



Investor Presentation

January 2024

Building a Sustainable and Resilient Water Future



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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 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. 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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.

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

A black and white photograph of a wide waterfall with two large, dark, triangular rock formations in the foreground. The water is in motion, creating a blurred effect. A large white semi-circle is overlaid on the right side of the image, containing the title text.

Company & Market Overview



Our Mission: Building a Sustainable and Resilient Water Future.

We deliver **resilient, sustainable, and efficient** water and other **critical infrastructure** solutions that support communities, protect the environment, and ensure the availability of clean water for generations to come.

Company Overview and Investment Highlights



Water Solutions Leader

We rank as a top 10 water solutions provider⁽²⁾. With a dedicated team of 1,500+ skilled employees⁽³⁾, we have built a strong team, reputation and competitive position.



Large Addressable Market

The serviceable addressable market is \$60B+⁽¹⁾. Recent legislation increasing federal funding presents a significant multi-year opportunity (Bipartisan Budget Act, Infrastructure & Jobs Act, Inflation Reduction Act).



Vertical Integration Mitigates Risk

We are vertically integrated and self-perform 80% of our projects, which allow for better labor cost control, and monitoring, as well as more accurate bid proposals.



Established Customer Base and Focus on California

50%+ of our 2022 Revenue derived from repeat customers. We focus on California, which has a complex permitting and regulatory environment, creating entry barriers.



Publicly Funded Backlog

\$1.2 billion publicly funded backlog, CAPEX light, and limited financial leverage.⁽³⁾



Transitioning to a Higher Margin Portfolio

Our transition from an inconsistent legacy portfolio comprised of large-scale projects with higher risk and lower margins to smaller and mid-sized water-focused projects are expected to improve operating performance and financial results.



Potential Acquisitions to Improve Growth & Margin

With a public currency, we expect to retain and attract water infrastructure talent. By maintaining a strong balance sheet, potential acquisitions would further drive financial performance.

⁽¹⁾ Company estimate. ⁽²⁾ Rankings for “Dams and Reservoirs,” “Water Supply,” and “Water Treatment and Desalination Plants” published in Engineering News Record, September 2022.

⁽³⁾ As of September 29, 2023. ⁽⁴⁾ As of year end 2022. ⁽⁵⁾ See Appendix for reconciliation of Adjusted EBITDA.

\$664M
Revenue⁽⁴⁾

\$1.2B+
Backlog⁽³⁾

\$4M
Net Income⁽⁴⁾

\$47M
Adj. EBITDA⁽⁴⁾⁽⁵⁾

1.6%
CAPEX as % of Revenue⁽⁴⁾

\$63M/\$33M
Cash/Debt⁽³⁾

50%+
Of 2022 Revenue from
Repeat Customers

1,500+
Employees⁽³⁾

Shimmick History



1912
Morrison and
Knudsen form JV



1996
Washington Const.
acquires MK



2007
Washington Group is
acquired by URS



2014
URS acquired by
AECOM Corp



1990
John Shimmick
starts Shimmick



2015
Shimmick backlog
exceeds \$500M



2016
Shimmick files to go
public in IPO



2017
AECOM purchases
Shimmick



2021
Shimmick becomes independent

2022
Ranks in top ten in water

**Refocused strategy to roll off legacy
portfolio and focus on Water
Infrastructure projects**

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

Shimmick Primary Activities – Our Competitive Advantage

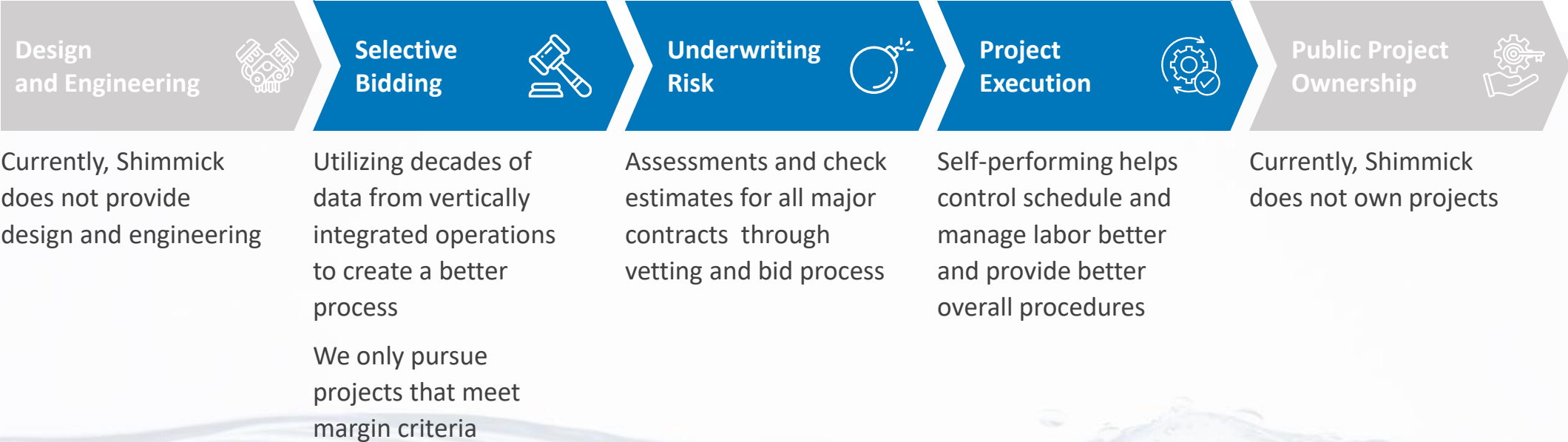


Repeatable Process Leads to More Predictable Results

Core Competencies



Primary Activities



Select Long Standing Customer Relationships

50%+

Of 2022 Revenue



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

Transitioning to a Higher Margin Water-focused Portfolio



Margin Improvement to Ensur on a Positive Mix

Legacy Portfolio

December 2021⁽¹⁾

Inconsistent project size, focus, and duration across disparate geographies resulted in suboptimal margin

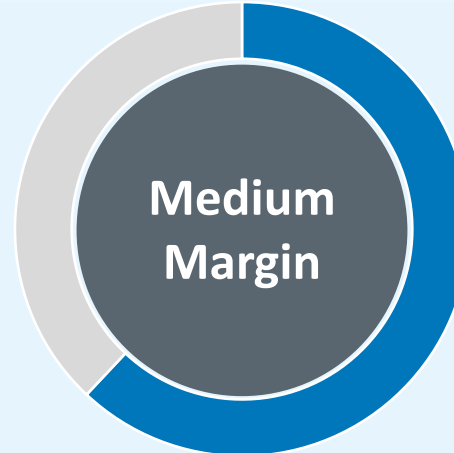


■ New Backlog ■ Legacy Job Backlog

Transitional Portfolio

September 2023⁽¹⁾

New water-focused projects in the smaller and mid-sized projects with less risk and higher margin centered around core geographies



■ New Backlog ■ Legacy Job Backlog

The New Shimmick

3-5 Yrs. ⁽¹⁾

Unencumbered by suboptimal legacy projects, the new Shimmick is well-positioned to capitalize on an enormous opportunity in water infrastructure



■ New Backlog

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

A black and white photograph of a wide waterfall with two concrete structures in the foreground. A large white semi-circle is overlaid on the right side of the image, containing the title text.

Project and Technology Overview

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

Selected Project Highlights

KEY PROJECT STATISTICS

(AS OF SEPTEMBER 29, 2023)

Contract Value **\$76 MILLION**

Percentage of Completion **33%**

Schedule **43 MONTHS**

Project Start Date **JULY 2022**

LEWISVILLE DAM SAFETY MODIFICATIONS

Aging Infrastructure

Shimmick Solution

Shimmick is making major repairs to the aging Lewisville Dam and spillway outside of Dallas, Texas. Shimmick's solution will stabilize the spillway and install erosion protection measures to prevent movement of the new structure during flow events.



Status

Project is progressing as planned. This project is the final in a series of projects that, when completed in 2026, will mark the final improvements and bring this aging dam up to current safety and environmental standards.



Select Case Studies

Water Treatment Orange County



- Driver: Population Growth
- Three-step advanced process consisting of microfiltration, reverse osmosis and ultraviolet light with hydrogen peroxide.
- 30 million gallon per day expansion, completed in 2023, and expanded capacity to provide water for one million people.

Water Risk Mitigation Foster City

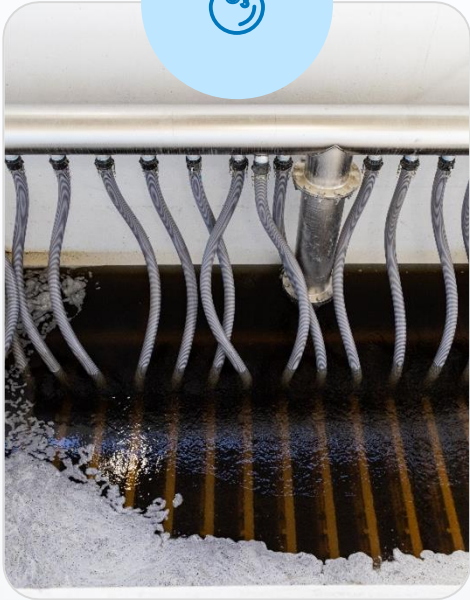


- Driver: Climate Change/Rising Sea Levels
- Over six miles of flood protection to address projected sea-level rise.
- Work was completed adjacent to the environmentally sensitive San Francisco Bay and marsh system.

Shimmick Water Technology Solutions



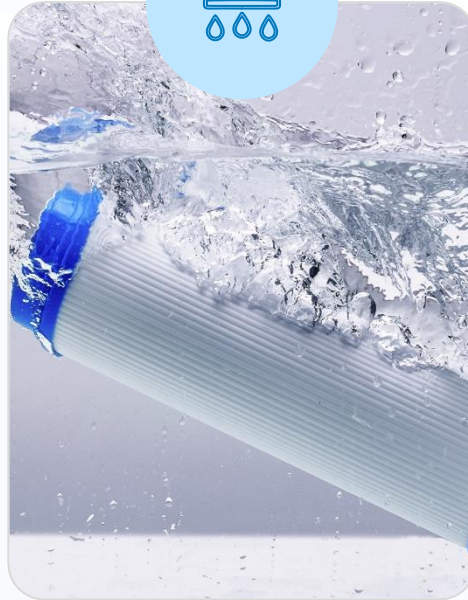
Shimmick has Decades of Experience with All Major Water Technologies



Ozonation



Biological
Activated Carbon



Membrane
Filtration



Reverse
Osmosis



UV/Advanced
Oxidation

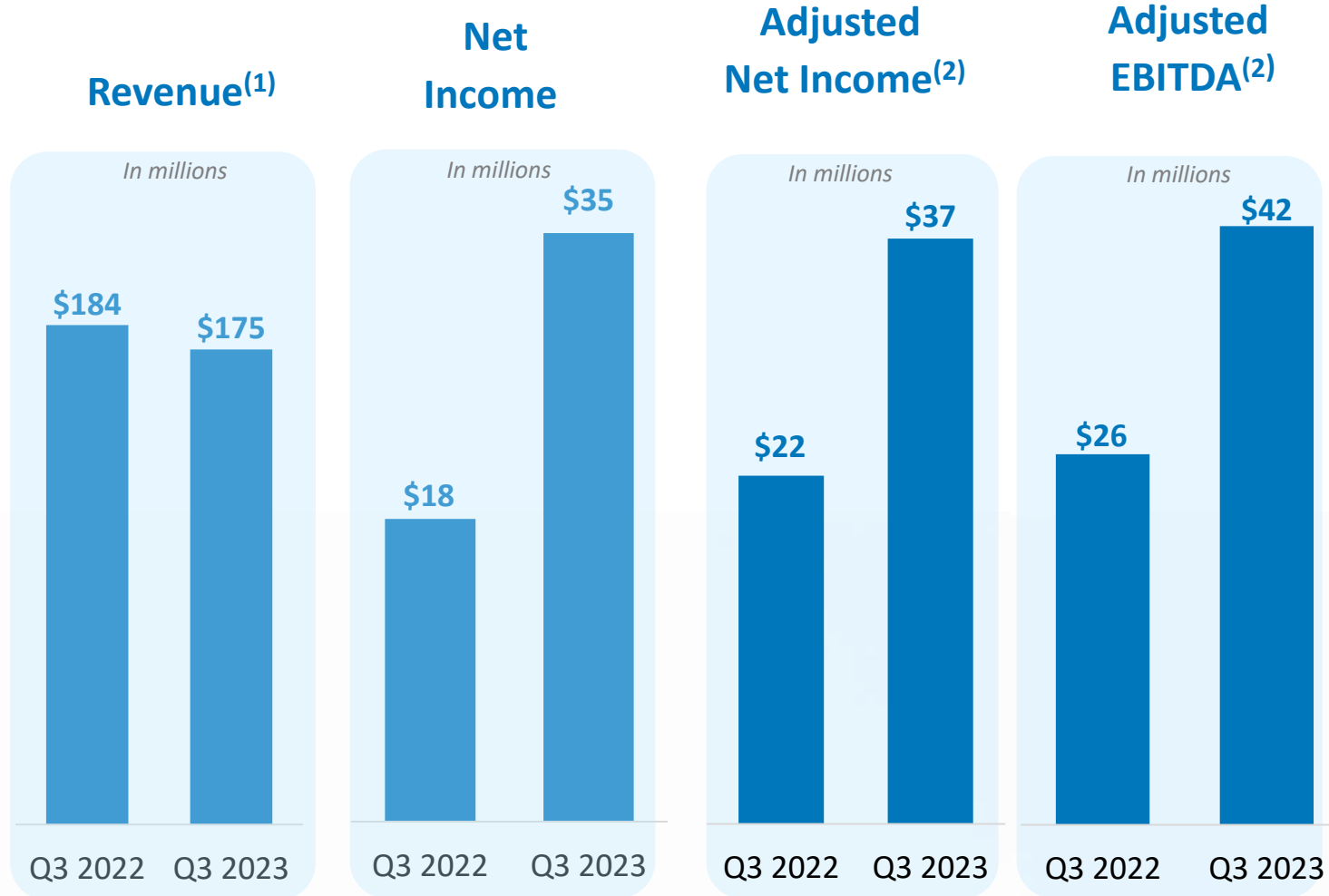
A black and white photograph of a wide waterfall with two concrete pillars in the foreground. A large white semi-circle is overlaid on the right side of the image.

Financial Summary

Third Quarter Highlights



- Revenue of \$175 million and expanded gross margin by 260 basis points
- Net Income grew approximately 96% to \$35 million
- Adjusted Net Income grew approximately 70% to \$37 million
- Adjusted EBITDA grew approximately 63% to \$42 million
- Backlog of \$1.2 billion as of September 29, 2023



1. Revenue includes \$25 million and \$29 million of legacy loss job revenue which is recorded at zero margin as of September 29, 2023 and September 30, 2022, respectively.

2. See appendix for reconciliation of non-GAAP measures.

Q3'23 Financial Results Summary



Revenue
\$175M

Gross Margin
\$17M
10% of revenue

Net Income
\$35M

Adjusted Net Income⁽¹⁾
\$37M
21% of revenue

Adjusted EBITDA⁽¹⁾
\$42M
24% of revenue

Cash
\$63M

Debt
\$33M

Observations

Ramp up of new water & wastewater treatment projects drive strong top-line results

Adjusted EBITDA margin expansion growth in the quarter as legacy backlog is replaced

1. See appendix for reconciliation of non-GAAP measures.

Condensed Balance Sheet⁽¹⁾



(in thousands)

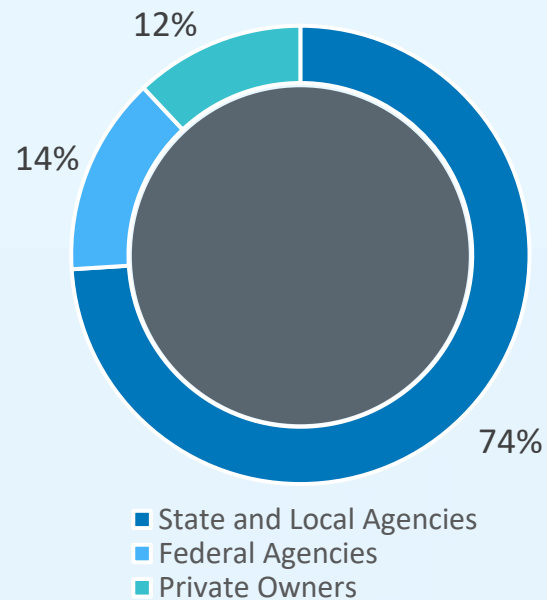
	September 29, 2023	December 30, 2022
Assets		
Cash and Cash Equivalents	61,862	77,762
Total Current Assets	270,690	233,476
Total Assets	457,134	446,799
Liabilities		
Total Current Liabilities	297,211	340,944
Total Liabilities	388,751	395,204
Equity		
Total Stockholders' Equity	68,383	51,595

1. Condensed Balance Sheet does not include impact of the IPO.

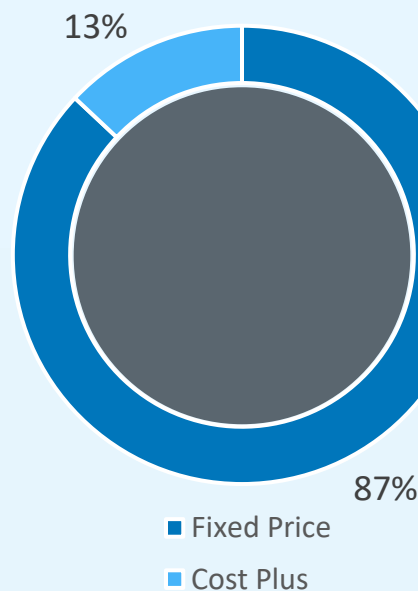
Components of September 2023 Backlog⁽¹⁾

Our Backlog is Entirely USA, Predominantly Publicly Funded and Fixed Priced

Customer Type



Contract Type



Backlog Conversion

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

Appendix

MAKE IT HAPPEN

GAAP to Non-GAAP Reconciliation



(in thousands)

Net Income

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
Net income attributable to Shimmick Corporation	34,567	17,966	14,930	21,676
Changes in fair value of contingent consideration	(339)	56	11	9,556
IPO and transaction-related costs	230	700	1,797	2,739
Stock-based compensation	496	884	1,547	1,776
Legal fees and other costs for a legacy loss job ⁽¹⁾	1,708	2,092	6,346	8,695
Adjusted Net Income	\$36,662	\$21,698	\$24,631	\$44,442

(in thousands)

Net Income

	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
Net income attributable to Shimmick Corporation	34,567	17,966	14,930	21,676
Depreciation and amortization	4,637	4,005	13,186	11,856
Interest expense (income)	413	15	1,020	66
Income tax expense (benefit)	-	-	-	1,257
Changes in fair value of contingent consideration	(339)	56	11	9,556
IPO and transaction-related costs	230	700	1,797	2,739
Stock-based compensation	496	884	1,547	1,776
Legal fees and other costs for a legacy loss job ⁽¹⁾	1,708	2,092	6,346	8,695
Adjusted EBITDA	\$41,712	\$25,718	\$38,837	\$57,621

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

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

GAAP to Non-GAAP Reconciliation



	Years Ended December 31,	
	2022	2021
Adjusted EBITDA		
Net (loss) income attributable to Shimmick Corporation	3,760	45,403
Depreciation and amortization	15,979	14,929
Interest expense (income)	226	(84)
Income tax expense (benefit)	1,274	(24,122)
EBITDA	\$21,239	\$36,126
Changes in fair value of contingent consideration	9,462	(11,600)
IPO and transaction-related costs	3,104	4,170
Stock-based compensation	2,295	1,185
Legal fees and other costs for a legacy loss job	10,904	9,645
Bargain purchase gain	0	(233,147)
Adjusted EBITDA	\$47,004	(\$193,621)
Adjusted EBITDA margin	<u>7.2%</u>	<u>(33.8%)</u>
Revenues	\$664,158	\$572,666

Non-GAAP Financial Measures Explanatory Notes



Adjusted Net Income

Adjusted net income represents net 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 job.

We have included adjusted net 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 income can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that adjusted net income provides useful information to investors and others in understanding and evaluating our results of operations.

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

Because of these and other limitations, you should consider adjusted net income alongside Net 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 job.

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 income attributable to Shimmick Corporation, which is the most directly comparable GAAP measure.



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