years and thereafter is as follows (dollars in thousands):

	Amount
Remainder of 2025	$ 9,888
2026	47,749
2027	38,069
2028	26,301
2029	19,160
2030	18,687
Thereafter	63,115
Total	$ 222,969

As of October 26, 2024, we believe that the carrying amounts of our intangible assets are recoverable. However, if adverse events were to occur or circumstances were to change indicating that the carrying amount of such assets may not be fully recoverable, the assets would be reviewed for impairment and the assets could be impaired.

11. Accrued Insurance Claims

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

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

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

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

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

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

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

	July 27, 2024	January 27, 2024
Accrued insurance claims - current	$ 51,165	$ 44,466
Accrued insurance claims - non-current	55,206	49,447
Accrued insurance claims	$ 106,371	$ 93,913
Insurance recoveries/receivables:		
Non-current (included in Other assets)	3,714	4,760
Insurance recoveries/receivables	$ 3,714	$ 4,760

	October 26, 2024	January 27, 2024
Accrued insurance claims - current	$ 49,614	$ 44,466
Accrued insurance claims - non-current	51,227	49,447
Accrued insurance claims	$ 100,841	$ 93,913

Insurance recoveries/receivables:		
Non-current (included in Other assets)	3,350	4,760
Insurance recoveries/receivables	$ 3,350	$ 4,760

Insurance recoveries/receivables represent the amount of accrued insurance claims that are covered by insurance as the amounts exceed the Company's loss retention. During the six nine months ended July 27, 2024 October 26, 2024, total insurance recoveries/receivables decreased approximately $1.0 million $1.4 million primarily due to the settlement of claims that exceeded our loss retention. Accrued insurance claims decreased by a corresponding amount.

12. Leases

We lease the majority of our office facilities as well as certain equipment, all of which are accounted for as operating leases. These leases have remaining terms ranging from less than 1 year to approximately 6 11 years. Some leases include options to extend the lease for up to 5 years and others include options to terminate.

The following table summarizes the components of lease cost recognized in the condensed consolidated statements of operations for the three and six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 (dollars in thousands):

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Lease cost under long-term operating leases						
Lease cost under short-term operating leases						
Variable lease cost under short-term and long-term operating leases(1)						
Total lease cost						

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

Our operating lease liabilities related to long-term operating leases were $79.5 million $107.7 million as of July 27, 2024 October 26, 2024 and $76.1 million as of January 27, 2024. Supplemental balance sheet information related to these liabilities is as follows:

	October 26, 2024	January 27, 2024
Weighted average remaining lease term	4.7 years	2.8 years
Weighted average discount rate	5.7 %	5.0 %

	July 27, 2024	January 27, 2024
Weighted average remaining lease term	2.8 years	2.8 years
Weighted average discount rate	5.4 %	5.0 %

Supplemental cash flow information related to our long-term operating lease liabilities for the three and six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 is as follows (dollars in thousands):

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Cash paid for amounts included in the measurement of lease liabilities						

Operating lease right-of-use assets obtained in exchange for operating lease liabilities

As of July 27, 2024 October 26, 2024, maturities of our lease liabilities under our long-term operating leases for the next five fiscal years and thereafter are as follows (dollars in thousands):

Fiscal Year	Fiscal Year	Amount	Fiscal Year	Amount
Remainder of 2025				
2026				
2027				
2028				
2029				
2030				
Thereafter				
Total lease payments				
Less: imputed interest				
Total				

As of July 27, 2024 October 26, 2024, the Company had an additional operating leases with a total lease cost of $4.2 million that is expected to have not yet commenced. These leases will commence in the fourth quarter of fiscal 2025 with a term of 130 months and initial annual rent of $3.2 million. This lease will replace certain other property leases that expire in fiscal 2026. Another lease is also expected to commence in fiscal 2025 with a term of 36 months and annual rent of $0.2 million. 2025.

13. Other Accrued Liabilities

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

	July 27, 2024	January 27, 2024
Accrued payroll and related taxes	$ 41,813	$ 32,370
Accrued employee benefit and incentive plan costs	47,454	51,661
Accrued construction costs	32,805	30,712
Other current liabilities	36,269	32,476
Other accrued liabilities	$ 158,341	$ 147,219

	October 26, 2024	January 27, 2024
Accrued payroll and related taxes	$ 47,664	$ 32,370
Accrued employee benefit and incentive plan costs	60,756	51,661
Accrued construction costs	54,435	30,712
Other current liabilities	32,805	32,476
Other accrued liabilities	$ 195,660	$ 147,219

14. Debt

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

		July 27, 2024	January 27, 2024
Credit Agreement - Term loan facility (matures January 2029)			
Credit Agreement - Term loan facility (matures January 2029)			
		October 26, 2024	January 27, 2024
Credit Agreement - Revolving facility (matures January 2029)			
Credit Agreement - Term loan facility (matures January 2029)			
4.50% senior notes, net (mature April 2029)			
	942,368		
	1,097,789		
Less: current portion			
Long-term debt			

Credit Agreement

The Company and certain of its subsidiaries are party to an amended and restated credit agreement, dated as of October 19, 2018, with the various lenders party thereto and Bank of America, N.A., as administrative agent (as amended on April 1, 2021, May 9, 2023, and May 15, 2024, the “Credit Agreement”). On May 15, 2024, we amended and restated the Credit Agreement to, among other things, increase the term loan facility and extend the maturity date. The Credit Agreement includes a revolving facility with a maximum revolver commitment of $650.0 million and a term loan facility in the principal amount of $450.0 million. The Credit Agreement also includes a $200.0 million sublimit for the issuance of letters of credit and a $50.0 million sublimit for swingline loans. The maturity of the Credit Agreement is January 15, 2029.

The following table summarizes the net carrying value of the term loan as of July 27, 2024 October 26, 2024 and January 27, 2024 (dollars in thousands):

	July 27, 2024
	July 27, 2024
	July 27, 2024
	October 26, 2024
	October 26, 2024
	October 26, 2024
Principal amount of term loan	
Principal amount of term loan	
Principal amount of term loan	
Less: Debt issuance costs	
Less: Debt issuance costs	
Less: Debt issuance costs	
Net carrying amount of term loan	
Net carrying amount of term loan	
Net carrying amount of term loan	

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

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

Borrowings - Term SOFR Loans	1.375% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.375% - 1.00% plus Base rate(1)
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.375% - 2.00%
Commercial Letters of Credit	0.6875% -1.00%

(1) Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent’s prime rate, and (iii) the Term Secured Overnight Financing Rate (“SOFR”) plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero. “Term SOFR” will be the published forward-looking SOFR rate for the applicable interest period plus a 0.10% spread adjustment and if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately $47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement as of both July 27, 2024 October 26, 2024 and January 27, 2024.

The weighted average interest rates and fees for balances under our Credit Agreement as of July 27, 2024 October 26, 2024 and January 27, 2024 were as follows:

		Weighted Average Rate End of Period					
		July 27, 2024		**January 27, 2024**			
		October 26, 2024		**January 27, 2024**			
Borrowings - Term loan facility	Borrowings - Term loan facility	6.93%	7.06%	Borrowings - Term loan facility	6.20%	7.06%
Borrowings - Revolving facility(1)	Borrowings - Revolving facility(1)	—%	—%	Borrowings - Revolving facility(1)	6.89%	—%
Standby Letters of Credit	Standby Letters of Credit	1.50%	1.63%	Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	Unused Revolver Commitment	0.25%	0.30%	Unused Revolver Commitment	0.25%	0.30%

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

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00, as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At July 27, 2024 October 26, 2024 and January 27, 2024, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under our revolving facility of $447.5 million and $602.5 million, for both periods respectively as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

4.50% Senior Notes Due 2029

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

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

The following table summarizes the net carrying value of the 2029 Notes as of July 27, 2024 October 26, 2024 and January 27, 2024 (dollars in thousands):

	July 27, 2024
	July 27, 2024
	July 27, 2024
	October 26, 2024
	October 26, 2024
	October 26, 2024
Principal amount of 2029 Notes	
Principal amount of 2029 Notes	
Principal amount of 2029 Notes	
Less: Debt issuance costs	
Less: Debt issuance costs	
Less: Debt issuance costs	
Net carrying amount of 2029 Notes	
Net carrying amount of 2029 Notes	
Net carrying amount of 2029 Notes	

The following table summarizes the fair value of the 2029 Notes, net of debt issuance costs. The fair value of the 2029 Notes is based on the closing trading price per $100 of the 2029 Notes as of the last day of trading (Level 2), which was $94.41 $94.79 and $92.49 as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively (dollars in thousands):

	July 27, 2024	**January 27, 2024**
	October 26, 2024	**January 27, 2024**
Fair value of principal amount of 2029 Notes		
Less: Debt issuance costs		

Fair value of 2029 Notes

15. Income Taxes

Our effective income tax rate was 27.9% 23.6% and 26.3% 25.5% for the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively, and 24.0% 23.8% and 24.4% 24.9% for the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the tax effects of the vesting and exercise of share-based awards, and changes in unrecognized tax benefits. Deferred tax assets and liabilities are based on the enacted tax rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

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

16. Other Income, Net

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

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Gain on sale of fixed assets						
Miscellaneous expense, net						
Miscellaneous expense, net						
Miscellaneous expense, net						
Other income, net						

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

17. Capital Stock

Repurchases of Common Stock. On August 23, 2023 the Company announced that its Board of Directors authorized a new $150 million program to repurchase shares of the Company's outstanding common stock through February 2025 in open market or private transactions. During the three months ended July 27, 2024 October 26, 2024, the Company did not repurchase any shares of its own common stock. As of July 27, 2024 October 26, 2024, $90.9 million of the authorization was available for repurchases.

Restricted Stock Tax Withholdings. During the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, we withheld 113,654 116,391 shares totaling $16.3 $16.9 million and 101,397 102,796 shares totaling $9.7 $9.8 million, respectively, to meet payroll tax withholding obligations arising from the vesting of restricted share units. All shares withheld have been cancelled. Shares of common stock withheld for tax withholdings do not reduce our total share repurchase authority.

Upon cancellation of shares repurchased or withheld for tax withholdings, the excess over par value is recorded as a reduction of additional paid-in capital until the balance is reduced to zero, with any additional excess recorded as a reduction of retained earnings.

18. Stock-Based Awards

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

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

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

During the three months ended July 27, 2024, In June 2024, the Company announced its CEO succession plan and transition. In connection with this transition, the Company will incur approximately $11.4 million of incremental stock-based compensation modification expense through the current CEOs retirement date of November 30, 2024 related to previously issued equity awards. Of this total, approximately $2.2 $7.1 million and $9.3 million was recognized during the three and nine months ended July 27, 2024. October 26, 2024, respectively.

Stock-based compensation expense and the related tax benefit recognized during the three and six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 were as follows (dollars in thousands):

	For the Three Months Ended	For the Three Months Ended		For the Six Months Ended	For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Stock-based compensation						
Income tax effect of stock-based compensation						

During the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, the Company realized $0.1 3.9 million and less than $0.1 million of net excess tax benefits, respectively, related to the vesting and exercise of share-based awards. During the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, the Company realized approximately $6.0 $9.9 million and $2.8 $2.9 million of net excess tax benefits, respectively, related to the vesting and exercise of share-based awards.

As of July 27, 2024 October 26, 2024, we had unrecognized compensation expense related to stock options, RSUs, and target Performance RSUs (based on the Company's expected achievement of performance measures) of $6.6 $2.8 million, $29.2 $25.9 million, and $27.1 $20.4 million, respectively. This expense will be recognized over a weighted-average number of years of 1.0, 1.5, 2.7, and 1.4, 1.3, respectively, based on the average remaining service periods for the awards. We may recognize an additional $12.8 $12.3 million in compensation expense in future periods after July 27, 2024 October 26, 2024 if the maximum number of Performance RSUs is earned based on certain performance measures being met.

Stock Options

The following table summarizes stock option award activity during the six nine months ended July 27, 2024 October 26, 2024:

	Stock Options				
	Shares	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding as of January 27, 2024					
Granted					
Options exercised					
Outstanding as of July 27, 2024					
Outstanding as of July 27, 2024					
Outstanding as of July 27, 2024					
Outstanding as of October 26, 2024					
Outstanding as of October 26, 2024					

Outstanding as of October 26, 2024
Exercisable options as of July 27, 2024
Exercisable options as of July 27, 2024
Exercisable options as of July 27, 2024
Exercisable options as of October 26, 2024
Exercisable options as of October 26, 2024
Exercisable options as of October 26, 2024

RSUs and Performance RSUs

The following table summarizes RSU and Performance RSU award activity during the six nine months ended July 27, 2024 October 26, 2024:

	Restricted Stock								
	RSUs		RSUs		Performance RSUs	RSUs		Performance RSUs	
	Share Units	Share Units	Weighted Average Grant Date Fair Value	Share Units	Weighted Average Grant Date Fair Value	Share Units	Weighted Average Grant Date Fair Value	Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 27, 2024									
Granted									
Share units vested									
Forfeited or canceled									
Outstanding as of July 27, 2024									
Outstanding as of October 26, 2024									

The total number of granted Performance RSUs presented above consists of 117,938 target shares and 52,588 supplemental shares. The total number of Performance RSUs outstanding as of July 27, 2024 October 26, 2024 consists of 257,672 252,789 target shares and 119,173 114,807 supplemental shares. With respect to the Company's Performance Year ended January 27, 2024, the Company added 712 supplemental shares and cancelled 66,685 supplemental shares during the six nine months ended July 27, 2024 October 26, 2024, as a result of the performance period criteria not being met.

19. Customer Concentration and Revenue Information

Geographic Location

We provide services throughout the United States.

Significant Customers

Our customer base is highly concentrated, with our top five customers accounting for approximately 55.5% and 61.5% 57.9% of total contract revenues during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. Customers whose contract revenues exceeded 10% of total contract revenues during the three and six nine months ended July 27, 2024 October 26, 2024 or July 29, 2023 October 28, 2023, as well as total contract revenues from all other customers combined, were as follows (dollars in millions):

	For the Three Months Ended								
			July 27, 2024				July 29, 2023		
			October 26, 2024				October 28, 2023		
	Amount		Amount		% of Total			Amount	
AT&T Inc.	AT&T Inc.	$ 210.2	17.5%		17.5%		$	174.3	16.7%

Lumen Technologies	Lumen Technologies	163.7	13.6	13.6	162.5	15.6
Comcast Corporation	Comcast Corporation	105.6	8.8	8.8	119.5	11.5
Verizon Communications Inc.		85.3		7.1	104.9	
Total other customers combined	Total other customers combined	638.3	53.0	53.0	480.3	
Total contract revenues	Total contract revenues	$ 1,203.1	100.0%	100.0%	$ 1,041.5	100.0%

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

Customer Type

Total contract revenues by customer type during the three and six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 were as follows (dollars in millions):

		For the Three Months Ended				For the Three Months Ended		
		July 27, 2024			July 29, 2023			July 27, 2024
		October 26, 2024			October 28, 2023			October 26, 2024
	Amount		Amount	% of Total	Amount		% of Total	Amount
Telecommunications	Telecommunications	$ 1,086.2	90.3%	90.3%	$ 927.1	89.0%	89.0%	$ 2,113
Underground facility locating	Underground facility locating	82.1	6.8	6.8	76.7	7.4	7.4	163.1
Electrical and gas utilities and other	Electrical and gas utilities and other	34.8	2.9	2.9	37.7	3.6	3.6	69.4
Total contract revenues	Total contract revenues	$ 1,203.1	100.0%	100.0%	$ 1,041.5	100.0%	100.0%	$ 2,345.5

Remaining Performance Obligations

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

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

20. Commitments and Contingencies

During the fourth quarter of fiscal 2016, one of the Company's subsidiaries ceased operations. This subsidiary contributed to a multiemployer pension plan, the Pension, Hospitalization and Benefit Plan of the Electrical Industry - Pension Trust Fund (the "Plan"). In October 2016, the Plan demanded payment for a claimed withdrawal liability of approximately $13.0 million pursuant to its interpretation of Employee Retirement Income Security Act ("ERISA"). In December 2016, the subsidiary submitted a formal request to the Plan seeking review of the Plan's withdrawal liability determination. The subsidiary disputed, among other things, the amount of the withdrawal liability demanded by the Plan. The subsidiary has Plan and submitted this dispute to arbitration, as required by ERISA. There can be no assurance that During the Company's subsidiary will be successful in its appeal third quarter of fiscal 2025, the Plan's withdrawal liability determination. As required by ERISA, this subsidiary began making payments of the claimed withdrawal liability to Company and the Plan in the amount of approximately $0.1 million per month in November 2016. The aggregate amount of the payments made reached an agreement to date is currently approximately $11.7 million fully resolve this matter and that amount has been recorded by the Company as an asset. If the subsidiary prevails in disputing the amount of the withdrawal liability, any amounts that have been paid by the Company to the Plan in excess of the finally determined withdrawal liability are expected to be refunded there was no material financial impact to the Company.

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

Commitments

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. As of July 27, 2024 October 26, 2024 and January 27, 2024, we had $422.4 $416.0 million and $409.6 million, respectively, of outstanding performance and other surety contract bonds. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. As of July 27, 2024 October 26, 2024 and January 27, 2024, we had $24.1 million and $20.4 million, respectively, of outstanding surety bonds related to our insurance obligations. Additionally, the Company periodically guarantees certain obligations of its subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have issued standby letters of credit under our Credit Agreement that collateralize our obligations to our insurance carriers. At each of July 27, 2024 October 26, 2024 and January 27, 2024, we had $47.5 million of outstanding standby letters of credit issued under our Credit Agreement.

21. Subsequent Events

During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of $150.7 million. The acquired business provides wireless construction services for telecommunications providers primarily in the states of New York, New Jersey, Missouri, Kansas, Colorado, Utah, Wyoming, Idaho and Montana. This acquisition expands our geographic presence within our existing customer base. Required disclosures related to this business combination will be provided upon completion of the preliminary purchase price allocation.

Cautionary Note Concerning Forward-Looking Statements

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

You should not consider forward-looking statements as guarantees of future performance or results. When made, forward-looking statements are based on information known to management at such time and/or management's good faith belief with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors, assumptions, uncertainties, and risks that could cause such differences include, but are not limited to: projections of revenues, income or loss, or capital expenditures, future economic conditions and trends in the industries we serve, customer capital budgets and

spending priorities, our plans for future operations, growth and services, including contract backlog, our plans for future acquisitions, dispositions, or financial needs, expected benefits and synergies of businesses acquired and future opportunities for the combined businesses, anticipated outcomes of contingent events, including litigation, availability of capital, restrictions imposed by our senior notes and credit agreement, use of our cash flow to service our debt, the effect of changes in tax law, potential liabilities and other adverse effects arising from occupational health, safety, and other regulatory matters, potential exposure to environmental liabilities, determinations as to whether the carrying value of our assets is impaired, assumptions relating to any of the foregoing, the duration and severity of widespread pandemics and public health emergencies and their ultimate impact across our business, and the other risks and uncertainties discussed within Item 1, *Business*, Item 1A, *Risk Factors,* and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of our Annual Report on Form 10-K for fiscal 2024, filed with the U.S. Securities and Exchange Commission ("SEC") on March 1, 2024 and our other periodic filings with the SEC. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement and are only made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise any forward-looking statements to reflect new information or events or circumstances arising after such date.

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

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

Introduction

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

Significant demand for broadband services is driven by applications that require high speed connections as well as the everyday use of mobile data devices. To respond to this demand and other advances in technology, an increasing number of diverse industry participants are constructing or upgrading wireline networks throughout the country. These wireline networks enable the delivery of gigabit network speeds to consumers and businesses. Dramatically increased speeds for consumers are being provisioned and consumer data usage is growing, particularly upstream.

In addition, the advent of AI data centers has sparked interest in broad new national deployments of high-capacity, low latency, intercity networks, created expanding opportunities as well as metro rings. The level of interest in intercity networks is the highest we have seen in the last 25 years. hyperscalers look to connect data centers with long-haul, private, redundant fiber networks. Finally, wireless networks are deploying additional spectrum bands and equipment so as to more broadly and efficiently provision higher broadband services for both fixed and mobile access.

Industry participants have stated their belief that a single high-capacity fiber network can most cost effectively deliver services to both consumers and businesses, enabling multiple revenue streams from a single investment. Some of these same industry participants who also provide wireless services, strongly believe that the ability to provision converged wireline fiber and wireless services creates significant competitive advantages. This belief is evident as some wireless providers have recently invested in new fiber providers while another wireline/wireless provider is deploying fiber networks outside its traditional geographic footprint. As a result, we continue to see a meaningfully broader set of opportunities for our industry.

We are pleased that a number of our customers have entered into strategic transactions (including refinancings) intended to provide the capital necessary for the incremental deployment of fiber to more than 9.5 million homes over the next several years. These individual transactions are currently awaiting regulatory approval, which is currently expected over the next 12 to 18 months. approval. In addition to the incremental private capital associated with these transactions, a wide variety we continue to see unprecedented levels of programs are providing public capital to federal and state support for rural broadband deployments. The largest of these programs, the Broadband Equity Access and Deployment Program ("BEAD Program") includes over $40 billion for the construction of rural communications networks in unserved and underserved areas across the country. This represents an unprecedented level of support and meaningfully increases the rural market that we expect will ultimately be addressed. deployment programs. We believe the magnitude and importance of BEAD these programs should not be under appreciated as it addresses they address some of the most more difficult and expensive locations to deploy in America and represents represent a generational deployment opportunity. For planning purposes, we currently expect to see BEAD opportunities during the third quarter of calendar year 2025. As BEAD continues to develop, we are also seeing significant deployment activity funded by other state and federal programs.

Macro-economic conditions appear stable. In addition, the market for labor has improved in many regions around the country. Automotive and equipment supply chains have normalized and prices for capital equipment have been stable since the first of the year. Within this context, we remain confident that our scale and financial strength position us well to deliver valuable service to our customers.

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

Telephone companies are deploying fiber-to-the-home to enable gigabit high-speed connections. Rural electric utilities are doing the same. Dramatically increased speeds for consumers are being provisioned As customer projects increase in scope and consumer data usage is growing, particularly upstream. Wireless construction activity in support of newly available spectrum bands and fixed wireless access continues this year. Demand for low latency Artificial Intelligence ("AI") data center connectivity is growing rapidly. Federal and state support for rural deployments of communications networks is dramatically increasing in complexity, our industry focus, scale and duration. Cable operators are increasing fiber deployments in rural America. Capacity expansion projects are underway. Customers are consolidating supply chains, creating opportunities financial strength position us well to deliver valuable services and anticipate and meet the demands for market share growth and increasing the long-term value of our maintenance and operations business. customers.

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

Customer Relationships and Contractual Arrangements

We have established relationships with many leading telecommunications providers, including telephone companies, cable multiple system operators, wireless carriers, telecommunications equipment and infrastructure providers, as well as electric and gas utilities. Our customer base is highly concentrated, with our top five customers accounting for approximately 55.5% and 61.5% 57.9% of our total contract revenues during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively.

The following reflects the percentage of total contract revenues from customers who contributed at least 2.5% to our total contract revenues during the three and six nine months ended July 27, 2024 October 26, 2024 or July 29, 2023 October 28, 2023:

		For the Three Months Ended		For the Six Months Ended			For the Three Months Ended		For the Nine Months Ended	
		July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023
AT&T Inc.	AT&T Inc.	17.5%	16.7%	18.2%	19.1%	AT&T Inc.	20.9%	12.8%	19.1%	16.9%
Lumen Technologies	Lumen Technologies	13.6%	15.6%	13.7%	14.3%	Lumen Technologies	11.5%	16.5%	12.9%	15.1%
Comcast Corporation	Comcast Corporation	8.8%	11.5%	9.0%	11.5%	Comcast Corporation	8.1%	9.8%	8.7%	10.9%
Charter Communications, Inc.	Charter Communications, Inc.	6.9%	2.9%	7.3%	2.5%	Charter Communications, Inc.	6.8%	5.5%	7.1%	3.5%
Verizon Communications Inc.	Verizon Communications Inc.	7.1%	10.1%	7.0%	9.8%	Verizon Communications Inc.	5.2%	9.2%	6.3%	9.6%
Brightspeed Total		6.0%	5.0%	5.7%	4.4%					
Brightspeed		7.0%	5.3%	6.1%	4.7%					
Frontier Communications Corporation	Frontier Communications Corporation	6.1%	3.7%	5.6%	6.8%	Frontier Communications Corporation	6.3%	3.0%	5.8%	5.4%

In addition, another customer contributed 8.0% 8.2% and 5.3% 6.1% to our total contract revenues during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. During the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 this customer contributed 7.4% 7.7% and 5.0% 5.4%, respectively.

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

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

		For the Three Months Ended		For the Six Months Ended			For the Three Months Ended		For the Nine Months Ended	
		July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023
Multi-year master service agreements	Multi-year master service agreements	78.0 %	76.9 %	78.0 %	79.4 %	Multi-year master service agreements	79.7 %	75.1 %	78.6 %	77.9 %
Other long-term contracts										
Total long-term contracts	Total long-term contracts	88.6 %	88.5 %	89.0 %	90.1 %	Total long-term contracts	88.4 %	89.0 %	88.8 %	89.7 %

Acquisitions

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

Fiscal 2025. During the third quarter of fiscal 2025, we acquired certain assets and assumed certain liabilities of a telecommunications construction contractor for a cash purchase price of $150.7 million. The acquired business provides wireless construction services for telecommunications providers in various states. This acquisition expands our geographic presence within our existing customer base.

During the second quarter of fiscal 2025, we acquired a telecommunications construction contractor for a total purchase price of $25.1 $24.5 million ($21.0 20.4 million purchase price plus cash acquired of $4.1 million). The acquired company is located in the northwestern United States and provides construction and maintenance services to telecommunications providers, with the majority of its revenues generated in Alaska. This acquisition expands our geographic presence and our customer base.

During the first quarter of fiscal 2025, we acquired a telecommunications construction contractor for $16.0 million ($12.8 million purchase price, plus cash acquired of $3.2 million). The acquired company provides construction and maintenance services for telecommunications providers in the midwestern United States. This acquisition expands our geographic presence within our existing customer base.

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

Results of the businesses acquired are included in the condensed consolidated financial statements from the date of acquisition acquisition. The purchase price allocations of the companies acquired companies in fiscal 2025 are preliminary and will be completed when valuations for intangible assets and other amounts are finalized within the 12-month measurement period from the date of acquisition.

Critical Accounting Policies and Estimates

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

Understanding Our Results of Operations

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

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

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

For certain contracts, representing less than 5% of contract revenues during each of the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, we use the cost-to-cost measure of progress. These contracts are generally projects that are completed over a period of less than twelve months. Under the cost-to-cost measure of progress, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs. Contract costs include direct labor, direct materials, and subcontractor costs, as well as an allocation of indirect costs. Contract revenues are recorded as costs are incurred. We accrue the entire amount of a contract loss, if any, at the time the loss is determined to be probable and can be reasonably estimated.

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

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

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

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

Loss on Debt Extinguishment. Loss on debt extinguishment includes the write-off of deferred debt issuance costs in connection with the Credit Agreement amendment.

Other Income, Net. Other income, net, primarily consists of gains or losses from sales of fixed assets. Other income, net also includes discount fee expense associated with the collection of accounts receivable under a customer-sponsored vendor payment program.

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

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

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

Results of Operations

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

	For the Three Months Ended				For the Nine Months Ended			
	October 26, 2024		October 28, 2023		October 26, 2024		October 28, 2023	
Contract revenues	$ 1,272.0	100.0 %	$ 1,136.1	100.0 %	$ 3,617.5	100.0 %	$ 3,223.1	100.0 %
Expenses:								
Costs of earned revenues, excluding depreciation and amortization	1,007.4	79.2	886.7	78.0	2,881.9	79.7	2,570.4	79.7
General and administrative	110.8	8.7	87.5	7.7	304.9	8.4	254.7	7.9
Depreciation and amortization	52.0	4.1	42.5	3.7	143.8	4.0	117.8	3.7

Total	1,170.2	92.0	1,016.7	89.5	3,330.6	92.1	2,942.9	91.3
Interest expense, net	(17.5)	(1.4)	(14.0)	(1.2)	(44.9)	(1.2)	(37.6)	(1.2)
Loss on debt extinguishment	—	—	—	—	(1.0)	—	—	—
Other income, net	6.9	0.5	6.9	0.6	22.6	0.6	17.6	0.5
Income before income taxes	91.3	7.2	112.4	9.9	263.6	7.3	260.2	8.1
Provision for income taxes	21.5	1.7	28.6	2.5	62.8	1.7	64.7	2.0
Net income	$ 69.8	5.5 %	$ 83.7	7.4 %	$ 200.7	5.5 %	$ 195.5	6.1 %

	For the Three Months Ended				For the Six Months Ended			
	July 27, 2024		July 29, 2023		July 27, 2024		July 29, 2023	
Contract revenues	$ 1,203.1	100.0 %	$ 1,041.5	100.0 %	$ 2,345.5	100.0 %	$ 2,087.0	100.0 %
Expenses:								
Costs of earned revenues, excluding depreciation and amortization	952.9	79.2	830.4	79.7	1,874.5	79.9	1,683.8	80.7
General and administrative	99.6	8.3	84.8	8.1	194.1	8.3	167.2	8.0
Depreciation and amortization	46.6	3.9	38.0	3.6	91.8	3.9	75.3	3.6
Total	1,099.0	91.4	953.2	91.5	2,160.4	92.1	1,926.2	92.3
Interest expense, net	(14.7)	(1.2)	(12.3)	(1.2)	(27.5)	(1.2)	(23.6)	(1.1)
Loss on debt extinguishment	(1.0)	(0.1)	—	—	(1.0)	—	—	—
Other income, net	6.4	0.5	5.7	0.6	15.7	0.7	10.7	0.5
Income before income taxes	94.8	7.9	81.8	7.8	172.3	7.3	147.9	7.1
Provision for income taxes	26.4	2.2	21.5	2.1	41.3	1.8	36.1	1.7
Net income	$ 68.4	5.7 %	$ 60.2	5.8 %	$ 131.0	5.6 %	$ 111.8	5.4 %

Contract Revenues. Contract revenues were $1,203.1 million $1,272.0 million during the three months ended July 27, 2024 October 26, 2024 compared to $1,041.5 $1,136.1 million during the three months ended July 29, 2023 October 28, 2023. Contract revenues from acquired businesses (excluding contract revenues from storm restoration services) were $65.9 $80.1 million for the three months ended July 27, 2024. There were no acquired revenues during October 26, 2024 and $45.2 million for the three months ended July 29, 2023 October 28, 2023. Acquired revenues represent contract revenues from acquired businesses that were not owned for the full period in both the current and comparable prior periods. Additionally, contract revenues from storm restoration services during the three months ended October 26, 2024 were $46.3 million while there were no significant revenues from storm restoration services during the three months ended October 28, 2023.

Excluding amounts generated by the acquired business, businesses and storm restoration services, contract revenues increased by $95.6 million $54.7 million during the three months ended July 27, 2024 October 26, 2024 compared to the three months ended July 29, 2023 October 28, 2023. Contract revenues increased by $40.5 million $84.7 million, $42.3 million and $25.9 million, respectively, for a customer for fiber deployments, and $35.9 million and $1.2 million for two three large telecommunications customers primarily for fiber deployments. deployments, and $35.1 million for another customer deploying fiber. Contract revenues decreased by $20.2 million $41.2 million, $39.0 million and $13.9 million $8.5 million, respectively, for two three large telecommunication telecommunications customers. All other customers had net increases decreases in contract revenues of $52.1 million $44.6 million on a combined basis during the three months ended July 27, 2024 October 26, 2024 compared to the three months ended July 29, 2023 October 28, 2023.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 90.6%, 6.4%, and 3.0%, respectively, for the three months ended October 26, 2024 compared to 90.1%, 6.7%, and 3.2%, respectively, for the three months ended October 28, 2023.

Contract revenues were $3,617.5 million during the nine months ended October 26, 2024 compared to $3,223.1 million during the nine months ended October 28, 2023. Contract revenues from acquired businesses (excluding contract revenues from storm restoration services) were $217.3 million for the nine months ended October 26, 2024 and $45.2 million for the nine months ended October 28, 2023. Additionally, contract revenues from storm restoration services during the nine months ended October 26, 2024 were $46.3 million while there were no significant revenues from storm restoration services during the nine months ended October 28, 2023.

Excluding amounts generated by the acquired businesses and storm restoration services, contract revenues increased by $176.0 million during the nine months ended October 26, 2024 compared to the nine months ended October 28, 2023. Contract revenues increased by $111.7 million, $68.7 million, and $46.3 million, respectively, for three large telecommunications customers primarily for fiber deployments, $24.7 million for another telecommunications customer and $105.2 million for another customer deploying fiber. Contract revenues decreased by $81.0 million and $19.6 million for two large telecommunication customers and $38.0 million for a leading cable multiple system operator from installation, maintenance and construction services. All other customers had net decreases in contract revenues of $42.0 million on a combined basis during the nine months ended October 26, 2024 compared to the nine months ended October 28, 2023.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 90.3%, 6.8%, and 2.9%, respectively, for the three months ended July 27, 2024 compared to 89.0%, 7.4%, and 3.6%, respectively, for the three months ended July 29, 2023.

Contract revenues were $2,345.5 million during the six months ended July 27, 2024 compared to $2,087.0 million during the six months ended July 29, 2023. Contract revenues from acquired businesses were $137.1 million for the six months ended July 27, 2024. There were no acquired revenues during the six months ended July 29, 2023.

Excluding amounts generated by the acquired business, contract revenues increased by $121.3 million during the six months ended July 27, 2024 compared to the six months ended July 29, 2023. Contract revenues increased by $70.2 million for a customer for fiber deployments, $27.0 million and $21.6 million for two large telecommunications customers primarily for fiber deployments. Contract revenues decreased by $41.9 million and $29.5 million for two large telecommunication customers. All other customers had net increases in contract revenues of $73.9 million on a combined basis during the six months ended July 27, 2024 compared to the six months ended July 29, 2023.

The percentage of our contract revenues by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was 90.0%, 7.0% 6.7%, and 3.0%, respectively, for the six nine months ended July 27, 2024 October 26, 2024 compared to 89.4% 89.6%, 7.2% 7.0%, and 3.4%, respectively, for the six nine months ended July 29, 2023 October 28, 2023.

Costs of Earned Revenues. Costs of earned revenues increased to $952.9 million $1,007.4 million, or 79.2% of contract revenues, during the three months ended July 27, 2024 October 26, 2024 compared to $830.4 million $886.7 million, or 79.7% 78.0% of contract revenues, during the three months ended July 29, 2023 October 28, 2023. The primary components of the increase were a $116.2 million $125.7 million aggregate increase in direct labor and subcontractor costs a $2.5 million increase in equipment and fuel costs and a $10.2 $4.0 million increase in other direct costs, partially offset by a $6.4 million $8.3 million decrease in direct materials expense. expense and a $0.6 million decrease in equipment and fuel costs.

Costs of earned revenues as a percentage of contract revenues decreased 0.5% increased 1.2% during the three months ended July 27, 2024 October 26, 2024 compared to the three months ended July 29, 2023 October 28, 2023. Labor and subcontracted labor costs increased 3.3% primarily due to the mix of work performed during the three months ended October 26, 2024. Direct material costs decreased 1.4% 1.3% primarily as a result of our mix of work in which we provide materials for customers. Equipment and fuel costs decreased 0.5% and other direct costs decreased by 0.3% on a net basis as a percentage of contract revenues for the three months ended October 26, 2024 compared to the three months ended October 28, 2023.

Costs of earned revenues increased to $2,881.9 million, or 79.7% of contract revenues, during the nine months ended October 26, 2024 compared to $2,570.4 million, or 79.7% of contract revenues, during the nine months ended October 28, 2023. The primary components of the increase were a $307.9 million aggregate increase in direct labor and subcontractor costs, a $20.3 million increase in other direct costs and a $1.7 million net increase from higher equipment costs, partially offset by lower fuel costs. In addition, there was a decrease of $18.3 million in direct materials expense.

Costs of earned revenues as a percentage of contract revenues remained flat during the nine months ended October 26, 2024 compared to the nine months ended October 28, 2023. Direct material costs decreased 1.2% primarily as a result of our mix of work in which we provide materials for customers. Equipment and fuel costs decreased 0.4% and other direct costs decreased 0.1% on a net basis as a percentage of contract revenues. Labor and subcontracted labor costs increased 1.2% 1.7% primarily due to the mix of work performed during the three nine months ended July 27, 2024. Other direct costs were in line as a percentage of contract revenues for the three months ended July 27, 2024 compared to the three months ended July 29, 2023.

Costs of earned revenues increased to $1,874.5 million, or 79.9% of contract revenues, during the six months ended July 27, 2024 compared to $1,683.8 million, or 80.7% of contract revenues, during the six months ended July 29, 2023. The primary components of the increase were a $182.2 million aggregate increase in direct labor and subcontractor costs, a $16.3 million increase in other direct costs and a $2.3 million net increase from higher equipment costs, partially offset by lower fuel costs. In addition, there was a decrease of $10.0 million in direct materials expense.

Costs of earned revenues as a percentage of contract revenues decreased 0.8% during the six months ended July 27, 2024 compared to the six months ended July 29, 2023. Direct material costs decreased 1.1% primarily as a result of our mix of work in which we provide materials for customers and equipment and fuel costs decreased 0.4% on a net basis as a percentage of contract revenues. Labor and subcontracted labor costs increased 0.8% primarily due to the mix of work performed during the six months ended July 27, 2024. Other direct costs were in line as a percentage of contract revenues for the six months ended July 27, 2024 compared to the six months ended July 29, 2023 October 26, 2024.

General and Administrative Expenses. General and administrative expenses increased to $99.6 million $110.8 million, or 8.3% 8.7% of contract revenues, during the three months ended July 27, 2024 October 26, 2024 compared to $84.8 million $87.5 million, or 8.1% 7.7% of contract revenues, during the three months ended July 29, 2023 October 28, 2023. The increase in total general and administrative expenses during the three months ended July 27, 2024 October 26, 2024 is mainly attributable to an increase in administrative, payroll, performance based compensation, $7.1 million incremental stock based compensation expense resulting from the CEO transition, acquisition costs, $4.2 million acquisition integration costs and other costs. costs, including incremental general and administrative expenses from the acquired businesses.

General and administrative expenses increased to $194.1 million $304.9 million, or 8.3% 8.4% of contract revenues, during the six nine months ended July 27, 2024 October 26, 2024 compared to $167.2 million $254.7 million, or 8.0% 7.9% of contract revenues, during the six nine months ended July 29, 2023 October 28, 2023. The increase in total general and administrative expenses during the six nine months ended July 27, 2024 October 26, 2024 is mainly attributable to an increase in administrative, payroll, performance based compensation, $9.3 million incremental stock based compensation expense resulting from the CEO transition, acquisition costs, $4.2 million acquisition integration costs and other costs. costs, including incremental general and administrative expenses from the acquired businesses.

Depreciation and Amortization. Depreciation expense was $40.7 million, or 3.4% of contract revenues, during the three months ended July 27, 2024 compared to $34.5 million $42.4 million, or 3.3% of contract revenues, during the three months ended July 29, 2023 October 26, 2024 compared to $36.5 million, or 3.2% of contract revenues, during the three months ended October 28, 2023. Depreciation expense was $80.0 million $122.4 million, or 3.4% of contract revenues during the six nine months ended July 27, 2024 October 26, 2024 compared to $68.3 million $104.8 million, or 3.3% of contract revenues during the six nine months ended July 29, 2023 October 28, 2023. The increase in depreciation expense during the three and six nine months ended July 27, 2024 October 26, 2024 is primarily due to higher capital expenditures to support our growth in operations and the normal replacement cycle of fleet assets.

Amortization expense was $5.9 $9.6 million and $3.5 million $6.0 million during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively and $11.8 million $21.3 million and $7.0 million $13.0 million during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. The increase in amortization expense during the three and six nine months ended July 27, 2024 October 26, 2024 is due to the increase in amortizing intangibles from acquired businesses.

Interest Expense, Net. Interest expense, net was $14.7 million $17.5 million and $12.3 million $14.0 million during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively, and $44.9 million and $37.6 million during the nine months ended October 26, 2024 and October 28, 2023, respectively, as a result of higher interest rates on funded debt balances and higher outstanding borrowings during the current period and lower interest income on invested cash balances.

Interest expense, net was $27.5 million and $23.6 million during the six months ended July 27, 2024 and July 29, 2023, respectively, as a result of higher interest rates on funded debt balances and higher outstanding borrowings during the current period and lower interest income on invested cash balances.

Loss on Debt Extinguishment. Loss on debt extinguishment during the three nine months ended July 27, 2024 October 26, 2024 of $1.0 million includes the write-off of deferred debt issuance costs in connection with the Credit Agreement amendment. See "*Liquidity and Capital Resources - Compliance with Credit Agreement*" for more information.

Other Income, Net. Other income, net was $6.4 million $6.9 million and $5.7 million $6.9 million during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively and $15.7 million $22.6 million and $10.7 million $17.6 million during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. Gain on sale of fixed assets, net was $8.2 million and $7.6 million $8.4 million during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively and $20.6 million $28.8 million and $15.4 million $23.7 million during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. The change in other income, net is primarily a function of the number of assets sold and prices obtained for those assets during each respective period. Other income, net also reflects $3.0 $2.7 million and $2.4 $2.2 million of expense during the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 respectively, and $5.9 million $8.7 million and $5.6 million $7.8 million during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively, associated with the non-recourse sale of accounts receivable under a customer-sponsored vendor payment program.

Income Taxes. The following table presents our income tax provision and effective income tax rate for the three and six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 (dollars in millions):

	For the Three Months Ended		**For the Three Months Ended**		**For the Six Months Ended**	**For the Three Months Ended**	
	July 27, 2024		**July 29, 2023**	**July 27, 2024**	**July 29, 2023**		
	October 26, 2024		**October 28, 2023**	**October 26, 2024**	**October 28, 2023**		
Income tax provision							
Effective income tax rate	Effective income tax rate 27.9 %	26.3 %	24.0 %	24.4 %	Effective income tax rate 23.6 %	25.5 %	2[illegible]

Our effective income tax rate was 27.9% 23.6% and 26.3% 25.5% for the three months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively, and 24.0% 23.8% and 24.4% 24.9% for the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively. The interim income tax provisions are based on the effective income tax rate expected to be applicable for the full fiscal year, adjusted for specific items that are required to be recognized in the period in which they occur. The effective tax rate differs from the statutory rate primarily due to the difference in income tax rates from state to state where work was performed, non-deductible and non-taxable items, tax credits recognized, the tax effects of the vesting and exercise of share-based awards, and changes in unrecognized tax benefits. Deferred tax assets and liabilities are based on the enacted tax rate that will apply in future periods when such assets and liabilities are expected to be settled or realized.

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

Net Income. Net income was $68.4 $69.8 million for the three months ended July 27, 2024 October 26, 2024 compared to $60.2 $83.7 million for the three months ended July 29, 2023 October 28, 2023. Net income was $131.0 million $200.7 million for the six nine months ended July 27, 2024 October 26, 2024 compared to $111.8 million $195.5 million for the six nine months ended July 29, 2023 October 28, 2023.

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

	For the Three Months Ended	For the Three Months Ended	For the Six Months Ended		For the Three Months Ended	For the Nine Months Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023		
	October 26, 2024	October 28, 2023	October 26, 2024	October 28, 2023		
Net income						
Interest expense, net						
Provision for income taxes						
Depreciation and amortization						
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")						
Gain on sale of fixed assets						
Stock-based compensation expense						
Acquisition integration costs						
Loss on debt extinguishment						
Non-GAAP Adjusted EBITDA						
Non-GAAP Adjusted EBITDA(1)						
Non-GAAP Adjusted EBITDA						
Non-GAAP Adjusted EBITDA(1)						
Non-GAAP Adjusted EBITDA						
Non-GAAP Adjusted EBITDA % of contract revenues	13.2 %	12.6 %	12.3 %	11.7 %		
Non-GAAP Adjusted EBITDA(1)						
Non-GAAP Adjusted EBITDA % of contract revenues(1)	13.4 %	14.7 %	12.7 %	12.8 %		

(1) The impacts of a change order and the closeout of several projects increased contract revenues by $26.5 million and contributed $23.6 million to Adjusted EBITDA for the three and nine months ended October 28, 2023.

Liquidity and Capital Resources

We are subject to concentrations of credit risk relating primarily to our cash and equivalents, accounts receivable, and contract assets. Cash and equivalents primarily include balances on deposit with banks and totaled $19.6 million $15.3 million as of July 27, 2024 October 26, 2024 compared to $101.1 million as of January 27, 2024. We maintain our cash and equivalents at financial institutions we believe to be of high credit quality. For all periods presented, we have not experienced any loss or lack of access to cash in our operating accounts.

Sources of Cash. Our sources of cash are operating activities, long-term debt, equity offerings, bank borrowings, proceeds from the sale of idle and surplus equipment and real property, and stock option proceeds. Cash flow from operations is primarily influenced by demand for our services and operating margins, but can also be influenced by working capital needs associated with the services that we provide. In particular, working capital needs may increase when we have growth in operations and where project costs, primarily associated with labor, subcontractors, equipment, and materials, are required to be paid before the related customer balances owed to us are invoiced and collected. Our working capital (total current assets less total current liabilities, excluding the current portion of debt) was $1,249.6 $1,293.3 million as of July 27, 2024 October 26, 2024 compared to $1,061.2 million as of January 27, 2024.

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

Our level of capital expenditures can vary depending on the customer demand for our services, the replacement cycle we select for our equipment, and overall growth. We intend to fund these expenditures primarily from operating cash flows, availability under our Credit Agreement (as defined below), and cash on hand.

Sufficiency of Capital Resources. We believe that our capital resources, including existing cash balances and amounts available under our Credit Agreement, are sufficient to meet our financial obligations. These obligations include payments on our debt, working capital requirements, and the purchase of equipment at our expected level of operations for at least the next

12 months. Our capital requirements may increase to the extent we seek to grow by acquisitions that involve consideration other than our stock, experience difficulty or delays in collecting amounts owed to us by our customers, increase our working capital in connection with new or existing customer programs, or we repurchase our common stock, or repay Credit Agreement borrowings. Changes in financial markets or other components of the economy could adversely impact our ability to access the capital markets, in which case we would expect to rely on a combination of available cash and our Credit Agreement to provide

short-term funding. Management regularly monitors the financial markets and assesses general economic conditions for possible impact on our financial position. We believe our cash investment policies are prudent and expect that any volatility in the capital markets would not have a material impact on our cash investments.

Net Cash Flows. The following table presents our net cash flows for the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023 (dollars in millions):

	For the Six Months Ended	
	July 27, 2024	July 29, 2023
Net cash flows:		
Used in operating activities	$ (44.9)	$ (28.8)
Used in investing activities	$ (119.0)	$ (73.6)
Provided by (used in) financing activities	$ 82.3	$ (38.4)

	For the Nine Months Ended	
	October 26, 2024	October 28, 2023
Net cash flows:		
Provided by (used in) operating activities	$ 20.9	$ (66.1)
Used in investing activities	$ (335.4)	$ (253.5)
Provided by financing activities	$ 228.7	$ 111.1

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

During the six nine months ended July 27, 2024 October 26, 2024, net cash used in provided by operating activities was $44.9 $20.9 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used $280.9 $341.8 million of operating cash flow during the six nine months ended July 27, 2024 October 26, 2024. Changes that used operating cash flow during the six nine months ended July 27, 2024 October 26, 2024 included an increase in accounts receivable an increase in contract assets, net, and a decrease in income taxes payable of $256.5 million, $26.3 million, and $7.0 million, respectively. In addition, changes that used operating cash flow during the six months ended July 27, 2024 included an increase in other current assets of $405.5 million and inventories of $2.9 million. $9.1 million, respectively. Changes that provided operating cash flow during the six nine months ended July 27, 2024 October 26, 2024 included a net increase in income taxes payable/receivable, an increase in accrued liabilities, net, a decrease in contract assets, net, a decrease in other current assets and inventories and an increase in accounts payable an increase in accrued liabilities, of $22.4 million, $21.2 million, $19.2 million, $7.1 million and a decrease in other assets of $8.8 million $2.9 million, $2.6 million, and $0.3 million, respectively.

Days sales outstanding ("DSO") is calculated based on the ending balance of total current and non-current accounts receivable (including unbilled accounts receivable), net of the allowance for doubtful accounts, and current contract assets, net of contract liabilities, divided by the average daily revenue for the most recently completed quarter. Long-term contract assets are excluded from the calculation of DSO, as these amounts represent payments made to customers pursuant to long-term agreements and are recognized as a reduction of contract revenues over the period for which the related services are provided to the customers. Including these balances in DSO is not meaningful to the average time to collect accounts receivable and current contract asset balances. Our DSO was 117 119 as of July 27, 2024 October 26, 2024 compared to 111 121 as of July 29, 2023 October 28, 2023.

See Note 6, *Accounts Receivable, Contract Assets, and Contract Liabilities*, for further information on our customer credit concentration as of July 27, 2024 October 26, 2024 and January 27, 2024 and Note 19, *Customer Concentration and Revenue Information,* for further information on our significant customers. We believe that none of our significant customers were experiencing financial difficulties that would materially impact the collectability of our total accounts receivable and contract assets, net as of July 27, 2024 October 26, 2024 or January 27, 2024.

During the six nine months ended July 29, 2023 October 28, 2023, net cash used in operating activities was $28.8 $66.1 million. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used $234.4 $402.0 million of operating cash flow during the six nine months ended July 29, 2023 October 28, 2023. Changes that used operating cash flow during the six nine months ended July 29, 2023 October 28, 2023 included an increase in accounts receivable, and a decrease in income taxes payable/receivable, an increase in contract assets, net, an increase in income taxes receivable, and an increase in other current assets and inventories, of $148.7 $361.1 million, $32.0 million $14.6 million, $21.6 million, $11.3 million and $15.2 $5.7 million, respectively. In addition, changes that used operating cash flow during the six nine months ended July 29, 2023 October 28, 2023 included a decrease in accrued liabilities of $14.2 million $6.6 million and accounts payable, net of $6.1 million $3.5 million. A decrease in other assets of $3.4 million $0.7 million provided operating cash flow during the six nine months ended July 29, 2023 October 28, 2023.

Cash Used in Investing Activities. Net cash used in investing activities was $119.0 $335.4 million during the six nine months ended July 27, 2024 October 26, 2024 compared to $73.6 $253.5 million during the six nine months ended July 29, 2023 October 28, 2023. During the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, capital expenditures were $107.4 $182.0 million and $93.9 $161.1 million, respectively. Additionally, we acquired the assets of two telecommunications construction contractors respectively, and cash paid for $33.8 million. acquisitions was $183.9 million amd $122.9 million, respectively. These expenditures were offset in part by proceeds

from the sale of assets of $22.2 $30.4 million and $20.3 $30.5 million during the six nine months ended July 27, 2024 October 26, 2024 and July 29, 2023 October 28, 2023, respectively.

Cash Provided by (Used in) Financing Activities. Net cash provided by financing activities was $82.3 $228.7 million during the six nine months ended July 27, 2024 October 26, 2024. During the six nine months ended July 27, 2024 October 26, 2024, borrowings and repayments under our Credit Agreement were $282.4 million $755.4 million and $147.4 $465.4 million, respectively. We paid approximately $6.6 million $6.7 million in issuance costs and third party fees and expenses related to our financing transactions. In addition, we repurchased 210,000 shares of our common stock in open market transactions, at an average price of $141.84 per share, for $29.8 million, during the six nine months ended July 27, 2024 October 26, 2024. We also paid $16.3 $16.9 million, net to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the six nine months ended July 27, 2024 October 26, 2024. This was partially offset by In addition, we paid $8.0 million, net, to tax authorities for payroll tax withholding obligations on the exercise of stock options, which provided $0.1 million during the six months ended July 27, 2024. options.

Net cash used in provided by financing activities was $38.4 $111.1 million during the six nine months ended July 29, 2023 October 28, 2023. During the nine months ended October 28, 2023, borrowings under our credit agreement were $475.0 million. We used approximately $334.1 million to repay borrowings under our Credit Agreement. We repurchased 225,000 shares of our common stock in open market transactions, at an average price of $90.21 per share, for $20.3 million, during the six nine months ended July 29, 2023 October 28, 2023. We also paid $9.7 $9.8 million to tax authorities in order to meet the payroll tax withholding obligations on restricted share units that vested during the six nine months ended July 29, 2023 October 28, 2023. In addition, we used approximately $8.8 million to repay term loan borrowings under our Credit Agreement. This was partially offset by the exercise of stock options, which provided $0.3 million during the six nine months ended July 29, 2023 October 28, 2023.

Compliance with Credit Agreement. We are party to an amended and restated credit agreement, dated as of October 19, 2018, with the various lenders party thereto and Bank of America, N.A., as administrative agent (as amended on April 1, 2021, May 9, 2023, and May 15, 2024, the “Credit Agreement”). On May 15, 2024, we amended and restated the Credit Agreement to, among other things, increase the term loan facility and extend the maturity date. The Credit Agreement includes a revolving facility with a maximum revolver commitment of $650.0 million and a term loan facility in the principal amount of $450.0 million. The Credit Agreement also includes a $200.0 million sublimit for the issuance of letters of credit and a $50.0 million sublimit for swingline loans. The maturity of the Credit Agreement is January 15, 2029.

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

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

Borrowings - Term SOFR Loans	1.375% - 2.00% plus Term SOFR
Borrowings - Base Rate Loans	0.375% - 1.00% plus Base rate(1)
Unused Revolver Commitment	0.20% - 0.40%
Standby Letters of Credit	1.375% - 2.00%
Commercial Letters of Credit	0.6875% - 1.00%

(1) Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative

agent's prime rate, and (iii) the Term Secured Overnight Financing Rate ("SOFR") plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero.

Standby letters of credit of approximately $47.5 million, issued as part of our insurance program, were outstanding under our Credit Agreement as of both July 27, 2024 October 26, 2024 and January 27, 2024.

The weighted average interest rates and fees for balances under our Credit Agreement as of July 27, 2024 October 26, 2024 and January 27, 2024 were as follows:

		Weighted Average Rate End of Period					
		July 27, 2024			January 27, 2024		
		October 26, 2024			January 27, 2024		
Borrowings - Term loan facility	Borrowings - Term loan facility	6.93%		7.06%	Borrowings - Term loan facility	6.20%	7.06%
Borrowings - Revolving facility(1)	Borrowings - Revolving facility(1)	—%		—%	Borrowings - Revolving facility(1)	6.89%	—%
Standby Letters of Credit	Standby Letters of Credit	1.50%		1.63%	Standby Letters of Credit	1.50%	1.63%
Unused Revolver Commitment	Unused Revolver Commitment	0.25%		0.30%	Unused Revolver Commitment	0.25%	0.30%

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

Our Credit Agreement contains a financial covenant that requires us to maintain a consolidated net leverage ratio of not greater than 3.50 to 1.00 as measured at the end of each fiscal quarter, and provides for certain increases to this ratio in connection with permitted acquisitions. The consolidated net leverage ratio is the ratio of our consolidated indebtedness reduced by unrestricted cash and cash equivalents in excess of $25.0 million to our trailing four-quarter consolidated earnings before interest, taxes, depreciation, and amortization as defined by our Credit Agreement. The Credit Agreement also contains a financial covenant that requires us to maintain a consolidated interest coverage ratio, which is the ratio of our trailing four-quarter consolidated EBITDA to our consolidated interest expense, each as defined by our Credit Agreement, of not less than 3.00 to 1.00, as measured at the end of each fiscal quarter. At July 27, 2024 October 26, 2024 and January 27, 2024, we were in compliance with the financial covenants of our Credit Agreement and had borrowing availability under our revolving facility of $447.5 million and $602.5 million, for both periods respectively, as determined by the most restrictive covenant. For calculation purposes, applicable cash on hand is netted against the funded debt amount as permitted in the Credit Agreement.

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

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

Contractual Obligations. The following table sets forth our outstanding contractual obligations as of July 27, 2024 October 26, 2024 (dollars in thousands):

	Due less than 1 Year	Due Thereafter	Total	Due less than 1 Year	Due Thereafter	Total
2029 Notes						
Credit agreement – term loan facility						
Credit agreement – term loan facility						
Credit agreement – revolving facility						
Credit agreement – term loan facility						
Fixed interest payments on long-term debt(1)						
Obligations under long-term operating leases(2)						
Obligations under short-term operating leases(3)						
Employment agreements						

Purchase and other contractual obligations(4)

Total

(1) Includes interest payments on our $500.0 million principal amount of 2029 Notes outstanding, and excludes interest payments on our variable rate debt. Variable rate debt as of July 27, 2024 October 26, 2024 consisted of $450.0 million outstanding under our term loan facility and $155.0 million outstanding under our revolving facility.

(2)Amounts represent undiscounted lease obligations under long-term operating leases and exclude long-term operating leases that have not yet commenced as of July 27, 2024 October 26, 2024. See Note 12, *Leases*, for further information.

(3)Amounts represent lease obligations under short-term operating leases that are not recorded on our condensed consolidated balance sheet as of July 27, 2024 October 26, 2024.

(4)We have committed capital for the expansion of our vehicle fleet in order to accommodate manufacturer lead times. As of July 27, 2024 October 26, 2024, purchase and other contractual obligations includes approximately $114.0 million $88.9 million for issued orders with delivery dates scheduled to occur over the next 12 months.

Our condensed consolidated balance sheet as of July 27, 2024 October 26, 2024 includes a long-term liability of approximately $55.2 $51.2 million for accrued insurance claims. This liability has been excluded from the table above as the timing of payments is uncertain.

The liability for unrecognized tax benefits for uncertain tax positions was approximately $17.6 19.0 million and $17.6 million as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively, and is included in other liabilities in the condensed consolidated balance sheets. This amount has been excluded from the contractual obligations table because we are unable to reasonably estimate the timing of the resolution of the underlying tax positions with the relevant tax authorities.

Performance and Payment Bonds and Guarantees. We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our contractual obligations. We had $422.4 $416.0 million and $409.6 million of outstanding performance and other surety contract bonds, as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively. The estimated cost to complete projects secured by our outstanding performance and other surety contract bonds was approximately $202.0 million $197.8 million as of July 27, 2024 October 26, 2024. In addition to performance and other surety contract bonds, as part of our insurance program we also provide surety bonds that collateralize our obligations to our insurance carriers. As of July 27, 2024 October 26, 2024 and January 27, 2024, we had $24.1 million and $20.4 million, respectively, of outstanding surety bonds related to our insurance obligations. Additionally, the Company periodically guarantees certain obligations of its subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property and equipment.

Letters of Credit. We have standby letters of credit issued under our Credit Agreement as part of our insurance program. These letters of credit collateralize obligations to our insurance carriers in connection with the settlement of potential claims. In connection with these collateral obligations, we had $47.5 million outstanding standby letters of credit issued under our Credit Agreement as of both July 27, 2024 October 26, 2024 and January 27, 2024.

Backlog. Backlog is not a measure defined by United States generally accepted accounting principles (“GAAP”) and should be considered in addition to, but not as a substitute for, GAAP results. Participants in our industry often disclose a

calculation of their backlog; however, our methodology for determining backlog may not be comparable to the methodologies used by others. We utilize our calculation of backlog to assist in measuring aggregate awards under existing contractual relationships with our customers. We believe our backlog disclosures will assist investors in better understanding this estimate of the services to be performed pursuant to awards by our customers under existing contractual relationships.

Our backlog is an estimate of the uncompleted portion of services to be performed under contractual agreements with our customers and totaled $6.834 billion $7.856 billion and $6.917 billion at July 27, 2024 October 26, 2024 and January 27, 2024, respectively. We expect to complete 56.0% 56.9% of the July 27, 2024 October 26, 2024 total backlog during the next twelve months. Our backlog represents an estimate of services to be performed pursuant to master service agreements and other contractual agreements over their terms. These estimates are based on contract terms and evaluations regarding the timing of the services to be provided. In the case of master service agreements, backlog is estimated based on the work performed in the preceding twelve month period, when applicable. When estimating backlog for newly initiated master service agreements and other long and short-term contracts, we also consider the anticipated scope of the contract and information received from the customer during the procurement process and, where applicable, other ancillary information. The majority of our backlog comprises services under master service agreements and other long-term contracts.

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

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

Our primary exposure to market risk relates to unfavorable changes in interest rates on our fixed-rate and variable-rate debt. Fluctuations in interest rates impact the fair value of our fixed-rate debt and interest expense on our variable-rate debt. At July 27, 2024 October 26, 2024, 53% 45% of our debt, on a gross basis, incurred interest at a fixed-rate and the remaining 47% 55% of the debt incurred interest at a variable-rate.

On April 1, 2021, we issued $500.0 million aggregate principal amount of 4.50% senior notes due 2029 (the "2029 Notes"). The 2029 Notes are guaranteed on a senior unsecured basis, jointly and severally, by all of our domestic subsidiaries that guarantee the Credit Agreement. The fair value of the fixed rate 2029 Notes will change with changes in market interest rates. Generally, the fair value of the fixed rate 2029 Notes will increase as interest rates fall and decrease as interest rates rise. The following table summarizes the carrying amount and fair value of the 2029 Notes, net of debt issuance costs. The fair value of the 2029 Notes is based on the closing trading price per $100 of the 2029 Notes as of the last day of trading (Level 2), which was $94.41 $94.79 and $92.49 as of July 27, 2024 October 26, 2024 and January 27, 2024, respectively (dollars in thousands):

	July 27, 2024	January 27, 2024
	October 26, 2024	January 27, 2024
Principal amount of 2029 Notes		
Less: Debt issuance costs		
Net carrying amount of 2029 Notes		

	July 27, 2024	January 27, 2024
	October 26, 2024	January 27, 2024
Fair value of principal amount of 2029 Notes		
Less: Debt issuance costs		
Fair value of 2029 Notes		

A hypothetical 50 basis point change in the market interest rates in effect would result in an increase or decrease in the fair value of the 2029 Notes of approximately $10.3 $10.1 million, calculated on a discounted cash flow basis as of July 27, 2024 October 26, 2024.

Our Credit Agreement permits borrowings at a variable rate of interest. On July 27, 2024 October 26, 2024, we had variable rate debt outstanding of $450.0 million of term loan borrowings under our Credit Agreement. Interest related to these borrowings fluctuates based on SOFR or the Base rate. The Base rate is described in the Credit Agreement as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the administrative agent's prime rate, and (iii) the Eurodollar rate plus 1.00% and, if such rate is less than zero, such rate shall be deemed zero. At the current level of borrowings, for every 50 basis point change in the interest rate, interest expense associated with such borrowings would correspondingly change by approximately $2.3 million $3.0 million annually.

Item 4. *Controls and Procedures.*

Disclosure Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of July 27, 2024 October 26, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of
July 27, October 26, 2024, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and (2) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

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

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings.*

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

Item 1A. ***Risk Factors.***

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

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

(a) During the three months ended July 27, 2024 October 26, 2024, the Company did not sell any equity securities that were not registered under the Securities Act of 1933.

(b) Not applicable.

(c) The following table summarizes the Company's purchase of its common stock during the three months ended July 27, October 26, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April July 28, 2024 - May 25, 2024 August 24, 2024	—	$	—	—	(3)
May 26, August 25, 2024 - June 22, 2024 September 21, 2024	—	$	—	—	(3)
June 23, September 22, 2024 - July 27, 2024 October 26, 2024	—	$	—	—	(3)

(1) All shares repurchased have been subsequently canceled.

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

(3) *Repurchases of Common Stock.* On August 23, 2023 the Company announced that its Board of Directors authorized a new $150 million program to repurchase shares of the Company's outstanding common stock through February 2025 in open market or private transactions. During the three months ended July 27, 2024 October 26, 2024, the Company did not repurchase any shares of its own common stock. As of July 27, 2024 October 26, 2024, $90.9 million of the authorization was available for repurchases.

Item 5. ***Other Information.***

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

During the six three months ended July 27, 2024 October 26, 2024, our directors and officers (as defined in Rule 16a-1(f) of the Securities and Exchange Act of 1934, as amended) did not adopt, terminate or modify Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

Item 6. ***Exhibits.***

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

Exhibit Number	
10.1* 3.1	Fourth Amended and Restated By-Laws of Dycom Industries, Inc., as amended August 20, 2024 (incorporated by reference to Exhibit 3.1 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on August 23, 2024).
10.1*	Employment Agreement by and between Dycom Industries, Inc. and Steven Nielsen, Kevin M. Wetherington, dated as of June 14, 2024 October 7, 2024 (incorporated by reference to Exhibit 10.1 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on June 17, 2024).
10.2*	Employment Agreement by and between Dycom Industries, Inc. and Daniel S. Peyovich, dated as of June 14, 2024 (incorporated by reference to Exhibit 10.2 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on June 17, 2024).
10.3	Second Amended and Restated Credit Agreement, dated as of May 15, 2024, among Dycom Industries, Inc. as the Borrower, the guarantors party thereto, the lenders named therein, Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, and the other parties named therein (incorporated by reference to Exhibit 10.1 to Dycom Industries, Inc.'s Current Report on Form 8-K filed with the SEC on May 17, 2024 October 7, 2024).
31.1 +	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 +	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 ++	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 ++	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 +	The following materials from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 27, 2024 October 26, 2024, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to Condensed Consolidated Financial Statements.
104 +	The cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 27, 2024 October 26, 2024, formatted in Inline XBRL (included as Exhibit 101)
+	Filed herewith
++	Furnished herewith
*	Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

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

DYCOM INDUSTRIES, INC.

Registrant

Date: August 22, November 21, 2024	/s/ Steven E. Nielsen
	Name: Steven E. Nielsen
	Title: President and Chief Executive Officer
Date: August 22, November 21, 2024	/s/ H. Andrew DeFerrari
	Name: H. Andrew DeFerrari
	Title: Senior Vice President and Chief Financial Officer

Exhibit 31.1

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

I, Steven E. Nielsen, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 22, November 21, 2024

/s/ Steven E. Nielsen

Steven E. Nielsen
President and Chief Executive Officer

Exhibit 31.2

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

I, H. Andrew DeFerrari, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 22, November 21, 2024

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari

Senior Vice President and Chief Financial Officer

Exhibit 32.1

DYCOM INDUSTRIES, INC.

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

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending July 27, 2024 October 26, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

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

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

Date: August 22, November 21, 2024

/s/ Steven E. Nielsen

Steven E. Nielsen

President and Chief Executive Officer

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

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

Exhibit 32.2

DYCOM INDUSTRIES, INC.

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

In connection with the Quarterly Report of Dycom Industries, Inc. (the "Company") on Form 10-Q for the period ending July 27, 2024 October 26, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies that to the best of his knowledge:

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

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

Date: August 22, November 21, 2024

/s/ H. Andrew DeFerrari

H. Andrew DeFerrari

Senior Vice President and Chief Financial Officer

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

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

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.