



MYR Group Inc. Announces Third Quarter and First Nine Months 2025 Results

October 29, 2025

THORNTON, Colo., Oct. 29, 2025 (GLOBE NEWSWIRE) -- **MYR Group Inc. ("MYR" or the "Company") (NASDAQ: MYRG)**, a holding company of leading specialty contractors serving the electric utility infrastructure, commercial and industrial construction markets in the United States and Canada, announced today its third quarter and first nine months 2025 financial results.

Highlights for Third Quarter 2025

- Quarterly revenues of \$950.4 million
- Record quarterly net income of \$32.1 million, or \$2.05 per diluted share
- Record quarterly EBITDA of \$62.7 million
- Backlog of \$2.66 billion

Management Comments

Rick Swartz, MYR's President and CEO, said, "Our third quarter performance resulted in quarterly revenues of \$950 million and year-over-year increases in net income, consolidated gross profit, gross margin, and EBITDA." Mr. Swartz continued, "By enhancing relationships with our preferred customers and expanding work in our core markets, we continue to capitalize on strong long-term growth opportunities. The accelerating pace of electrification, future project demand, load growth, and the need for resilient infrastructure are driving investment in electrical infrastructure, which positions us well for continued success in the future."

Third Quarter Results

MYR reported third quarter 2025 revenues of \$950.4 million, an increase of \$62.4 million, compared to the third quarter of 2024. Specifically, our Transmission and Distribution ("T&D") segment reported quarterly revenues of \$503.4 million, an increase of \$21.5 million, from the third quarter of 2024, due to an increase of \$16.3 million in revenue on transmission projects and an increase of \$5.2 million in revenue on distribution projects. Our Commercial and Industrial ("C&I") segment reported quarterly revenues of \$447.0 million, an increase of \$40.8 million, from the third quarter of 2024.

Consolidated gross profit increased to \$111.9 million in the third quarter of 2025, compared to \$77.3 million for the third quarter of 2024. The increase in gross profit was due to higher margin and revenues. Gross margin increased to 11.8 percent for the third quarter of 2025 from 8.7 percent for the third quarter of 2024. The increase in gross margin was primarily due to the third quarter of 2024 being negatively impacted by certain T&D clean energy projects and a C&I project. In the third quarter of 2025, gross margin was also positively impacted by better-than-anticipated productivity, favorable change orders and favorable job closeouts. These margin increases were partially offset by an increase in costs associated with project inefficiencies, unfavorable change orders and inclement weather. Changes in estimates of gross profit on certain projects resulted in gross margin decreases of 0.6 percent and 3.9 percent for the third quarter of 2025 and 2024, respectively.

Selling, general and administrative expenses ("SG&A") increased to \$65.9 million in the third quarter of 2025, compared to \$57.5 million for the third quarter of 2024. The period-over-period increase was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth. These increases were partially offset by \$1.1 million of contingent compensation expense, related to a prior acquisition, recognized during the third quarter of 2024, that did not recur.

Interest expense decreased to \$1.4 million in the third quarter of 2025, compared to \$2.0 million for the third quarter of 2024. The period-over-period decrease was primarily due to lower interest rates and lower average outstanding debt balances during the third quarter of 2025 as compared to the third quarter of 2024.

Income tax expense was \$12.6 million for the third quarter of 2025, with an effective tax rate of 28.3 percent, compared to an income tax benefit of \$7.9 million for the third quarter of 2024, with an effective tax rate of 42.5 percent. The period-over-period change in tax rate was primarily due to lower permanent difference items mostly associated with deductibility limits of contingent compensation experienced in the prior year, as well as lower U.S. taxes on Canadian income.

For the third quarter of 2025, net income was \$32.1 million, or \$2.05 per diluted share, compared to \$10.6 million, or \$0.65 per diluted share, for the same period of 2024. Third-quarter 2025 EBITDA, a non-GAAP financial measure, was \$62.7 million, compared to \$37.2 million in the third quarter of 2024.

First Nine Months Results

MYR reported first nine months 2025 revenues of \$2.68 billion, an increase of \$151.8 million, compared to the first nine months of 2024. Specifically, our T&D segment reported revenues of \$1.47 billion, an increase of \$41.0 million, from the first nine months of 2024, due to an increase of \$45.8 million in revenue on distribution projects, partially offset by a decrease of \$4.9 million in revenue on transmission projects, primarily related to clean energy. Our C&I segment reported revenues of \$1.21 billion, an increase of \$110.9 million, from the first nine months of 2024.

Consolidated gross profit increased to \$312.5 million in the first nine months of 2025, compared to \$204.4 million in the first nine months of 2024. The increase in gross profit was due to higher margin and revenues. Gross margin increased to 11.6 percent for the first nine months of 2025 from 8.1 percent for the first nine months of 2024. The increase in gross margin was primarily due to the first nine months of 2024 being negatively impacted by certain T&D clean energy projects and by a C&I project. In the first nine months of 2025, gross margin was also positively impacted by better-than-anticipated productivity, favorable change orders and a favorable job closeout. These margin increases were partially offset by an increase in costs associated with labor and project inefficiencies and unfavorable change orders. Changes in estimates of gross profit on certain projects resulted in gross margin decreases of 1.3 percent and 4.4 percent for the first nine months of 2025 and 2024, respectively.

SG&A increased to \$191.8 million in the first nine months of 2025, compared to \$181.5 million for the first nine months of 2024. The period-over-period increase was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth. These increases were partially offset by \$9.3 million of contingent compensation expense, related to a prior acquisition, recognized during the first nine months of 2024, that did not recur.

Interest expense increased to \$4.8 million in the first nine months of 2025, compared to \$4.3 million for the first nine months of 2024. The period-over-period increase was primarily due to higher average outstanding debt balances, partially offset by lower interest rates during the first nine months of 2025 as compared to the first nine months of 2024.

Income tax expense was \$33.0 million for the first nine months of 2025, with an effective tax rate of 28.7 percent, compared to income tax expense of \$5.2 million for the first nine months of 2024, with an effective tax rate of 26.6 percent. The period-over-period change in tax rate was primarily due to higher pretax income, lower other permanent difference items and lower stock compensation excess tax benefits.

For the first nine months of 2025, net income was \$81.9 million, or \$5.20 per diluted share, compared to \$14.3 million, or \$0.86 per diluted share, for the same period of 2024.

Backlog

As of September 30, 2025, MYR's backlog was \$2.66 billion, compared to \$2.64 billion as of June 30, 2025. As of September 30, 2025, T&D backlog was \$929.0 million, and C&I backlog was \$1.73 billion. Total backlog as of September 30, 2025 increased \$64.4 million, or 2.5 percent, from the \$2.60 billion reported as of September 30, 2024.

Balance Sheet

As of September 30, 2025, MYR had \$399.8 million of borrowing availability under its \$490 million revolving credit facility.

Non-GAAP Financial Measures

To supplement MYR's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), MYR uses certain non-GAAP measures. Reconciliation to the nearest GAAP measures of all non-GAAP measures included in this press release can be found at the end of this release. MYR's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

MYR believes that these non-GAAP measures are useful because they (i) provide both management and investors meaningful supplemental information regarding financial performance by excluding certain expenses and benefits that may not be indicative of recurring core business operating results, (ii) permit investors to view MYR's performance using the same tools that management uses to evaluate MYR's past performance, reportable business segments and prospects for future performance, (iii) publicly disclose results that are relevant to financial covenants included in MYR's credit facility and (iv) otherwise provide supplemental information that may be useful to investors in evaluating MYR.

Conference Call

MYR will host a conference call to discuss its third quarter 2025 results on Thursday, October 30, 2025 at 8:00 a.m. Mountain time. To participate via telephone and join the call live, please register in advance here: <https://register-conf.media-server.com/register/B1b677d0491fbf409bb437eeb11cfee512>. Upon registration, telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number and a unique passcode. Participants may access the audio-only webcast of the conference call from the Investors page of MYR Group's website at myrgroup.com. A replay of the webcast will be available for seven days.

About MYR Group Inc.

MYR Group is a holding company of leading, specialty electrical contractors providing services throughout the United States and Canada through two business segments: Transmission & Distribution (T&D) and Commercial & Industrial (C&I). MYR Group subsidiaries have the experience and expertise to complete electrical installations of any type and size. Through their T&D segment they provide services on electric transmission, distribution networks, substation facilities, clean energy projects and electric vehicle charging infrastructure. Their comprehensive T&D services include design, engineering, procurement, construction, upgrade, maintenance and repair services. T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. Through their C&I segment, they provide a broad range of services which include the design, installation, maintenance and repair of commercial and industrial wiring generally for data centers, airports, hospitals, hotels, stadiums, commercial and industrial facilities, clean energy projects, manufacturing plants, processing facilities, water/waste-water treatment facilities, mining facilities, intelligent transportation systems, roadway lighting, signalization and electric vehicle charging infrastructure. C&I customers include general contractors, commercial and industrial facility owners, government agencies and developers. For more information, visit myrgroup.com.

Forward-Looking Statements

Various statements in this announcement, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenue, income, capital spending, segment improvements and investments. Forward-looking statements are generally accompanied by words such as "anticipate," "believe," "estimate," "expect," "intend," "likely," "may," "objective," "outlook," "plan," "project," "possible," "potential," "should," "unlikely," or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this announcement speak only as of the date of this announcement. We disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Forward-looking statements in this announcement should be evaluated together with the many uncertainties that affect MYR's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A. of MYR's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and in any risk factors or cautionary statements contained in MYR's subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

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Financial tables follow...

MYR GROUP INC.
Consolidated Balance Sheets
As of September 30, 2025 and December 31, 2024

(in thousands, except share and per share data)	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 76,211	\$ 3,464
Accounts receivable, net of allowances of \$935 and \$1,129, respectively	600,708	653,069
Contract assets, net of allowances of \$540 and \$422, respectively	353,481	301,942
Current portion of receivable for insurance claims in excess of deductibles	9,500	9,081
Refundable income taxes	5,644	4,638
Prepaid expenses and other current assets	22,817	42,468
Total current assets	1,068,361	1,014,662
Property and equipment, net of accumulated depreciation of \$407,471 and \$387,223, respectively	291,862	278,226
Operating lease right-of-use assets	44,789	42,648
Goodwill	114,522	112,983
Intangible assets, net of accumulated amortization of \$38,549 and \$34,573, respectively	73,182	75,691
Receivable for insurance claims in excess of deductibles	34,645	34,553
Deferred income taxes	5,900	5,734
Investment in joint ventures	3,771	3,730
Other assets	8,300	5,832
Total assets	\$ 1,645,332	\$ 1,574,059
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 4,554	\$ 4,363
Current portion of operating lease obligations	13,140	12,141
Current portion of finance lease obligations	824	1,046
Accounts payable	298,160	295,476
Contract liabilities	302,549	321,958
Current portion of accrued self-insurance	26,786	25,883
Accrued income taxes	8,188	196
Other current liabilities	146,723	87,837
Total current liabilities	800,924	748,900
Deferred income tax liabilities	56,281	52,498
Long-term debt	67,422	70,018
Accrued self-insurance	55,555	53,600
Operating lease obligations, net of current maturities	31,623	30,496
Finance lease obligations, net of current maturities	1,402	1,930
Other liabilities	14,537	16,257
Total liabilities	1,027,744	973,699
Commitments and contingencies		
Shareholders' equity:		
Preferred stock—\$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Common stock—\$0.01 par value per share; 100,000,000 authorized shares; 15,522,834 and 16,121,901 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	155	161
Additional paid-in capital	160,187	159,133
Accumulated other comprehensive loss	(9,446)	(12,651)
Retained earnings	466,692	453,717
Total shareholders' equity	617,588	600,360
Total liabilities and shareholders' equity	\$ 1,645,332	\$ 1,574,059

Three and Nine Months Ended September 30, 2025 and 2024

(in thousands, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Contract revenues	\$ 950,400	\$ 888,043	\$ 2,684,345	\$ 2,532,495
Contract costs	838,508	810,755	2,371,841	2,328,121
Gross profit	111,892	77,288	312,504	204,374
Selling, general and administrative expenses	65,919	57,456	191,756	181,528
Amortization of intangible assets	1,214	1,221	3,613	3,666
Gain on sale of property and equipment	(1,512)	(1,750)	(3,213)	(4,745)
Income from operations	46,271	20,361	120,348	23,925
Other income (expense):				
Interest income	197	73	433	296
Interest expense	(1,440)	(2,016)	(4,759)	(4,311)
Other income (expense), net	(297)	112	(1,130)	(421)
Income before provision for income taxes	44,731	18,530	114,892	19,489
Income tax expense	12,637	7,881	33,024	5,178
Net income	\$ 32,094	\$ 10,649	\$ 81,868	\$ 14,311
Income per common share:				
—Basic	\$ 2.07	\$ 0.65	\$ 5.22	\$ 0.86
—Diluted	\$ 2.05	\$ 0.65	\$ 5.20	\$ 0.86
Weighted average number of common shares and potential common shares outstanding:				
—Basic	15,528	16,283	15,681	16,582
—Diluted	15,631	16,324	15,752	16,647

MYR GROUP INC.

**Unaudited Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2025 and 2024**

(in thousands)	Nine months ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 81,868	\$ 14,311
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	45,664	45,131
Amortization of intangible assets	3,613	3,666
Stock-based compensation expense	9,808	6,198
Deferred income taxes	3,312	(144)
Gain on sale of property and equipment	(3,213)	(4,745)
Other non-cash items	345	1,044
Changes in operating assets and liabilities:		
Accounts receivable, net	53,714	(50,193)
Contract assets, net	(49,762)	8,212
Receivable for insurance claims in excess of deductibles	(511)	(1,975)
Other assets	14,241	21,687
Accounts payable	4,795	(20,607)
Contract liabilities	(19,889)	22,294
Accrued self-insurance	2,845	(402)
Other liabilities	64,907	21,519
Net cash flows provided by operating activities	211,737	65,996
Cash flows from investing activities:		
Proceeds from sale of property and equipment	6,014	6,815
Purchases of property and equipment	(64,467)	(63,634)
Net cash flows used in investing activities	(58,453)	(56,819)
Cash flows from financing activities:		
Borrowings under revolving lines of credit	635,003	584,070
Repayments under revolving lines of credit	(633,048)	(520,076)

Payment of principal obligations under equipment notes	(4,360)	(7,049)
Payment of principal obligations under finance leases	(844)	(2,083)
Repurchase of common stock	(75,000)	(75,000)
Debt refinancing costs	—	(34)
Payments related to tax withholding for stock-based compensation	(2,653)	(5,866)
Net cash flows used in financing activities	(80,902)	(26,038)
Effect of exchange rate changes on cash	365	(469)
Net increase (decrease) in cash and cash equivalents	72,747	(17,330)
Cash and cash equivalents:		
Beginning of period	3,464	24,899
End of period	<u>\$ 76,211</u>	<u>\$ 7,569</u>

MYR GROUP INC.
Unaudited Consolidated Selected Data,
Unaudited Performance Measure and Reconciliation of Non-GAAP Measure
For the Three, Nine and Twelve Months Ended September 30, 2025 and 2024 and
As of September 30, 2025, December 31, 2024, September 30, 2024 and September 30, 2023

(dollars in thousands, except share and per share data)	Three months ended September 30,		Last twelve months ended September 30,	
	2025	2024	2025	2024
Summary Statement of Operations Data:				
Contract revenues	\$ 950,400	\$ 888,043	\$ 3,514,140	\$ 3,536,692
Gross profit	\$ 111,892	\$ 77,288	\$ 398,449	\$ 301,869
Income from operations	\$ 46,271	\$ 20,361	\$ 150,505	\$ 61,127
Income before provision for income taxes	\$ 44,731	\$ 18,530	\$ 141,896	\$ 54,982
Income tax expense	\$ 12,637	\$ 7,881	\$ 44,076	\$ 16,629
Net income	\$ 32,094	\$ 10,649	\$ 97,820	\$ 38,353
Tax rate	28.3%	42.5%	31.1%	30.2%

Per Share Data:

Income per common share:

– Basic	\$ 2.07	\$ 0.65	\$ 6.22 (1)	\$ 2.31 (1)
– Diluted	\$ 2.05	\$ 0.65	\$ 6.19 (1)	\$ 2.29 (1)

Weighted average number of common shares and potential common shares outstanding:

– Basic	15,528	16,283	15,794 (2)	16,611 (2)
– Diluted	15,631	16,324	15,862 (2)	16,702 (2)

(in thousands)	September 30, 2025	December 31, 2024	September 30, 2024	September 30, 2023
Summary Balance Sheet Data:				
Total assets	\$ 1,645,332	\$ 1,574,059	\$ 1,593,059	\$ 1,560,733
Total shareholders' equity	\$ 617,588	\$ 600,360	\$ 588,509	\$ 625,459
Goodwill and intangible assets	\$ 187,704	\$ 188,674	\$ 195,047	\$ 199,518
Total funded debt (3)	\$ 71,976	\$ 74,381	\$ 93,186	\$ 62,338

(dollars in thousands)	Three months ended September 30,				Nine months ended September 30,			
	2025	2024	2025	2024	2025	2024	2025	2024
Segment Results:								
Contract revenues:								
Transmission & Distribution	\$ 503,436	\$ 481,876	53.0%	54.3%	\$ 1,471,479	54.8%	\$ 1,430,480	56.5%
Commercial & Industrial	446,964	406,167	47.0	45.7	1,212,866	45.2	1,102,015	43.5
Total	\$ 950,400	\$ 888,043	100.0%	100.0%	\$ 2,684,345	100.0%	\$ 2,532,495	100.0%

Operating income:

Transmission & Distribution	\$ 41,461	8.2%	\$ 17,568	3.6%	\$ 118,147	8.0%	\$ 39,104	2.7%
Commercial & Industrial	28,583	6.4	20,309	5.0	67,953	5.6	33,340	3.0
Total	70,044	7.4	37,877	4.3	186,100	6.9	72,444	2.9
Corporate	(23,773)	(2.5)	(17,516)	(2.0)	(65,752)	(2.4)	(48,519)	(1.9)
Consolidated	\$ 46,271	4.9%	\$ 20,361	2.3%	\$ 120,348	4.5%	\$ 23,925	1.0%

See notes at the end of this earnings release

MYR GROUP INC.

**Unaudited Performance Measures and Reconciliation of Non-GAAP Measures
Three and Twelve Months Ended September 30, 2025 and 2024**

(in thousands, except share, per share data, ratios and percentages)	Three months ended September 30,		Last twelve months ended September 30,	
	2025	2024	2025	2024
Financial Performance Measures (4):				
EBITDA (5)	\$ 62,713	\$ 37,166	\$ 213,986	\$ 125,130
EBITDA per Diluted Share (6)	\$ 4.01	\$ 2.27	\$ 13.51	\$ 7.49
EBIA, net of taxes (7)	\$ 33,856	\$ 12,468	\$ 105,562	\$ 45,776
Free Cash Flow (8)	\$ 65,412	\$ 17,952	\$ 156,085	\$ 24,041
Book Value per Period End Share (9)	\$ 39.52	\$ 36.41		
Tangible Book Value (10)	\$ 429,884	\$ 393,462		
Tangible Book Value per Period End Share (11)	\$ 27.51	\$ 24.34		
Funded Debt to Equity Ratio (12)	0.12	0.16		
Asset Turnover (13)			2.21	2.27
Return on Assets (14)			6.1%	2.5%
Return on Equity (15)			16.6%	6.1%
Return on Invested Capital (16)			16.4%	6.9%
Reconciliation of Non-GAAP Measures:				
Reconciliation of Net Income to EBITDA:				
Net income	\$ 32,094	\$ 10,649	\$ 97,820	\$ 38,353
Interest expense, net	1,243	1,943	6,421	5,747
Income tax expense	12,637	7,881	44,076	16,629
Depreciation and amortization	16,739	16,693	65,669	64,401
EBITDA (5)	\$ 62,713	\$ 37,166	\$ 213,986	\$ 125,130
Reconciliation of Net Income per Diluted Share to EBITDA per Diluted Share:				
Net income per share	\$ 2.05	\$ 0.65	\$ 6.19	\$ 2.29
Interest expense, net, per share	0.08	0.12	0.40	0.34
Income tax expense per share	0.81	0.48	2.78	1.00
Depreciation and amortization per share	1.07	1.02	4.14	3.86
EBITDA per Diluted Share (6)	\$ 4.01	\$ 2.27	\$ 13.51	\$ 7.49
Reconciliation of Non-GAAP measure:				
Net income	\$ 32,094	\$ 10,649	\$ 97,820	\$ 38,353
Interest expense, net	1,243	1,943	6,421	5,747
Amortization of intangible assets	1,214	1,221	4,816	4,887
Tax impact of interest and amortization of intangible assets	(695)	(1,345)	(3,495)	(3,211)
EBIA, net of taxes (7)	\$ 33,856	\$ 12,468	\$ 105,562	\$ 45,776
Calculation of Free Cash Flow:				
Net cash flow from operating activities	\$ 95,590	\$ 35,625	\$ 232,856	\$ 108,620
Less: cash used in purchasing property and equipment	(30,178)	(17,673)	(76,771)	(84,579)
Free Cash Flow (8)	\$ 65,412	\$ 17,952	\$ 156,085	\$ 24,041

See notes at the end of this earnings release.

MYR GROUP INC.
Unaudited Performance Measures and Reconciliation of Non-GAAP Measures
As of September 30, 2025, 2024 and 2023

(in thousands, except per share amounts)	September 30, 2025	September 30, 2024
Reconciliation of Book Value to Tangible Book Value:		
Book value (total shareholders' equity)	\$ 617,588	\$ 588,509
Goodwill and intangible assets	(187,704)	(195,047)
Tangible Book Value (10)	\$ 429,884	\$ 393,462
 Reconciliation of Book Value per Period End Share to Tangible Book Value per Period End Share:		
Book value per period end share	\$ 39.52	\$ 36.41
Goodwill and intangible assets per period end share	(12.01)	(12.07)
Tangible Book Value per Period End Share (11)	\$ 27.51	\$ 24.34
 Calculation of Period End Shares:		
Shares outstanding	15,523	16,122
Plus: common equivalents	103	41
Period End Shares (17)	15,626	16,163

(in thousands)	September 30, 2025	September 30, 2024	September 30, 2023
Reconciliation of Invested Capital to Shareholders Equity:			
Book value (total shareholders' equity)	\$ 617,588	\$ 588,509	\$ 625,459
Plus: total funded debt	71,976	93,186	62,338
Less: cash and cash equivalents	(76,211)	(7,569)	(30,471)
Invested Capital	\$ 613,353	\$ 674,126	\$ 657,326
Average Invested Capital (18)	\$ 643,740	\$ 665,726	

See notes at the end of this earnings release.

- (1) Last-twelve-months earnings per share is the sum of earnings per share reported in the last four quarters.
- (2) Last-twelve-months weighted average basic and diluted shares were determined by adding the weighted average shares reported for the last four quarters and dividing by four.
- (3) Funded debt includes outstanding borrowings under our revolving credit facility and our outstanding equipment notes.
- (4) These financial performance measures are provided as supplemental information to the financial statements. These measures are used by management to evaluate our past performance, our prospects for future performance and our ability to comply with certain material covenants as defined within our credit agreement, and to compare our results with those of our peers. In addition, we believe that certain of the measures, such as book value, tangible book value, free cash flow, asset turnover, return on equity, and debt leverage are measures that are monitored by sureties, lenders, lessors, suppliers and certain investors. Our calculation of each measure is described in the following notes; our calculation may not be the same as the calculations made by other companies.
- (5) EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is not recognized under GAAP and does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. Certain material covenants contained within our credit agreement are based on EBITDA with certain additional adjustments, including our interest coverage ratio and leverage ratio, which we must comply with to avoid potential immediate repayment of amounts borrowed or additional fees to seek relief from our lenders. In addition, management considers EBITDA a useful measure because it provides MYR Group Inc. and its investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes to not directly reflect the company's core operations. Management further believes that EBITDA is useful to investors and other external users of our financial statements in evaluating the company's operating performance and cash flow because EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, useful lives placed on assets, capital structure and the method by which assets were acquired.
- (6) EBITDA per diluted share is calculated by dividing EBITDA by the weighted average number of diluted shares outstanding for the period. EBITDA per diluted share is not recognized under GAAP and does not purport to be an alternative to income per diluted share.

- (7) EBIA, net of taxes is defined as net income plus net interest plus amortization of intangible assets, less the tax impact of net interest and amortization of intangible assets. The tax impact of net interest and amortization of intangible assets is computed by multiplying net interest and amortization of intangible assets by the effective tax rate. Management uses EBIA, net of taxes, to measure our results exclusive of the impact of financing and amortization of intangible assets costs.
- (8) Free cash flow, which is defined as cash flow provided by operating activities minus cash flow used in purchasing property and equipment, is not recognized under GAAP and does not purport to be an alternative to net income, cash flow from operations or the change in cash on the balance sheet. Management views free cash flow as a measure of operational performance, liquidity and financial health.
- (9) Book value per period end share is calculated by dividing total shareholders' equity at the end of the period by the period end shares outstanding.
- (10) Tangible book value is calculated by subtracting goodwill and intangible assets outstanding at the end of the period from shareholders' equity. Tangible book value is not recognized under GAAP and does not purport to be an alternative to book value or shareholders' equity.
- (11) Tangible book value per period end share is calculated by dividing tangible book value at the end of the period by the period end number of shares outstanding. Tangible book value per period end share is not recognized under GAAP and does not purport to be an alternative to income per diluted share.
- (12) The funded debt to equity ratio is calculated by dividing total funded debt at the end of the period by total shareholders' equity at the end of the period.
- (13) Asset turnover is calculated by dividing the current period revenue by total assets at the beginning of the period.
- (14) Return on assets is calculated by dividing net income for the period by total assets at the beginning of the period.
- (15) Return on equity is calculated by dividing net income for the period by total shareholders' equity at the beginning of the period.
- (16) Return on invested capital is calculated by dividing EBIA, net of taxes, less any dividends, by average invested capital. Return on invested capital is not recognized under GAAP, and is a key metric used by management to determine our executive compensation.
- (17) Period end shares is calculated by adding average common stock equivalents for the quarter to the period end balance of common stock outstanding. Period end shares is not recognized under GAAP and does not purport to be an alternative to diluted shares. Management views period end shares as a better measure of shares outstanding as of the end of the period.
- (18) Average invested capital is calculated by adding net funded debt (total funded debt less cash and marketable securities) to total shareholders' equity and calculating the average of the beginning and ending of each period.



Source: MYR Group, Inc.