**First Quarter report, 2023, for NV5 Global (NVEE) Date:** Oct 3, 2023

Percentage change in Sales from year ago quarter 10%

Percentage change in Earnings per Share from year ago quarter -11.5%

Is company meeting our target sales & earnings estimates? **No**

Pre-tax Profit on sales trend? (up, even, down) **UP**

Return on equity trends? (up, even, down) DOWN

Debt? (up, even, down) **DOWN**

Current PE is 32.5

Where does it fall in my estimated High/low range of PE's? **Slightly above midpoint**

Signature PE =\_**33.3**\_\_\_\_\_\_\_\_

Club cost basis for this stock is **$53.84**. Current price is $96.23 (09/30/23)

**Current fair value**: Morningstar 3\*\*\*: $137.70 S&P: $- Value Line: $190

**My SSG Total Return** is \_\_\_14.7%\_\_ Projected Average Return is 12.8%

**NV5 Global** is a provider of professional and technical engineering and consulting solutions to public and private sector clients. The company serves the infrastructure, energy, construction, real estate, and environmental markets. **NV5** primarily focuses on six business verticals: infrastructure; buildings and program management; environmental health sciences; geospatial technology; utility services; and testing, inspection, and consulting. The company operates out of more than 115 locations nationwide and in Macau, Hong Kong, and the UAE. The company HQ is in Hollywood, Fla

**Value Line** NV5 Global’s Geospatial (GEO) business remains in rapid growth mode. The provider of professional and technical engineering and consulting solutions’ June-quarter revenues advanced 10%, year over year, thanks to meaningful success across the fast-growing GEO unit which now accounts for 32% of total revenue compared to 19% in the year-ago period.

Profits are set to be less inspiring for the year. The second-quarter bottom line figure of $1.00 a share came in 12% below the previous-year period, albeit a nice advance from our forecast of $0.70 a share.

We have raised our full-year 2023 share earnings estimate by a dime to $3.30 but still look for some unevenness on a year-over-year basis, reflecting heavy growth-related investments. The company intends to spend on several public sector projects in tandem with recent infrastructure bills

One objective is to solidify its global data center presence, with support from the August acquisition of Red Technologies that should enhance NV5’s presence in the Asia/Pacific region. These shares are ranked to lag the broader market in the year ahead. The stock has limited appeal for the 2026-2028 stretch. Our projections, though, may prove conservative if new projects and M&A opportunities arise. That said, 18- month appreciation potential is solid.

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**What will drive future growth?**

**News**

It has been selected by United States Geological Survey (USGS) for a $10 million contract to perform geospatial lidar data collection and processing of 28,359 square miles in Oregon and Washington state as part of the USGS 3D Elevation Program (3DEP). The project will support forest resource management and is jointly funded by USGS and the U.S. Forest Service Geospatial Technology and Applications Center of the U.S. Department of Agriculture.

The two-year project includes leaf-on lidar data collection in the fall and spring and is expected to be completed in September 2025.

NVEE has been awarded a $16 million extension to an existing resident engineering inspection services contract by the New York City Department of Design and Construction (“NYCDDC”). NV5 has also been issued a $9 million task order to provide resident engineering inspection services for the reconstruction of Trinity Place in Lower Manhattan. In addition to reconstruction of the roadway, the project’s scope will include extensive upgrades to the City’s sewer system and electric and gas infrastructure.

August 8, 2023

[NV5 Acquires Red Technologies, Strengthens Data Center and Mission Critical Services in Asia Pacific](https://ir.nv5.com/news-events/news-releases/news-details/2023/NV5-Acquires-Red-Technologies-Strengthens-Data-Center-and-Mission-Critical-Services-in-Asia-Pacific/default.aspx)

July 27, 2023

[NV5 Awarded $16 Million Contract for Combined Sewer Overflow Reduction by the New York City Department of Environmental Protection](https://ir.nv5.com/news-events/news-releases/news-details/2023/NV5-Awarded-16-Million-Contract-for-Combined-Sewer-Overflow-Reduction-by-the-New-York-City-Department-of-Environmental-Protection/default.aspx)

July 25, 2023

[NV5 Awarded $11 million in Utility Undergrounding, Battery Storage, and Distribution Reliability Contracts](https://ir.nv5.com/news-events/news-releases/news-details/2023/NV5-Awarded-11-million-in-Utility-Undergrounding-Battery-Storage-and-Distribution-Reliability-Contracts/default.aspx)

**CFRA -** NVEE's SELL recommendation is based on its score from CFRA's quantitative model for the United States. Growth and Valuation model sub-categories are the two largest drivers of NVEE's SELL recommendation. Growth includes factors that measure EPS growth and stability and cash flow growth and stability.

Valuation includes factors such as price to earnings, price to EBITDA, and price to cash flow.

NVEE's overall score ranked 83. (1 = best and 100 = worst)

* + **Recommend**: Hold or, Challenge w/better \_X\_, Sell\_X\_\_