



## Williams Industrial Services Group Inc. (WLMS)

**Conference Highlights Include WLMS To Benefit From Infrastructure Deal And Changes Made To Prevent Cost Overruns; Continue To Model 70% EPS CAGR From 2020-2023; Maintain \$6 Target**

	2020		2021E		2022E		2023E	
		OLD	NEW	OLD	NEW	OLD	NEW	
Mar.	(\$0.05)	(\$0.06)A		(\$0.04)		\$0.00		
June	0.10	0.10A		0.15		0.18		
Sep.	0.04	0.03A		0.11		0.14		
Dec.	(0.03)	0.04		0.06		0.08		
<b>EPS</b>	<b>\$0.08</b>	<b>\$0.11</b>		<b>\$0.28</b>		<b>\$0.40</b>		
<b>P/E</b>		<b>30.3x</b>		<b>11.9x</b>		<b>8.3x</b>		
<b>EBITDA (mil)</b>	<b>\$14.6</b>	<b>\$12.5</b>		<b>\$17.1</b>		<b>\$19.6</b>		
<b>EV / EBITDA</b>		<b>9.7x</b>		<b>7.1x</b>		<b>6.2x</b>		

Note: NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky. 2020-2023E include annual stock-based compensation expense of \$0.06, \$0.10, \$0.10, \$0.10. Sum of quarterly EPS may not equal full-year total due to rounding and/or share count. NC=Not Covered by Sidoti & Company, LLC.

Year	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Rev.(Mil.)	\$539.1	\$589.0	\$231.0	\$187.0	\$188.9	\$245.8	\$269.1	\$302.1	\$325.1	\$338.2
GAAP EPS*	(\$2.78)	(\$4.59)	(\$2.12)	(\$1.70)	(\$0.76)	\$0.05	\$0.08	\$0.11	\$0.28	\$0.40

\* 2014-2015 include results from the former product manufacturing businesses, which have since been divested. 2016-2018 have been restated to exclude revenue and EPS from discontinued operations.

**Description:** Williams Industrial Services Group Inc. (www.wisgrp.com) is a provider of infrastructure-related construction and maintenance services to customers in the energy and industrial end markets. The company's targeted end markets include nuclear (77% of 2020 sales), fossil-fuel related project work (11%), energy delivery (4%), and industrial (8%). The United States accounted for 87% of sales in 2020, while Canadian sales were 13%. Headquarters are in Tucker, GA.

- **WLMS CEO Tracy Pagliara, CFO Damien Vassall, and COO Randy Lay presented at last week's Sidoti December Virtual Microcap Conference.**
- **One key takeaway from the presentation is that the Infrastructure Investment and Jobs Act (signed into law in November 2021) will afford the company incremental revenue opportunities to bid on for the next eight years.**
- **Management also elaborated on 3Q:21's cost overruns and the steps it has taken to address them.**
- **Overall, we think the opportunity for robust EPS growth is intact, given incremental sales opportunities and SG&A leverage on revenue growth.**
- **WLMS held net debt of \$33 million (\$1.25 per share, 2.5x leverage) as of 3Q:21. We model WLMS exits 2023 with net debt of \$9 million (\$0.33 a share).**
- **We maintain our \$6 price target, which is based on 9.8x our unchanged 2023 EPS estimate of \$0.40, equating to 9.8x our 2023 EBITDA estimate of \$20 million.**

**WLMS highlighted that it is well-positioned to benefit from the recently passed bipartisan infrastructure deal.** Management specifically noted the portions of the deal most directly relating to WLMS are the \$65 billion to upgrade power infrastructure and grid hardening, and \$55 billion to expand access to clean drinking water. Given the fixed cost leverage in WLMS' business model, we think the incremental revenue opportunities are a major positive for WLMS's business for the next decade.

**3Q:21's cost overruns should be largely contained to 3Q:21.** For context, WLMS's contract mix of only 11% fixed price contracts should allow for a lower risk of a cost overruns, relative to E&Cs with greater fixed-price contract exposure. Therefore, we were surprised to see 3Q:21 results be affected by about \$3 million pre-tax (a \$0.09 EPS drag, by our estimate) in overruns. Management explained that the cost overruns were driven by poor operational execution; namely, securing pricing on key materials, and labor management. WLMS believes it has made the changes necessary to address the execution issues; we note that WLMS

**NR**

Price Target: \$6

Price: \$3.33

Risk Rating: M

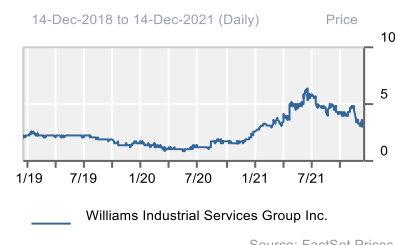
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### Key Statistics

Analysts Covering	3
Market Cap (Mil)	\$90
Enterprise Value	\$121
52-Week Range (NYSE)	7-2
5-Year EPS CAGR	50%
Avg. Daily Trading Volume	70,000
Shares Out (Mil)	25.916
Float Shares (Mil)	23.210
Insider Ownership	10%
Institutional Holdings	68%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (2023E)	\$0.37
FCF Yield (2023E)	11.1%
Net Cash Per Share (2023E)	(\$0.33)
Price to Book Value	2.2x
Return on Equity (2023E)	20.5%
Total Debt to Capital	52%
Interest Coverage Ratio	1.8x
Short Interest %	0.1%
Short Interest Days To Cover	0.2
Russell 2000	2,195
Russell 2000 – Last 12 Months	12.8%
WLMS – Last 12 Months	45.9%



recently announced a management reorganization that separates the operations and business development leadership positions. WLMS also recently appointed a Chief Information Officer (a role that did not previously exist at WLMS) to upgrade the company's business systems.

**We expect robust EPS growth through 2023, driven by SG&A leverage.** Following EPS growth of 60% in 2020, we forecast EPS will grow 38% in 2021, 155% in 2020, and 43% in 2023, driven by sales growth and operating leverage on the general and administrative line (where costs are mostly fixed). Underlying these drivers are \$200 million plus net operating loss carryforwards that WLMS can use to offset taxable income.

**At the end of 3Q:21, WLMS held \$3 million in cash and \$36 million in debt,** equating to net debt of \$33 million (\$1.25 per share, 2.5x leverage) and a total debt ratio of 51%. We note the 2.5x leverage ratio compares t WLMS's stated target ratio of 1.0x-2.0x. We continue to think WLMS will prioritize debt reduction first and foremost, but note this will be dependent on the company generating better free cash flow in subsequent quarters. By the close of 2023, we model cash of \$9 million, total debt of \$18 million (net debt of \$9 million) a leverage ratio of 0.5x, and a total debt ratio of 23%.

<b>Valuation</b>	<b>We maintain a Moderately Risky rating and \$6 price target,</b> based on 15x our 2023 EPS estimate of \$0.40, equating to 9.8x our 2023 EBITDA estimate of \$20 million. The stock has risen 46% in the past 12 months, compares to a 13% rise in the Russell 2000 Index. Currently, WLMS shares trade at 12x and 8x our 2022-2023 EPS estimates, and 7x and 6x our 2022-2023 EBITDA estimates. Our Moderately Risky rating is supported by the improving balance sheet, blue-chip customer base, contract mix of 89% time and materials, and the recent success with growing and diversifying the backlog.		
<b>Key Risks</b>	Execution	Customer concentration	Business Cyclicity

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

Table 1: WLMS Income Statement  
(in millions, except per share data)

	2019	Mar	Jun	Sep	Dec	2020	MarA	JunA	SepA	DecE	2021E	MarE	JunE	SepE	DecE	2022E	2023E
<b>Revenue</b>	<b>\$ 245.8</b>	<b>\$ 66.1</b>	<b>\$ 72.5</b>	<b>\$ 66.2</b>	<b>\$ 64.1</b>	<b>\$ 269.1</b>	<b>\$ 60.9</b>	<b>\$ 91.6</b>	<b>\$ 73.4</b>	<b>\$ 76.3</b>	<b>\$ 302.1</b>	<b>\$ 64.5</b>	<b>\$ 96.1</b>	<b>\$ 83.6</b>	<b>\$ 80.9</b>	<b>\$ 325.1</b>	<b>\$ 338.2</b>
COGS	214.9	59.2	63.2	57.6	55.0	235.0	54.8	82.2	66.6	67.4	270.9	57.8	83.9	72.8	72.0	286.5	296.9
<b>Gross profit</b>	<b>30.9</b>	<b>6.9</b>	<b>9.4</b>	<b>8.7</b>	<b>9.1</b>	<b>34.0</b>	<b>6.1</b>	<b>9.4</b>	<b>6.8</b>	<b>8.9</b>	<b>31.1</b>	<b>6.7</b>	<b>12.2</b>	<b>10.8</b>	<b>8.9</b>	<b>38.6</b>	<b>41.3</b>
S&M expenses	0.6	0.1	0.1	0.1	0.2	0.6	0.2	0.2	0.3	0.3	1.0	0.2	0.2	0.2	0.2	0.8	0.8
G&A expenses	24.6	6.2	5.4	5.8	6.3	23.7	6.3	6.4	4.2	6.2	23.1	6.0	6.2	5.9	5.7	23.7	23.8
D&A	0.3	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2
<b>Operating income</b>	<b>5.4</b>	<b>0.5</b>	<b>3.8</b>	<b>2.7</b>	<b>2.6</b>	<b>9.5</b>	<b>(0.5)</b>	<b>2.7</b>	<b>2.2</b>	<b>2.4</b>	<b>6.9</b>	<b>0.5</b>	<b>5.8</b>	<b>4.7</b>	<b>3.0</b>	<b>13.9</b>	<b>16.4</b>
Int expense	(6.0)	(1.5)	(1.6)	(1.5)	(1.4)	(6.1)	(1.3)	(1.2)	(1.2)	(1.3)	(5.0)	(1.3)	(1.3)	(1.3)	(1.3)	(5.1)	(3.9)
Other, net	2.0	0.1	0.5	0.3	(1.0)	(0.1)	0.4	1.2	(0.2)	-	1.4	-	-	-	-	-	-
<b>Pretax income</b>	<b>1.4</b>	<b>(0.9)</b>	<b>2.7</b>	<b>1.4</b>	<b>0.1</b>	<b>3.4</b>	<b>(1.4)</b>	<b>2.7</b>	<b>0.8</b>	<b>1.1</b>	<b>3.2</b>	<b>(0.8)</b>	<b>4.5</b>	<b>3.4</b>	<b>1.7</b>	<b>8.8</b>	<b>12.5</b>
Taxes	0.3	0.0	0.2	0.3	0.8	1.4	0.2	0.1	(0.0)	0.1	0.4	0.2	0.4	0.3	0.2	1.2	1.4
<i>Tax Rate</i>	<i>24.6%</i>	<i>NM</i>	<i>7.2%</i>	<i>22.3%</i>	<i>766.4%</i>	<i>41.1%</i>	<i>NM</i>	<i>2.9%</i>	<i>(0.8%)</i>	<i>10.0%</i>	<i>11.4%</i>	<i>NM</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>13.2%</i>	<i>11.5%</i>
<b>Net income - cont ops</b>	<b>1.0</b>	<b>(0.9)</b>	<b>2.5</b>	<b>1.1</b>	<b>(0.7)</b>	<b>2.0</b>	<b>(1.6)</b>	<b>2.6</b>	<b>0.8</b>	<b>1.0</b>	<b>2.9</b>	<b>(1.0)</b>	<b>4.0</b>	<b>3.0</b>	<b>1.6</b>	<b>7.6</b>	<b>11.1</b>
Disc.	1.2	(0.1)	(0.0)	(0.1)	(0.3)	(0.4)	(0.1)	0.2	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Net income (GAAP)	2.2	(1.0)	2.5	1.0	(1.0)	1.5	(1.7)	2.9	0.7	0.9	2.9	(1.1)	4.0	3.0	1.5	7.3	10.8
Diluted shares	18.8	20.3	25.2	25.2	24.7	23.9	24.9	26.4	26.5	26.6	26.1	26.8	26.9	27.0	27.1	26.9	27.4
<b>EPS - cont ops</b>	<b>\$ 0.05</b>	<b>\$ (0.05)</b>	<b>\$ 0.10</b>	<b>\$ 0.04</b>	<b>\$ (0.03)</b>	<b>\$ 0.08</b>	<b>\$ (0.06)</b>	<b>\$ 0.10</b>	<b>\$ 0.03</b>	<b>\$ 0.04</b>	<b>\$ 0.11</b>	<b>\$ (0.04)</b>	<b>\$ 0.15</b>	<b>\$ 0.11</b>	<b>\$ 0.06</b>	<b>\$ 0.28</b>	<b>\$ 0.40</b>
<b>Adjusted EBITDA</b>	<b>12.6</b>	<b>1.6</b>	<b>5.0</b>	<b>4.1</b>	<b>4.0</b>	<b>14.6</b>	<b>0.6</b>	<b>4.9</b>	<b>3.8</b>	<b>3.2</b>	<b>12.5</b>	<b>1.3</b>	<b>6.6</b>	<b>5.5</b>	<b>3.8</b>	<b>17.1</b>	<b>19.6</b>
<b>Margins</b>																	
Gross margin	12.6%	10.4%	12.9%	13.1%	14.2%	12.6%	10.0%	10.2%	9.2%	11.7%	10.3%	10.4%	12.7%	12.9%	11.0%	11.9%	12.2%
S&M	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
G&A	10.0%	9.4%	7.4%	8.8%	9.8%	8.8%	10.4%	7.0%	5.8%	8.1%	7.7%	9.3%	6.4%	7.0%	7.0%	7.3%	7.0%
SG&A	10.2%	9.6%	7.6%	9.0%	10.1%	9.0%	10.7%	7.2%	6.2%	8.5%	8.0%	9.6%	6.7%	7.3%	7.3%	7.5%	7.3%
D&A	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Op margin	2.2%	0.8%	5.2%	4.0%	4.0%	3.5%	(0.8%)	3.0%	3.0%	3.2%	2.3%	0.8%	6.0%	5.6%	3.7%	4.3%	4.9%
Pretax margin	0.6%	(1.3%)	3.7%	2.2%	0.2%	1.3%	(2.3%)	3.0%	1.1%	1.5%	1.1%	(1.2%)	4.7%	4.0%	2.1%	2.7%	3.7%
Net margin	0.4%	(1.4%)	3.5%	1.7%	(1.1%)	0.7%	(2.6%)	2.9%	1.1%	1.3%	1.0%	(1.5%)	4.2%	3.6%	1.9%	2.3%	3.3%
EBITDA margin (adjusted)	5.1%	2.4%	6.9%	6.2%	6.2%	5.4%	1.0%	5.3%	5.2%	4.2%	4.1%	2.0%	6.8%	6.5%	4.7%	5.3%	5.8%
<b>YoY % change</b>																	
Revenue	30.1%	30.6%	1.5%	16.5%	(4.0%)	9.5%	(8.0%)	26.2%	10.7%	19.0%	12.3%	6.0%	5.0%	14.0%	6.0%	7.6%	4.0%
Gross profit	7.5%	3.4%	1.8%	45.4%	0.3%	10.1%	(11.7%)	(0.0%)	(21.9%)	(1.8%)	(8.5%)	10.0%	30.6%	59.5%	(0.3%)	24.0%	6.9%
S&M	(64.4%)	(42.5%)	(15.2%)	95.2%	41.2%	(3.1%)	52.9%	65.0%	117.1%	59.0%	71.5%	(23.6%)	4.1%	(21.7%)	(24.3%)	(16.7%)	4.0%
G&A	(32.1%)	30.2%	(16.8%)	14.5%	(23.6%)	(3.5%)	1.8%	18.3%	(27.1%)	(2.0%)	(2.6%)	(4.9%)	(3.4%)	37.8%	(8.4%)	2.4%	0.7%
SG&A	(33.5%)	26.7%	(16.8%)	15.4%	(22.7%)	(3.5%)	2.9%	19.5%	(24.1%)	(0.4%)	(0.8%)	(5.6%)	(3.2%)	34.3%	(9.1%)	1.6%	0.8%
D&A	(64.9%)	(43.1%)	(25.0%)	(40.3%)	(43.4%)	(37.9%)	0.0%	(19.3%)	8.7%	16.3%	0.0%	22.0%	8.7%	0.0%	0.0%	7.0%	0.0%
Op income	(154.5%)	(67.0%)	52.3%	267.2%	316.0%	75.7%	(187.7%)	(28.3%)	(17.5%)	(5.6%)	(28.0%)	(207.2%)	113.3%	112.9%	22.8%	102.8%	17.8%
Pretax income	(107.4%)	(291.9%)	107.9%	(577.4%)	(202.9%)	148.6%	58.7%	0.7%	(45.2%)	961.2%	(3.5%)	(43.3%)	64.4%	329.4%	52.3%	170.8%	41.9%
Net income	(107.4%)	(335.2%)	95.1%	(407.4%)	140.9%	94.0%	70.4%	5.4%	(28.9%)	(243.3%)	45.1%	(37.3%)	52.3%	283.6%	52.3%	165.4%	44.7%
EPS cont ops	(106.6%)	(350.0%)	42.9%	(300.0%)	50.0%	60.0%	20.0%	0.0%	(25.0%)	(233.3%)	37.5%	(33.3%)	50.0%	266.7%	50.0%	154.5%	42.9%
EBITDA (adjusted)	9.6%	(37.6%)	23.3%	122.0%	(4.8%)	16.2%	(60.2%)	(2.1%)	(7.1%)	(19.3%)	(14.4%)	108.3%	34.6%	44.4%	17.2%	36.7%	14.6%

Source: Company reports, Sidoti & Company LLC estimates

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

**Table 2: WLMS Cash Flow Statement**

(in millions, except per share data)

	2019	Mar	Jun	Sep	Dec	2020	MarA	JunA	SepA	2021E	2022E	2023E
Net income	\$ 2.2	\$ (1.0)	\$ 2.5	\$ 1.0	\$ (1.0)	\$ 1.5	\$ (1.7)	\$ 2.9	\$ 0.7	\$ 2.9	\$ 7.3	\$ 10.8
D&A	0.3	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.2	0.2	0.2
Amortization of deferred financing costs	-	0.2	0.2	0.2	1.0	1.5	0.2	0.2	0.2	0.6	-	-
Stock based compensation	1.7	0.5	0.7	0.6	0.8	2.5	0.7	0.7	1.1	3.3	3.0	3.0
Bad debt expense	-	0.0	-	0.0	(0.4)	(0.4)	(0.0)	(0.0)	(0.1)	(0.1)	-	-
Change in receivables	(15.5)	5.6	(14.7)	2.7	17.1	10.7	(1.7)	(1.5)	(8.7)	(6.4)	3.4	(2.2)
Change in contract assets	1.0	(9.2)	5.7	1.9	0.8	(0.7)	(4.6)	0.3	(0.5)	(4.8)	(0.2)	(1.4)
Change in payables	13.7	(3.7)	(2.0)	(3.3)	(1.4)	(10.4)	(0.8)	2.5	0.5	0.3	0.4	0.3
Change in accrued expenses	(1.5)	3.2	1.6	2.6	(0.9)	6.5	6.0	(3.2)	1.3	1.6	(2.5)	-
Other changes	(5.6)	1.4	(0.2)	(2.6)	1.2	(0.3)	(1.2)	(0.2)	(2.0)	(3.4)	-	-
<b>Cash from operations</b>	<b>(3.8)</b>	<b>(3.0)</b>	<b>(6.3)</b>	<b>3.2</b>	<b>17.4</b>	<b>11.2</b>	<b>(3.1)</b>	<b>1.7</b>	<b>(7.4)</b>	<b>(5.8)</b>	<b>11.7</b>	<b>10.7</b>
Capex	(0.2)	(0.0)	(0.0)	0.0	(0.0)	(0.1)	(0.1)	(0.4)	(0.1)	(0.6)	(0.6)	(0.6)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash used in investing</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>
Change in debt	7.4	(4.5)	4.9	(3.2)	(9.3)	(12.1)	0.7	0.8	2.5	4.0	(8.0)	(10.0)
Repurchase of common stock	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock	-	6.5	(0.0)	-	0.0	6.5	-	-	-	-	-	-
Other, net	(0.5)	(0.4)	(0.1)	(0.1)	(3.5)	(4.2)	(0.7)	(0.1)	(0.2)	(1.0)	-	-
<b>Cash provided from financing</b>	<b>6.9</b>	<b>1.6</b>	<b>4.8</b>	<b>(3.3)</b>	<b>(12.9)</b>	<b>(9.8)</b>	<b>(0.0)</b>	<b>0.7</b>	<b>2.3</b>	<b>3.0</b>	<b>(8.0)</b>	<b>(10.0)</b>
Effect of FX changes	0.1	(0.1)	(0.0)	0.1	0.2	0.1	(0.1)	0.2	(0.0)	0.1	-	-
Net change in cash	2.9	(1.6)	(1.7)	(0.1)	4.7	1.4	(3.3)	2.3	(5.2)	(3.3)	3.1	0.1
Cash, beginning of period	4.9	7.8	6.2	4.5	4.5	7.8	9.2	5.9	8.2	9.2	5.9	9.0
<b>Cash, end of period</b>	<b>7.8</b>	<b>6.2</b>	<b>4.5</b>	<b>4.5</b>	<b>9.2</b>	<b>9.2</b>	<b>5.9</b>	<b>8.2</b>	<b>3.0</b>	<b>5.9</b>	<b>9.0</b>	<b>9.0</b>
Free cash flow	(4.1)	(3.1)	(6.4)	3.2	17.4	11.1	(3.2)	1.4	(7.5)	(6.4)	11.1	10.1
Free cash flow per share	\$ (0.22)	\$ (0.15)	\$ (0.25)	\$ 0.13	\$ 0.70	\$ 0.46	\$ (0.13)	\$ 0.05	\$ (0.28)	\$ (0.25)	\$ 0.41	\$ 0.37

Source: Company reports, Sidoti & Company LLC estimates

WILLIAMS INDUSTRIAL SERVICES GROUP INC.

**Table 3: WLMS Balance Sheet**  
(in millions, except per share data)

	2019	Mar	Jun	Sep	2020	MarA	JunA	SepA	2021E	2022E	2023E
Cash	\$ 7.8	\$ 6.2	\$ 4.5	\$ 4.5	\$ 9.2	\$ 5.9	\$ 8.2	\$ 3.0	\$ 5.9	\$ 9.0	\$ 9.0
Receivables	38.2	32.7	47.4	44.7	27.5	29.3	30.8	39.5	33.9	30.6	32.7
Contract assets	7.2	16.4	10.7	8.8	8.0	12.5	12.3	12.8	12.8	13.0	14.4
Other, net	2.5	2.6	3.5	6.2	6.5	6.5	8.1	11.5	11.5	11.5	11.5
<b>Current Assets</b>	<b>55.7</b>	<b>57.8</b>	<b>66.1</b>	<b>64.1</b>	<b>51.2</b>	<b>54.2</b>	<b>59.3</b>	<b>66.9</b>	<b>64.1</b>	<b>64.0</b>	<b>67.7</b>
PP&E	0.3	0.3	0.3	0.4	0.3	0.3	0.6	0.7	0.8	1.2	1.6
Goodwill	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4	35.4
Intangible assets, net	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Other, net	8.5	8.6	8.7	6.6	5.7	5.8	5.8	5.7	5.7	5.7	5.7
<b>ASSETS</b>	<b>112.5</b>	<b>114.6</b>	<b>123.0</b>	<b>119.0</b>	<b>105.1</b>	<b>108.2</b>	<b>113.6</b>	<b>121.1</b>	<b>118.5</b>	<b>118.8</b>	<b>122.8</b>
Accts Payable	16.6	12.9	10.9	7.6	6.2	5.4	7.9	8.4	6.5	7.0	7.2
Accrued comp and benefits	9.3	12.5	14.1	16.7	15.8	21.8	18.5	19.9	17.4	15.0	15.0
Contract liabilities	2.7	3.4	3.2	3.4	2.5	2.0	1.3	2.5	2.5	2.5	2.5
Short term borrowings	10.8	6.4	11.4	8.3	0.4	1.2	2.1	4.7	4.7	4.7	4.7
Curr portion of LTD	0.7	0.9	0.7	0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Other, net	6.7	8.3	9.9	8.8	7.5	7.2	10.2	10.9	10.9	10.9	10.9
<b>Current liabilities</b>	<b>46.9</b>	<b>44.4</b>	<b>50.1</b>	<b>45.5</b>	<b>33.5</b>	<b>38.5</b>	<b>41.1</b>	<b>47.4</b>	<b>43.0</b>	<b>41.0</b>	<b>41.3</b>
LTD	32.7	32.4	32.5	32.5	30.7	30.6	30.5	30.4	30.4	22.4	12.4
Other, net	10.7	10.0	9.6	9.0	9.0	8.8	8.4	8.2	8.2	8.2	8.2
<b>LIABILITIES</b>	<b>90.3</b>	<b>86.8</b>	<b>92.2</b>	<b>86.9</b>	<b>73.2</b>	<b>77.9</b>	<b>79.9</b>	<b>86.0</b>	<b>81.6</b>	<b>71.6</b>	<b>61.9</b>
<b>Shareholders' equity</b>	<b>22.2</b>	<b>27.7</b>	<b>30.7</b>	<b>32.1</b>	<b>31.9</b>	<b>30.3</b>	<b>33.7</b>	<b>35.1</b>	<b>36.8</b>	<b>47.2</b>	<b>60.9</b>
<b>TOT LIABILITIES &amp; EQUITY</b>	<b>112.5</b>	<b>114.6</b>	<b>123.0</b>	<b>119.0</b>	<b>105.1</b>	<b>108.2</b>	<b>113.6</b>	<b>121.1</b>	<b>118.5</b>	<b>118.8</b>	<b>122.8</b>
<b>Selected data</b>											
Cash	7.8	6.2	4.5	4.5	9.2	5.9	8.2	3.0	5.9	9.0	9.0
Gross debt	44.2	39.7	44.6	41.5	32.1	32.8	33.6	36.2	36.2	28.2	18.2
Net cash (debt)	(36.4)	(33.5)	(40.1)	(37.0)	(22.9)	(26.9)	(25.5)	(33.1)	(30.3)	(19.2)	(9.1)
Net cash (debt) per share	\$ (1.93)	\$ (1.65)	\$ (1.59)	\$ (1.47)	\$ (0.96)	\$ (1.08)	\$ (0.96)	\$ (1.25)	\$ (1.16)	\$ (0.71)	\$ (0.33)
Total debt / capital	66.6%	58.9%	59.2%	56.4%	50.2%	52.0%	50.0%	50.7%	49.5%	37.4%	23.0%
Net debt / adjusted EBITDA	2.9x	2.9x	3.2x	2.5x	1.6x	2.0x	1.9x	2.5x	2.4x	1.1x	0.5x
ROA	1.0%	(0.3%)	0.8%	2.1%	1.8%	1.2%	1.2%	1.0%	2.6%	6.4%	9.2%
ROIC	1.7%	(0.5%)	1.4%	3.6%	3.0%	2.0%	2.1%	1.6%	4.2%	10.3%	14.3%
ROE	5.1%	(1.3%)	3.5%	9.0%	7.3%	4.6%	4.6%	3.4%	8.4%	18.2%	20.5%
Book value per share	\$ 1.18	\$ 1.36	\$ 1.22	\$ 1.27	\$ 1.34	\$ 1.22	\$ 1.27	\$ 1.33	\$ 1.41	\$ 1.75	\$ 2.22
Tangible book value per share	\$ (1.37)	\$ (0.99)	\$ (0.68)	\$ (0.63)	\$ (0.67)	\$ (0.71)	\$ (0.54)	\$ (0.48)	\$ (0.42)	\$ (0.03)	\$ 0.47

Source: Company reports, Sidoti & Company LLC estimates

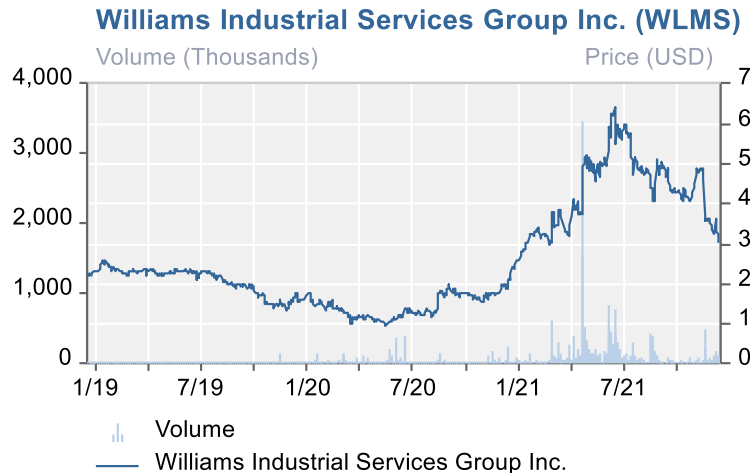
**Appendix**  
Required Disclosures

**Required Disclosures**

**Williams Industrial Services Group Inc. (WLMS-\$3.33) NR Price Target: \$6 Risk Rating: M**

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	10/19/21	4.2	NR	7	M
PT	11/16/21	4.9		7	
PT	11/19/21	3.7		6	



<b>Valuation</b>	We maintain a Moderately Risky rating and \$6 price target, based on 15x our 2023 EPS estimate of \$0.40, equating to 9.8x our 2023 EBITDA estimate of \$20 million. The stock has risen 46% in the past 12 months, compares to a 13% rise in the Russell 2000 Index. Currently, WLMS shares trade at 12x and 8x our 2022-2023 EPS estimates, and 7x and 6x our 2022-2023 EBITDA estimates. Our Moderately Risky rating is supported by the improving balance sheet, blue-chip customer base, contract mix of 89% time and materials, and the recent success with growing and diversifying the backlog.		
<b>Key Risks</b>	Execution	Customer concentration	Business Cyclicity

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