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Throughout this report, references to “MYR Group,” the “Company,” “we,” “us” and “our” refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MYR GROUP INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)		June 30, 2026	December 31, 2025
		(unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$	137,872	\$ 150,156
Accounts receivable, net of allowances of \$2,190 and \$934, respectively		653,787	603,735
Contract assets, net of allowances of \$514 and \$534, respectively		225,053	241,766
Current portion of receivable for insurance claims in excess of deductibles		10,062	10,122
Refundable income taxes		9,130	—
Prepaid expenses and other current assets		41,722	54,982
Total current assets		1,077,626	1,060,761
Property and equipment, net of accumulated depreciation of \$435,570 and \$413,962, respectively		315,657	306,386
Operating lease right-of-use assets		56,212	42,448
Goodwill		113,495	115,266
Intangible assets, net of accumulated amortization of \$41,854 and \$39,967, respectively		68,898	72,476
Receivable for insurance claims in excess of deductibles		19,208	21,358
Deferred income taxes		9,822	12,723
Investment in joint ventures		3,187	3,224
Other assets		8,360	9,437
Total assets	\$	1,672,465	\$ 1,644,079
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$	4,650	\$ 4,554
Current portion of operating lease obligations		13,100	13,019
Current portion of finance lease obligations		790	804
Accounts payable		338,888	314,789
Contract liabilities, net		245,822	300,560
Current portion of accrued self-insurance		29,880	28,499
Accrued income taxes		—	15,129
Other current liabilities		137,547	117,923
Total current liabilities		770,677	795,277
Deferred income tax liabilities		49,860	50,119
Long-term debt		4,722	54,483
Accrued self-insurance		40,525	42,827
Operating lease obligations, net of current maturities		43,065	29,429
Finance lease obligations, net of current maturities		777	1,220
Other liabilities		8,422	10,301
Total liabilities		918,048	983,656
Commitments and contingencies			
Shareholders' equity:			
Preferred stock—\$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at June 30, 2026 and December 31, 2025		—	—
Common stock—\$0.01 par value per share; 100,000,000 authorized shares; 15,569,250 and 15,522,834 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively		155	155
Additional paid-in capital		165,785	165,211
Accumulated other comprehensive loss		(11,127)	(8,183)
Retained earnings		599,604	503,240
Total shareholders' equity		754,417	660,423
Total liabilities and shareholders' equity	\$	1,672,465	\$ 1,644,079

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Contract revenues	\$ 1,081,727	\$ 900,325	\$ 2,082,107	\$ 1,733,945
Contract costs	939,054	796,614	1,804,994	1,533,333
Gross profit	142,673	103,711	277,113	200,612
Selling, general and administrative expenses	74,409	63,313	143,832	125,837
Amortization of intangible assets	1,210	1,211	2,427	2,399
Gain on sale of property and equipment	(891)	(600)	(1,813)	(1,701)
Income from operations	67,945	39,787	132,667	74,077
Other income (expense):				
Interest income	866	45	1,776	236
Interest expense	(706)	(1,905)	(1,365)	(3,319)
Other expense, net	(974)	(533)	(1,922)	(833)
Income before provision for income taxes	67,131	37,394	131,156	70,161
Income tax expense	17,280	10,928	34,505	20,387
Net income	\$ 49,851	\$ 26,466	\$ 96,651	\$ 49,774
Income per common share:				
—Basic	\$ 3.20	\$ 1.70	\$ 6.21	\$ 3.16
—Diluted	\$ 3.17	\$ 1.70	\$ 6.15	\$ 3.15
Weighted average number of common shares and potential common shares outstanding:				
—Basic	15,577	15,527	15,558	15,759
—Diluted	15,731	15,575	15,712	15,813
Net income	\$ 49,851	\$ 26,466	\$ 96,651	\$ 49,774
Other comprehensive income (loss):				
Foreign currency translation adjustment	(1,641)	4,872	(2,944)	4,994
Other comprehensive income (loss)	(1,641)	4,872	(2,944)	4,994
Total comprehensive income	\$ 48,210	\$ 31,338	\$ 93,707	\$ 54,768

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands)	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at December 31, 2024	\$ —	16,122	\$ 161	\$ 159,133	\$ (12,651)	\$ 453,717	\$ 600,360
Net income	—	—	—	—	—	23,308	23,308
Stock issued under compensation plans, net	—	58	1	(1)	—	—	—
Stock-based compensation expense	—	—	—	2,333	—	—	2,333
Shares repurchased related to tax withholding for stock-based compensation	—	(19)	(1)	(2,264)	—	(186)	(2,451)
Share repurchases under share repurchase program	—	(639)	(6)	(6,303)	—	(68,691)	(75,000)
Other comprehensive income	—	—	—	—	122	—	122
Balance at March 31, 2025	—	15,522	155	152,898	(12,529)	408,148	548,672
Net income	—	—	—	—	—	26,466	26,466
Stock issued under compensation plans, net	—	3	—	—	—	—	—
Stock-based compensation expense	—	—	—	3,426	—	—	3,426
Shares repurchased related to tax withholding for stock-based compensation	—	(2)	—	(186)	—	(16)	(202)
Other comprehensive income	—	—	—	—	4,872	—	4,872
Balance at June 30, 2025	\$ —	15,523	\$ 155	\$ 156,138	\$ (7,657)	\$ 434,598	\$ 583,234
Balance at December 31, 2025	\$ —	15,523	\$ 155	\$ 165,211	\$ (8,183)	\$ 503,240	\$ 660,423
Net income	—	—	—	—	—	46,800	46,800
Stock issued under compensation plans, net	—	70	1	(1)	—	—	—
Stock-based compensation expense	—	—	—	3,386	—	—	3,386
Shares repurchased related to tax withholding for stock-based compensation	—	(25)	(1)	(6,223)	—	(263)	(6,487)
Other comprehensive loss	—	—	—	—	(1,303)	—	(1,303)
Balance at March 31, 2026	—	15,568	155	162,373	(9,486)	549,777	702,819
Net income	—	—	—	—	—	49,851	49,851
Stock issued under compensation plans, net	—	3	1	(1)	—	—	—
Stock-based compensation expense	—	—	—	5,502	—	—	5,502
Shares repurchased related to tax withholding for stock-based compensation	—	(2)	(1)	(782)	—	(24)	(807)
Excise tax on share repurchases	—	—	—	(1,307)	—	—	(1,307)
Other comprehensive loss	—	—	—	—	(1,641)	—	(1,641)
Balance at June 30, 2026	\$ —	15,569	\$ 155	\$ 165,785	\$ (11,127)	\$ 599,604	\$ 754,417

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Six months ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 96,651	\$ 49,774
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	33,344	30,139
Amortization of intangible assets	2,427	2,399
Stock-based compensation expense	8,888	5,759
Deferred income taxes	2,743	347
Gain on sale of property and equipment	(1,813)	(1,701)
Other non-cash items	233	(180)
Changes in operating assets and liabilities:		
Accounts receivable, net	(51,471)	55,665
Contract assets, net	15,634	(37,597)
Receivable for insurance claims in excess of deductibles	2,210	(742)
Other assets	6,397	4,737
Accounts payable	26,218	11,133
Contract liabilities, net	(54,094)	(41,086)
Accrued self-insurance	(907)	872
Other liabilities	1,614	36,628
Net cash flows provided by operating activities	88,074	116,147
Cash flows from investing activities:		
Proceeds from sale of property and equipment	2,370	3,726
Purchases of property and equipment	(45,048)	(34,289)
Net cash flows used in investing activities	(42,678)	(30,563)
Cash flows from financing activities:		
Borrowings under revolving lines of credit	48,003	488,553
Repayments under revolving lines of credit	(95,417)	(474,695)
Payment of principal obligations under equipment notes	(2,251)	(2,158)
Payment of principal obligations under finance leases	(396)	(568)
Repurchase of common stock	—	(75,000)
Payments related to tax withholding for stock-based compensation	(7,294)	(2,653)
Net cash flows used in financing activities	(57,355)	(66,521)
Effect of exchange rate changes on cash	(325)	429
Net increase (decrease) in cash and cash equivalents	(12,284)	19,492
Cash and cash equivalents:		
Beginning of period	150,156	3,464
End of period	\$ 137,872	\$ 22,956

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****1. Organization, Business and Basis of Presentation****Organization and Business**

MYR Group Inc. (the “Company”) is a holding company of specialty electrical construction service providers conducting operations through wholly owned subsidiaries. The Company performs construction services in two business segments: Transmission and Distribution (“T&D”), and Commercial and Industrial (“C&I”). 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. T&D provides a broad range of services on electric transmission, distribution networks, substation facilities, clean energy projects and electric vehicle charging infrastructure. T&D services include design, engineering, procurement, construction, upgrade, maintenance and repair services. C&I customers include general contractors, commercial and industrial facility owners, government agencies and developers. C&I provides a broad range of services, which include the design, installation, maintenance and repair of commercial and industrial wiring. Typical C&I contracts cover electrical contracting services for data centers, clean energy projects, airports, hospitals, hotels, commercial and industrial facilities, manufacturing plants, processing facilities, water/waste-water treatment facilities, mining facilities, intelligent transportation systems, roadway lighting, signalization, stadiums and electric vehicle charging infrastructure.

Basis of Presentation***Interim Consolidated Financial Information***

The accompanying unaudited consolidated financial statements of the Company were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial reporting pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. The Company believes that the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position, results of operations, comprehensive income (loss), shareholders’ equity and cash flows with respect to the interim consolidated financial statements, have been included. Certain reclassifications were made to prior year amounts to conform to the current year presentation. The consolidated balance sheet as of December 31, 2025 has been derived from the audited financial statements as of that date. The results of operations and comprehensive income are not necessarily indicative of the results for the full year or the results for any future periods. These financial statements should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2025, included in the Company’s Annual Report on Form 10-K, which was filed with the SEC on February 25, 2026 (the “2025 Annual Report”).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates.

The most significant estimates are related to estimates of costs to complete contracts, variable consideration inclusive of pending change orders and claims, shared savings, useful lives of property and equipment, insurance reserves, the recognition and measurement of current and deferred income taxes, including the measurement of certain tax positions, estimates surrounding stock-based compensation, the recoverability of goodwill and intangibles and allowance for doubtful accounts. The Company estimates a cost accrual every quarter that represents costs incurred but not invoiced for services performed or goods delivered during the period, and estimates revenue from the contract cost portion of these accruals based on current gross margin rates to be consistent with its cost method of revenue recognition.

The Company estimates costs to complete on fixed price contracts which are determined on an individual contract basis by evaluating each project’s status as of the balance sheet date, and using our historical experience with the level of effort required to complete the underlying project. Claims and change orders are measured based on our historical experience with individual customers and similar contracts, and are evaluated by management individually. The Company includes these estimated amounts of variable consideration to the extent that it is probable there will not be a significant reversal of revenue.

Some of the Company's contracts may have contract terms that include variable consideration such as safety or performance bonuses or liquidated damages. The Company includes the estimated amount of variable consideration in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative recognized revenue will not occur when the final outcome of the variable consideration is determined. In contracts in which a significant reversal may occur, the Company exercises restraint in recognizing revenue on variable consideration. The Company often enters into contracts that contain liquidated damage clauses. The Company does not include amounts associated with liquidated damage clauses until it is probable that liquidated damages will occur. These items are continually monitored by multiple levels of management throughout the reporting period.

As of June 30, 2026 and December 31, 2025, the Company had recognized revenues of \$11.9 million and \$23.5 million, respectively, related to large change orders and/or claims that had been included as contract price adjustments on certain contracts, some of which are multi-year projects. These change orders and/or claims are in the process of being negotiated in the normal course of business, and a portion of these recognized revenues had been included in multiple periods.

The cost-to-cost method of accounting requires the Company to make estimates about the expected revenue and gross profit on each of its contracts in process. During the three months ended June 30, 2026, net changes in estimates pertaining to certain projects increased consolidated gross margin by 0.9%, which resulted in increases in operating income of \$9.8 million, net income of \$6.0 million and diluted earnings per common share of \$0.38. During the six months ended June 30, 2026, changes in estimates pertaining to certain projects increased consolidated gross margin by 0.7% and resulted in increases in operating income of \$14.7 million, net income of \$7.1 million and diluted earnings per common share of \$0.45. Additional discussion on the impact of these estimate changes can be found in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Consolidated Results of Operations."

During the three months ended June 30, 2025, net changes in estimates pertaining to certain projects decreased consolidated gross margin by 1.0%, which resulted in decreases in operating income of \$8.9 million, net income of \$6.7 million and diluted earnings per common share of \$0.43. During the six months ended June 30, 2025, changes in estimates pertaining to certain projects decreased consolidated gross margin by 1.2% and resulted in decreases in operating income of \$21.3 million, net income of \$15.7 million and diluted earnings per common share of \$0.99.

Foreign Currency

The functional currency for the Company's Canadian operations is the Canadian dollar. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars at the end-of-period exchange rate. Revenues and expenses are translated using average exchange rates for the periods reported. Equity accounts are translated at historical rates. Cumulative translation adjustments are included as a separate component of accumulated other comprehensive income (loss) in shareholders' equity. Foreign currency transaction gains and losses, arising primarily from changes in exchange rates on short-term monetary assets and liabilities, and intercompany loans that are not deemed long-term investment accounts are recorded in the "other income, net" line on the Company's consolidated statements of operations. Foreign currency losses, recorded in other income, net, for the three months ended June 30, 2026 and 2025 were \$1.0 million and \$0.5 million, respectively. Foreign currency losses, recorded in other income, net, for the six months ended June 30, 2026 and 2025 were \$2.0 million and \$0.8 million, respectively. Foreign currency translation gains and losses, arising from intercompany loans that are deemed long-term investment accounts, are recorded in the foreign currency translation adjustment line on the Company's consolidated statements of comprehensive income.

Recent Accounting Pronouncements

Changes to U.S. GAAP are typically established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. The Company, based on its assessment, determined that any recently issued or proposed ASUs not listed below are either not applicable to the Company or will have minimal impact on its financial statements when adopted.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which introduces a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions under Topic 606. The practical expedient allows entities to assume that current conditions as of the balance sheet date would not change for the remaining life of the asset when evaluating expected credit losses. This standard is effective for the Company for the annual and interim periods beginning after December 15, 2025, with early adoption permitted, and should be applied prospectively. The Company elected to adopt this practical expedient on January 1, 2026, on a prospective basis. This election did not have a material impact on our consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. The guidance will require disclosure of certain costs and expenses on an interim and annual basis in the notes to the consolidated financial statements. The update is effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments in this pronouncement should be applied either (i) prospectively to financial statements issued for reporting periods after the effective date or (ii) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the new standard on the Company's consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which is intended to clarify the applicability of interim disclosure requirements, provides additional guidance on the disclosures required in interim reporting periods, and introduces a principle requiring entities to disclose events occurring since the end of the most recent annual reporting period that have a material impact on the entity. The update is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments in this pronouncement can be applied either prospectively or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the new standard on the Company's consolidated financial statements and related disclosures.

2. Contract Assets and Liabilities

Contracts with customers usually stipulate the timing of payment, which is defined by the terms found within the various contracts under which work was performed during the period. Therefore, contract assets and liabilities are created when the timing of costs incurred on work performed does not coincide with the billing terms. These contracts frequently include retention provisions contained in each contract. Retainage amounts are reflected in contract assets or contract liabilities depending on the net contract position of the particular contract.

The Company's consolidated balance sheets present contract assets, which contain unbilled revenue and contract retainages associated with contract work that has been completed and billed but not paid by customers, pursuant to retainage provisions, that are generally due once the job is completed and approved. The allowance for doubtful accounts associated with contract assets was \$0.5 million as of June 30, 2026 and December 31, 2025, respectively.

Contract assets consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Unbilled revenue, net	\$ 159,882	\$ 160,543
Contract retainages, net	65,171	81,223
Contract assets, net	<u>\$ 225,053</u>	<u>\$ 241,766</u>

The Company's consolidated balance sheets present contract liabilities that contain deferred revenue, an accrual for contracts in a loss provision and retainage receivables.

Contract liabilities consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Deferred revenue	\$ 345,692	\$ 386,071
Accrued loss provision	12,572	13,084
Less, retainage receivables	(112,442)	(98,595)
Contract liabilities, net	<u>\$ 245,822</u>	<u>\$ 300,560</u>

The following table provides information about contract assets and contract liabilities from contracts with customers:

(in thousands)	June 30, 2026	December 31, 2025	Change
Contract assets, net	\$ 225,053	\$ 241,766	\$ (16,713)
Contract liabilities, net	(245,822)	(300,560)	54,738
Net contract assets (liabilities)	<u>\$ (20,769)</u>	<u>\$ (58,794)</u>	<u>\$ 38,025</u>

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing of the Company's billings in relation to its performance of work. The amounts of revenue recognized in the period that were included in the opening contract liability balances were \$78.2 million and \$153.9 million for the three and six months ended June 30, 2026, respectively. The amounts of revenue recognized in the period that were included in the opening contract liability balances were \$48.2 million and \$117.7 million for the three and six months ended June 30, 2025, respectively. This revenue consists primarily of work performed on previous billings to customers.

The net liability position for contracts in process consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Costs and estimated earnings on uncompleted contracts	\$ 8,536,344	\$ 8,368,365
Less: billings to date	8,722,154	8,593,893
	<u>\$ (185,810)</u>	<u>\$ (225,528)</u>

The net liability position for contracts in process is included within the contract asset and contract liability in the accompanying consolidated balance sheets as follows:

(in thousands)	June 30, 2026	December 31, 2025
Unbilled revenue, net	\$ 159,882	\$ 160,543
Deferred revenue, net	(345,692)	(386,071)
	<u>\$ (185,810)</u>	<u>\$ (225,528)</u>

3. Lease Obligations

From time to time, the Company enters into noncancelable leases for some of our facility, vehicle and equipment needs. These leases allow the Company to conserve cash by paying a monthly lease rental fee for the use of facilities, vehicles and equipment rather than purchasing them. The Company's leases have remaining terms ranging from less than one to twelve years, some of which may include options to extend the leases for up to ten years, and some of which may include options to terminate the leases within one year. Currently, all the Company's leases contain fixed payment terms. The Company may decide to cancel or terminate a lease before the end of its term, in which case we are typically liable to the lessor for the remaining lease payments under the term of the lease. Additionally, all of the Company's month-to-month leases are cancelable, by the Company or the lessor, at any time and are not included in our right-of-use asset or liability. At June 30, 2026, the Company had several leases with residual value guarantees. Typically, the Company has purchase options on the equipment underlying its long-term leases and many of its short-term rental arrangements. The Company may exercise some of these purchase options when the need for equipment is ongoing and the purchase option price is attractive. Leases are accounted for as operating or finance leases, depending on the terms of the lease.

The following is a summary of the lease-related assets and liabilities recorded:

(in thousands)	Classification on the Consolidated Balance Sheet	June 30, 2026	December 31, 2025
Assets			
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 56,212	\$ 42,448
Finance lease right-of-use assets	Property and equipment, net of accumulated depreciation	1,565	1,910
Total right-of-use lease assets		<u>\$ 57,777</u>	<u>\$ 44,358</u>
Liabilities			
Current			
Operating lease obligations	Current portion of operating lease obligations	\$ 13,100	\$ 13,019
Finance lease obligations	Current portion of finance lease obligations	790	804
Total current obligations		<u>13,890</u>	<u>13,823</u>
Non-current			
Operating lease obligations	Operating lease obligations, net of current maturities	43,065	29,429
Finance lease obligations	Finance lease obligations, net of current maturities	777	1,220
Total non-current obligations		<u>43,842</u>	<u>30,649</u>
Total lease obligations		<u>\$ 57,732</u>	<u>\$ 44,472</u>

The following is a summary of the lease terms and discount rates:

	June 30, 2026	December 31, 2025
Weighted-average remaining lease term - finance leases	2.0 years	2.5 years
Weighted-average remaining lease term - operating leases	5.1 years	3.7 years
Weighted-average discount rate - finance leases	3.9 %	3.9 %
Weighted-average discount rate - operating leases	4.0 %	4.0 %

The following is a summary of certain information related to the lease costs for finance and operating leases:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Lease cost:				
Finance lease cost:				
Amortization of right-of-use assets	\$ 142	\$ 245	\$ 286	\$ 494
Interest on lease liabilities	17	24	36	53
Operating lease cost	5,227	4,563	10,150	8,869
Variable lease costs	126	117	253	223
Total lease cost	<u>\$ 5,512</u>	<u>\$ 4,949</u>	<u>\$ 10,725</u>	<u>\$ 9,639</u>

The following is a summary of other information and supplemental cash flow information related to finance and operating leases:

(in thousands)	Six months ended June 30,	
	2026	2025
Other information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used for operating leases	\$ 10,098	\$ 8,760
Right-of-use asset obtained in exchange for new operating lease obligations	\$ 22,611	\$ 9,809

The future undiscounted minimum lease payments, as reconciled to the discounted minimum lease obligation indicated on the Company's consolidated balance sheets, under financial leases, less interest, and under operating leases, less imputed interest, as of June 30, 2026 were as follows:

(in thousands)	Finance Lease Obligations	Operating Lease Obligations	Total Lease Obligations
Remainder of 2026	\$ 419	\$ 10,264	\$ 10,683
2027	837	15,393	16,230
2028	374	13,190	13,564
2029	—	10,123	10,123
2030	—	5,905	5,905
2031	—	3,727	3,727
Thereafter	—	7,840	7,840
Total minimum lease payments	1,630	66,442	68,072
Financing component	(63)	(10,277)	(10,340)
Net present value of minimum lease payments	1,567	56,165	57,732
Less: current portion of finance and operating lease obligations	(790)	(13,100)	(13,890)
Long-term finance and operating lease obligations	\$ 777	\$ 43,065	\$ 43,842

The financing component for finance lease obligations represents the interest component of finance leases that will be recognized as interest expense in future periods. The financing component for operating lease obligations represents the effect of discounting the lease payments to their present value.

Certain subsidiaries of the Company have ongoing operating leases for facilities that were entered into or extended with third-party companies that, are or were, owned in whole or part, by employees of the subsidiaries. The terms and rental rates of these leases are at or below market rental rates. Lease expense associated with these leases was \$0.7 million and \$1.3 million for the three and six months ended June 30, 2026 and \$0.6 million and \$1.3 million for the three and six months ended June 30, 2025. As of June 30, 2026, the minimum lease payments required under these leases totaled \$5.7 million, which are due over the next 3.2 years.

4. Fair Value Measurements

The Company uses the three-tier hierarchy of fair value measurement, which prioritizes the inputs used in measuring fair value based upon their degree of availability in external active markets. These tiers include: Level 1 (the highest priority), defined as observable inputs, such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 (the lowest priority), defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of June 30, 2026 and December 31, 2025, the Company determined that the carrying value of cash and cash equivalents approximated fair value based on Level 1 inputs. As of June 30, 2026 and December 31, 2025, the fair value of the Company's long-term debt and finance lease obligations was based on Level 2 inputs. The Company's long-term debt was based on variable and fixed interest rates at June 30, 2026 and December 31, 2025, for new issues with similar remaining maturities, and approximated carrying value. In addition, based on borrowing rates currently available to the Company for borrowings with similar terms, the carrying value of the Company's finance lease obligations also approximated fair value.

5. Debt

The table below reflects the Company's total debt, including borrowings under its credit agreement and master loan agreements for equipment notes:

(dollar amounts in thousands)	Inception Date	Stated Interest Rate (per annum)	Payment Frequency	Term (years)	Outstanding Balance as of June 30, 2026	Outstanding Balance as of December 31, 2025
Credit Agreement						
Revolving loans	5/31/2023	Variable	Variable	5	\$ —	\$ 47,414
Equipment Notes						
Equipment Note 10	8/26/2022	4.32%	Semi-annual	5	9,361	11,605
Other equipment note	4/11/2022	4.55%	Monthly	5	11	18
					9,372	11,623
Total debt					9,372	59,037
Less: current portion of long-term debt					(4,650)	(4,554)
Long-term debt					\$ 4,722	\$ 54,483

Credit Agreement

On May 31, 2023, the Company entered into a five-year third amended and restated credit agreement (the "Credit Agreement") with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. that provides for a \$490 million revolving credit facility (the "Facility"), subject to certain financial covenants as defined in the Credit Agreement. The Facility allows for revolving loans in Canadian dollars and other non-US currencies, up to the U.S. dollar equivalent of \$150 million. Up to \$75 million of the Facility may be used for letters of credit, with an additional \$75 million available for letters of credit, subject to the sole discretion of each issuing bank. The Facility also allows for \$15 million to be used for swingline loans. The Company has an expansion option to increase the commitments under the Facility or enter into incremental term loans, subject to certain conditions, by up to an additional \$200 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries, and by a pledge of substantially all of the capital stock of the Company's domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company's domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. The Credit Agreement provides for customary events of default. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement are used to refinance existing indebtedness, and to provide for future working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement bear interest, at the Company's option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.25% to 1.00%; or (2) the Term Benchmark Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.25% to 2.00%. The applicable margin is determined based on the Company's Net Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.25% to 2.00% for non-performance letters of credit or 0.625% to 1.00% for performance letters of credit, based on the Company's Net Leverage Ratio. The Company is subject to a commitment fee of 0.20% to 0.30%, based on the Company's Net Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the Company's Net Leverage Ratio, after giving pro forma effect thereto, exceeds 2.75. The weighted average interest rate on borrowings outstanding on the Facility was 4.70% and 5.08%, per annum, for the six months ended June 30, 2026 and 2025, respectively.

Under the Credit Agreement, the Company is subject to certain financial covenants including a maximum Net Leverage Ratio of 3.0 and a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 3.0. The Credit Agreement also contains covenants including limitations on asset sales, investments, indebtedness and liens. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 30, 2026.

As of June 30, 2026, the Company had no borrowings outstanding under the Facility and letters of credit outstanding under the Facility of \$29.5 million related to the Company's payment obligation under its insurance programs. On July 1, 2026, subsequent to the end of the quarter, the Company borrowed \$235.0 million under the Facility to fund a portion of the consideration for the acquisition of Valley (as defined below). See Note 12–Subsequent Event for additional information.

As of December 31, 2025, the Company had \$47.4 million in borrowings outstanding under the Facility and letters of credit outstanding under the Facility of \$34.3 million, including \$34.2 million related to the Company's payment obligation under its insurance programs and \$0.1 million related to contract performance obligations.

The Company had remaining deferred debt issuance costs related to the Facility totaling \$1.0 million and \$1.2 million as of June 30, 2026 and December 31, 2025, respectively. As permitted, debt issuance costs have been deferred and are presented as an asset within other assets, which is amortized as interest expense over the term of the Facility.

Equipment Notes

The Company has entered into Master Equipment Loan and Security Agreements (the “Master Loan Agreements”) with multiple finance companies. The Master Loan Agreements may be used for the financing of equipment between the Company and the lenders pursuant to one or more equipment notes (“Equipment Note”). Each Equipment Note executed under the Master Loan Agreements constitutes a separate, distinct and independent financing of equipment and a contractual obligation of the Company, which may contain prepayment clauses.

As of June 30, 2026, the Company had one Equipment Note outstanding under the Master Loan Agreements that is collateralized by equipment and vehicles owned by the Company. As of June 30, 2026, the Company had one other equipment note outstanding that is collateralized by a vehicle owned by the Company. The following table sets forth our remaining principal payments for all of the Company’s outstanding equipment notes as of June 30, 2026:

(in thousands)	Future Equipment Notes Principal Payments
Remainder of 2026	\$ 2,303
2027	7,069
Total future principal payments	9,372
Less: current portion of equipment notes	(4,650)
Long-term principal obligations	\$ 4,722

6. Revenue Recognition

Disaggregation of Revenue

A majority of the Company’s revenues are earned through contracts with customers that normally provide for payment upon completion of specified work or units of work as identified in the contract. Although there is considerable variation in the terms of these contracts, they are primarily structured as fixed-price contracts, under which the Company agrees to perform a defined scope of a project for a fixed amount, or unit-price contracts, under which the Company agrees to do the work at a fixed price per unit of work as specified in the contract. The Company also enters into time-and-equipment and time-and-materials contracts under which the Company is paid for labor and equipment at negotiated hourly billing rates and for other expenses, including materials, as incurred at rates agreed to in the contract. Finally, the Company sometimes enters into cost-plus contracts, where the Company is paid for costs plus a negotiated margin. On occasion, time-and-equipment, time-and-materials and cost-plus contracts require the Company to include a guarantee not-to-exceed a maximum price.

Historically, fixed-price and unit-price contracts have had the highest potential margins; however, they have had a greater risk in terms of profitability because cost overruns may not be recoverable. Time-and-equipment, time-and-materials and cost-plus contracts have historically had less margin upside, but generally have had a lower risk of cost overruns. The Company also provides services under master service agreements (“MSAs”) and other variable-term service agreements. MSAs normally cover maintenance, upgrade and extension services, as well as new construction. Work performed under MSAs is typically billed on a unit-price, time-and-materials or time-and-equipment basis. MSAs are typically one to four years in duration; however, most of the Company’s contracts, including MSAs, may be terminated by the customer on short notice, typically 30 to 90 days, even if the Company is not in default under the contract. Under MSAs, customers generally agree to use the Company for certain services in a specified geographic region. Most MSAs include no obligation for the contract counterparty to assign specific volumes of work to the Company and do not require the counterparty to use the Company exclusively, although in some cases the MSA contract gives the Company a right of first refusal for certain work.

In the first quarter of 2026, the Company updated its presentation of disaggregated revenue in the T&D segment to no longer present disaggregated revenue by market type. This update was made to better align external reporting with how management evaluates the effect of economic factors on the nature, amount, timing and uncertainty of revenue and cash flows. Additional information on the Company’s segments is provided in Note 10–Segment Information.

The components of the Company’s revenue by contract type for the three months ended June 30, 2026 and 2025 were as follows:

Three months ended June 30, 2026						
(dollars in thousands)	T&D		C&I		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	\$ 158,637	30.3 %	\$ 489,267	87.7 %	\$ 647,904	59.9 %
Unit price	208,407	39.8	14,271	2.6	222,678	20.6
T&E	156,978	29.9	54,167	9.7	211,145	19.5
	<u>\$ 524,022</u>	<u>100.0 %</u>	<u>\$ 557,705</u>	<u>100.0 %</u>	<u>\$ 1,081,727</u>	<u>100.0 %</u>
Three months ended June 30, 2025						
(dollars in thousands)	T&D		C&I		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	\$ 178,118	35.2 %	\$ 329,982	83.8 %	\$ 508,100	56.4 %
Unit price	191,022	37.7	20,246	5.1	211,268	23.5
T&E	137,133	27.1	43,824	11.1	180,957	20.1
	<u>\$ 506,273</u>	<u>100.0 %</u>	<u>\$ 394,052</u>	<u>100.0 %</u>	<u>\$ 900,325</u>	<u>100.0 %</u>

The components of the Company’s revenue by contract type for the six months ended June 30, 2026 and 2025 were as follows:

Six months ended June 30, 2026						
(dollars in thousands)	T&D		C&I		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	\$ 308,815	29.0 %	\$ 883,988	86.9 %	\$ 1,192,803	57.3 %
Unit price	426,618	40.1	27,201	2.7	453,819	21.8
T&E	329,559	30.9	105,926	10.4	435,485	20.9
	<u>\$ 1,064,992</u>	<u>100.0 %</u>	<u>\$ 1,017,115</u>	<u>100.0 %</u>	<u>\$ 2,082,107</u>	<u>100.0 %</u>
Six months ended June 30, 2025						
(dollars in thousands)	T&D		C&I		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	\$ 351,568	36.3 %	\$ 623,787	81.4 %	\$ 975,355	56.3 %
Unit price	343,124	35.4	37,913	5.0	381,037	22.0
T&E	273,351	28.3	104,202	13.6	377,553	21.7
	<u>\$ 968,043</u>	<u>100.0 %</u>	<u>\$ 765,902</u>	<u>100.0 %</u>	<u>\$ 1,733,945</u>	<u>100.0 %</u>

Remaining Performance Obligations

As of June 30, 2026, the Company had \$2.83 billion of remaining performance obligations. The Company's remaining performance obligations include projects that have a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. The timing of when remaining performance obligations are recognized is evaluated quarterly and is largely driven by the estimated start date and duration of the underlying projects.

The following table summarizes the amount of remaining performance obligations as of June 30, 2026 that the Company expects to be realized and the amount of the remaining performance obligations that the Company reasonably estimates will be recognized within the next twelve months, and the amount estimated to be recognized after the next twelve months.

(in thousands)	Remaining Performance Obligations at June 30, 2026		
	Total	Amount estimated to be recognized within 12 months	Amount estimated to be recognized after 12 months
T&D	\$ 945,945	\$ 657,126	\$ 288,819
C&I	1,880,950	1,625,265	255,685
Total	\$ 2,826,895	\$ 2,282,391	\$ 544,504

The Company estimates approximately 95% or more of the remaining performance obligations will be recognized within twenty-four months, including approximately 80% of the remaining performance obligations estimated to be recognized within twelve months, although the timing of the Company's performance is not always under its control. The timing of when remaining performance obligations are recognized by the Company can vary considerably and is impacted by multiple variables including, but not limited to: changes in the estimated versus actual start time of a project; the availability of labor, equipment and materials; changes in project workflow; weather; project delays and accelerations; and the timing of final contract settlements. Additionally, the difference between the remaining performance obligations and backlog is due to the exclusion of a portion of the Company's MSAs under certain contract types from the Company's remaining performance obligations as these contracts can be canceled for convenience at any time by the Company or the customer without considerable cost incurred by the customer. Additional information related to backlog is provided in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

7. Income Taxes

The U.S. federal statutory tax rate was 21% for each of the three and six months ended June 30, 2026 and 2025. The Company's effective tax rate for the three and six months ended June 30, 2026 was 25.7% and 26.3%, respectively, of pretax income compared to the effective tax rate for the three and six months ended June 30, 2025 of 29.2% and 29.1%, respectively.

The difference between the U.S. federal statutory tax rate and the Company's effective tax rates for the three and six months ended June 30, 2026 was primarily due to state income taxes and the impact of the net CFC tested income ("NCTI") and other permanent difference items, partially offset by a favorable impact from stock compensation excess tax benefits.

The difference between the U.S. federal statutory tax rate and the Company's effective tax rates for the three and six months ended June 30, 2025 was primarily due to permanent difference items and state income taxes.

The Company has recorded a liability for unrecognized tax benefits of approximately \$0.5 million and \$0.4 million as of June 30, 2026 and December 31, 2025, respectively, which were included in other liabilities in the accompanying consolidated balance sheets.

The Company's policy is to recognize interest and penalties related to income tax liabilities as a component of income tax expense in the consolidated statements of operations. The amount of interest and penalties charged to income tax expense related to unrecognized tax benefits was not significant for the three and six months ended June 30, 2026 and 2025.

The Company is subject to taxation in various jurisdictions. The Company's 2021 through 2024 tax returns are subject to examination by U.S. federal authorities. The Company's tax returns are subject to examination by various state authorities for the years 2021 through 2025. The Company's 2021 through 2025 Canadian tax returns are subject to examination by the Canadian Revenue Agency.

8. Commitments and Contingencies

Purchase Commitments

As of June 30, 2026, the Company had approximately \$48.6 million in outstanding purchase orders for certain construction equipment, with cash payments scheduled to occur in 2026 and 2027.

Insurance and Claims Accruals

The Company carries insurance policies, which are subject to certain deductibles and limits, for workers' compensation, general liability, automobile liability and other insurance coverage. The deductible per occurrence for each line of coverage is up to \$1.0 million. The Company's health benefit plans are subject to stop-loss limits of up to \$0.3 million for qualified individuals. Losses up to the deductible and stop-loss amounts are accrued based upon the Company's estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

The insurance and claims accruals are based on known facts, actuarial estimates and historical trends. While recorded accruals are based on the ultimate liability, which includes amounts in excess of the deductible, a corresponding receivable for amounts in excess of the deductible is included in current and long-term assets in the Company's consolidated balance sheets.

Performance and Payment Bonds and Parent Guarantees

In certain circumstances, the Company is required to provide performance and payment bonds in connection with its future performance on certain contractual commitments. The Company has indemnified its sureties for any expenses paid out under these bonds. As of June 30, 2026, an aggregate of approximately \$2.89 billion in original face amount of bonds issued by the Company's sureties were outstanding. The Company estimated the remaining cost to complete these bonded projects was approximately \$926.2 million as of June 30, 2026.

From time to time, the Company guarantees the obligations of wholly owned subsidiaries, including obligations under certain contracts with customers, certain lease agreements, and, in some states, obligations in connection with obtaining contractors' licenses. Additionally, from time to time the Company is required to post letters of credit to guarantee the obligations of wholly owned subsidiaries, which reduces the borrowing availability under the Facility.

Indemnities

From time to time, pursuant to its service arrangements, the Company indemnifies its customers for claims related to the services it provides under those service arrangements. These indemnification obligations may subject the Company to indemnity claims, liabilities and related litigation. The Company is not aware of any material unrecorded liabilities for asserted claims in connection with these indemnification obligations.

Collective Bargaining Agreements

Most of the Company's subsidiaries' craft labor employees are covered by collective bargaining agreements. The agreements require the subsidiaries to pay specified wages, provide certain benefits and contribute certain amounts to multi-employer pension plans. If a subsidiary withdraws from any of the multi-employer pension plans or if the plans were to otherwise become underfunded, the subsidiary could incur liabilities for additional contributions related to these plans. Although the Company has been informed that the status of some multi-employer pension plans to which its subsidiaries contribute have been classified as "critical", the Company is not currently aware of any potential liabilities related to this issue.

Litigation and Other Legal Matters

The Company is from time to time party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief.

The Company is routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of business. These claims, lawsuits and other proceedings include claims related to the Company's current services and operations, as well as our historic operations.

With respect to all such lawsuits, claims and proceedings, the Company records reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, separately or in aggregate, would be expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

9. Stock-Based Compensation

The Company maintains an equity compensation plan under which stock-based compensation has been granted: the 2017 Long-Term Incentive Plan (Amended and Restated as of April 24, 2024) (the "LTIP"). The LTIP was approved by our shareholders and provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) restricted stock units, (f) performance awards, (g) phantom stock, (h) stock bonuses, (i) dividend equivalents, or (j) any combination of such grants. The Company has outstanding grants of time-vested stock awards in the form of restricted stock units and internal metric-based and market-based performance stock units.

During the six months ended June 30, 2026, the Company granted time-vested stock awards covering 33,562 shares of common stock under the LTIP, which vest ratably over three years for employee awards and after one year for non-employee director awards, at a weighted average grant date fair value of \$280.22. During the six months ended June 30, 2026, time-vested stock awards covering 51,309 shares of common stock vested at a weighted average grant date fair value of \$133.20.

During the six months ended June 30, 2026, the Company granted 28,718 performance share awards under the LTIP at target, which will cliff vest, if earned, on December 31, 2028, at a weighted average grant date fair value of \$319.59. The number of shares ultimately earned under a performance award may vary from zero to 200% of the target shares granted, based upon the Company's performance compared to certain financial and other metrics. The metrics used were determined at the time of the grant by the Compensation Committee of the Board of Directors and were either based on internal measures, such as the Company's financial performance compared to targets, or on a market-based metric, such as the Company's stock performance compared to a peer group. Performance awards granted cliff vest following the performance period if the stated performance targets and minimum service requirements are attained and are paid in shares of the Company's common stock.

The Company recognizes stock-based compensation expense related to restricted stock units based on the grant date fair value, which was the closing price of the Company's stock on the date of grant. The fair value is expensed over the service period, which is generally three years.

For performance awards, the Company recognizes stock-based compensation expense based on the grant date fair value of the award. The fair value of internal metric-based performance awards is determined by the closing stock price of the Company's common stock on the date of the grant. The fair value of market-based performance awards is computed using a Monte Carlo simulation. Performance awards are expensed over the service period of approximately 2.8 years, and the Company adjusts the stock-based compensation expense related to internal metric-based performance awards according to its determination of the shares expected to vest at each reporting date.

10. Segment Information

MYR Group is a holding company of specialty contractors serving electrical utility infrastructure and commercial construction markets in the United States and Canada. The Company has two reporting segments, each a separate operating segment, which are referred to as T&D and C&I. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM is the Chief Executive Officer. The CODM uses segment revenue and income from operations, over multiple time periods, along with a comparison to the corresponding budgeted and prior year periods, as the primary basis for assessing segment performance and deciding how to allocate resources. Income from operations is the Company's reported measure of segment profit or loss, as summarized in the table below, and excludes general corporate expenses. General corporate expenses reflect items that are generally viewed as Company-wide operating costs by the CODM and include items such as corporate facility and staffing costs, which includes safety costs, professional fees, IT expenses and certain management fees. The CODM also considers many other factors, such as contract terms, individual project performance, project location and other items, to support the CODM's assessment of segment performance and resource allocation decisions.

Transmission and Distribution: The T&D segment provides a broad range of services on electric transmission and distribution networks and substation facilities which include design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair. T&D services include the construction and maintenance of high voltage transmission lines, substations and lower voltage underground and overhead distribution systems, clean energy projects and electric vehicle charging infrastructure. The T&D segment also provides emergency restoration 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.

Commercial and Industrial: The C&I segment provides services such as the design, installation, maintenance and repair of commercial and industrial wiring, the installation of intelligent transportation systems, roadway lighting, signalization and electric vehicle charging infrastructure. Typical C&I contracts cover electrical contracting services for data centers, clean energy projects, airports, hospitals, hotels, commercial and industrial facilities, manufacturing plants, processing facilities, water/waste-water treatment facilities, mining facilities, transportation control and management systems and stadiums. The C&I segment generally provides electric construction and maintenance services as a subcontractor to general contractors in the C&I industry, but also contracts directly with facility owners. The C&I segment has a diverse customer base with many long-standing relationships.

The information in the following table is derived from the segment's internal financial reports used for corporate management purposes:

(in thousands)	For the Three Months Ended June 30, 2026			
	T&D	C&I	General Corporate	Consolidated
Contract revenues	\$ 524,022	\$ 557,705	\$ —	\$ 1,081,727
Operating costs ⁽¹⁾	474,509	510,416	28,857	1,013,782
Income from operations	49,513	47,289	(28,857)	67,945
Other income (expense):				
Interest income				866
Interest expense				(706)
Other expense, net				(974)
Income before provision for income taxes				67,131
Income tax expense				17,280
Net income				\$ 49,851

(in thousands)	For the Three Months Ended June 30, 2025			
	T&D	C&I	General Corporate	Consolidated
Contract revenues	\$ 506,273	\$ 394,052	\$ —	\$ 900,325
Operating costs ⁽¹⁾	465,808	372,060	22,670	860,538
Income from operations	40,465	21,992	(22,670)	39,787
Other income (expense):				
Interest income				45
Interest expense				(1,905)
Other expense, net				(533)
Income before provision for income taxes				37,394
Income tax expense				10,928
Net income				\$ 26,466

(in thousands)	For the Six Months Ended June 30, 2026			
	T&D	C&I	General Corporate	Consolidated
Contract revenues	\$ 1,064,992	\$ 1,017,115	\$ —	\$ 2,082,107
Operating costs ⁽¹⁾	963,269	932,622	53,549	1,949,440
Income from operations	101,723	84,493	(53,549)	132,667
Other income (expense):				
Interest income				1,776
Interest expense				(1,365)
Other expense, net				(1,922)
Income before provision for income taxes				131,156
Income tax expense				34,505
Net income				\$ 96,651

(in thousands)	For the Six Months Ended June 30, 2025			
	T&D	C&I	General Corporate	Consolidated
Contract revenues	\$ 968,043	\$ 765,902	\$ —	\$ 1,733,945
Operating costs ⁽¹⁾	891,357	726,533	41,978	1,659,868
Income from operations	76,686	39,369	(41,978)	74,077
Other income (expense):				
Interest income				236
Interest expense				(3,319)
Other expense, net				(833)
Income before provision for income taxes				70,161
Income tax expense				20,387
Net income				\$ 49,774

(1) Operating costs include T&D, C&I and general corporate portion of contract costs, selling, general and administrative expenses, amortization of intangible assets and gain on sale of property and equipment. The expenses found in these other segment items are generally viewed as operating costs by the CODM and are not considered individually significant segment reporting items.

Revenues from one customer of the Company's T&D segment represents approximately 10.8% and 11.9% of the Company's consolidated revenues for the three and six months ended June 30, 2026, respectively. No customer represented 10% or greater of the Company's consolidated revenues during the three and six months ended June 30, 2025.

The Company does not identify capital expenditures and total assets by segment in its internal financial reports due in part to the shared use of a centralized fleet of vehicles and specialized equipment. Identifiable assets, consisting of contract receivables, contract assets, construction materials inventory, goodwill and intangibles. As of June 30, 2026 and December 31, 2025, there were \$145.6 million and \$169.0 million, respectively, of identifiable assets attributable to Canadian operations. The table below reflects the identifiable assets for each segment.

(in thousands)	June 30, 2026	December 31, 2025
T&D	\$ 578,160	\$ 553,597
C&I	480,230	474,791
General Corporate	614,075	615,691
	<u>\$ 1,672,465</u>	<u>\$ 1,644,079</u>

An allocation of total depreciation, including depreciation of shared construction equipment, and amortization to each segment is as follows:

(in thousands)	For the Six Months Ended June 30,	
	2026	2025
T&D	\$ 31,649	\$ 28,286
C&I	4,122	4,252
	<u>\$ 35,771</u>	<u>\$ 32,538</u>

11. Earnings Per Share

The Company computes earnings per share using the treasury stock method. Under the treasury stock method, basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the period, and diluted earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the period plus all potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be anti-dilutive.

Net income and the weighted average number of common shares used to compute basic and diluted earnings per share were as follows:

(in thousands, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income	\$ 49,851	\$ 26,466	\$ 96,651	\$ 49,774
Denominator:				
Weighted average common shares outstanding	15,577	15,527	15,558	15,759
Weighted average dilutive securities	154	48	154	54
Weighted average common shares outstanding, diluted	<u>15,731</u>	<u>15,575</u>	<u>15,712</u>	<u>15,813</u>
Income per common share:				
Basic	\$ 3.20	\$ 1.70	\$ 6.21	\$ 3.16
Diluted	\$ 3.17	\$ 1.70	\$ 6.15	\$ 3.15

For the six months ended June 30, 2026 and the three and six months ended June 30, 2025, certain common stock equivalents were excluded from the calculation of dilutive securities because their inclusion would have been anti-dilutive.

The following table summarizes the shares of common stock underlying the Company's unvested time-vested stock awards and performance awards that were excluded from the calculation of dilutive securities:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Time-vested stock awards	—	34	—	—
Performance awards	—	25	10	30

Share Repurchases

During the six months ended June 30, 2026, the Company repurchased 27,006 shares of stock, for approximately \$7.3 million, from its employees to satisfy tax obligations on shares vested under the LTIP. During the six months ended June 30, 2025, the Company repurchased 20,504 shares of stock, for approximately \$2.7 million, from its employees to satisfy tax obligations on shares vested under the LTIP.

12. Subsequent Event

On July 1, 2026, the Company acquired all issued and outstanding shares of capital stock of Valley Holdings I, Inc. and its subsidiaries (collectively, “Valley”), for initial cash consideration of approximately \$328.0 million, subject to working capital and net asset adjustments. Valley is a full-service electrical contractor based in Everett, Washington. The Company funded the approximately \$328.0 million cash payment at closing through a combination of approximately \$93.0 million of cash on hand and \$235.0 million of borrowings under the Facility. The purchase agreement for the Valley acquisition also provides for additional contingent consideration and additional contingent compensation for key executives of Valley, which may become payable based on the achievement of certain performance targets and continued employment of such executives. The results of Valley will be included in the Company’s consolidated financial statements beginning as of July 1, 2026. Acquisition-related costs associated with the transaction incurred through June 30, 2026 were \$1.3 million and were expensed by the Company during the six months ended June 30, 2026. Due to the timing of the acquisition, preliminary purchase price allocation has not yet been completed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis provides a narrative on the Company's financial performance and condition that should be read in conjunction with the accompanying unaudited consolidated financial statements and with our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Annual Report"). In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed herein under the captions "Cautionary Statement Concerning Forward-Looking Statements and Information" and "Risk Factors," as well as in the 2025 Annual Report. We assume no obligation to update any of these forward-looking statements.

Overview and Outlook

We are a holding company of specialty electrical construction service providers that was established in 1995 through the merger of long-standing specialty contractors. Through our subsidiaries, we serve the electric utility infrastructure, commercial and industrial construction markets. We manage and report our operations through two electrical contracting service segments: Transmission and Distribution ("T&D") and Commercial and Industrial ("C&I").

We have operated in the transmission and distribution industry since 1891. We are one of the largest U.S. contractors servicing the T&D sector of the electric utility industry and provide T&D services throughout the United States and in Ontario, Canada. Our T&D customers include many of the leading companies in the electric utility industry. We have provided electrical contracting services for commercial and industrial construction since 1912. Our C&I segment provides services in the United States and in western Canada. Our C&I customers include general contractors and facility owners. We strive to maintain our status as a preferred provider to our T&D and C&I customers.

We believe that we have a number of competitive advantages in both of our segments, including our skilled workforce, extensive centralized fleet, proven safety performance and reputation for timely completion of quality work that allows us to compete favorably in our markets. In addition, we believe that we are better capitalized than some of our competitors, which provides us with valuable flexibility to take on additional and more complex projects.

We believe legislative actions aimed at supporting infrastructure improvements in the United States may positively impact long-term demand and opportunity in both of our reporting segments, particularly in connection with electric power infrastructure, expansion of domestic manufacturing, and transportation spending. However, we may experience unanticipated volatility associated with policy changes, tariffs and global relations. Prolonged uncertainty in the business environment and higher inflation could also impact customer demand and our profitability.

We had consolidated revenues for the six months ended June 30, 2026 of \$2.08 billion, of which 51.1% was attributable to our T&D customers and 48.9% was attributable to our C&I customers. Our consolidated revenues for the six months ended June 30, 2025 were \$1.73 billion. For the six months ended June 30, 2026, our net income and EBITDA⁽¹⁾ were \$96.7 million and \$166.5 million, respectively, compared to \$49.8 million and \$105.8 million, respectively, for the six months ended June 30, 2025.

We believe there is an ongoing need for utilities to sustain investment in their transmission and distribution systems to improve reliability, reduce congestion, connect to new power generation sources, support future load growth, and conduct proper maintenance. We also believe the increased storm activity and destruction caused by wildfires will cause a push to strengthen transmission and distribution systems against catastrophic damage. Transmission and distribution systems may also require upgrades to accommodate additional energy resources and increased electrification. Consequently, we believe that we will see continued healthy bidding activity going forward. The timing of multi-year transmission project awards, along with the related distribution systems and other substantial construction activity is difficult to predict due to regulatory requirements and the permitting needed to commence construction. Any large, multi-year projects awarded in 2026 will not likely have a large impact on our 2026 results because significant construction activity would not occur until 2027 or later. Bidding and construction activities for small to medium-size transmission projects and upgrades, along with distribution systems, remains active, and we expect this trend to continue.

⁽¹⁾ EBITDA is a non-GAAP measure. Refer to "Non-GAAP Measure—EBITDA" for a discussion of this measure.

Our C&I bidding opportunities remain strong and we believe we will see continued opportunities in the primary markets we serve such as data centers, transportation, health care, manufacturing, clean energy and warehousing. In addition, the United States has experienced decades of underfunded economic expansion and aging infrastructure that have challenged the capacity of public water and transportation infrastructure forcing states and municipalities to seek creative means to fund needed expansion and repair. We believe the need for expanding public infrastructure in both the United States and Canada will offer opportunity in our C&I segment for several years. Legislation and regulation that promotes domestic manufacturing could also create opportunity for our C&I segment. We expect the long-term growth in our C&I segment to generally track the overall growth of the regions we serve.

We believe the increasing demand for electricity associated with additional power requirements, driven by increased electrification associated with new technologies, including the emergence and adoption of artificial intelligence technologies as well as increased power needs connected to the reshoring of manufacturing, will require significant investment by our customers in both of our reporting segments.

We continue to implement strategies that are designed to further expand our capabilities and effectively allocate capital. We have maintained a strong balance sheet, while also supporting our organic and acquisitive growth, as well as opportunistically repurchasing shares. On July 1, 2026, we acquired all issued and outstanding shares of capital stock of Valley Holdings I, Inc. and its subsidiaries (collectively, "Valley"), for initial cash consideration of approximately \$328.0 million, subject to working capital and net asset adjustments, and additional contingent consideration summarized in Note 12—Subsequent Event in the accompanying notes to our Consolidated Financial Statements. The Valley acquisition expanded our electrical contractor operations in the western U.S. We funded the approximately \$328.0 million cash payment at closing through a combination of approximately \$93.0 million of cash on hand and \$235.0 million of borrowings under our \$490 million revolving credit facility (the "Facility"). After giving effect to the Valley acquisition, we continue to believe the remaining \$225.5 million of borrowing availability under the Facility as of July 1, 2026, cash on hand and future cash flow from operations will enable us to support the organic growth of our business, pursue acquisitions and opportunistically repurchase shares of our common stock.

We continue to manage our increasing operating costs, including increasing insurance, equipment, labor and material costs. We believe that our financial position, positive cash flows and other operational strengths will enable us to respond to challenges and uncertainties in the markets we serve and give us the flexibility to successfully execute our strategy. We continue to invest in developing key management and craft personnel in both our T&D and C&I segments and in procuring the specific specialty equipment and tooling needed to win and execute projects of all sizes and complexity.

Backlog

We refer to our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue we have recognized under such contracts, as "backlog." A customer's intention to award us work under a fixed-price contract is not included in backlog unless there is an actual written award to perform a specific scope of work at specific terms and pricing. For many of our unit-price, time-and-equipment, time-and-materials and cost plus contracts, we only include projected revenue for a three-month period in the calculation of backlog, although these types of contracts are generally awarded as part of master service agreements that typically have a one-year to four-year duration from execution. Backlog may not accurately represent the revenues that we expect to realize during any particular period. Several factors, such as the timing of contract awards, the type and duration of contracts, and the mix of subcontractor and material costs in our projects, can impact our backlog at any point in time. Some of our revenue does not appear in our periodic backlog reporting because the award of the project, as well as the execution of the work, may all take place within the period. Our backlog includes projects that have a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. Backlog should not be relied upon as a stand-alone indicator of future events.

The difference between our backlog and remaining performance obligations is due to the exclusion of a portion of our master service agreements under certain contract types from our remaining performance obligations as these contracts can be canceled for convenience at any time by us or the customer without considerable cost incurred by the customer. Our estimated backlog also includes our proportionate share of unconsolidated joint venture contracts. Additional information related to our remaining performance obligations is provided in Note 6—Revenue Recognition in the accompanying notes to our Consolidated Financial Statements.

Our backlog was \$3.16 billion at June 30, 2026 compared to \$2.64 billion at June 30, 2025. Our backlog at June 30, 2026 increased \$316.4 million from March 31, 2026. Backlog in the T&D segment increased \$284.9 million and C&I backlog increased \$31.5 million compared to March 31, 2026. Our backlog as of June 30, 2026 included our proportionate share of joint venture backlog totaling \$158.8 million, compared to \$167.5 million at March 31, 2026.

The following table summarizes the amount of our backlog that we believe to be firm as of the dates shown and the amount of our current backlog that we reasonably estimate will not be recognized within the next twelve months, and the amount estimated to be recognized after the next twelve months:

(in thousands)	Backlog at June 30, 2026			
	Total	Amount estimated to be recognized within 12 months	Amount estimated to be recognized after 12 months	Total backlog at December 31, 2025
T&D	\$ 1,265,586	\$ 976,767	\$ 288,819	\$ 1,018,116
C&I	1,894,335	1,638,650	255,685	1,806,152
Total	\$ 3,159,921	\$ 2,615,417	\$ 544,504	\$ 2,824,268

Consolidated Results of Operations

The following table sets forth selected consolidated statements of operations data and such data as a percentage of revenues for the periods indicated:

(dollars in thousands)	Three months ended June 30,				Six months ended June 30,			
	2026		2025		2026		2025	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Contract revenues	\$ 1,081,727	100.0 %	\$ 900,325	100.0 %	\$ 2,082,107	100.0 %	\$ 1,733,945	100.0 %
Contract costs	939,054	86.8	796,614	88.5	1,804,994	86.7	1,533,333	88.4
Gross profit	142,673	13.2	103,711	11.5	277,113	13.3	200,612	11.6
Selling, general and administrative expenses	74,409	6.9	63,313	7.0	143,832	6.9	125,837	7.3
Amortization of intangible assets	1,210	0.1	1,211	0.1	2,427	0.1	2,399	0.1
Gain on sale of property and equipment	(891)	(0.1)	(600)	—	(1,813)	(0.1)	(1,701)	(0.1)
Income from operations	67,945	6.3	39,787	4.4	132,667	6.4	74,077	4.3
Other income (expense):								
Interest income	866	0.1	45	—	1,776	0.1	236	—
Interest expense	(706)	(0.1)	(1,905)	(0.2)	(1,365)	(0.1)	(3,319)	(0.2)
Other expense, net	(974)	(0.1)	(533)	—	(1,922)	(0.1)	(833)	—
Income before provision for income taxes	67,131	6.2	37,394	4.2	131,156	6.3	70,161	4.1
Income tax expense	17,280	1.6	10,928	1.3	34,505	1.7	20,387	1.2
Net income	\$ 49,851	4.6 %	\$ 26,466	2.9 %	\$ 96,651	4.6 %	\$ 49,774	2.9 %

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Revenues increased \$181.4 million, or 20.1%, to \$1.08 billion for the three months ended June 30, 2026 from \$900.3 million for the three months ended June 30, 2025. The increase was primarily due to an increase of \$163.6 million in C&I revenue and an increase of \$17.7 million in T&D revenue. See Segment Results below for additional information and discussion related to segment revenues.

Gross margin for the three months ended June 30, 2026 increased to 13.2% compared to 11.5% for the three months ended June 30, 2025. The increase in gross margin was primarily due to significant changes in our estimated gross profit on certain projects resulting in a net gross margin increase of 0.9% for the three months ended June 30, 2026, compared to a net gross margin decrease of 1.0% for the three months ended June 30, 2025. During the three months ended June 30, 2026, significant estimate changes positively impacted gross margin by 2.1%, primarily related to better-than-anticipated productivity, favorable job close outs and an increase in scope on certain projects. In addition, significant estimate changes in gross profit negatively impacted gross margin by 1.2% and largely related to an increase in costs associated with project inefficiencies on certain projects.

Gross profit was \$142.7 million for the three months ended June 30, 2026 compared to \$103.7 million for the three months ended June 30, 2025. The increase of \$39.0 million, or 37.6%, was due to higher margin and revenues.

Selling, general and administrative expenses (“SG&A”) were \$74.4 million for the three months ended June 30, 2026 compared to \$63.3 million for the three months ended June 30, 2025. The period-over-period increase of \$11.1 million was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth.

Interest income was \$0.9 million for the three months ended June 30, 2026. Interest income was not significant for the three months ended June 30, 2025. The increase was attributable to higher average balances held in money market accounts during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025.

Interest expense was \$0.7 million for the three months ended June 30, 2026 compared to \$1.9 million for the three months ended June 30, 2025. The decrease was attributable to lower average outstanding debt balances during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025.

Income tax expense was \$17.3 million for the three months ended June 30, 2026, with an effective tax rate of 25.7%, compared to the income tax expense of \$10.9 million for the three months ended June 30, 2025, with an effective tax rate of 29.2%. The decrease in the tax rate for the three months ended June 30, 2026 was primarily due to a favorable impact from stock compensation excess tax benefits, partially offset by the impact of the net CFC tested income (“NCTI”) and other permanent difference items.

Net income was \$49.9 million for the three months ended June 30, 2026 compared to net income of \$26.5 million for the three months ended June 30, 2025. The increase was primarily due to the reasons stated earlier.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as percentage of total net sales and segment operating income as a percentage of segment net sales:

(dollars in thousands)	Three months ended June 30,			
	2026		2025	
	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	\$ 524,022	48.4 %	\$ 506,273	56.2 %
Commercial & Industrial	557,705	51.6	394,052	43.8
Total	\$ 1,081,727	100.0 %	\$ 900,325	100.0 %
Operating income:				
Transmission & Distribution	\$ 49,513	9.4 %	\$ 40,465	8.0 %
Commercial & Industrial	47,289	8.5	21,992	5.6
Total	96,802	8.9	62,457	6.9
General Corporate	(28,857)	(2.6)	(22,670)	(2.5)
Consolidated	\$ 67,945	6.3 %	\$ 39,787	4.4 %

Transmission & Distribution

Revenues for our T&D segment for the three months ended June 30, 2026 were \$524.0 million compared to \$506.3 million for the three months ended June 30, 2025, an increase of \$17.7 million, or 3.5%. The increase in revenue was related to an increase of \$19.8 million in revenue on T&E contracts and an increase of \$17.4 million in revenue on unit price contracts, partially offset by a decrease of \$19.5 million in revenue on fixed price contracts.

Operating income for our T&D segment for the three months ended June 30, 2026 was \$49.5 million, an increase of \$9.0 million, from the three months ended June 30, 2025. Operating income as a percentage of revenues for our T&D segment increased to 9.4% for the three months ended June 30, 2026 from 8.0% for the three months ended June 30, 2025. The increase in operating income margin was driven by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin increase of 0.7% for the three months ended June 30, 2026, compared to a net operating income margin decrease of 0.9% for the three months ended June 30, 2025. During the three months ended June 30, 2026, significant estimated gross profit changes positively impacted operating income as a percentage of revenues by 1.5%, primarily related to better-than-anticipated productivity, favorable job close outs and an increase in scope on a project. These increases were partially offset by negative significant estimated gross profit changes totaling 0.8% and largely related to project inefficiencies on certain projects.

Commercial & Industrial

Revenues for our C&I segment for the three months ended June 30, 2026 were \$557.7 million compared to \$394.1 million for the three months ended June 30, 2025, an increase of \$163.6 million, or 41.5%. The increase in revenue was primarily related to an increase of \$159.3 million in revenue on fixed priced contracts.

Operating income for our C&I segment for the three months ended June 30, 2026 was \$47.3 million, an increase of \$25.3 million, over the three months ended June 30, 2025. Operating income as a percentage of revenues for our C&I segment increased to 8.5% for the three months ended June 30, 2026 from 5.6% for the three months ended June 30, 2025. The increase in operating income margin was driven by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin increase of 1.1% for the three months ended June 30, 2026, compared to a net operating income margin decrease of 1.2% for the three months ended June 30, 2025. Significant estimated gross profit changes positively impacted operating income as a percentage of revenues by 2.7%, primarily related to better-than-anticipated productivity on certain projects, most of which are nearing completion, and an increase in scope on a project. These increases were partially offset by negative significant estimated gross profit changes totaling 1.6% and largely related to an increase in costs associated with project inefficiencies on certain projects. Operating income margin was also positively impacted during the three months ended June 30, 2026 by a larger portion of our projects progressing at higher contractual margins, some of which are nearing completion.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenues increased \$348.2 million, or 20.1%, to \$2.08 billion for the six months ended June 30, 2026 from \$1.73 billion for the six months ended June 30, 2025. The increase was primarily due to an increase of \$251.2 million in C&I revenue, and an increase of \$97.0 million in T&D revenue. See Segment Results below for additional information and discussion related to segment revenues.

Gross margin for the six months ended June 30, 2026 increased to 13.3% compared to 11.6% for the six months ended June 30, 2025. The increase in gross margin was primarily due to significant changes in our estimated gross profit on certain projects resulting in a net gross margin increase of 0.7% for the six months ended June 30, 2026, compared to a net gross margin decrease of 1.2% for the six months ended June 30, 2025. During the six months ended June 30, 2026, significant estimate changes positively impacted gross margin by 2.4%, primarily related to better-than-anticipated productivity, an increase in scope on certain projects and favorable job close outs. In addition, significant estimate changes in gross profit negatively impacted gross margin by 1.7%, and largely related to an increase in costs associated with project inefficiencies on certain projects. Gross margin was also positively impacted during the six months ended June 30, 2026 by a larger portion of our C&I projects progressing at higher contractual margins, some of which are nearing or are at completion.

Gross profit was \$277.1 million for the six months ended June 30, 2026 compared to \$200.6 million for the six months ended June 30, 2025. The increase of \$76.5 million, or 38.1%, was due to higher margin and revenues.

SG&A expenses were \$143.8 million for the six months ended June 30, 2026 compared to \$125.8 million for the six months ended June 30, 2025. The period-over-period increase of \$18.0 million was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth.

Gains from the sale of property and equipment for the six months ended June 30, 2026 were \$1.8 million compared to \$1.7 million for the six months ended June 30, 2025. Gains from the sale of property and equipment are attributable to routine sales of property and equipment no longer useful or valuable to our ongoing operations.

Interest income was \$1.8 million for the six months ended June 30, 2026 compared to \$0.2 million for the six months ended June 30, 2025. The increase was attributable to higher average balances held in money market accounts during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025.

Interest expense was \$1.4 million for the six months ended June 30, 2026 compared to \$3.3 million for the six months ended June 30, 2025. The decrease was primarily attributable to lower average outstanding debt balances and lower interest rates during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025.

Income tax expense was \$34.5 million for the six months ended June 30, 2026, with an effective tax rate of 26.3%, compared to the expense of \$20.4 million for the six months ended June 30, 2025, with an effective tax rate of 29.1%. The change in the tax rate for the six months ended June 30, 2026 was primarily due to a favorable impact from stock compensation excess tax benefits, partially offset by the impact of NCTI and other permanent difference items.

Net income was \$96.7 million for the six months ended June 30, 2026 compared to \$49.8 million for the six months ended June 30, 2025. The increase was primarily due to the reasons stated earlier.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as percentage of total net sales and segment operating income as a percentage of segment net sales:

(dollars in thousands)	Six months ended June 30,			
	2026		2025	
	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	\$ 1,064,992	51.1 %	\$ 968,043	55.8 %
Commercial & Industrial	1,017,115	48.9	765,902	44.2
Total	<u>\$ 2,082,107</u>	<u>100.0 %</u>	<u>\$ 1,733,945</u>	<u>100.0 %</u>
Operating income:				
Transmission & Distribution	\$ 101,723	9.6 %	\$ 76,686	7.9 %
Commercial & Industrial	84,493	8.3	39,369	5.1
Total	186,216	8.9	116,055	6.7
General Corporate	(53,549)	(2.5)	(41,978)	(2.4)
Consolidated	<u>\$ 132,667</u>	<u>6.4 %</u>	<u>\$ 74,077</u>	<u>4.3 %</u>

Transmission & Distribution

Revenues for our T&D segment for the six months ended June 30, 2026 were \$1.06 billion compared to \$968.0 million for the six months ended June 30, 2025, an increase of \$97.0 million, or 10.0%. The increase in revenue was related to an increase of \$83.5 million in revenue of unit price contracts and an increase of \$56.3 million in revenue on T&E contracts, partially offset by a decrease of \$42.8 million in revenue on fixed price contracts.

Operating income for our T&D segment for the six months ended June 30, 2026 was \$101.7 million, an increase of \$25.0 million, from the six months ended June 30, 2025. Operating income as a percentage of revenues for our T&D segment increased to 9.6% for the six months ended June 30, 2026 from 7.9% for the six months ended June 30, 2025. The increase in operating income margin was driven by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin increase of 0.7% for the six months ended June 30, 2026, compared to a net decrease of 0.8% for the six months ended June 30, 2025. During the six months ended June 30, 2026, significant estimated gross profit changes positively impacted operating income as a percentage of revenues by 1.0% primarily related to better-than-anticipated productivity, favorable job close outs and an increase in scope on a project. These increases were partially offset by negative significant estimated gross profit changes totaling 0.3% and largely related to project inefficiencies on a project.

Commercial & Industrial

Revenues for our C&I segment for the six months ended June 30, 2026 were \$1.02 billion compared to \$765.9 million for the six months ended June 30, 2025, an increase of \$251.2 million, or 32.8%. The increase in revenue was primarily related to an increase of \$260.2 million in revenue on fixed priced contracts.

Operating income for our C&I segment for the six months ended June 30, 2026 was \$84.5 million, an increase of \$45.1 million, over the six months ended June 30, 2025. Operating income as a percentage of revenues for our C&I segment increased to 8.3% for the six months ended June 30, 2026 from 5.1% for the six months ended June 30, 2025. The increase in operating income margin was driven by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin increase of 0.7% for the six months ended June 30, 2026, compared to a net decrease of 1.8% for the six months ended June 30, 2025. Significant estimated gross profit changes positively impacted operating income as a percentage of revenues by 4.0%, primarily related to better-than-anticipated productivity on certain projects, most of which are nearing completion, and an increase in scope on certain projects. These increases were partially offset by negative significant estimated gross profit changes totaling 3.3% and largely related to an increase in costs associated with project inefficiencies on certain projects. Operating income margin was also positively impacted during the six months ended June 30, 2026 by a larger portion of our projects progressing at higher contractual margins, some of which are nearing or are at completion.

Non-GAAP Measure—EBITDA

We define EBITDA, a performance measure used by management, as net income plus interest expense net of interest income, provision for income taxes and depreciation and amortization. EBITDA, a non-GAAP financial measure, 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. We believe that EBITDA is useful to investors and other external users of our Consolidated Financial Statements in evaluating our 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. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly-titled measures of other companies. We use, and we believe investors benefit from, the presentation of EBITDA in evaluating our operating performance because it provides us and our investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations.

Using EBITDA as a performance measure has material limitations as compared to net income, or other financial measures as defined under accounting principles generally accepted in the United States of America ("U.S. GAAP"), as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense net of interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our shareholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenues, depreciation and amortization are a necessary element of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense net of interest income, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis. Using both EBITDA and net income to evaluate the business allows management and investors to (a) assess our relative performance against our competitors and (b) monitor our capacity to generate returns for our shareholders.

The following table provides a reconciliation of net income to EBITDA:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net income	\$ 49,851	\$ 26,466	\$ 96,651	\$ 49,774
<i>Add:</i>				
Interest (income) expense, net	(160)	1,860	(411)	3,083
Income tax expense	17,280	10,928	34,505	20,387
Depreciation & amortization	18,008	16,345	35,771	32,538
EBITDA	<u>\$ 84,979</u>	<u>\$ 55,599</u>	<u>\$ 166,516</u>	<u>\$ 105,782</u>

We also use EBITDA as a liquidity measure. Certain material covenants contained within our credit agreement (the “Credit Agreement”) are based on EBITDA with certain additional adjustments. Non-compliance with these financial covenants under the Credit Agreement - our interest coverage ratio which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense (as defined in the Credit Agreement) and our net leverage ratio, which is defined in the Credit Agreement as Total Net Indebtedness (as defined in the Credit Agreement), divided by Consolidated EBITDA (as defined in the Credit Agreement) - could result in our lenders requiring us to immediately repay all amounts borrowed on the Facility. If we anticipated a potential covenant violation, we would seek relief from our lenders, likely causing us to incur additional cost, and such relief might not be available, or if available, might not be on terms as favorable as those in the Credit Agreement. In addition, if we cannot satisfy these financial covenants, we would be prohibited under the Credit Agreement from engaging in certain activities, such as incurring additional indebtedness, making certain payments, and acquiring or disposing of assets. Based on the information above, management believes that the presentation of EBITDA as a liquidity measure is useful to investors and relevant to their assessment of our capacity to service or incur debt, fund capital expenditures, finance acquisitions and expand our operations.

The following table provides a reconciliation of net cash flows provided by operating activities to EBITDA:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Provided by Operating Activities:				
Net cash flows provided by operating activities	\$ 3,325	\$ 32,861	\$ 88,074	\$ 116,147
<i>Add/(subtract):</i>				
Changes in operating assets and liabilities	71,827	12,872	54,399	(29,610)
Adjustments to reconcile net income to net cash flows provided by operating activities	(25,301)	(19,267)	(45,822)	(36,763)
Depreciation & amortization	18,008	16,345	35,771	32,538
Income tax expense	17,280	10,928	34,505	20,387
Interest (income) expense, net	(160)	1,860	(411)	3,083
EBITDA	<u>\$ 84,979</u>	<u>\$ 55,599</u>	<u>\$ 166,516</u>	<u>\$ 105,782</u>

Liquidity, Capital Resources and Material Cash Requirements

As of June 30, 2026, we had working capital of \$306.9 million. We define working capital as current assets less current liabilities. During the six months ended June 30, 2026, operating activities of our business provided net cash of \$88.1 million, compared to \$116.1 million of cash provided for the six months ended June 30, 2025. Cash flow from operations is primarily influenced by operating margins, timing of contract performance and the type of services we provide to our customers. The \$28.1 million year-over-year decrease in cash provided by operating activities was primarily due to unfavorable net changes in operating assets and liabilities of \$84.0 million offset by an increase of \$46.9 million in net income. The unfavorable change in operating assets and liabilities was primarily due to the net unfavorable year-over-year changes in various working capital accounts that relate primarily to construction activities (accounts receivable, contract assets, accounts payable and contract liabilities) of \$51.8 million. The decline in net cash provided by working capital accounts, mainly related to construction activities, was due to the timing of billings and payments under our contracts. The unfavorable change of \$35.0 million in other liabilities was primarily due to the timing of tax payments.

In the six months ended June 30, 2026, we used net cash of \$42.7 million in investing activities consisting of \$45.0 million for capital expenditures, partially offset by \$2.4 million of proceeds from the sale of equipment.

In the six months ended June 30, 2026, financing activities used net cash of \$57.4 million, consisting primarily of \$47.4 million of net repayments under our revolving line of credit, \$7.3 million of shares repurchased to satisfy tax obligations under our stock compensation programs and \$2.3 million of payments under our equipment notes.

As of June 30, 2026, we had \$460.5 million of borrowing availability under the Facility. On July 1, 2026, subsequent to the end of the quarter, we acquired all issued and outstanding shares of capital stock of Valley for initial cash consideration of approximately \$328.0 million, subject to working capital and net asset adjustments, and additional contingent consideration summarized in Note 12—Subsequent Event in the accompanying notes to our Consolidated Financial Statements. We funded the approximately \$328.0 million cash payment at closing through a combination of approximately \$93.0 million of cash on hand and \$235.0 million of borrowings under the Facility.

After giving effect to the Valley acquisition, we continue to believe the remaining \$225.5 million of borrowing availability under the Facility, cash on hand, future cash flow from operations and our ability to utilize short-term and long-term leases will provide sufficient liquidity for our short-term and long-term needs. Our primary short-term liquidity needs include cash for operations, debt service requirements, capital expenditures, and acquisition and joint venture opportunities. We believe we have adequate financial resources to meet our long-term liquidity needs and foreseeable material cash requirements, including those associated with funding future acquisition opportunities. We continue to invest in developing key management and craft personnel in both our T&D and C&I segments and in procuring the specific specialty equipment and tooling needed to win and execute projects of all sizes and complexity.

We have not historically paid dividends and currently do not expect to pay dividends on our common stock.

Debt Instruments

Credit Agreement

On May 31, 2023, the Company entered into a five-year third amended and restated credit agreement (the “Credit Agreement”) with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. that provides for a \$490 million revolving credit facility, subject to certain financial covenants as defined in the Credit Agreement. The Facility allows for revolving loans in Canadian dollars and other non-US currencies, up to the U.S. dollar equivalent of \$150 million. Up to \$75 million of the Facility may be used for letters of credit, with an additional \$75 million available for letters of credit, subject to the sole discretion of each issuing bank. The Facility also allows for \$15 million to be used for swingline loans. The Company has an expansion option to increase the commitments under the Facility or enter into incremental term loans, subject to certain conditions, by up to an additional \$200 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries, and by a pledge of substantially all of the capital stock of the Company’s domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company’s domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. The Credit Agreement provides for customary events of default. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement are used to refinance existing indebtedness, and to provide for future working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement bear interest, at the Company’s option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.25% to 1.00%; or (2) the Term Benchmark Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.25% to 2.00%. The applicable margin is determined based on the Company’s Net Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.25% to 2.00% for non-performance letters of credit or 0.625% to 1.00% for performance letters of credit, based on the Company’s Net Leverage Ratio. The Company is subject to a commitment fee of 0.20% to 0.30%, based on the Company’s Net Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the Company’s Net Leverage Ratio, after giving pro forma effect thereto, exceeds 2.75.

Under the Credit Agreement, the Company is subject to certain financial covenants including a maximum Net Leverage Ratio of 3.0 and a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 3.0. The Credit Agreement also contains covenants including limitations on asset sales, investments, indebtedness and liens. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 30, 2026.

We had no borrowings outstanding under the Facility as of June 30, 2026. We had \$47.4 million in borrowings outstanding under the Facility as of December 31, 2025. On July 1, 2026, subsequent to the end of the quarter, the Company borrowed \$235.0 million under the Facility to fund a portion of the consideration for the Valley acquisition.

Letters of Credit

Some of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our insurance programs. In addition, from time to time, certain customers require us to post letters of credit to guarantee performance under our contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit if the holder claims that we have failed to perform specified actions in accordance with the terms of the letter of credit. If this were to occur, we would be required to reimburse the issuer of the letter of credit. Depending on the circumstances of such a reimbursement, we may also have to record a charge to earnings for the reimbursement. Currently, we do not believe it is likely that any claims will be made under any letter of credit.

As of June 30, 2026, we had \$29.5 million in letters of credit outstanding under our Credit Agreement related to the Company’s payment obligation under its insurance programs. As of December 31, 2025, we had \$34.3 million in letters of credit outstanding under our Credit Agreement, including \$34.2 million related to the Company’s payment obligations under its insurance programs and \$0.1 million related to contract performance obligations.

Equipment Notes

We have entered into multiple Master Loan Agreements with multiple finance companies. The Master Loan Agreements may be used for financing of equipment between us and the lenders pursuant to one or more equipment notes ("Equipment Notes"). Each Equipment Note constitutes a separate, distinct and independent financing of equipment and contractual obligation.

As of June 30, 2026 and December 31, 2025, we had one outstanding Equipment Note collateralized by equipment and vehicles owned by us. As of June 30, 2026 and December 31, 2025, we also had one other equipment note outstanding collateralized by a vehicle owned by us. The outstanding balance of all equipment notes was \$9.4 million as of June 30, 2026 and \$11.6 million as of December 31, 2025. As of June 30, 2026, we had outstanding short-term equipment notes of approximately \$4.7 million and outstanding long-term equipment notes of approximately \$4.7 million. As of December 31, 2025, we had outstanding short-term and long-term equipment notes of approximately \$4.6 million and \$7.0 million, respectively.

Lease Obligations

From time to time, the Company enters into non-cancelable leases for some of our facility, vehicle and equipment needs. These leases allow the Company to conserve cash by paying a monthly lease rental fee for the use of facilities, vehicles and equipment rather than purchasing them. The Company's leases have remaining terms ranging from less than one to twelve years, some of which may include options to extend the leases for up to ten years, and some of which may include options to terminate the leases within one year. Typically, the Company has purchase options on the equipment underlying its long-term leases and many of its short-term rental arrangements. The Company may exercise some of these purchase options when the need for equipment is on-going and the purchase option price is attractive.

The outstanding balance of operating lease obligations was \$56.2 million as of June 30, 2026, consisting of short-term and long-term operating lease obligations of approximately \$13.1 million and \$43.1 million, respectively. The outstanding balance of operating lease obligations was \$42.4 million as of December 31, 2025, consisting of short-term and long-term operating lease obligations of approximately \$13.0 million and \$29.4 million, respectively.

The outstanding balance of finance lease obligations was \$1.6 million as of June 30, 2026, consisting of short-term and long-term finance lease obligations of approximately \$0.8 million and \$0.8 million, respectively. As of December 31, 2025, we had \$2.0 million outstanding finance lease obligations, consisting of short-term and long-term finance lease obligations of approximately \$0.8 million and \$1.2 million, respectively.

Purchase Commitments for Construction Equipment

As of June 30, 2026, we had approximately \$48.6 million in outstanding purchase obligations for certain construction equipment to be paid with cash outlays scheduled to occur in 2026 and 2027.

Performance and Payment Bonds and Parent Guarantees

Many customers, particularly in connection with new construction, require us to post performance and payment bonds typically issued by a surety or financial institution. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We must reimburse our sureties for any expenses or outlays they incur. Under our continuing indemnity and security agreements with the issuers of the bonds, we may be required to grant them a security interest relating to a particular project. We believe that it is unlikely that we will have to fund significant claims under our surety arrangements. As of June 30, 2026, an aggregate of approximately \$2.89 billion in original face amount of bonds issued by our sureties were outstanding. Our estimated remaining cost to complete these bonded projects was approximately \$926.2 million as of June 30, 2026.

From time to time, we guarantee the obligations of our wholly owned subsidiaries, including obligations under certain contracts with customers, certain lease agreements, and, in some states, obligations in connection with obtaining contractors' licenses. Additionally, from time to time, we are required to post letters of credit to guarantee the obligations of our wholly owned subsidiaries, which reduces the borrowing availability under our credit facility.

Concentration of Credit Risk

We grant trade credit under normal payment terms, generally without collateral, to our customers, which include high credit quality electric utilities, governmental entities, general contractors and builders, owners and managers of commercial and industrial properties located in the United States and Canada. Consequently, we are subject to potential credit risk related to changes in business and economic factors throughout the United States and Canada. However, we generally have certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosures or negotiated settlements, we may take title to the underlying assets in lieu of cash in settlement of receivables. As of June 30, 2026 accounts receivable for one of our customers individually accounted for approximately 15% of our consolidated accounts receivable. As of June 30, 2025, none of our customers individually exceeded 10% of our consolidated accounts receivable. Management believes the terms and conditions in its contracts, billing and collection policies are adequate to minimize the potential credit risk.

New Accounting Pronouncements

For a discussion regarding new accounting pronouncements, please refer to Note 1—Organization, Business and Basis of Presentation—Recent Accounting Pronouncements in the accompanying notes to our Consolidated Financial Statements.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates. For further information regarding our critical accounting policies and estimates, please refer to Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” included in our 2025 Annual Report.

Cautionary Statement Concerning Forward-Looking Statements and Information

We are including the following discussion to inform you of some of the risks and uncertainties that can affect our company and to take advantage of the protections for forward-looking statements that applicable federal securities law affords.

Statements in this Quarterly Report on Form 10-Q contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), which represent our management’s beliefs and assumptions concerning future events. When used in this document and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words “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 Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q. 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. These and other important factors, including those discussed under the caption “Forward-Looking Statements” and in Item 1A. “Risk Factors” in our 2025 Annual Report, and in any risk factors or cautionary statements contained in our other filings with the Securities and Exchange Commission, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

These risks, contingencies and uncertainties include, but are not limited to, the following:

- Our operating results may vary significantly from period to period.
- Our industry is highly competitive.

- Negative economic and market conditions including tariffs and inflation on materials, interest rates and recessionary conditions have in the past and may in the future adversely impact our customers' spending and, as a result, our operations and growth.
- We may be unsuccessful in generating internal growth, which could impact the projects available to the Company.
- Our inability to successfully execute or integrate acquisitions or joint ventures may have an adverse impact on our growth strategy and business.
- Project performance issues, including those caused by third parties, or certain contractual obligations have in the past and may in the future result in additional costs to us, reductions or delays in revenues or the payment of penalties, including liquidated damages.
- We may be unable to attract and retain qualified personnel.
- The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results.
- During the ordinary course of our business, we have in the past and may in the future become subject to lawsuits or indemnity claims.
- Backlog may not be realized or may not result in profits and may not accurately represent future revenue.
- Our insurance has limits and exclusions that may not fully indemnify us against certain claims or losses, including claims resulting from wildfires or other natural disasters and an increase in cost, or the unavailability or cancellation of third-party insurance coverages would increase our overall risk exposure and could disrupt our operations and reduce our profitability.
- Risks associated with operating in the Canadian market could impact our profitability.
- Changes in tax laws or our interpretations of tax laws could materially impact our tax liabilities.
- The nature of our business exposes us to potential liability for warranty claims and faulty engineering, which may reduce our profitability.
- Pandemic outbreaks of disease, such as the COVID-19 pandemic, have in the past had and may in the future have an adverse impact on our business, employees, liquidity, financial condition, results of operations and cash flows.
- Our dependence on customers, suppliers, subcontractors and equipment manufacturers has in the past and may in the future expose us to the risk of loss in our operations.
- Our participation in joint ventures and other projects with third parties may expose us to liability for failures of our partners.
- Legislative or regulatory actions relating to utility, electricity transmission, clean energy or our business activities may impact demand for our services.
- We have in the past and may in the future incur liabilities and suffer negative financial or reputational impacts relating to occupational health and safety matters, including those related to environmental hazards such as wildfires and other natural disasters.
- Our failure to comply with environmental and other laws and regulations could result in significant liabilities.
- Our business may be affected by seasonal and other variations, including severe weather conditions and the nature of our work environment.
- Opportunities associated with government contracts could lead to increased governmental regulation applicable to us.
- We are subject to risks associated with climate change including financial risks and physical risks such as an increase in extreme weather events (such as floods, wildfires or hurricanes), rising sea levels and limitations on water availability and quality.
- Our use of percentage-of-completion accounting could result in a reduction or reversal of previously recognized revenues and profits.
- Our financial results are based upon estimates and assumptions that may differ from actual results.
- Our actual costs may be greater than expected in performing our fixed-price and unit-price contracts.
- An increase in the cost or availability for items such as materials, parts, commodities, equipment and tooling may also be impacted by trade regulations, tariffs, global relations, wars, taxes, transportation costs and inflation which could adversely affect our business.
- We may not be able to compete for, or work on, certain projects if we are not able to obtain necessary bonds, letters of credit, bank guarantees or other financial assurances.

- Unfavorable developments affecting the banking and financial services industry could adversely affect our business, liquidity and financial condition and overall results of operations.
- Work stoppages or other labor issues with our unionized workforce could adversely affect our business, and we may be subject to unionization attempts.
- Multi-employer pension plan obligations related to our unionized workforce could adversely impact our earnings.
- We rely on information, communications and data systems in our operations and we or our business partners may be subject to failures, interruptions or breaches of such systems, which could affect our operations or our competitive position, expose sensitive information or damage our reputation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations within the United States and Canada, and we are exposed to market risks in the ordinary course of our business, including the effects of fluctuations in interest rates, foreign exchange rates, and commodity prices.

As of June 30, 2026, we were not party to any derivative instruments. We did not use any material derivative financial instruments during the six months ended June 30, 2026 and 2025, including instruments for trading, hedging, or speculating on changes in interest rates, changes in foreign currency rates or changes in commodity prices of materials used in our business.

Any borrowings under our Facility are based upon interest rates that will vary depending upon the prime rate, Canadian prime rate, the NYFRB overnight bank funding rate, Term CORRA, and Term SOFR Reference Rate, each as defined in the Credit Agreement. If the prime rate, Canadian prime rate, the NYFRB overnight bank funding rate, Term CORRA, or Term SOFR Reference Rate rises, any interest payment obligations under the Facility would increase and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest when we have outstanding borrowings. As of June 30, 2026, we had no borrowings outstanding under the Facility. As of July 1, 2026, we had \$235.0 million of borrowings outstanding under the Facility.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision, and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined under Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control Over Financial Reporting

During the period covered by this report, there were no changes in our internal control over financial reporting that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For discussion regarding legal proceedings, please refer to Note 8—Commitments and Contingencies—Litigation and Other Legal Matters in the accompanying notes to our Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

We face a number of risks that could materially and adversely affect our business, employees, liquidity, financial condition, results of operations and cash flows. A discussion of our risk factors can be found in Item 1A. “Risk Factors” in our 2025 Annual Report. As of the date of this filing, there have been no material changes to the risk factors previously discussed in Item 1A. “Risk Factors” in our 2025 Annual Report. An investment in our common stock involves various risks. When considering an investment in the Company, you should carefully consider all of the risk factors described in our 2025 Annual Report. These risks and uncertainties are not the only ones facing us and there may be additional matters that are not known to us or that we currently consider immaterial. These risks and uncertainties could adversely affect our business, employees, liquidity, financial condition, results of operations or cash flows and, thus, the value of our common stock and any investment in the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Common Stock. The following table includes all of the Company’s repurchases of common stock for the periods shown. Repurchased shares are retired and returned to authorized but unissued common stock.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2026 - April 30, 2026	2,340	\$ 344.69	2,340	\$ —
May 1, 2026 - May 31, 2026	—	\$ —	—	\$ —
June 1, 2026 - June 30, 2026	—	\$ —	—	\$ —
Total	2,340	\$ 344.69	2,340	

(1) This column contains repurchases of common stock to satisfy tax obligations on the vesting of performance and restricted stock under the 2017 Long-Term Incentive Plan (as amended).

ITEM 5. OTHER INFORMATION

None of the Company’s directors or “officers” (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, during the Company’s fiscal quarter ended June 30, 2026.

ITEM 6. EXHIBITS

Number	Description
<u>31.1</u>	<u>Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†</u>
<u>31.2</u>	<u>Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†</u>
<u>32.1</u>	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350+</u>
<u>32.2</u>	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350+</u>
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

† Filed herewith

+ Furnished herewith

* Electronically filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

July 29, 2026

MYR GROUP INC.

(Registrant)

/s/ KELLY M. HUNTINGTON

Kelly M. Huntington

Senior Vice President and Chief Financial Officer

(Principal Financial Officer, Principal Accounting Officer, and Duly Authorized Officer)

CERTIFICATIONS

Certification of Principal Executive Officer

I, Richard S. Swartz, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2026

/s/ RICHARD S. SWARTZ, JR.

(Principal Executive Officer)
Chief Executive Officer and President

CERTIFICATIONS

Certification of Principal Financial Officer

I, Kelly M. Huntington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2026

/s/ KELLY M. HUNTINGTON

(Principal Financial Officer)

Senior Vice President and Chief Financial Officer

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER,
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard S. Swartz, Jr., Chief Executive Officer and President of MYR Group Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Quarterly Report on Form 10-Q for the quarter and six months ended June 30, 2026 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 29, 2026

/s/ RICHARD S. SWARTZ, JR.

Chief Executive Officer and President

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kelly M. Huntington, Senior Vice President and Chief Financial Officer of MYR Group, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Quarterly Report on Form 10-Q for the quarter and six months ended June 30, 2026 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 29, 2026

/s/ KELLY M. HUNTINGTON

Senior Vice President and Chief Financial Officer