WILLIAMS

Q3 2022 Financial Results: November 15, 2022

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NYSE American: WLMS

Cautionary Notes

Forward-looking Statement Disclaimer

This presentation contains "forward-looking statements" within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding the Company's ability to perform in accordance with guidance, to contain margin reductions within the Florida business, build and diversify its backlog and convert backlog to revenue, realize opportunities, including receiving contract awards on outstanding bids and successfully pursuing future opportunities, successfully perform and realize revenue as a result of the multi-year extension of existing business and the expansion of the Eversource Energy Master Service Agreement, achieve higher growth and increased margins in 2023 and beyond and successfully achieve its growth, strategic and business development initiatives, including decreasing the Company's outstanding indebtedness, future demand for the Company's services, and expectations regarding future revenues, cash flow, and other related matters. These statements reflect the Company's current views of future events and financial performance and are subject to a number of risks and uncertainties, including implementation of the Company's liquidity plan and its ability to continue as a going concern, the Company's level of indebtedness and ability to make payments on, and satisfy the financial and other covenants contained in, its amended debt facilities, as well as its ability to engage in certain transactions and activities due to limitations and covenants contained in such facilities; its ability to generate sufficient cash resources to continue funding operations, including investments in working capital required to support growth-related commitments that it makes to customers, and the possibility that it may be unable to obtain any additional funding as needed or incur losses from operations in the future; exposure to market risks from changes in interest rates; the Company's ability to obtain adequate surety bonding and letters of credit; the Company's ability to maintain effective internal control over financial reporting and disclosure controls and procedures; the Company's ability to attract and retain qualified personnel, skilled workers, and key officers; failure to successfully implement or realize its business strategies, plans and objectives of management, and liquidity, operating and growth initiatives and opportunities, including any expansion into new markets and its ability to identify potential candidates for, and consummate, acquisition, disposition, or investment transactions; the loss of one or more of its significant customers; its competitive position; market outlook and trends in the Company's industry, including the possibility of reduced investment in, or increased regulation of, nuclear power plants, declines in public infrastructure construction, and reductions in government funding; costs exceeding estimates the Company uses to set fixed-price contracts; harm to the Company's reputation or profitability due to, among other things, internal operational issues, poor subcontractor performances or subcontractor insolvency; potential insolvency or financial distress of third parties, including customers and suppliers; the Company's contract backlog and related amounts to be recognized as revenue; its ability to maintain its safety record, the risks of potential liability and adequacy of insurance; adverse changes in the Company's relationships with suppliers, vendors, and subcontractors, including increases in cost, disruption of supply or shortage of labor, freight, equipment or supplies, including as a result of the COVID-19 pandemic; compliance with environmental, health, safety and other related laws and regulations, including those related to climate change; limitations or modifications to indemnification regulations of the U.S.; the Company's expected financial condition, future cash flows, results of operations and future capital and other expenditures; the impact of unstable market and economic conditions on our business, financial condition and stock price, including inflationary cost pressures, supply chain disruptions and constraints, labor shortages, the effects of the Ukraine-Russia conflict and ongoing impact of COVID-19, and a possible recession; our ability to meet publicly announced guidance or other expectations about our business, key metrics and future operating results; the impact of the COVID-19 pandemic on the Company's business, results of operations, financial condition, and cash flows, including global supply chain disruptions and the potential for additional COVID-19 cases to occur at the Company's active or future job sites, which potentially could impact cost and labor availability; information technology vulnerabilities and cyberattacks on the Company's networks; the Company's failure to comply with applicable laws and regulations, including, but not limited to, those relating to privacy and anti-bribery; the Company's ability to successfully implement its new enterprise resource planning (ERP) system; the Company's participation in multiemployer pension plans; the impact of any disruptions resulting from the expiration of collective bargaining agreements; the impact of natural disasters, which may worsen or increase due to the effects of climate change, and other severe catastrophic events (such as the ongoing COVID-19 pandemic); the impact of corporate citizenship and environmental, social and governance matters; the impact of changes in tax regulations and laws, including future income tax payments and utilization of net operating loss and foreign tax credit carryforwards; volatility of the market price for the Company's common stock; the Company's ability to maintain its stock exchange listing; the effects of anti-takeover provisions in the Company's organizational documents and Delaware law; the impact of future offerings or sales of the Company's common stock on the market price of such stock; expected outcomes of legal or regulatory proceedings and their anticipated effects on the Company's results of operations; and any other statements regarding future growth, future cash needs, future operations, business plans and future financial results.

Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section of the Annual Report on Form 10-K for its 2021 fiscal year and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2022. Any forward-looking statement speaks only as of the date of this press release. Except as may be required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and you are cautioned not to rely upon them unduly.

Non-GAAP Financial Measures

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating its performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found on the slides following the "Supplemental Information" slide of this presentation.

Note: Unless otherwise noted, all discussion is based upon continuing operations.

Q3-2022 Highlights

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2022 Q3 revenue of $56.7 million versus $73.4 million in the prior-year period, primarily reflecting reduced decommissioning and nuclear business

Gross margin of 1.3% versus 9.2% in the 2021 third quarter; excluding Florida water projects and T&D startup expense, 2022 adjusted gross margin of 9.7%

Operating expenses of $7.0 million for Q3 versus $4.6 million in the prior-year period, reflecting litigation and professional fees as well as the reversal of incentive compensation in fiscal 2021

Adjusted EBITDA [(1)] of $6.2 million versus $3.8 million last year, reflecting legal settlements

Backlog rose more than $100 million sequentially, to $352.7 million

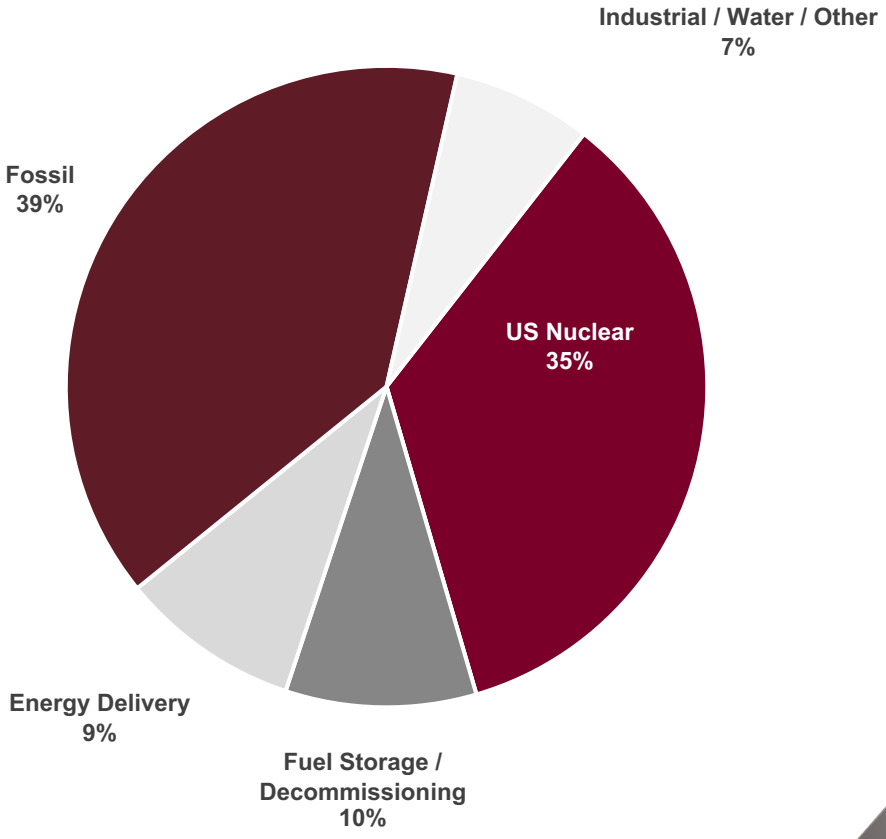
2022 Guidance adjusted to reflect near-term outlook

[(1)] Adjusted EBITDA is a non-GAAP financial measure. Please see supplemental slides for a reconciliation of GAAP to non-GAAP financial results.

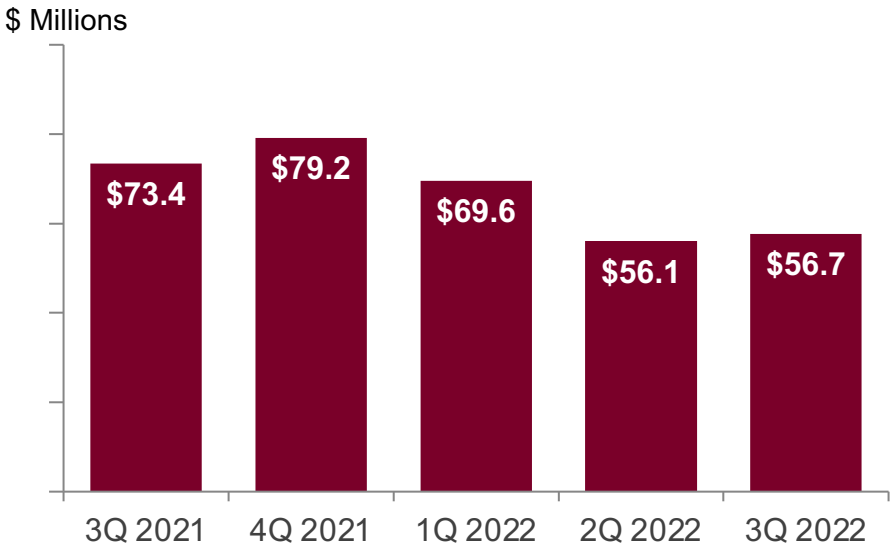
FY2022 Outlook

- Revenue not accelerating as quickly as anticipated
- Recent wins bode well for 2023 and beyond
- Still expect significant spending uptick from normalized utility demand

$352.7 M Backlog
September 30, 2022



Revenue Review

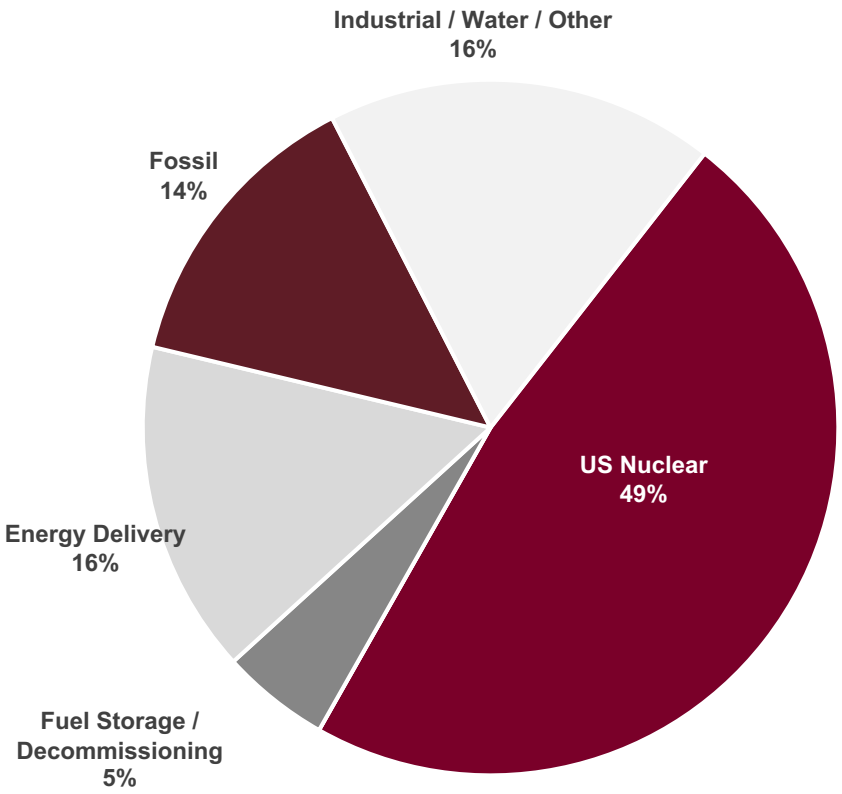


Third Quarter Revenue Bridge

(in millions)		$ Change
Third quarter 2021 revenue	$	73.4
Decommissioning		(13.5)
Canada Nuclear		(9.0)
U.S. Nuclear		(4.0)
Energy Delivery		4.1
Chemical		2.1
Water		2.1
Other		1.5
Total change		(16.7)
Third quarter 2022 revenue*	$	56.7

*Numbers may not sum due to rounding

End Market Revenue 3Q-2022

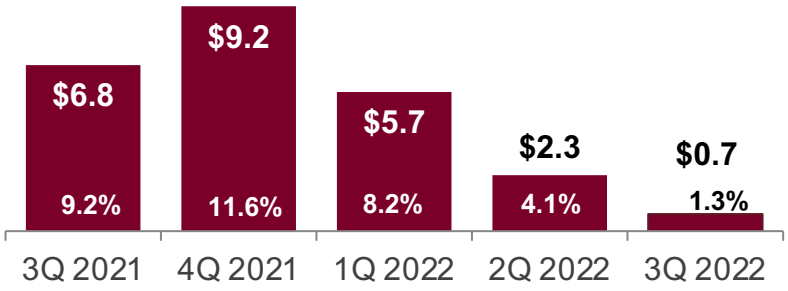


Vogtle 3 & 4
2022 3Q revenue:
$18.4 million

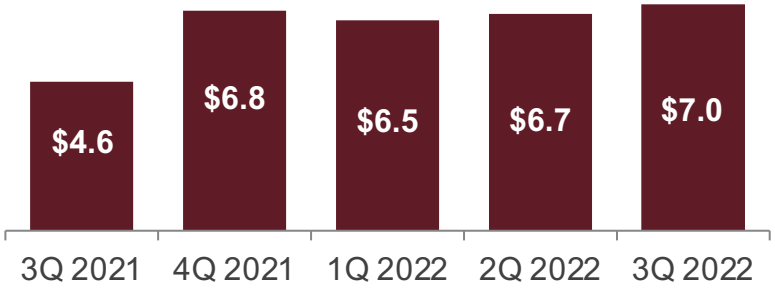
Operating Trends

$ Millions

Gross Profit



Operating Expenses



Gross Margin of 1.3% in Q3 2022

- Continued margin pressure
  - Ongoing impact from FL water projects
  - Start up costs associated with expansion into transmission and distribution (T&D)
- Gross profit expected to improve
  - Limited legacy FL projects to be complete in 2023
  - Reduced T&D investment
  - Excluding T&D costs and water projects, adjusted gross margin 9.7%

Operating Expenses Q3 2022

- Operating costs totaled $7.0 million
  - $2.4 million increase year-over-year largely due to litigation costs and professional fees as well as the reversal of incentive compensation in the prior-year third quarter
- Operating margin negative
  - Expected to improve now that litigation settlements achieved

Guidance*

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2022 Full Year Guidance

	Prior Guidance	Updated Guidance
Revenue	$275MM - $295MM	$245MM - $255MM
Gross Margin %	9.00% - 9.50%	5.50% - 5.75%
SG&A % of Revenue[1]	8.25% - 8.75%	10.50% - 11.00%
Adjusted EBITDA[2]	$5.0MM - $7.5MM	$2.5MM - $3.5MM*

* Includes approximately $11MM of litigation recoveries – without recoveries range would be ($8.0MM) to ($7.0MM)

Strategic Positioning to Drive Improved Performance…

- Diversify backlog & accelerate growth
- Expand margins; reduce expenses
- Improve working capital
- Leverage operating structure
- Reduce debt to strengthen balance sheet

Updated guidance provided November 14, 2022
[1]SGA at 10.25% - 10.75% excluding investments in upgrading systems (previously 8.00% - 8.50%)
[2]Adjusted EBITDA is a non-GAAP financial measure. Please see supplemental slides for a reconciliation of GAAP to non-GAAP financial results.

Supplemental Information

Adjusted EBITDA

Adjusted EBITDA is not calculated through the application of GAAP and is not the required form of disclosure by the U.S. Securities and Exchange Commission. Adjusted EBITDA is the sum of the Company's income (loss) from continuing operations before interest expense, net, and income tax (benefit) expense and unusual gains or charges. It also excludes non-cash charges such as depreciation and amortization and stock-based compensation. The Company's management believes adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compare the performance of its core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes and certain non-cash expenses and unusual gains or charges (such as stock-based compensation, severance costs, other professional fees, and foreign currency (gain) loss) which are not always commensurate with the reporting period in which such items are included. Williams' credit facilities also contain ratios based on EBITDA. Adjusted EBITDA should not be considered an alternative to net income or income from continuing operations or as a better measure of liquidity than net cash flows from operating activities, as determined by GAAP, and, therefore, should not be used in isolation from, but in conjunction with, the GAAP measures. The use of any non-GAAP measure may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.

Note Regarding Forward-Looking Non-GAAP Financial Measures

The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to their comparable GAAP financial measures because it could not do so without unreasonable effort due to the unavailability of the information needed to calculate reconciling items and due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP financial measures in future periods. When planning, forecasting and analyzing future periods, the Company does so primarily on a non-GAAP basis without preparing a GAAP analysis.

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Adjusted EBITDA Reconciliation

(in thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Income (loss) from continuing operations	$ 3,610	$ 794	$ (3,728)	$ 1,857
Add back:				
Interest expense, net	1,485	1,227	3,965	3,733
Income tax expense (benefit)	(272)	(6)	(214)	256
Depreciation and amortization expense	61	50	173	137
Stock-based compensation	543	1,119	1,120	2,579
Severance costs	95	165	138	165
Other professional fees	683	—	1,657	—
Franchise taxes	64	62	193	184
Foreign currency gain	(22)	(46)	(145)	(150)
ROU Asset Impairment	—	423	—	423
Adjusted EBITDA - continuing operations	$ 6,247	$ 3,788	$ 3,159	$ 9,184