



TETRA TECH

Q2 25 Earnings Call

May 8, 2025

Dan Batrack, Chairman & CEO

Steve Burdick, Executive VP & CFO

Leslie Shoemaker, Executive VP

Joseph Fong, High Performance Buildings Lead

WATER & ENVIRONMENT

Forward-Looking Statements & Non-GAAP Financial Measures

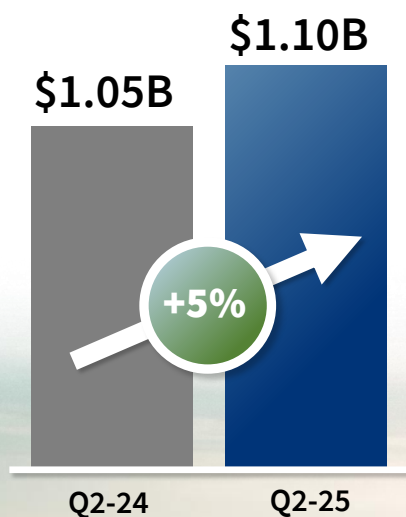


All statements in this communication other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, risk profile and investment strategies, and any statements regarding future economic conditions or performance, and the expected financial and operational results of Tetra Tech. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. These statements involve risks and uncertainties, such as those related to fluctuations in Tetra Tech’s quarterly operating results and stock price, and the other risks detailed from time to time in Tetra Tech’s SEC reports. Any forward-looking statements are made as of the date hereof. We do not intend, and undertake no obligation, to update any forward-looking statement.

To supplement the financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we present certain non-GAAP financial measures within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended. We provide these non-GAAP financial measures because we believe they provide a valuable perspective on our financial results. However, non-GAAP measures have limitations as analytical tools and should not be considered in isolation and are not in accordance with, or a substitute for, GAAP measures. In addition, other companies may define non-GAAP measures differently which limits the ability of investors to compare non-GAAP measures of Tetra Tech to those used by our peer companies. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is available at tetratech.com/investors.

Q2-25 Results

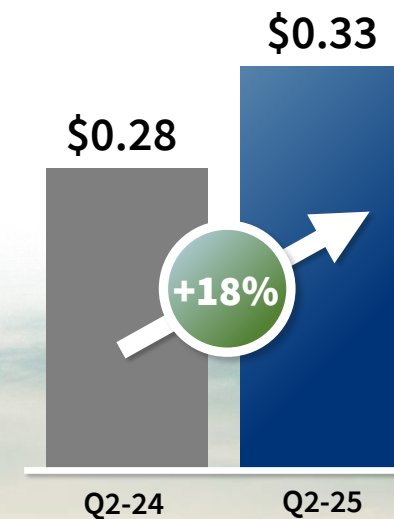
Net Revenue



Operating Income*




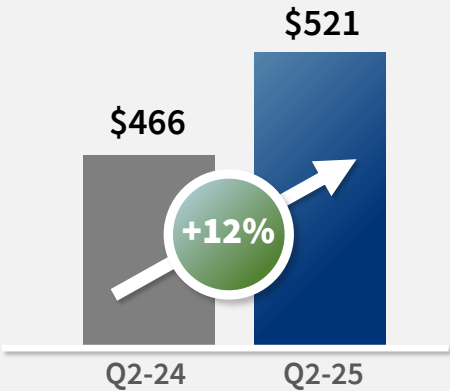

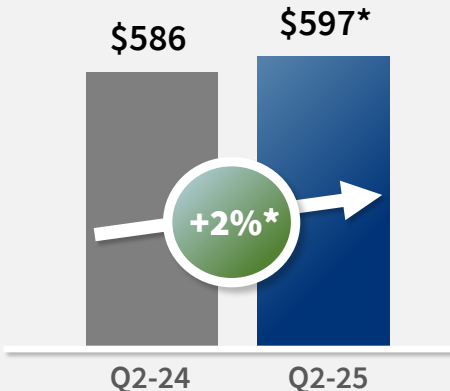
EPS*



*Refer to appendix for reconciliation summary.





Double-digit Growth in Profitability

Q2-25 Performance by Segment

Segment	Net Revenue (\$M)	OI Margin (%)	Comments
 GSG	 <p>\$466 \$521 +12% Q2-24 Q2-25</p>	13.8%	<ul style="list-style-type: none"> • Disaster Response up • Digital Water up • USAID + DoS down
 CIG	 <p>\$586 \$597* +2%* Q2-24 Q2-25</p>	13.2%	<ul style="list-style-type: none"> • U.S. Environmental up • U.K. Water up • Australia Infrastructure down

*Based on constant currency

Q2-25 Net Revenue by Customer

	Total		w/o USAID + DoS		
Customer	% of Net Rev.	Net Rev. Y/Y	% of Net Rev.	Net Rev. Y/Y	Comments
 U.S. Federal	30%	+1%	20%	+16%	<ul style="list-style-type: none"> • Defense / US Army Corps of Engineers up • USAID + DoS down
 U.S. State & Local	15%	+44%*	17%	+44%*	<ul style="list-style-type: none"> • Disaster Response up • Digital Solutions up
 U.S. Commercial	17%	+5%	20%	+5%	<ul style="list-style-type: none"> • Environmental Remediation up • High-voltage Transmission up
 International	38%	+1%**	43%	+1%**	<ul style="list-style-type: none"> • U.K. Planning and Design up • Australia Infrastructure down

Q2-25 Backlog

Book-to-Bill of 1.1x*

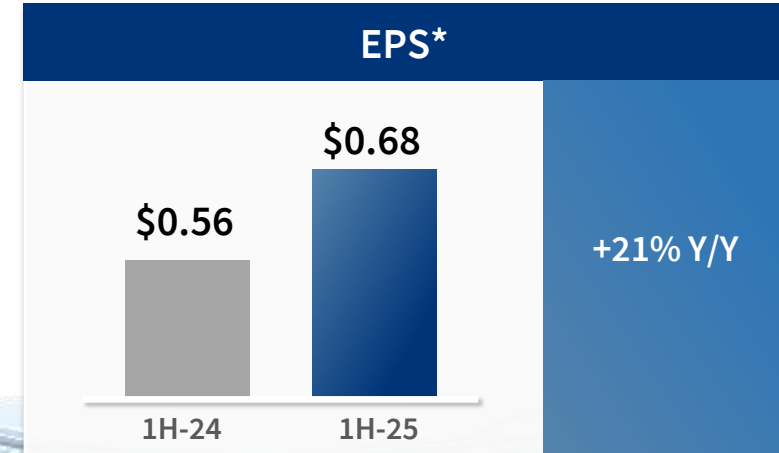
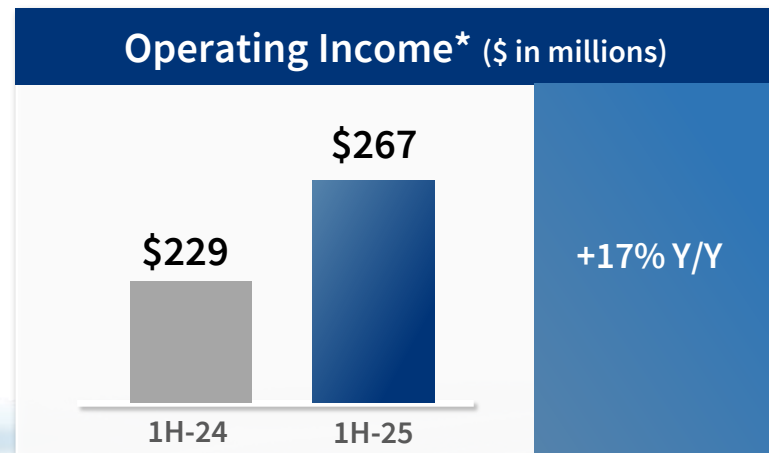
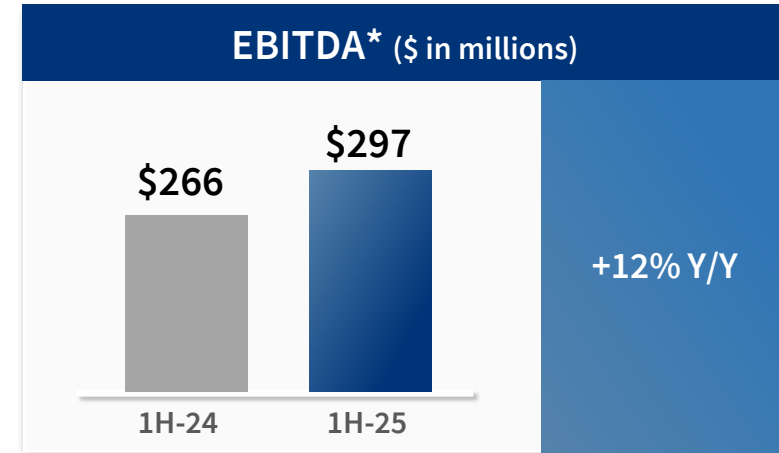
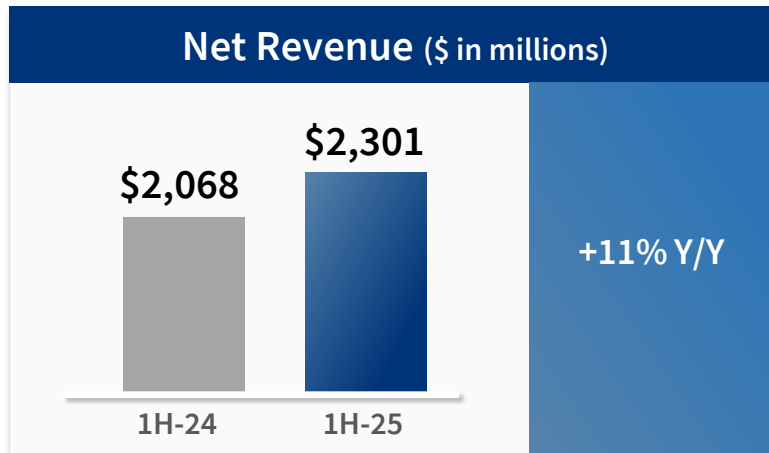
Total Backlog: \$4.31B



*Excluding USAID + DoS

- **\$416 million** five-year multiple award contracts for environmental engineering services for USACE Honolulu
- **\$249 million** five-year multiple award contract for environmental engineering services for USACE Mobile
- **\$240 million** five-year multiple award contract for environmental engineering services for USACE Middle East
- **£42 million** five-year multiple award contract for stormwater management services for a U.K. water utility
- **\$48 million** five-year multiple award contract for environmental engineering services for USACE Huntsville
- **\$46 million** three-year multiple award contract for planning and engineering services for USACE Los Angeles
- **£36 million** three-year multiple award contract for environmental services for Severn Trent Water in the U.K.

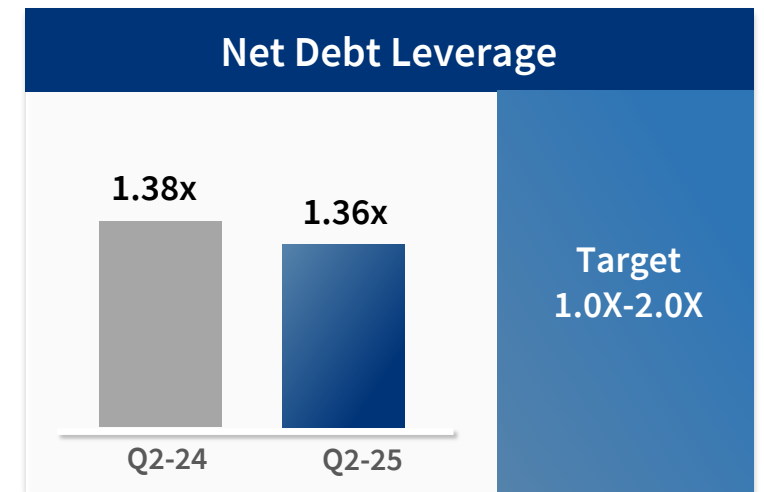
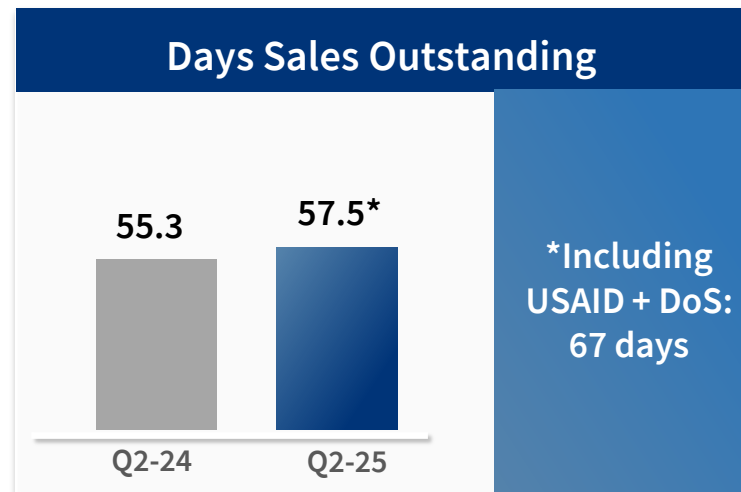
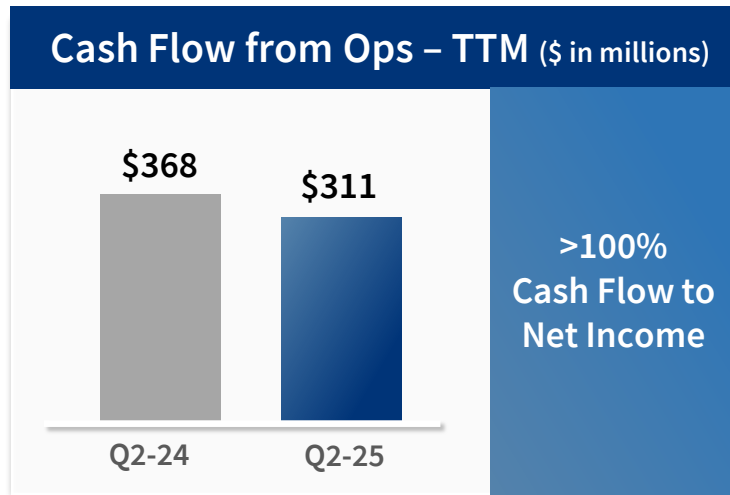
Financial Overview (1H-25)



*Refer to appendix for reconciliation summary.

Earnings Increases Continue to Exceed Net Revenue Growth

Q2-25 Financial Overview



Strong Cash Flow from Operations and Lower Debt Leverage

Capital Allocation



**Debt &
Liquidity
Available
\$2.2B**

Debt Facilities

- Credit Facility increased to \$1.5B through 2030
- Reduced interest rate by 50 bps Y/Y
- Convertible Debt of \$575M at fixed rate at 2.25%

Organic Growth Initiatives & Acquisitions

- Technical innovation and further AI applications
- Water & Environment focus in key geographies
- Acquisition of Carron + Walsh and SAGE Group

Dividends & Stock Buyback

- Double digit Y/Y dividend growth: FY25 increase 12%
- Stock buyback: Q2/25 \$150M; YTD \$175M
- Increased approved stock buyback: \$673M available

U.S. Defense and Civil Works Worldwide

Tetra Tech FY25 Wins add >\$5 Billion in New Defense Contract Capacity

- **\$2.5 billion** U.S. Air Force/DLA
 - **\$1.5 billion** U.S. Air Force/CEC
 - **\$416 million** USACE Honolulu
 - **\$249 million** USACE Mobile
 - **\$240 million** USACE Middle East
 - **\$48 million** USACE Huntsville
 - **\$46 million** USACE Los Angeles
 - **\$23 million** USACE Omaha
- **FY26 Defense budget request \$1 Trillion up 13%**
 - US Army Corps of Engineers districts serve dual mission of Defense and Civil works
 - U.S. Priorities for Defense: Middle East and Pacific Ocean Division
 - U.S. Priorities for Civil Works: Water Infrastructure, Water Supply Dams & Reservoirs, Flood Protection Structures and Levees, In-land Waterways and Locks, and Ports & Harbors



U.S. ARMY



US Army Corps
of Engineers®



U.S. S&L / Municipal Water Programs Worldwide



Funded by State Bonds and User Rates



U.S. Municipal Water ENR #1 Water Treatment



High-end Water Treatment Wins:

- Cape Coral – Brackish Water Treatment Plant
- Oklahoma's First Indirect Potable Reuse Facility
- Wastewater Treatment Modernization in Massachusetts

Key state funding:

- \$10B new water bond passed in California
- Florida: \$1.5 billion for Everglades and water quality
- Texas Water Fund : \$1 billion a year toward water projects



Water Utilities U.K./Ireland



Recent Wins:

- £42 million for stormwater management for a U.K. water utility
- £36 million for water infrastructure for Severn Trent Water
- Ireland's National Water Utility - Resilient Water Infrastructure

Funding:

- £104 billion funded in U.K. current AMP8 cycle
- Ireland funds 1st of kind water supply (€16.9 billion)



WATERNET™

Csoft



Water & Energy Differentiator for Data Centers

Water Sourcing and Treatment

Essential Secure Water Supply



Data Center

Innovation in AI-Computing &
Race to Liquid Cooling Design

\$500B spend by 2027



Energy “All Sources Needed”

Essential Power & Transmission



Sage Automation to Join Tetra Tech *Advances Digital Strategy*



Tetra Tech Digital Systems



First-of-their-kind water automation applications

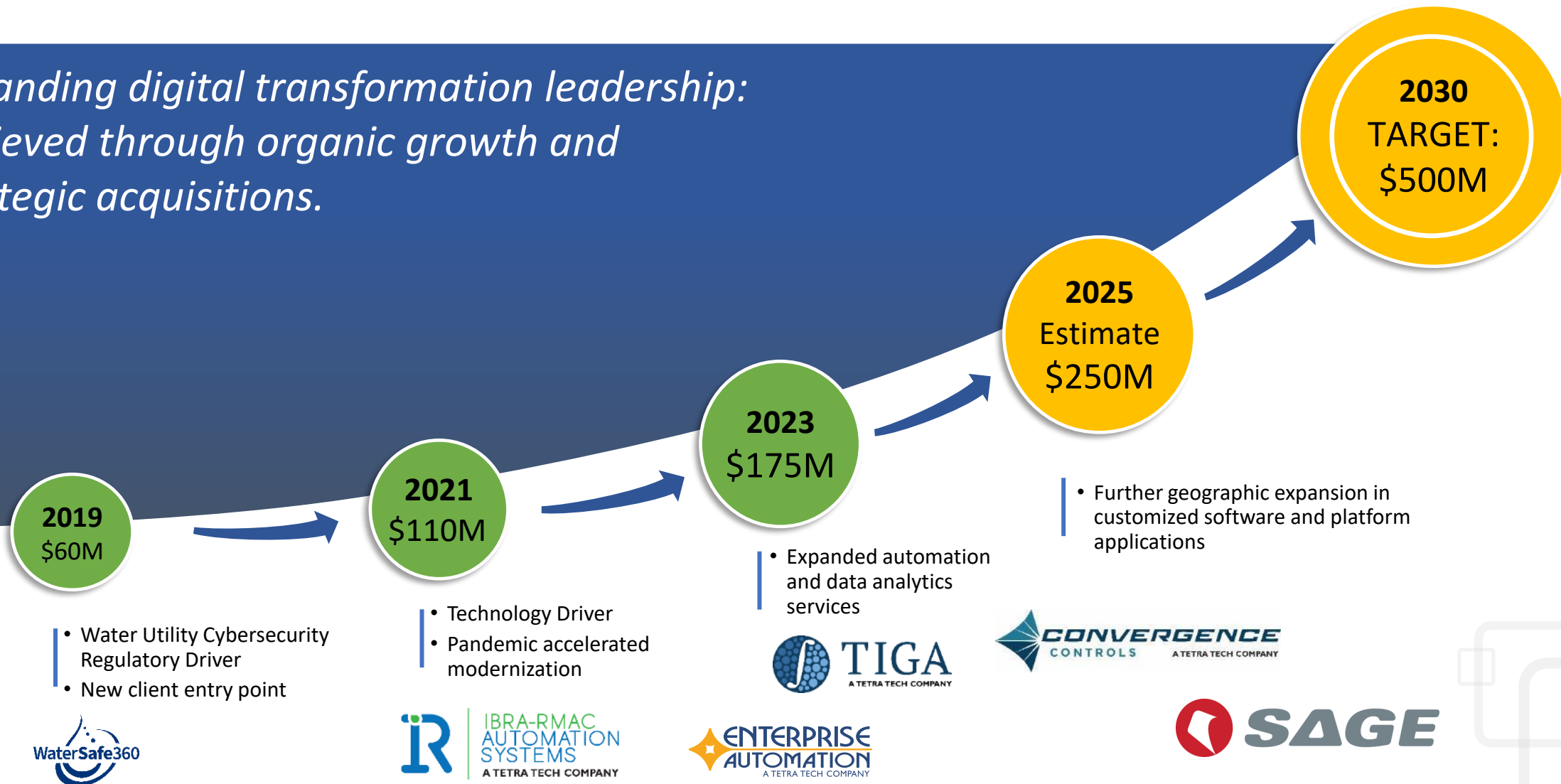


- A leader in automation and digital transformation
- Adds 800 digital automation experts
- Expands offerings to new clients in water, defense and manufacturing markets
- Enhances Tetra Tech's automation expertise and adds AI-enabled technology



Digital Systems Growth Strategy

*Expanding digital transformation leadership:
achieved through organic growth and
strategic acquisitions.*

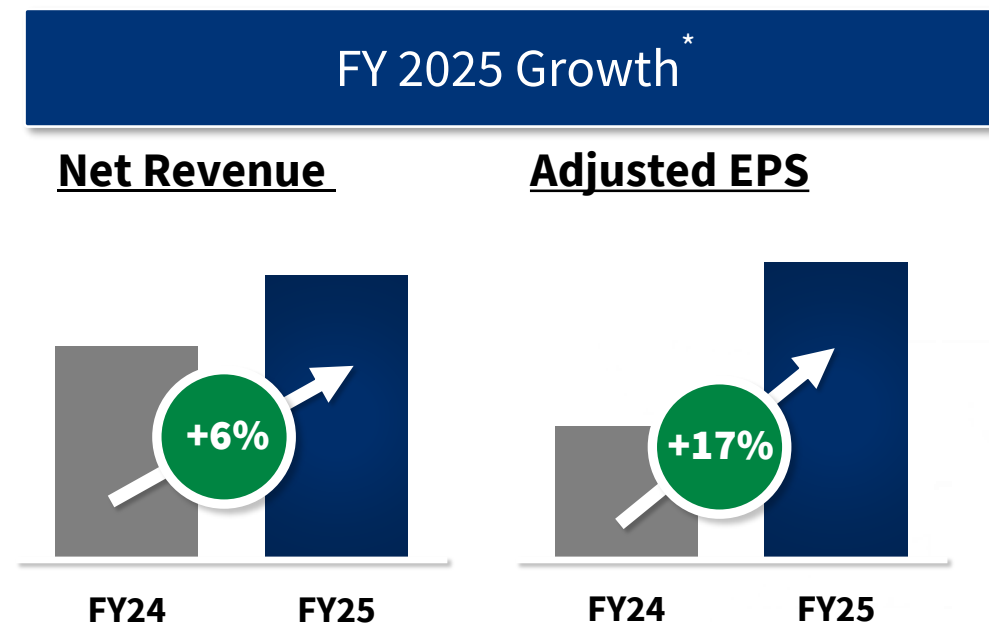


Guidance

	Net Revenue	Adjusted EPS
Q3-25	\$1.10B - \$1.20B	\$0.35 - \$0.40
FY-25	\$4.400B - \$4.765B	\$1.42 - \$1.52

Assumptions FY-25

- Intangible amortization of \$35M or \$0.09 per share
 - Q3-25: \$8M, Q4-25: \$8M
- Effective tax rate: 27.5%
- Depreciation of \$24M
- Interest Expense of \$34M-\$38M
- 267 million average diluted shares
- Excludes contributions from future acquisitions and the impact of legal settlements or purchase accounting adjustments



*Midpoint of the range

Summary

- Record second quarter and first-half performance
- Strong demand from municipal and commercial clients for our differentiated water services
- SAGE Group expands our global digital systems and automation practice
- New \$1.5 billion credit facility supports capital allocation strategy



TETRA TECH

Questions & Answers

WATER & ENVIRONMENT

Appendix

FY25 GAAP Reconciliation Summary

(\$ in millions, except EPS)



Q2-25

	Operating Income	EBITDA	Cash Flow	EPS
GAAP	\$40	\$54	(\$6)	\$0.02
Legal contingency	-	-	57	-
Goodwill impairment	92	92	-	0.31
Contingent consideration	(2)	(2)	-	-
Adjusted	\$130	\$144	\$51	\$0.33

1H-25

	Operating Income	EBITDA	Cash Flow	EPS
GAAP	\$62	\$92	\$7	\$0.02
Legal contingency	115	115	57	0.35
Goodwill impairment	92	92	-	0.31
Contingent consideration	(2)	(2)	-	-
Adjusted	\$267	\$297	\$64	\$0.68

Historical Summary Without USAID and DoS

(\$ in millions)



	FY22	FY23	FY24
Revenue	\$3,047	\$3,877	\$4,406
Net Revenue	\$2,497	\$3,240	\$3,677
EBITDA, % of Net Revenue	13.2%	13.5%	14.3%
Backlog	\$3,180	\$3,882	\$4,266