DEAR FELLOW SHAREHOLDERS

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April 2019

As fiscal 2020 begins, we look back on a challenging year and disappointing results. Yet despite adversity, we continue to see significant opportunities in our industry and are working diligently to apply last year's lessons to strengthen our future.

Fiscal 2019 revenue was a record at $3.128 billion with organic growth[1] of 3.6% for the year and 13.7% for the fourth quarter. Employee headcount at the end of the year was 14,920. (This year marked our first full fiscal year that ended in January.) Adjusted diluted earnings per share[1] were disappointing at $2.78, declining from $3.88 for the 12 months ended January 2018 while adjusted EBITDA[1] of $330.0 million also declined from $383.5 for the corresponding 12-month year ago period. Excluded from both earnings measures was a $17.2 million pre-tax charge due to the voluntary petition for reorganization filed by our fifth largest customer after the end of the fiscal year. Organic revenue growth was uneven across our top five customers with one customer increasing over 91%, two customers essentially unchanged, and one down over 15% and another down almost 25%. All in all a mixed year for our top five customers, particularly compared to our strong growth and results in fiscal years 2015[2], 2016[2] and 2017[2].

Last month marked my 20th anniversary as chief executive officer of Dycom. Over this time, the Company has grown dramatically. In the fiscal year before I became CEO, our revenues were $371.4 million, pro forma diluted earnings per share[1] was $1.43, adjusted EBITDA was $51.2 million and headcount was 3,834. This 20-year period of strong growth was not, however, without challenging and disappointing years. After five years of remarkable growth, calendar 2001 saw the implosion of many so called "dot.com" companies, a pronounced slow down in spending by both cable and telephone companies, and the general effects of the first business cycle recession in 10 years. After the growth of the 1990's, which saw Dycom make 19 acquisitions over a 44-month period, the 2001 recession tested the resolve, determination and durability of an enterprise, and the people that built it, which had grown five-fold in the years prior. Hard decisions to close and combine business units were made, valuable employees unfortunately laid off and assets sold. 2001 was followed by a 2002 that included the bankruptcies of WorldCom and the Company's then largest customer Adelphia Communications. These bankruptcies further tested our resilience. Finally, during the period from the fall of 2008 through the late spring of 2009, the Company lived through the most pronounced period of macroeconomic uncertainty in its history. Business confidence collapsed, customers rapidly and dramatically reduced spending and housing related activity effectively stopped altogether. Again, our people and our business model were tested.

Throughout these challenging years we adapted to changed circumstances and developed new processes to improve our business. As Nick Saban, the championship winning Alabama football coach once said, "One thing about championship teams is that they're resilient. No matter what is thrown at them, no matter how deep the hole, they find a way to bounce back and overcome adversity." Just as in other challenging times, last year's adversity has shown us ways to make our Company better.

1 Organic revenue growth (decline), adjusted EBITDA, adjusted diluted earnings per share and pro forma diluted earnings per share are Non-GAAP financial measures. Please refer to Appendix A of this Annual Report for a reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles.

2 In September 2017, the Company's Board of Directors approved a change in the Company's fiscal year end from July to January. Beginning with the six-month transition period ended January 27, 2018, the Company's fiscal year ends on the last Saturday in January. "Fiscal 2015" refers to the period beginning July 27, 2014 and ending July 25, 2015, "fiscal 2016" refers to the period beginning July 26, 2015 and ending July 30, 2016 and "fiscal 2017" refers to the period beginning July 31, 2016 and ending July 29, 2017.

First and foremost, difficult years provide opportunities to identify talented people within the Company and provide them with new and expanded paths for development. Three years ago, we initiated a more formal process to identify and cultivate high potential employees across the enterprise. Despite our relatively flat organization, I was heartened by the amount and quality of talent we possessed. Today, many of these talented employees are leading efforts to enhance our project management and program skills, implement new information technologies and lead large business units.

Second, we continue to invest in the future. Through a disciplined process that continuously evaluates new production technologies, we have, even in a difficult year, made significant investments in more fuel efficient and productive trucks and equipment and deployed new technical instrumentation. Most important, we accelerated our efforts to improve field productivity, reduce our general and administrative costs and enhance our project and program management systems.

And finally, this past year we stepped back and evaluated our corporate culture and its key values. As an enterprise comprising strong business units that have been acquired and then grown organically over decades, our success has been driven by three core values: ownership, discipline and service delivery. With respect to ownership, we expect the leaders of our business units to operate as if they owned the business, with the deep sense of accountability for outcomes that comes from true responsibility for a business and its people. That pride in ownership expresses itself in disciplined execution focused on service delivery to the customer. In an industry still predominantly privately owned and fragmented, ownership, discipline and service delivery have allowed us to gain scale and market share over decades. However, no matter how well these core values have served us, as the scale of the Company has grown, the need to enhance these values has become apparent. At the Company's current size, our scale can enable efficiencies and innovation that were not possible 20 years ago or even 10 years ago. As wireless technologies have advanced, we can acquire better information about how we are delivering services to our customers across business units and customers in every part of the business. As more of our applications run in the cloud, our ability to look across functional siloes and correlate all available information to make business decisions can improve significantly. When deployed at scale, these types of innovations may enable a rethinking of the way we monitor, manage, administer and keep our employees safe.

"...our success has been driven by three core values: ownership, discipline and service delivery."

In my letter to you last year, I outlined the emerging convergence of wireless and wireline networks to support new wireless technologies and new 5G, high capacity, low latency, wireless standards. At the time, use cases for the new 5G standard were still developing. Today, one wireless carrier has deployed 5G wireless technologies at very high frequencies to provide competitive home broadband services while another has actively begun to brand and sell a mobile 5G service. Handsets and other devices to take advantage of 5G will come to market in 2019.

The emergence of 5G is expected to continue the decades long trend towards "digitalization" of many real-world applications. Vast sums are being invested in autonomous vehicle technologies. These investments rely on the availability of very low latency wireless signals to coordinate the interactions of individual vehicles as they react to other vehicles in traffic. So-called "smart city" applications are being designed to use wireless and sensor technologies to improve traffic flows, improve lighting efficiency, monitor water and sewer infrastructure, and improve the efficiency of waste collection.

The potential impact of these applications is expected to be analogous in many ways to the revolutionary impact of the digitalization of the delivery of information. From newspapers, to the US Postal Service, to traditional satellite and cable video delivery, vast industries have been disrupted by new competitors with communications technologies that dramatically lower cost and improve customer experience. For Dycom, the ability to harness the capabilities of the emerging networks we are just beginning to deploy for customers

continued

promises new areas for our own growth and development. Augmented reality delivered wirelessly has the promise to improve installation quality and to anticipate when work practices may be unsafe for workers or the general public. Real time communications with field employees and sensors can create visibility around work practices that can identify where improvements can be made in ways that traditional supervisory processes cannot.

Despite a challenging year with disappointing results, we remain confident that as we apply the lessons we have learned to the significant industry opportunities in front of us, we will continue to improve our Company. New talent with great ideas continues to emerge. Investment in technologies and systems is accelerating and our culture remains sound and open to enhancement. The deployment of new 5G technology by our customers continues to grow as use cases develop and newly possible revenue opportunities emerge. Internally, we are becoming more innovative and efficient in leveraging our scale.

While no one enjoyed last year, we are all hard at work to do all we can to make this year better.

On a final note, this May our general counsel of the last 14 years, Rick Vilsoet, will be retiring. For every day of those 14 years, Rick has worked tirelessly and with great integrity. While he will be sorely missed, we wish him all the best in his well-earned and deserved retirement. On behalf of the Board and his fellow employees I say to Rick: No one who ever worked with you at Dycom ever doubted that your first loyalty was to the Company and its success. Thank you very much.

Sincerely,

Steven Nielsen
President and Chief Executive Officer

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