

Bowman

Q4 & FY 2023 EARNINGS CALL | MARCH 12, 2024 | NASDAQ: BWMN



TRANSPORTATION



POWER & UTILITIES



ENERGY



BUILDING INFRASTRUCTURE



WATER RESOURCES

Presenters:

Gary Bowman

Chairman & CEO

Bruce Labovitz

Chief Financial Officer

Safe Harbor Statement



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, Adjusted EPS and Net Service Billing.

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

FY 2023 Conference Call



Highlights & Insights

- 32% YoY Growth in Gross Contract Revenue
- 29% YoY Growth in Net Service Billing
- 38% YoY Growth in Adjusted EBITDA
- 26% YoY Growth in Backlog
- Organic Net Service Billing growth of 18% YoY
- Continued Revenue Diversification
- 11 acquisitions representing \$60+ million of annualized net revenue
- M&A pipeline full with two acquisitions completed subsequent to Q4

Financial Highlights

Q4 2023 Compared To Q4 2022

(Dollars in millions, except per share data)

For the Three Months Ended December 31

	2023	2022	Change
Gross Contract Revenue	\$93.0	\$75.6	+23%
Net Service Billing ¹	\$80.5	\$66.2	+22%
Gross Margin	50.4%	52.2%	-180 bps
SG&A % of GCR	48.0%	46.3%	+170 bps

For the Three Months Ended December 31

	2023	2022	Change
Net (Loss) Income	\$(7.7)	\$0.5	n/a
Adjusted EBITDA ¹	\$11.2	\$9.4	+19%
Adjusted EBITDA Margin, Net ¹	14.0%	14.2%	-20 bps
Adjusted EPS ¹ (basic)	\$0.33	\$0.44	-25.0%

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

Financial Highlights

Full Year 2023 Compared To Full Year 2022

(Dollars in millions, except per share data)

For the Twelve Months Ended December 31

	2023	2022	Change
Gross Contract Revenue	\$346.3	\$261.7	+32%
Net Service Billing ¹	\$304.0	\$235.2	+29%
Gross Margin	50.8%	51.6%	-80 bps
SG&A % of GCR	45.7%	45.0%	+70 bps

For the Twelve Months Ended December 31

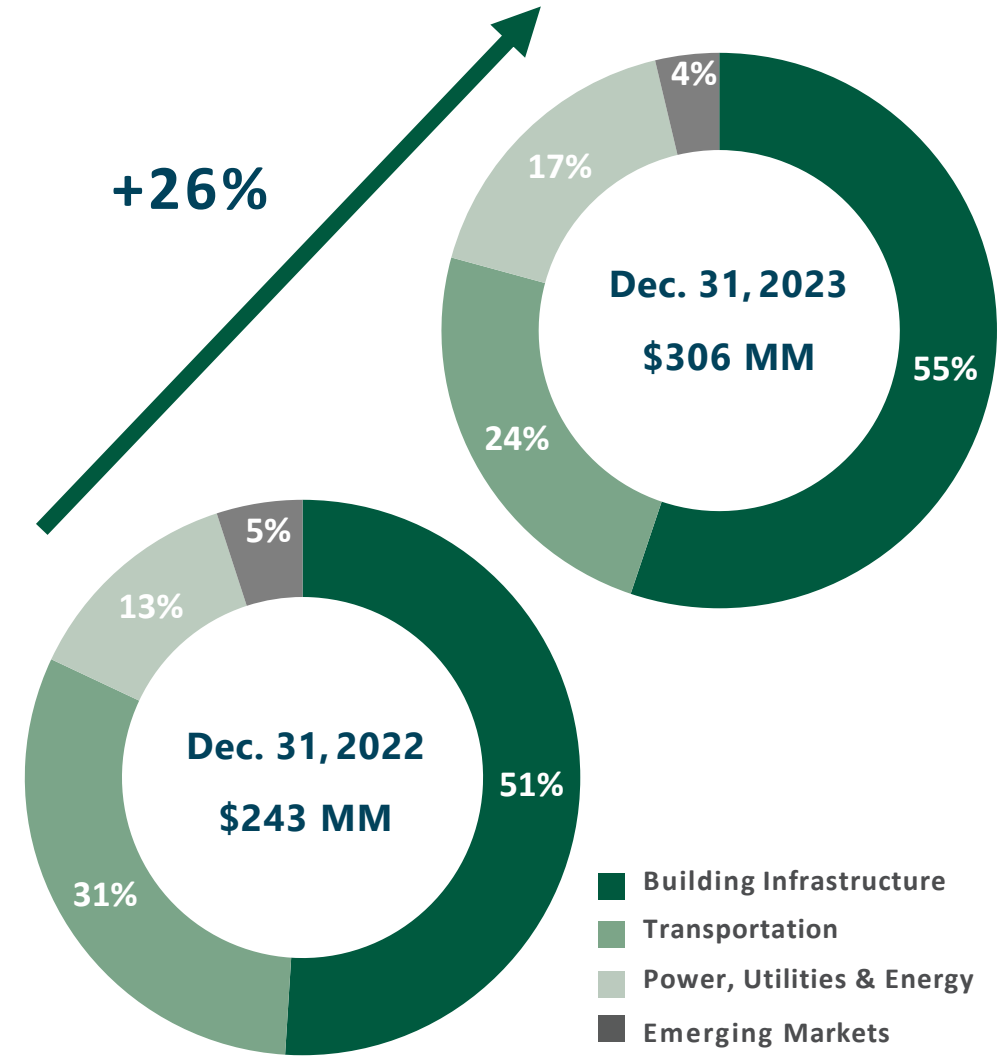
	2023	2022	Change
Net (Loss) Income	\$(6.6)	\$5.0	n/a
Adjusted EBITDA ¹	\$47.0	\$34.0	+38%
Adjusted EBITDA Margin, Net ¹	15.5%	14.5%	+100 bps
Adjusted EPS ¹ (basic)	\$1.12	\$1.46	-23%

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

Gross Backlog

Select Services Matrix

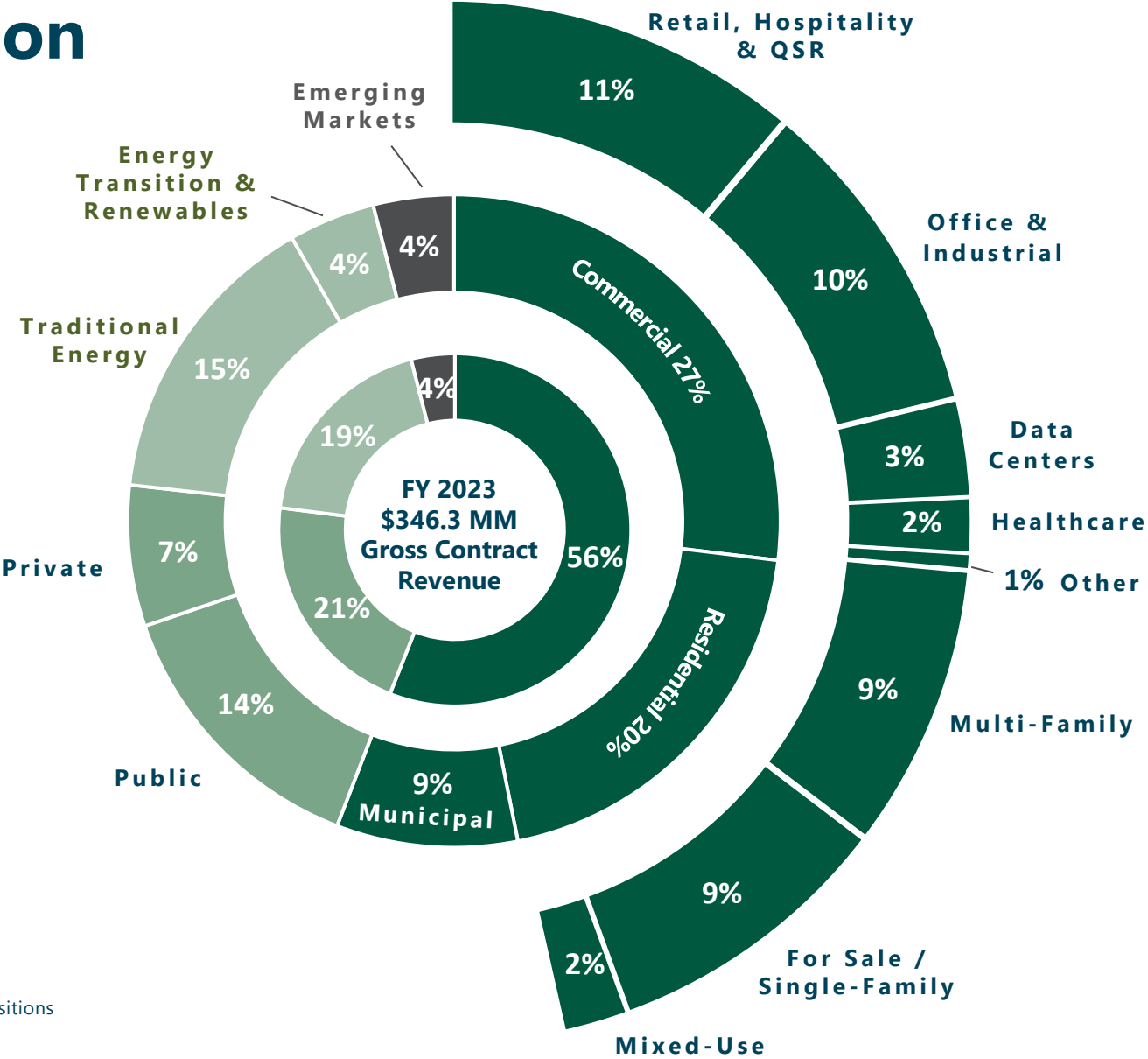
Civil & Site Engineering	Construction Management	Energy Efficiency	Electrical Engineering
Facility Commissioning	Geospatial Engineering	Landscape Architecture	Land/Easement Procurement
Plumbing Engineering	Structural Engineering	Surveying	Transportation Engineering
Environmental Consulting	Mechanical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



FY2023 Revenue Composition

Growth Across Diversified Markets

- 32% Gross Revenue Growth
- 21% Organic Growth in Gross Revenue
- 29% Net Revenue Growth
- 18% Organic Growth in Net Revenue
- 78% Gross Revenue from Repeat Customers¹
- 9% Gross Revenue from Residential Customers



- Building Infrastructure
- Power, Utilities & Energy
- Transportation
- Emerging Markets

¹ Defined as customers from whom we generated revenue in both 2022 and 2023, excluding 2023 acquisitions

Balance Sheet, Tax, and Capitalization

Cash & Leverage

- \$21 million Cash on Hand
- \$73 million Net Debt
- 1.6x Net Leverage Ratio – T4Q Adjusted EBITDA
- \$12 million Cash from Operating Activities

Capital Structure

- Bank of America revolver – \$70 million facility
- Limited exposure to interest rate volatility
- 15.1 million total outstanding shares including all unvested restricted stock grants
- Low Cap Ex – approx. 3% of Gross Contract Revenue
- M&A consideration remains cash, seller notes, and equity



Non-GAAP Adjusted EPS

BASIC ADJUSTED EPS

For the Three Months Ended December 31

For the Twelve Months Ended December 31

	2023	2022
Earnings (loss) per share (GAAP)	\$(0.59)	\$0.03
Pre-tax basic per share adjustments	\$0.79	\$0.35
Adjusted EPS before tax expense	\$0.20	\$0.38
Tax expense (benefit) per share adjustment	\$(0.18)	\$(0.12)
Adjusted EPS - adjusted net income	\$0.38	\$0.50
Adjusted EPS allocated to non-vested shares	\$0.05	\$0.06
Adjusted EPS attributable to common shares	\$0.33	\$0.44

	2023	2022
Earnings (loss) per share (GAAP)	\$(0.53)	\$0.39
Pre-tax basic per share adjustments	\$1.78	\$1.14
Adjusted EPS before tax expense	\$1.25	\$1.53
Tax expense (benefit) per share adjustment	\$(0.04)	\$(0.20)
Adjusted EPS - adjusted net income	\$1.29	\$1.73
Adjusted EPS allocated to non-vested shares	\$0.17	\$0.27
Adjusted EPS attributable to common shares	\$1.12	\$1.46

Updating Guidance






FY 2024 Guidance

Issued	Net Revenue	Adjusted EBITDA
November 2023	\$345 - \$360 MM	\$56 - \$62 MM
March 2024	\$363 - \$378 MM	\$59 - \$65 MM

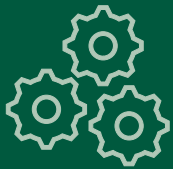
Guidance Includes Acquisitions Completed to Date Only

End Market Highlights

FY2023 – % Gross Revenue | YoY % Change

56.3% +14.3% YoY	21.0% +62.4% YoY	18.5% +96.4% YoY		4.2% +4.6% YoY
				
<p>BUILDING INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Commercial • Industrial • Municipal • Fulfillment Centers • Quick Service Restaurants • Residential • Build-for-Rent • Other 	<p>TRANSPORTATION INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Inroads with FDOT and RIDOT and other DOTs • Pennsylvania Turnpike Commission – Allegheny Tunnel Transportation Improvement Project • Mobile mapping for interstate highways • Canadian Railway Assignment in Illinois 	<p>POWER & UTILITIES</p> <ul style="list-style-type: none"> • Undergrounding (Pike, Florida Power & Light, Tampa Electric) • Expanded gas pipeline services in Nevada • Expanding engagement with SDG&E 	<p>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>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 Aggregates • Water, Wastewater, Water Reclamation Services Pilot • Fairfax County Stormwater

Key Initiatives



M&A Adjacencies

Focus acquisition strategy on complementary enterprises that provide revenue synergy

Maximize utilization through commitment to work-sharing

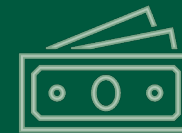
Commit to being a fully integrated operation



Leverage Technology for Margin

Identify disruptive technologies that will accelerate iteration and expand margin

Utilize generative design technologies; digital twin systems and models; GIS applications to advance customer deliverables



Investing in Geospatial

Currently operating with ground level and low-altitude technologies

Significant investment in high resolution imaging, 3-D modelling and mobile mapping

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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

Gross Revenue to Net Service Billing Reconciliation

(Dollars in thousands)

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2023	2022	2023	2022
Gross Contract Revenue	\$92,969	\$75,609	\$346,256	\$261,714
Less: Sub-Consultants & Other Direct Expenses	\$12,453	\$9,424	\$42,262	\$26,510
Net Service Billing	\$80,516	\$66,185	\$303,994	\$235,304

Reconciliation of GAAP to Non-GAAP Financials Measures

Adjusted EBITDA Reconciliation

(Dollars in thousands)

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2023	2022	2023	2022
Net (Loss) Income (GAAP)	\$(7,710)	\$470	\$(6,624)	\$5,005
+Interest Expense	1,795	1,234	5,340	2,457
+Depreciation & Amortization	5,939	3,901	18,723	12,251
+Tax (Benefit) Expense	2,078	(1,190)	177	(3,269)
EBITDA	\$2,102	\$4,415	\$17,616	\$16,444
+Non-Cash Stock Compensation	6,504	3,922	24,984	15,409
+Settlements & Other Non-Core Expenses	310	439	1,170	654
+Acquisition Expenses	2,333	639	3,261	1,515
Adjusted EBITDA	\$11,249	\$9,415	\$47,031	\$34,022
Adjusted EBITDA Margin, Net	14.0%	14.2%	15.5%	14.5%

Reconciliation of GAAP to Non-GAAP Financials Measures

EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2023	2022	2023	2022
Net (Loss) Income (GAAP)	\$(7,710)	\$470	\$(6,624)	\$5,005
+Tax Expense (Benefit) (GAAP)	2,078	(1,190)	177	(3,269)
Income (Loss) Before Tax Expense (GAAP)	\$(5,632)	\$720	\$(6,447)	\$1,736
+Acquisition Related Expenses	2,849	978	5,025	2,414
+Amortization Of Intangibles	3,378	1,904	8,991	3,888
+Non-Cash Stock Comp Related To Pre-IPO	1,747	1,879	6,955	7,992
+Other Non-Core Expenses	249	439	923	654
Adjusted Income Before Tax Expense	\$2,591	\$4,480	\$15,447	\$16,684
Adjusted Income Tax (Benefit) Expense	(2,285)	(1,394)	(620)	(2,216)
Adjusted Net Income	\$4,876	\$5,874	\$16,067	\$18,900
Adjusted Earnings Allocated To Non-Vested Shares	584	837	2,028	2,955
Adjusted Net Income Attributable To Common Shareholders	\$4,292	\$5,037	\$14,039	\$15,945

Non-GAAP Adjusted EPS – Dilutive

DILUTIVE ADJUSTED EPS

For the Three Months Ended December 31

For the Twelve Months Ended December 31

	2023	2022
(Loss) Earnings per share (GAAP)	\$(0.59)	\$0.03
Pre-tax basic per share adjustments	\$0.79	\$0.35
Adjusted EPS before tax expense	\$0.20	\$0.38
Tax expense (benefit) per share adjustment	\$(0.18)	\$(0.12)
Adjusted EPS - adjusted net income	\$0.38	\$0.50
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Reconciliation of GAAP to Non-GAAP Financials Measures

EPS To Adjusted EPS Reconciliation

(Dollars in thousands)

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2023	2022	2023	2022
(Loss) Earnings Per Share (GAAP)				
Basic	\$(0.59)	\$0.03	\$(0.53)	\$0.39
Diluted	\$(0.59)	\$0.03	\$(0.53)	\$0.37
Adjusted Earnings Per Share (Non-GAAP)				
Basic	\$0.33	\$0.44	\$1.12	\$1.46
Diluted	\$0.31	\$0.41	\$1.03	\$1.36
Weighted Average Shares Outstanding				
Basic	13,043,111	11,538,128	12,490,914	10,887,620
Diluted	13,984,138	12,234,109	13,681,711	11,683,758