

Willdan Group, Inc.
Form FWP
October 04, 2018

Free Writing Prospectus

Filed Pursuant to Rule 433

Registration No. 333-217356

Supplementing the Preliminary Prospectus Supplement dated October 3, 2018 (to Prospectus dated

November 17, 2017)

WILLDAN GROUP, INC.

1,750,000 SHARES OF COMMON STOCK

FINAL TERM SHEET

DATE: OCTOBER 4, 2018

Issuer:	Willdan Group, Inc.
Security:	Common stock, par value \$0.01
Offering Size:	1,750,000 shares of common stock
Over-allotment Option:	262,500 shares of common stock
Trade Date:	October 4, 2018
Settlement Date:	October 9, 2018
Public Offering Price:	\$30.00 per share
Underwriting Discounts and Commissions:	\$1.95 per share
Net Proceeds to the Issuer:	\$48,087,500 (after deducting the underwriters' discounts and commissions and estimated offering expenses)
Joint Book-Running Managers:	Wedbush Securities Inc. Roth Capital Partners, LLC

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The issuer has filed a registration statement including a prospectus and a prospectus supplement with the Securities and Exchange Commission (the SEC) for the offering to which this communication relates. Before you invest, you should read the prospectus and prospectus supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus and the prospectus supplement if you request them by contacting: (i) Wedbush Securities Inc., Attention: Equity Syndicate Prospectus Department, 2 Embarcadero Center, Suite 600, San Francisco, CA 94111, by email at ecm@wedbush.com or by telephone at 800.422.4309 or (ii) Roth Capital Partners, LLC, 888 San Clemente Drive, Suite 400, Newport Beach, CA 92660 or by telephone at 800.678.9147.

Willdan Group, Inc., together with its direct and indirect subsidiaries, is referred to herein collectively as we, our, Willdan, or the Company. Other capitalized terms used, but not defined, in this Free Writing Prospectus have the meanings given to them in the Preliminary Prospectus Supplement, filed with the SEC on October 3, 2018 (Preliminary Prospectus Supplement).

Any disclaimer or other notice that may appear below is not applicable to this communication and should be disregarded. Such disclaimer or notice was automatically generated as a result of this communication being sent by Bloomberg or another email system.

CAPITALIZATION

The table below sets forth our capitalization as of June 29, 2018:

- on an actual basis;
- on an as adjusted basis, assuming that the acquisition of Lime Energy is not completed and the conditions precedent to borrowing under the Delayed Draw Term Loan Facility are not satisfied, and giving effect to this offering, as if this offering had occurred on June 29, 2018; and
- on an as adjusted pro forma basis, assuming the acquisition of Lime Energy is completed, the conditions precedent to borrowing under the Delayed Draw Term Loan Facility are satisfied, and giving effect to this offering, as if each had occurred on June 29, 2018.

You should read this table together with *Use of Proceeds* appearing in the Preliminary Prospectus Supplement, the *Management's Discussion and Analysis of Financial Condition and Results of Operations* section and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2017, in our Quarterly Report on Form 10-Q for the quarterly periods ended March 30, 2018 and June 29, 2018, and our Current Report on Form 8-K filed with the SEC on October 3, 2018, which are incorporated by reference into the Preliminary Prospectus Supplement and related prospectus.

	Actual	As of June 29, 2018 (Unaudited)	As Adjusted Pro Forma for Acquisition
		As Adjusted for No Acquisition (Dollars in thousands, except per share data)	
Cash and cash equivalents	\$ 11,225	\$ 59,313	\$ 9,313
Total debt:			
Existing revolving credit facility (1)	2,000		
New revolving credit facility (2)			
Delayed Draw Term Loan Facility (3)			70,000
Total debt	2,000		70,000
Stockholders' equity:			
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued and outstanding			
Common stock, \$0.01 par value, 40,000,000 shares authorized; 8,857,000 shares issued and outstanding at June 29, 2018	89	107	107
Additional paid-in capital	54,216	102,286	102,286
Retained earnings	25,659	25,659	25,659
Total stockholders' equity	79,964	128,052	128,052
Total capitalization	\$ 81,964	\$ 128,052	\$ 198,052

(1) All amounts previously outstanding under the existing revolving credit facility were repaid subsequent to June 29, 2018.

(2) Assumes no amounts will be outstanding under the new revolving credit facility after giving effect to the acquisition of Lime Energy. We may borrow up to an aggregate of \$30.0 million under our new revolving credit facilities.

(3) The amount available for borrowing under the Delayed Draw Term Loan Facility will be reduced by the net proceeds from any equity offering completed by us prior to any borrowings under such facility but, in no event, will the amount available for borrowing be less than \$70.0 million. For purposes of the above table, we have assumed we will borrow \$70.0 million under the Delayed Draw Term Loan Facility after giving effect to the acquisition of Lime Energy.

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following tables present our summary unaudited pro forma condensed combined financial information as of and for the six months ended June 29, 2018 and for the fiscal year ended December 29, 2017. The unaudited pro forma condensed combined financial information for the six months ended June 29, 2018 gives effect to the acquisition of Lime Energy, this offering of our common stock and the use of proceeds therefrom and borrowings under the New Credit Facilities, assuming each had occurred on December 30, 2017. The unaudited pro forma condensed combined financial information for the fiscal year ended December 29, 2017 gives effect to the acquisition of Lime Energy, this offering of our common stock and the use of proceeds therefrom and borrowings under the New Credit Facilities, assuming each had occurred on December 31, 2016. The unaudited pro forma condensed combined balance sheet data as of June 29, 2018 gives effect to the acquisition of Lime Energy, this offering of our common stock and the use of proceeds therefrom and borrowings under the New Credit Facilities, assuming each had occurred on June 29, 2018.

The summary unaudited pro forma condensed combined financial information does not purport to be indicative of the financial position or results of operations that would have been reported had the acquisition of Lime Energy, this offering of our common stock and the use of proceeds therefrom and borrowings under the Credit Agreement actually been effected on the dates indicated, or at all, or which may be reported in the future. The summary unaudited pro forma condensed combined financial information does not reflect any revenue enhancements or cost savings from synergies that may be achieved with respect to the acquisition of Lime Energy, or the impact of non-recurring items directly related to the acquisition and the related debt financing. Although our management believes the assumptions used in preparing the summary unaudited pro forma condensed combined financial information were reasonable as of the date of this prospectus supplement, these assumptions may not prove to be correct. As a result, actual results could differ materially. The summary unaudited pro forma condensed combined financial information should be read together with our consolidated financial statements and the consolidated financial statements of Lime Energy and their respective accompanying notes included in our Current Report on Form 8-K filed with the SEC on October 3, 2018 along with our other documents incorporated by reference in the Preliminary Prospectus Supplement.

WILLDAN GROUP, INC. AND SUBSIDIARIES

Pro Forma Condensed Combined Statements of Operations

(Unaudited)

	Willdan Group, Inc. Historical Six Months Ended June 29, 2018	Lime Energy Co. Historical Six Months Ended June 30, 2018	Pro Forma Adjustments	Willdan Group, Inc. Pro Forma Combined
	(Dollars in thousands, except per share amounts)			
Contract revenue	\$ 114,428	\$ 73,303	\$	\$ 187,731
Direct costs of contract revenue (exclusive of depreciation and amortization shown separately below):				
Salaries and wages	22,125		6,385(a)	28,510
Subconsultant services and other direct costs	49,613	49,711	(250)(b)	99,074
Total direct costs of contract revenue	71,738	49,711	6,135	127,584
General and administrative expenses:				
Salaries and wages, payroll taxes and employee benefits	20,750		7,689(c)	28,439
Facilities and facilities related	2,595		756(c)	3,351
Stock-based compensation	2,726		285(c)	3,011
Depreciation and amortization	2,175	167	3,805(d)	6,147
Other	8,265	20,386	(15,670)(e)	12,981
Total general and administrative expenses (income)	36,511	20,553	(3,135)	53,929
Income (loss) from operations	6,179	3,039	(3,000)	6,218
Other income (expense):				
Interest income		213		213
Interest (expense)	(53)	(1,363)	(632)(f)	(2,048)
Other, net	19	(794)	794(g)	19
Total other (expense)	(34)	(1,944)	162	(1,816)
Income (loss) before income taxes	6,145	1,095	(2,838)	4,402
Income tax expense (benefit)	627	3	(795)(h)	(165)
Net income (loss)	\$			