

Bowman

Q2 2023 EARNINGS CALL | AUGUST 8, 2023 | NASDAQ: BWMN



BUILDING INFRASTRUCTURE



TRANSPORTATION



POWER & UTILITIES



ENERGY



WATER RESOURCES

Disclaimer



Please note that many of the comments made today are considered forward-looking statements under federal securities laws.

As described in our filings with the SEC, these statements are subject to numerous risks and uncertainties that could cause future results to differ from those expressed, and we are not obligated to publicly update or revise these forward-looking statements. In addition, on today's call, we will discuss certain non-GAAP financial information such as Adjusted EBITDA and Net Service Billing.

You can find this information, together with the reconciliations to the most directly comparable GAAP information in yesterday's earnings press release and our 8-K filed with the SEC and on our website at [bowman.com](https://www.bowman.com).

Q2 2023 Conference Call

Gary Bowman

Chairman & CEO

Bruce Labovitz

Chief Financial Officer

Q2 2023 Highlights

- \$73.8 Million Net Revenue, Up 31% from Q2 2022
- 12% Net-Service Billing Organic Growth YoY
- Adjusted EBITDA of \$11.1 Million, Up 46% from Q2 2022
- Successfully Diversifying Revenue Sources
- Strong New Orders and Industry Momentum
- Backlog Growth of 43% YoY
- Completed Five Acquisitions in Q2
- Acquisition Pipeline Remains Robust

Acquisition Overview



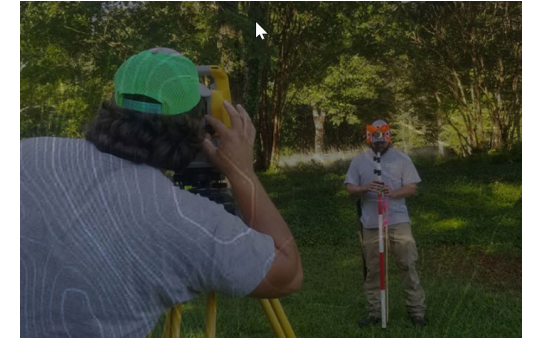
FIRE PROTECTION



**ENGINEERING, SURVEY
TRANSPORTATION,
WATER RESOURCES,
LANDSCAPE ARCHITECTS**



**ENGINEERING, PLANNING,
CONSTRUCTION MGMT,
ENVIRONMENTAL,
MUNICIPAL SERVICES**



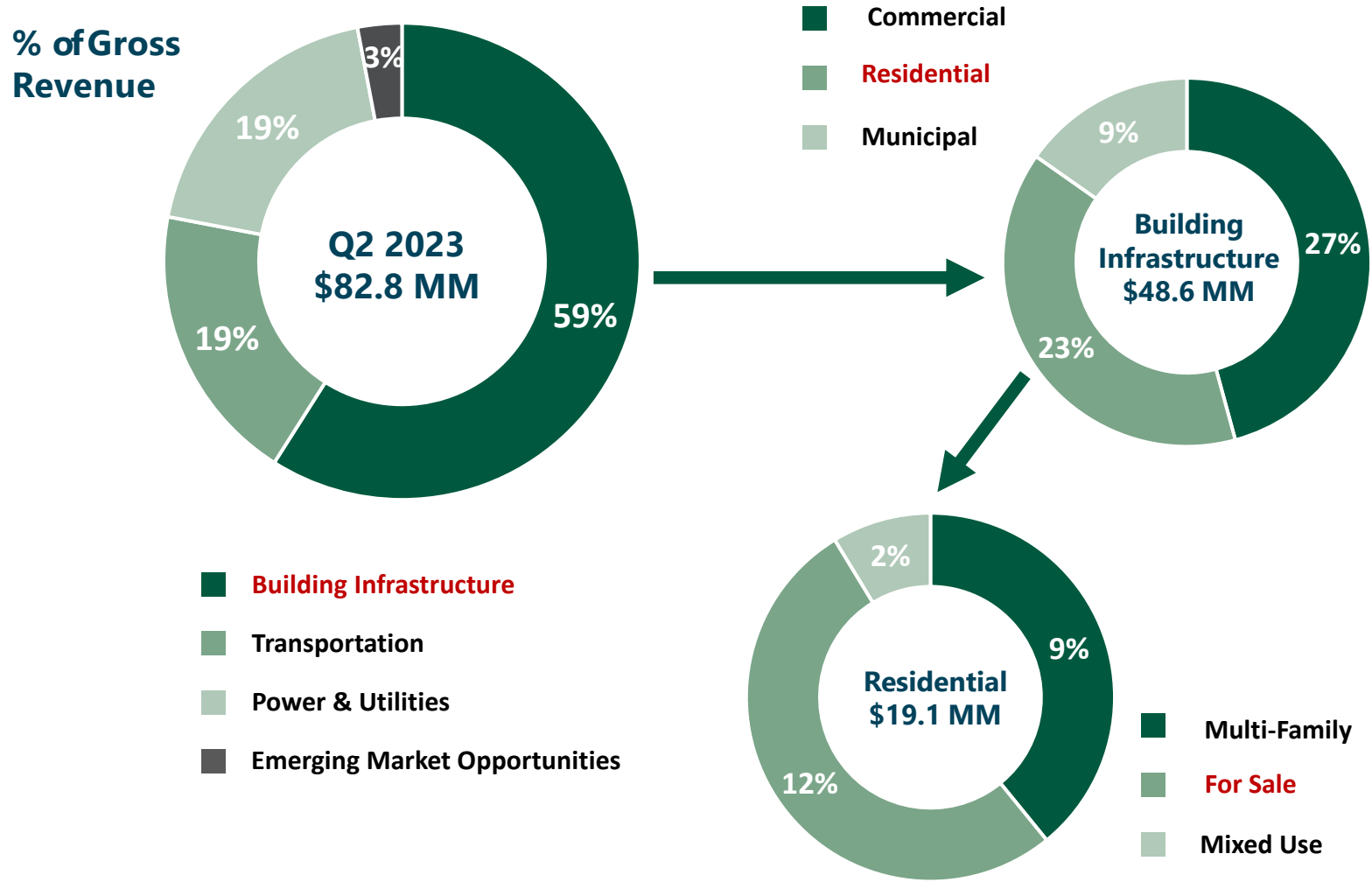
SURVEY/GEOSPATIAL

- 23 acquisitions since IPO
- FY'22 bought ~\$60 million of net service billing at an avg multiple of < 7X

- YTD'23 bought > \$36 million of net service billing
- Added approximately 250 new professionals from FY'23 acquisitions

- Experiencing revenue synergy success through integration
- Increasing utilization through work-sharing and collaboration

Q2 2023 Highlights – Revenue Composition



- **33% Gross Revenue Growth**
- **13% Organic Growth in Gross Revenue**
- **31% Net Revenue Growth**
- **12% Organic Growth in Net Revenue**

Financial Highlights

Q2 2023 Compared To Q2 2022

Dollars in Millions

For the Three Months Ended June 30,

	2023	2022	Change
Gross Contract Revenue	\$82.8	\$62.4	+33%
Net Service Billing ¹	\$73.8	\$56.4	+31%
Gross Margin	50.5%	50.2%	+30 bps
SG&A % of GCR	46.3%	45.0%	+130 bps

Dollars in Millions

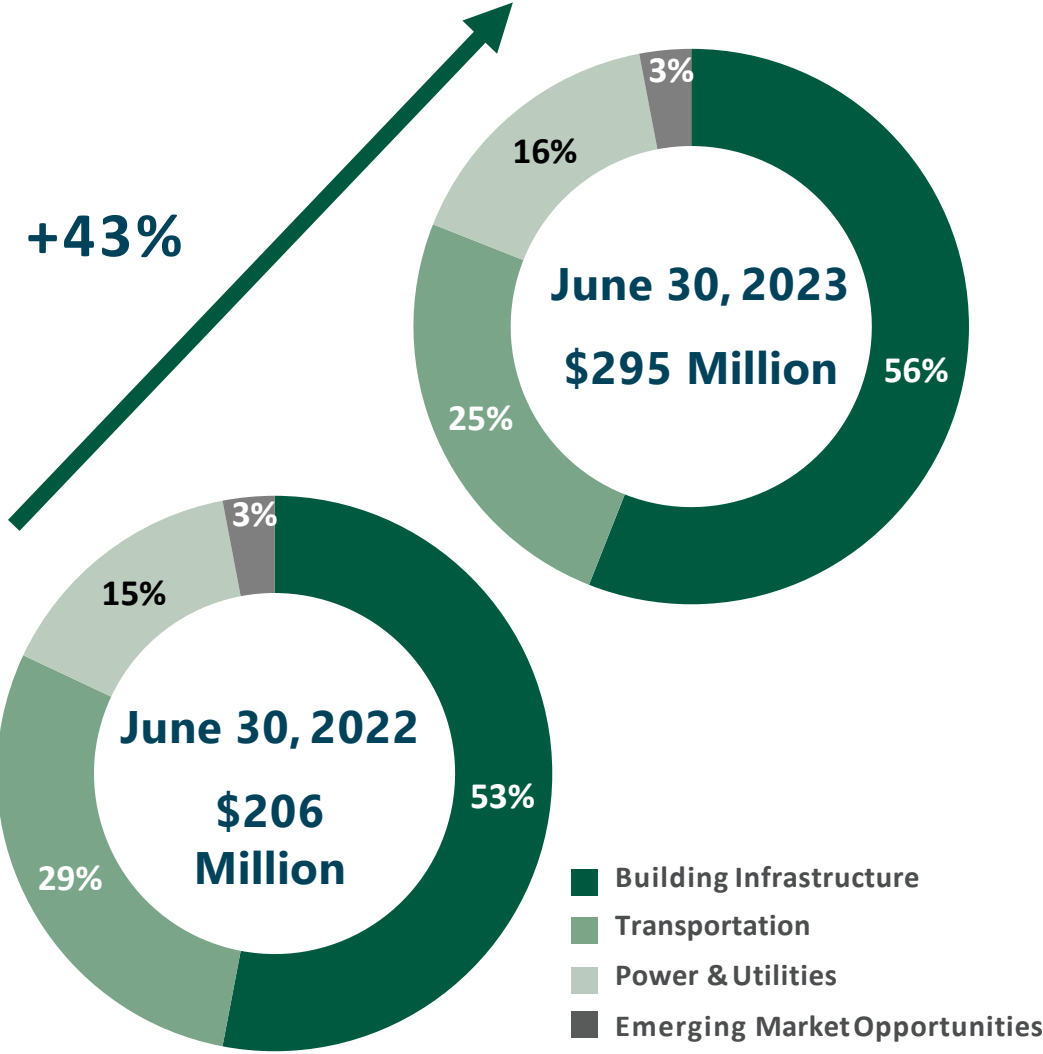
For the Three Months Ended June 30,

	2023	2022	Change
Non-Cash Stock Compensation	\$6.9	\$4.0	+73%
Net Income (Loss)	\$(0.6)	\$(0.3)	-100%
Adjusted EBITDA ¹	\$11.1	\$7.6	+46%
Adjusted EBITDA Margin, Net ¹	15.0%	13.4%	+160 bps

¹ Non-GAAP financial metrics — See Non-GAAP tables in the corresponding press release for reconciliations

Gross Backlog

Civil & Site Engineering	Construction Management	Energy Efficiency	Electrical Engineering
Facility Commissioning	Geospatial Engineering	Landscape Architecture	Land/Easement Procurement
Plumbing Engineering	Structural Engineering	Surveying	Transportation Engineering
Environmental Consulting	Mechanical Engineering	Water Resources	Right-of-Way



Balance Sheet & Capitalization

Cash & Leverage

- \$10 Million Cash Position
- \$61 Million Net Debt
- 1.5x Net Leverage Ratio
- \$13 Million Net from Operating Activities prior to Working Capital Changes

Capital Structure

- Bank of America Revolver increased to \$70 Million
- Limited Exposure to Interest Rate Volatility
- 14.6 Million Total Outstanding Shares
- Low Cap Ex - \$0.6 Million of Capital Asset Investment
- Continue to Structure M&A with Cash, Seller Notes and Equity



Guidance History

Increasing FY 2023 Guidance

Issued	FY 2023 Net Revenue	Adjusted EBITDA
November 2022	\$270 - \$290 MM	\$42 - \$48 MM
March 2023	\$280 - \$295 MM	\$43 - \$49 MM
May 2023	\$285 - \$300 MM	\$44 - \$50 MM
August 2023	\$300 - \$315 MM	\$47 - \$52 MM

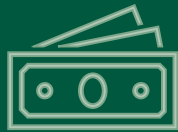
Guidance Includes Acquisitions Completed to Date Only

End Market Highlights

Q2 2023 – % Gross Revenue | Change

58.7% +\$6.0 MM	19.2% +\$6.6 MM	18.8% +\$6.3 MM	3.3% +\$1.5 MM	
				
<p align="center">BUILDING INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Commercial • Residential • Industrial • Municipal • Fulfillment Centers • Quick Service Restaurants • Build-for-Rent • Other 	<p align="center">TRANSPORTATION INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Illinois Tollway Authority I-294 Project • IDOT Corridor Management Project • Pennsylvania Turnpike Commission – Allegheny Tunnel Transportation Improvement Project 	<p align="center">POWER & UTILITIES</p> <ul style="list-style-type: none"> • Undergrounding (Pike, Florida Power & Light, Tampa Electric) • Southwest Gas 	<p align="center">ENERGY SERVICES</p> <ul style="list-style-type: none"> • Renewable Energy Solutions Provider <ul style="list-style-type: none"> • Solar • Battery Storage • EV Charging Stations • Pattern Energy - Wind Energy Project Engineering and Design 	<p align="center">MINING & WATER RESOURCES</p> <ul style="list-style-type: none"> • Civil Engineering and Mine Infrastructure Services • Copper and Aggregates • Geospatial Capabilities for Industrial Minerals, Cement and Aggregate Industries • Water, Wastewater and Reclamation Services

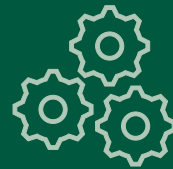
Key Growth Drivers



Revenue Diversification Initiative

Building Infrastructure reduced by 10 percentage points as a % of revenue

Continued transportation, power, and water resources growth focus



Significant Pent-up Demand for Infrastructure

Committed Public sector funding for transportation and infrastructure

Attractive Private sector incentives for investments in power, utilities and renewable energy



Culture of Collaboration

Driving revenue synergies from acquisitions

Optimizing utilization through work-sharing

Technology platform driving efficiencies



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N A S D A Q : B W M N

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B O W M A N C O N S U L T I N G G R O U P L T D .



APPENDIX

Reconciliation of GAAP to Non-GAAP Financials Measures

Adjusted EBITDA Reconciliation (Dollars in Thousands)

For the Three Months Ended June 30

	2023	2022
Net Income (loss)	\$(634)	\$(320)
+Interest Expense	1,112	350
+Depreciation & Amortization	4,719	2,823
+Tax (Benefit) Expense	(1,625)	(190)
EBITDA	\$3,572	\$2,663
+Non-Cash Stock Compensation	6,888	4,038
+Transaction-Related Expenses	123	--
+Settlements & Other Non-Core Expenses	113	215
+Acquisition Expenses	357	660
Adjusted EBITDA	\$11,053	\$7,576
Adjusted EBITDA Margin, Net	15.0%	13.4%