



Earnings Presentation

Fiscal Year and Fourth Quarter 2023

March 2024

Building a Sustainable and Resilient Water Future



Disclaimer –



This presentation is being delivered on behalf of Shimmick Corporation (the “Company”). The sole purpose of this presentation is to provide information in connection with a review of the Company’s operations and/or financial status. This presentation does not purport to be all-inclusive or to contain all of the information that prospective investors may desire in reviewing the Company.

Other than statements of historical fact, all information contained in this presentation, including, but not limited to, statements regarding expected future financial performance (including the assumptions related thereto), including our revenue, net income and expected EBITDA; our expectations with respect to full year 2024 guidance; our growth prospects; our expectations regarding profitability; our continued successful adjustment to becoming a public company following our initial public offering; our expectations regarding successful partnerships with our new investors; and our capital plans and expectations related thereto, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “plan”, “predict”, “expect”, “estimate”, “anticipate”, “could”, “intend”, “target”, “project”, “contemplate”, “potential”, “continue”, “goal”, “strategy”, “believe”, and similar expressions and variations thereof or the negative of these terms. The Company has based these forward-looking statements largely on its current expectations and projections about future events and trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including but not limited to, the following: our ability to accurately estimate risks, requirements or costs when we bid on or negotiate a contract; the impact of our fixed-price contracts; qualifying as an eligible bidder for contracts; the availability of qualified personnel, joint venture partners and subcontractors; inability to attract and retain qualified managers and skilled employees and the impact of loss of key management; higher costs to lease, acquire and maintain equipment necessary for our operations or a decline in the market value of owned equipment; subcontractors failing to satisfy their obligations to us or other parties or any inability to maintain subcontractor relationships; marketplace competition; our limited operating history as an independent company following our separation from AECOM; our inability to obtain bonding; disputes with our prior owner, AECOM, and requirements to make future payments to AECOM; AECOM defaulting on its contractual obligations to us or under agreements in which we are beneficiary; our limited number of customers; dependence on subcontractors and suppliers of materials; any inability to secure sufficient aggregates; an inability to complete a merger or acquisition or to integrate an acquired company’s business; adjustments in our contract backlog; accounting for our revenue and costs involves significant estimates, as does our use of the input method of revenue recognition based on costs incurred relative to total expected costs; any failure to comply with covenants under any current indebtedness, and future indebtedness we may incur; the adequacy of sources of liquidity; cybersecurity attacks against, disruptions, failures or security breaches of, our information technology systems; seasonality of our business; pandemics and health emergencies; commodity products price fluctuations and rising inflation and/or interest rates; liabilities under environmental laws, compliance with immigration laws, and other regulatory matters, including changes in regulations and laws; climate change; deterioration of the U.S. economy; geopolitical risks, including those related to the war between Russia and Ukraine, the conflict in the Gaza strip and the conflict in the Red Sea region; and other risks detailed in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023 and those described from time to time in our future reports with the SEC. Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for the Company to predict all risks, nor can it assess the effect of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements it may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements are only predictions based on our current expectations and our projections about future events, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law.

This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on the Company’s internal sources. While the Company believes the industry and market data included in this presentation are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The Company has not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of such products or services. This presentation also includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Please see the appendix for reconciliations of these non-GAAP financial measures to their nearest GAAP equivalents and for the calculation of certain other financial metrics.

This presentation is not an offer to sell, or a solicitation of an offer to buy, any securities of the Company in any jurisdiction.

Company Overview



Water Solutions Leader

We rank as a top 10 water solutions provider⁽¹⁾. With a dedicated team of 1,300+ skilled employees⁽²⁾, we have built a strong team, reputation and competitive position.



Vertically Integrated

We are vertically integrated and often self-perform 80% or more of our projects, which allows for better labor cost control and monitoring, as well as more accurate bids.



Established Customer Base and Focus on California

Over 75% of three-month revenue derived from repeat customers. We focus on California, which has a complex permitting and regulatory environment, creating entry barriers.



Publicly-Funded Backlog

\$1.1 billion predominantly publicly-funded backlog and limited financial leverage.

\$1.1B
Backlog

75%+
Of Q4'23 Revenue from
Repeat Customers

1,300+
Employees⁽²⁾

\$60+ billion
Water Infrastructure
Market Opportunity

(1) Rankings for “Dams and Reservoirs,” “Water Supply,” and “Water Treatment and Desalination Plants” published in Engineering News Record, September 2023.

(2) As of December 29, 2023

Fiscal Year 2023 Highlights

Shimmick Projects⁽¹⁾ Revenue Growth

- Grew Shimmick Project revenue by 24% to \$434 million during fiscal year 2023 as compared to fiscal year 2022.

Grew Shimmick Projects Gross Margins

- Reported \$29 million for Shimmick Projects in gross margin in fiscal year 2023, an increase of \$5 million from fiscal year 2022.

Continued to work down Legacy Projects⁽²⁾

- Reported \$199 million in Legacy Project revenue, a decline of \$114 million during fiscal year 2023 as compared to fiscal year 2022.

Diluted earnings per common share of \$(0.11)

Adjusted diluted earnings per common share of \$0.48⁽³⁾

Backlog of \$1.1 billion

- Maintained \$1.1 billion in backlog and reported an 18% increase in Shimmick Projects backlog during fiscal year 2023.

Won key \$200+ million project for water treatment facility expansion

(1) Projects that started after the AECOM Sale Transactions are referred to as "Shimmick Projects".

(2) Projects that started prior to the AECOM Sale Transactions are referred to as "Legacy Projects".

(3) See Appendix for reconciliation of non-GAAP measures



Selected Project Highlights

KEY PROJECT STATISTICS

(AS OF JANUARY 2024)

Location **LAKE ELSINORE, CA**

Contract Value **\$217 MILLION**

Percent Complete **3%**

Start Date **JUNE 2023**

REGIONAL WATER RECLAMATION FACILITY EXPANSION

Wastewater Treatment

Shimmick Solution

Shimmick will expand this facility’s capacity to meet wastewater treatment and recycled water needs in the coming years. The project includes constructing two aeration basins, a membrane bioreactor facility, and a UV disinfection facility, among other work. Shimmick is self-performing more than 80 percent of this project, including the electrical work required to bring the expanded facility online.

Status

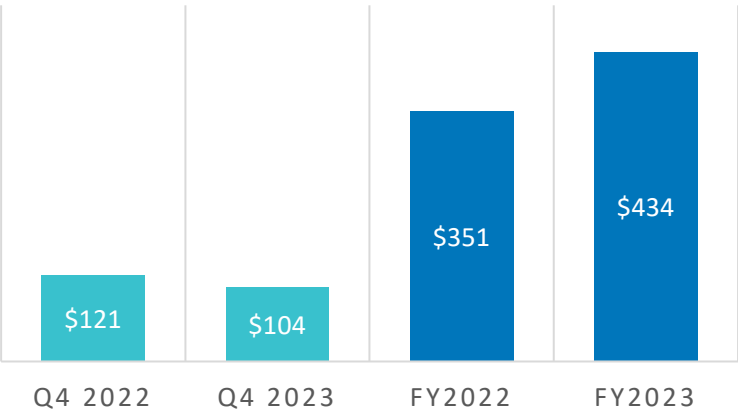
Shimmick was the sole bidder on this project to expand Lake Elsinore’s wastewater treatment plant located approximately 70 miles southeast of Los Angeles. Shimmick broke ground this past summer and has since installed the dewatering system, relocated conduit, and conducted mass excavation to prepare for the critical facility expansion.



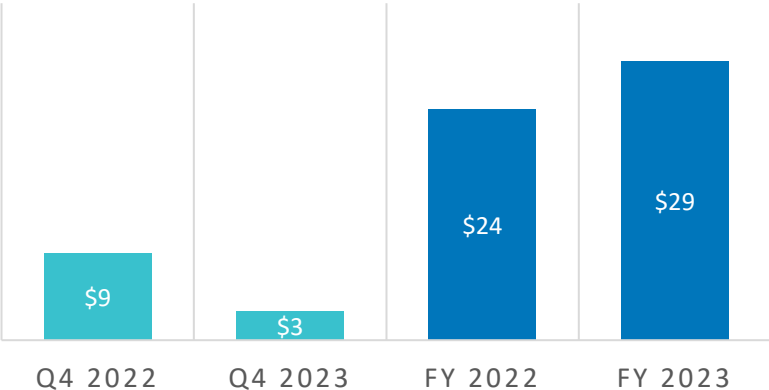
Fourth Quarter and Fiscal Year Revenue and Gross Margin Results

(\$ in millions)

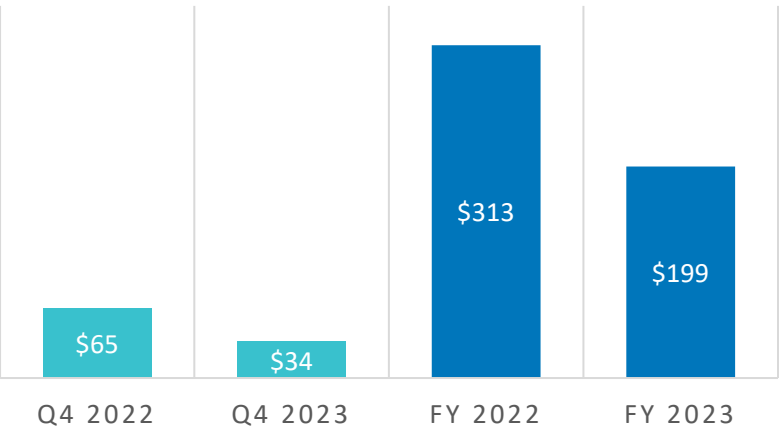
SHIMMICK PROJECT REVENUE



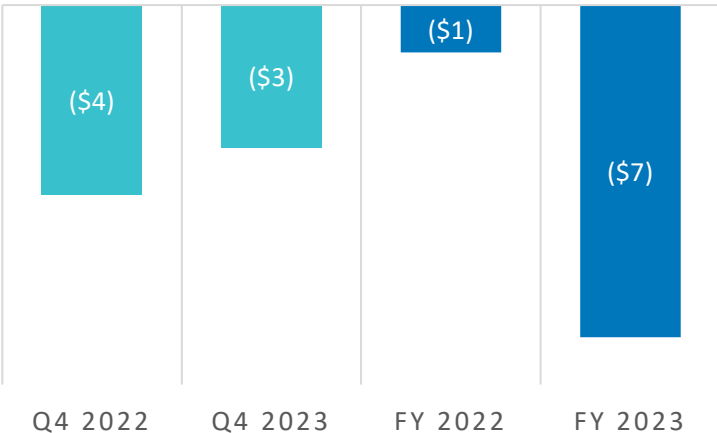
SHIMMICK PROJECT GROSS MARGIN



LEGACY PROJECT REVENUE



LEGACY PROJECT GROSS MARGIN



Observations

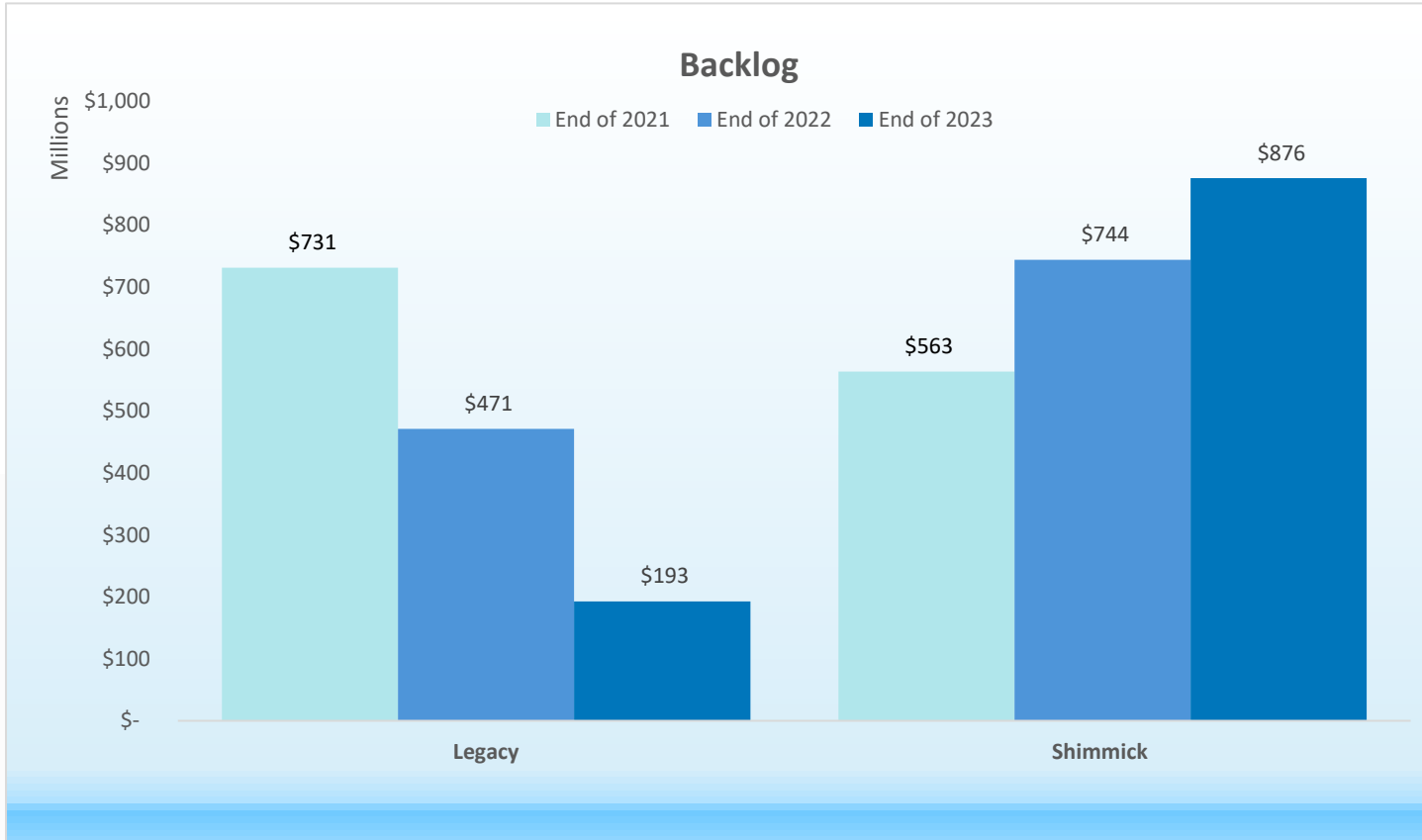
Shimmick Project revenue growth and gross margin largely offset Legacy Project revenue declines

The Legacy Loss Projects with negative gross margins are over 75% complete at the end of fiscal year 2023

Shimmick Backlog Growth

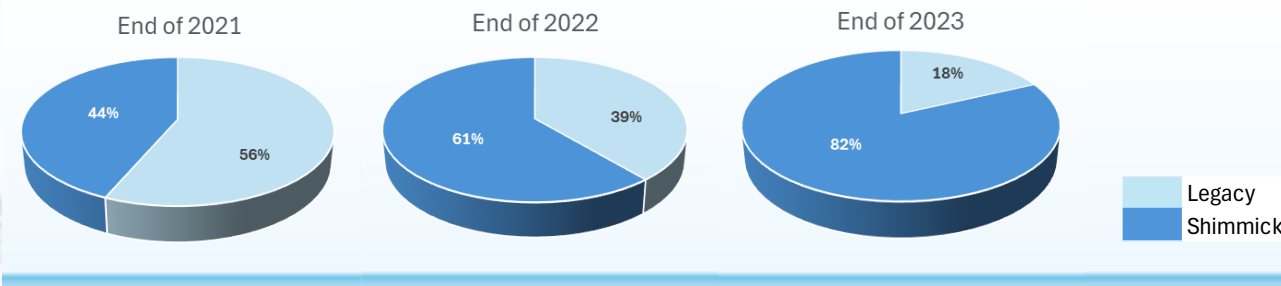


Our Backlog is USA-based, Predominantly Publicly-Funded and Fixed-Price



Backlog Conversion

- More than 75% of the backlog expected to be completed in the next 24 months
- Legacy Projects backlog continues to wind down
- Robust pipeline of bids expected to increase with further federal funding

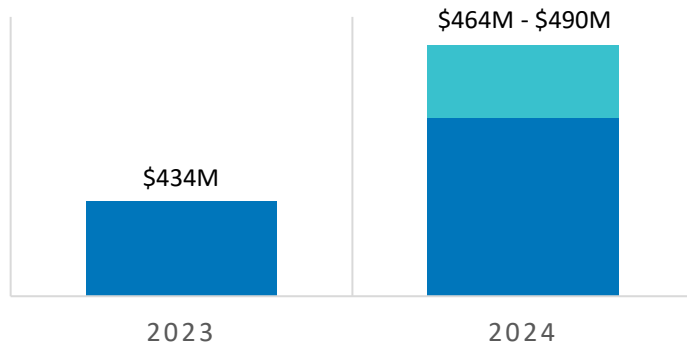


2024 Guidance

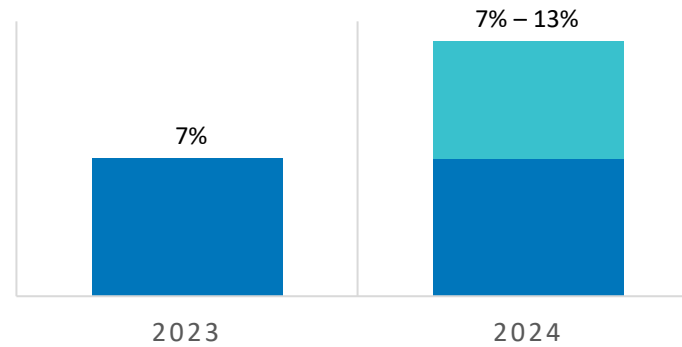


(\$ in millions)

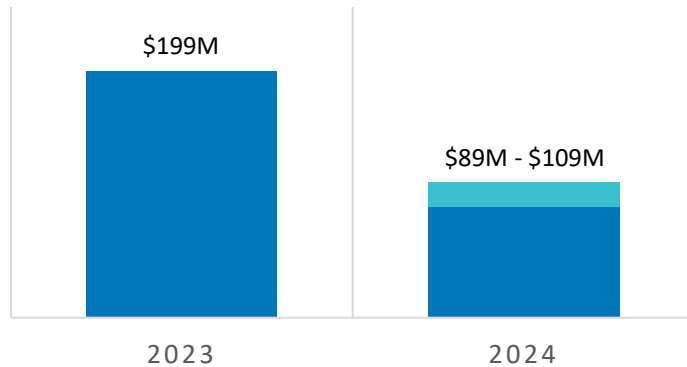
SHIMMICK PROJECT REVENUE



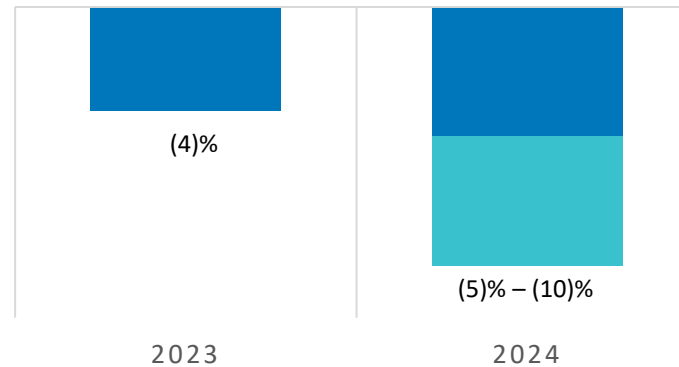
SHIMMICK PROJECT GROSS MARGIN



LEGACY PROJECT REVENUE



LEGACY PROJECT GROSS MARGIN



For the full fiscal year ending December 27, 2024, we expect:

- Shimmick Projects revenue to grow 7 to 13 percent with gross margin between 7 to 13 percent
- Legacy Projects revenue to decrease by 45 to 55 percent with negative gross margin of 5 to 10 percent

In consideration of several factors, the Company has established full-year guidance for the fiscal year ending December 27, 2024. The Company considered its recent business trends and financial results, current growth plans, strategic initiatives, national economic outlook and the potential impact on results in establishing its guidance.

Highlights



Large Addressable Market



Vertical Integration Mitigates Risk



Established Customer Base and Focus on California



Publicly Funded Backlog



Transitioning to a Higher Margin Portfolio



Potential Acquisitions to Improve Growth & Margin





Investor Contact

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Appendix

MAKE IT HAPPEN

Strong Market Tailwinds

\$60+ Billion

Water Infrastructure
Market Opportunity⁽¹⁾

Supporting Federal Legislation

- 2018** ● **Bipartisan Budget / America's Water Infrastructure Act**
Providing for water infrastructure improvements
- 2021** ● **Infrastructure & Jobs Act**
Funding for clean drinking water for businesses, households and schools
- 2021** ● **Inflation Reduction Act**
Aims to curb inflation while increasing spending in clean energy, domestic energy production
- 2022** ● **CHIPS and Science Act**
New funding to increase the domestic manufacturing and research of semi-conductors

Key Market Drivers

- Climate Change
- Water Scarcity
- Water Security
- Affordability
- Aging Infrastructure
- Tightening Regulations
- Sustainability
- Resiliency
- Species Protection

Growth Strategy

Expanding on our Core Focus with Select Acquisitions

Organic Focus



Strengthen
Core

- Transitioning to Higher Margin Portfolio
- Selective Bidding
- Underwriting Risk
- Project Execution

Acquisition Focus



Smart Water,
Software,
Remediation, & O&M

- Accretive
- Higher Margin
- Recurring Revenues
- Expanding Capabilities

Shimmick Water Projects and Solutions



Water Resources & Other



Flood Protection



Species Protection



Water Storage



Water Conveyance

Water Treatment & Other



Water Recycling



Water Purification



Desalination



Water/Wastewater Treatment

Select Long- Standing Customer Relationships



Orange County
Water District



City and County of
San Francisco



Metropolitan Water District of
Southern California



County of Los
Angeles



US Army Corps
of Engineers®



Port of
LONG BEACH
THE PORT OF CHOICE



Orange County
Sanitation District

Our resume leads to repeat business with significant players across
water infrastructure

GAAP to Non-GAAP Reconciliation



(in thousands)

	Three Months Ended		Fiscal Year Ended	
	December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022
Net (loss) income attributable to Shimmick Corporation	(17,476)	(17,916)	(2,546)	3,760
Changes in fair value of contingent consideration	(185)	(94)	(174)	9,462
Transaction-related costs	798	365	2,595	3,104
Stock-based compensation	515	519	2,062	2,295
Legal fees and other costs for a legacy loss project ⁽¹⁾	2,394	2,209	8,740	10,904
Adjusted net (loss) income	\$(13,954)	\$(14,917)	\$10,677	\$29,525
Adjusted diluted earnings per common share	\$0.59	\$0.68	\$0.48	\$1.35

(in thousands)

	Three Months Ended		Fiscal Year Ended	
	December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022
Net (loss) income attributable to Shimmick Corporation	(17,476)	(17,916)	(2,546)	3,760
Depreciation and amortization	3,935	4,123	17,121	15,979
Interest expense	1,264	160	2,284	226
Income tax expense	-	17	-	1,274
Changes in fair value of contingent consideration	(185)	(94)	(174)	9,462
Transaction-related costs	798	365	2,595	3,104
Stock-based compensation	515	519	2,062	2,295
Legal fees and other costs for a legacy loss project ⁽¹⁾	2,394	2,209	8,740	10,904
Adjusted EBITDA	\$(8,755)	\$(10,617)	\$30,082	\$47,004

(1) Consists of legal fees and other costs incurred in connection with claims relating to a legacy loss project.

*Please refer to the following page for explanatory notes regarding non-GAAP financial measures

Non-GAAP Financial Measures Explanatory Notes



Adjusted Net (Loss) Income and Adjusted Diluted Earnings Per Common Share

Adjusted net (loss) income represents net (loss) income attributable to Shimmick Corporation adjusted to eliminate changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs for a legacy project.

We have included adjusted net (loss) income because it is a key measure used by our management and Board to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operational plans. In particular, we believe that the exclusion of the income and expenses eliminated in calculating Adjusted net (loss) income can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted net (loss) income provides useful information to investors and others in understanding and evaluating our results of operations.

Our use of Adjusted net (loss) income as an analytical tool has limitations, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are:

- Adjusted net (loss) income does not reflect changes in, or cash requirements for, our working capital needs,
- Adjusted net (loss) income does not reflect the potentially dilutive impact of stock-based compensation, and
- other companies, including companies in our industry, might calculate Adjusted net (loss) income or similarly titled measures differently, which reduces their usefulness as comparative measures.

Because of these and other limitations, you should consider Adjusted net (loss) income alongside Net (loss) income attributable to Shimmick Corporation, which is the most directly comparable GAAP measure.

Adjusted EBITDA

Adjusted EBITDA represents earnings attributable to Shimmick Corporation before interest expense (income), income tax expense (benefit) and depreciation and amortization, adjusted to eliminate changes in fair value of contingent consideration, IPO and transaction-related costs, stock-based compensation, and legal fees and other costs for a legacy loss project.

We have included Adjusted EBITDA because it is a key measure used by our management and Board to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operational plans. In particular, we believe that the exclusion of the income and expenses eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations.

Our use of Adjusted EBITDA as an analytical tool has limitations, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized might have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements,
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs,
- Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation,
- Adjusted EBITDA does not reflect interest or tax payments that would reduce the cash available to us, and
- other companies, including companies in our industry, might calculate Adjusted EBITDA or similarly titled measures differently, which reduces their usefulness as comparative measures.

Because of these and other limitations, you should consider Adjusted EBITDA alongside Net (loss) income attributable to Shimmick Corporation, which is the most directly comparable GAAP measure.

Guidance provided is only an estimate of what we believe is reasonable as of the date of this presentation. We are not readily able to provide a reconciliation of non-GAAP measures to the most comparable GAAP metrics without unreasonable effort. Actual results will vary from the guidance and the variations may be material. We undertake no intent or obligation to publicly update or revise any of these projections, whether as a result of new information, future events or otherwise, except as required by law.

Condensed Consolidated Balance Sheet



(in thousands)

	December 29, 2023	December 30, 2022
Assets		
Cash and Cash Equivalents	62,939	77,762
Total Current Assets	257,458	233,476
Total Assets	426,652	446,799
Liabilities		
Total Current Liabilities	271,253	340,944
Total Liabilities	356,162	395,204
Equity		
Total Stockholders' Equity	70,490	51,595