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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the MYR Group's Fourth Quarter 2018 Conference Call. (Operator Instructions) As a reminder, this call is being recorded. I would now like to introduce your host for today's conference, Mr. Steve Carr of Dresner Corporate Services. Please go ahead.

Steven D. Carr - *Dresner Corporate Services, Inc. - EVP and MD*

Thank you, Christie, and good morning, everyone. I'd like to welcome you to the MYR Group conference call to discuss the company's fourth quarter and full year results for 2018. Joining us on today's call are Rick Swartz, President and Chief Executive Officer; Betty Johnson, Senior Vice President, Chief Financial Officer and Treasurer; Tod Cooper, Senior Vice President and Chief Operating Officer of MYR Group's Transmission and Distribution segment; and Jeff Waneka, Senior Vice President and Chief Operating Officer of MYR Group's Commercial and Industrial segment.

If you did not receive this morning's press release, please contact Dresner Corporate Services at (312) 726-3600, and we will send you a copy or go to www.myrgroup.com, where a copy is available under the Investor Relations tab.

Also a replay of today's call will be available until Thursday, March 14, 2019 at 11:59 p.m. Eastern Time by dialing (855) 859-2056 or (404) 537-3406 and entering conference ID 7488347.

Before we begin, I want to remind you this discussion may contain forward-looking statements. Any such statements are based upon information available to MYR Group management as of this date, and MYR Group assumes no obligation to update any such forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from forward-looking statements. Accordingly, these statements are no guarantee of future performance. These risks and uncertainties are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2018, and in yesterday's press release.

Certain non-GAAP financial information will be discussed on the call today. A reconciliation of this non-GAAP information to the most comparable GAAP measure is set forth in yesterday's press release.

With that said, let me turn the call over to Rick Swartz

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Good morning, everyone. Welcome to our fourth quarter and full year 2018 conference call to discuss financial and operational results. I'll begin our call today by providing a summary of our fourth quarter and full year results and then turn the call over to Betty Johnson, our Chief Financial Officer, for a more detailed financial review. Following Betty's discussion, Tod Cooper and Jeff Waneka, our Chief Operating Officers for our T&D and C&I segments, will provide industry outlooks and discuss some of MYR Group's opportunities going forward. I will then conclude with some closing remarks and open the call up for your comments and questions.

Fourth quarter 2018 revenues of $446.3 million marked a record high for MYR. We also achieved record revenues for the full year of 2018 of $1.53 billion, as well as increases in gross profit, earnings per share, net income and EBITDA as compared to our full year 2017. Our record backlog of $1.1 billion at the end of 2018 reflects a diverse project pipeline of activity throughout the U.S. and Western Canada. It also demonstrates that our efforts to grow our business and better meet the needs of our customers are generating opportunities and project awards in every region we serve.

In addition to organic and acquisition growth initiatives that expanded our geographic footprint and broadened our range of services, we focused on key operational objectives in 2018 to not only make us bigger, but better. We further enhanced our training programs to ensure employees have a wider array of professional development courses to expand their technical expertise and leadership potential. Our various subsidiaries now have new opportunities to share resources, combine best practices, broaden our service offerings and deliver greater value to our clients.

Our T&D segment continued to bid and win work that largely comprised a mix of smaller to midsize projects, which reflects our focus on rebalancing our portfolio of work to limit reliance on large projects. As our T&D expertise increases in size and diversity, we believe our experience positions us favorably for significant opportunities in 2019 and beyond.

Recent announcements regarding planned investments in electrical infrastructure demonstrates that our clients are continuing to prioritize needs to repair, replace and upgrade aging systems, invest in new technology, meet renewable standards and protect the security and reliability of the electric grid.

Our C&I segment expanded its service array and geographic footprint in 2018 with the acquisition of the Huen Companies, and continues to win complex, high-profile projects due to specialized capabilities in market such as transportation, health care, high-tech, data centers and aviation. We expect strong growth to continue in our new and established markets, and that our core competencies will set us apart for opportunities throughout the U.S. and Western Canada.

We know that constant sustainable improvement is important to the future of our business, especially in today's fast-moving competitive landscape. To further advance as a contract for an employer of choice, we will continue to discover new ways to meet our client's greatest challenges, evaluate and implement processes that streamline our business operations, strengthen our competitive position and provide positive work environments and opportunities for our employees.

Now Betty will provide details on our fourth quarter and full year 2018 financial results.

Betty R. Johnson - *MYR Group Inc. - Senior VP, CFO & Treasurer*

Thank you, Rick, and good morning, everyone. On today's call, I will be reviewing our quarter-over-quarter results for fourth quarter 2018 as compared to fourth quarter 2017.

Our fourth quarter 2018 revenues were $446.3 million, a record high, which represents an increase of $72.8 million or 19.5% compared to the same period last year. Both our T&D and C&I segments experienced record high revenues this quarter.

T&D revenues were $257.2 million, up 12.9% compared to the same period last year. The breakdown of T&D revenues was $181.7 million for transmission and $75.5 million for distribution.

C&I revenues were $189.1 million, an increase of 29.8% compared to the same period last year. The C&I segment includes increased revenues related to the recent acquisition of Huen Companies, increased spending from new and existing customers and increased volume at certain organic expansion locations.

Our gross margin was 10.6% for the fourth quarter of 2018 compared to 9.9% for the same period last year, which was primarily due to improvements in efficiency and organic expansion results. The increase in gross margin was also favorably impacted by $1.6 million of estimate changes on certain contracts associated with the acquisition of Huen Companies. These changes of estimates are subject to margin guarantees under our purchase agreement and represent potential contingent consideration for-- which an offset is recognized in other expenses.

SG&A expense was $30.1 million, an increase of $6.1 million compared to the same period last year. This increase was primarily due to SG&A expenses related to the acquired Huen Companies, higher employee-related expenses to support operations and higher bonus costs. SG&A as a percentage of revenues were 6.7% for the quarter as a result of leveraging our higher volume of revenues.

Other expense was $1.6 million for the fourth quarter of 2018, primarily attributed to the contingent consideration related to margin guarantees on certain contracts associated with the acquisition of Huen Companies that I mentioned earlier. After recognizing the contingent consideration amounts, which are the results of favorable changes and estimates on projects and process before the acquisition, the Huen Companies contributed approximately $500,000 of pretax income since being acquired. We continue to believe that the Huen Companies will have operating performance consistent with performance of our other C&I business units once all margin guarantees are finalized by the end of the second quarter of 2019.

Our tax rate for the fourth quarter of 2018 was 26.1%. This compares to a tax benefit in the fourth quarter 2017 due to recording of $7.8 million benefit for the onetime revaluation of our net deferred tax liabilities to the new 21% federal corporate rate resulting from the enactment of the 2017 Tax Act.

Fourth quarter 2018 net income attributed to MYR Group was $10.7 million or $0.64 per diluted share compared to $13.6 million or $0.82 per diluted share for the same period last year. The fourth quarter 2017 net income did include a $0.47 per share benefit from the adjustment noted earlier related to the 2017 Tax Act.

Total backlog as of 12/31/18 was $1.1 billion, consisting of $495 million for the T&D segment, $651.7 million for the C&I segment. This represents an increase in both segment sequentially and from the prior year, and another record for the total of C&I backlog.

Turning to the December 31, 2018 balance sheet. We had approximately $89.8 million of funded debt, $170.5 million in availability under our credit facility and $191.8 million of working capital. We generated free cash flow of $15.1 million during the quarter, more than double the amount of the prior year.

In summary, we are pleased with our results this quarter, which reflect year-over-year improvements in revenue, gross margins, EBITDA, free cash flow and backlog. We look forward to 2019, and believe our strong balance sheet and borrowing capacity are sufficient to support our working capital needs, property and equipment investments, strategic acquisition and organic growth initiatives and bonding requirements.

I'll now turn the call over to Tod Cooper, who'll provide an overview of our Transmission and Distribution segment.

Tod M. Cooper - *MYR Group Inc. - Senior VP & COO of Transmission and Distribution*

Thanks, Betty, and good morning, everyone. Throughout 2018, our project portfolio reflected a balanced mix of T&D opportunities of all types and sizes. Bidding and project activity represented a unique and varied mix of projects.

In addition to our traditional Transmission and Distribution work, we performed work in the T&D sector that included wind and solar interconnections, several large transmission line river crossings, physical security barriers for critical infrastructure substations and we began the onshore portion of interconnect work associated with an Offshore Wind Project. All of this demonstrates our ability to provide an array of services throughout our footprint.

Some notable project awards in 2018 included the Rochester area reliability project in New York, which is just getting underway and consists of new 115 KV and 345 KV transmission lines and structure relocations for Rochester gas and electric, to serve around 230 KV transmission line and substation project for LS Power, which is a series of grade updates in Delaware in Southern New Jersey, and the Surry to Skiffes Creek 500 KV transmission line for Dominion, which spans across the James River in Virginia.

In late 2018, we were awarded the Duff to Coleman 345 KV transmission line in Kentucky and Indiana for Republic Transmission. The project was won through a competitive transmission process for the Midwest Independent System Operator, or MISO. We also started work in late 2018 on the 60-mile, 500 KV Harry Allen to Eldorado transmission line in Nevada for DesertLink, LLC, a wholly-owned subsidiary of LS Power. This project is scheduled for completion in early 2020.

Recent industry announcements indicate there are continued drivers for transmission spending, including pent-up demands to replace and modernize aging infrastructure and continuing growth in renewable generation sources requiring an interconnection to the electric grid. Existing customers such as Oncor Electric Delivery, PSE&G, Duke Energy and NextEra announced large spending forecast. Oncor disclosed approximately $2.5 billion of off-balance sheet CapEx due 2019. PSE&G is planning between $12 billion and $16 billion in grid modernization, reliability and clean energy investments. And Duke Energy has announced plans to direct nearly $30 billion towards electric utilities and infrastructure, and $1.5 billion towards commercial renewables through 2022.

Past announcements by NextEra state that they plan to spend nearly $32 billion between 2018 and 2020, and renewable energy development projects could potentially account for approximately half of their planned CapEx. NextEra's subsidiary, Florida Power & Light, recently announced a groundbreaking 30x30 plan to install more than 30 million solar panels by 2030 to make the state of Florida a world leader in the production of solar energy.

Our long-term client, American Electric Power, indicated they have $2.7 billion in their 2019 to 2023 capital plans for renewable generation. This amount is included in AEP's overall $24.9 billion capital plan for Transmission and Distribution operations that encompasses advanced infrastructure, innovative technologies and cleaner generation sources.

We are encouraged by these industry developments, which help to substantiate our business model that prioritizes geographic growth and expansion of capabilities for existing and new markets. We believe we are well positioned and equipped to meet the changing needs of our customers throughout every region we serve, and are excited about the prospects for growth in renewable energy and related technologies.

Turning to the distribution side of our business. Work remains steady throughout 2018 as we perform services through several ongoing long-term Master Service Agreements with clients across the U.S. Drivers for distribution work continue to be a solid housing market, aging infrastructure and grid modernization, which will play a major role in minimizing disruptions and maintaining reliability.

Our nationwide reach on organic growth initiatives over the past few years have expanded our ability to capture a greater share of distribution work, extend existing contract awards and identify new opportunities under favorable market conditions. Along with expanding our capabilities, we continue to focus on all phases of project management and safety performance, the implementation of our new internally developed project management program and the continuous efforts of our safety training team to identify trends and develop training programs, will keep us positioned as a premier contractor of choice for our clients.

In summary, we believe the T&D markets holds tremendous opportunity as we expand and develop our customer base and further invest in our market leadership position. We will devote our energy and resources to raising the bar throughout every facet of our company to ensure our clients, employees and stockholders all continue to benefit through our efforts.

I'll now turn the call over to Jeff Waneka, who will provide an overview and outlook of our Commercial and Industrial segment.

Jeffrey J. Waneka *- MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

Thanks, Todd, and good morning, everyone. We entered 2018 focused on increasing our value proposition to clients by providing increased procurement support, preconstruction services and project preplanning, which is proving successful on a variety of fronts. These offerings are viewed favorably as our clients seek greater engagement to improve their award efficiency. We experienced consistent and steady growth in backlog and revenue quarter-over-quarter throughout 2018. Our increased sales effort includes training on lean processes and integrated delivery services, which will continue in 2019. We believe the value we provided our customers throughout 2018 establish momentum for the next few quarters and beyond.

In addition to our improved sales efforts, we have maintained a strong focus on the fundamentals of execution, providing a solid blocking and tackling necessary to compete when the market is at its peak. Execution fundamentals are especially important when construction projects are stressed by manpower shortages, material uncertainty, accelerated schedules and ongoing margin compression. We believe our ever-present attention to the fundamentals will keep us prepared to be competitive in varying market conditions.

Turning to our market outlook. We are pleased with our fourth quarter awards because they fit well into our business plan. We believe that transportation funding will drive growth, especially along the West Coast, and recent project awards in California, Washington and Vancouver, Canada confirm our efforts to expand transit capabilities in many of our offices.

As our transportation portfolio expands, so do invitations to join select teams fund these increasingly technical pursuits.

Throughout the Southwest and the Rocky Mountain Front Range, data center and high-tech manufacturing projects continue to offer opportunities that align with our capabilities. These highly technical projects have long been strength in this region, and our tenured engagement with general contractors and design firms indicates there will be consistent activity throughout 2019.

Moving to air transportation. International airports are refocusing capital programs on the redesign of terminals and their amenities, essentially turning them into next generation shopping malls with extensive retail offerings, fitness and wellness centers and short-term sleeping and resting areas. We already have teams working in a number of these international airports, which should provide ample opportunity as these transitional projects come to market.

At Denver International Airport, we are already seeing strong bidding activity, and believe several other airports will follow suit throughout 2019.

Moving to our subsidiary offices in the Midwest and Northeast. Bidding activity steadily increased through 2018, leading to fourth quarter awards in several desirable markets, namely, mixed-use developments, institutional building renovations and hospital upgrades. Our sales personnel were highly engaged in these developments as they advance through the approval process, which we expect will establish a sturdy foundation for the construction teams to build upon.

According to FMI's latest forecast, health care spending is expected to temper to inflationary levels in 2019. However, our bidding activity on health care facilities has remained strong. Items expected to impact future health care spending include: increased modular construction and streamlined project execution; technological breakthroughs, such as telehealth, wearable health technologies and artificial intelligence, hold potential to temper our growing need for traditional health care facilities. Because we have an exceptional health care resume and have continually focused on advancements in technology, we believe we'll remain a preferred contractor, helping our health care clients navigate these industry changes.

As mentioned earlier, we believe we established good momentum through 2018 that has carried nicely into the new year. Our chosen markets are very robust and our committed relationships are generating a host of complementary pursuits. We will stay diligent in managing the fundamentals to create value for our customers, shareholders and employees.

Thanks, everyone, for your time today. I'll now turn the call back to Rick Swartz, who'll provide us with some closing comments.

Richard S. Swartz *- MYR Group Inc. - President & CEO*

Thank you for those updates, Betty, Tod and Jeff. We are inspired, committed and proud of our achievements. With 2019 already underway, we will remain focused on our key strategic imperatives on delivering financial results, maintaining operational and organizational excellence and providing optimal customer satisfaction, all of which should allow us to execute a sustainable, long-term growth model and to evolve and operate most effectively in an ever-changing business climate.

Our compliments are the byproducts of our talented employees who roll up their sleeves and bring new ideas to tackle our toughest challenges, while embodying the culture, vision and future of our company.

To conclude, on behalf of Betty, Tod, Jeff and myself, I sincerely thank you for joining us on the call today. I look forward to updating you on future calls. Operator, we are now ready to open the call up for comments and questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question is from Tahira Afzal with KeyBanc capital.

Tahira Afzal *- KeyBanc Capital Markets Inc., Research Division - MD, Associate Director of Equity Research, and Equity Research Analyst*

I guess, first question. If you look at the first -- if you look at the fourth quarter earnings power, pretty impressive. Is this a starting point for us into the year coming up given your upbeat commentary? Are there some seasonality nuances, like I'm sure in the first quarter we need to take into account?

Richard S. Swartz *- MYR Group Inc. - President & CEO*

Yes. On the fourth quarter, we had really, well, good weather across the country. We had some projects we're pushing for completion. In the first quarter, we always have that weather impact that hits us. It hits us at first and going into the second quarter, so we'll the see that kind of consistent. If you track us over the past where we've been, I would look for that same kind of revenue drop during that first quarter.

Tahira Afzal *- KeyBanc Capital Markets Inc., Research Division - MD, Associate Director of Equity Research, and Equity Research Analyst*

Got it. And very healthy margins on the T&D side. Can you provide a little more color on what pathway we should expect going forward? Are you now, given the visibility you have on the projects that are now in progress, is this a more consistent margin profile for the next year?

Richard S. Swartz *- MYR Group Inc. - President & CEO*

We certainly hope so. I mean, we're always striving to improve our margins wherever we can. We have some projects that go extremely well, and then we have some that take a slight dip. But we're always trying to increase that wherever we can, Tahira.

Operator

Our next question is from Andrew Wittmann with Baird.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

I guess, I'm going to just build on the -- I'm going to build on the last question a little bit here. And maybe if you could talk, Rick, about the mix of larger projects that you're seeing in T&D. It sounded like in Tod's script there, there were some notable wins than we've seen in a while. Can you talk about -- and quantify if you could, that would be super helpful, how much larger project work you're working on today versus maybe the year-ago period? And may be, I mean, I guess, the question last -- the last question was focused more around can margins be consistent, but if the large project mix is up, shouldn't margins be higher potentially next year?

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Well, let me start a little bit, the end of that question. I guess, where part of our press release says large projects, it should have said our contributions from the large project group that -- and they're working on small to midsize projects. So really, it's that midsize project where we saw those margin gains come in. This quarter, we really as I said last year, we really, we finished off the project we had down in Texas for LS Power and really didn't have much large project work going on the T&D side. We continue to see those projects pushed out. So we really put a focus over the last couple of years of building our base T&D business to be able to encompass all those small to midsize work and move from one project to the other. So I have those lined up. And we've also worked heavily, and Tod, I don't know if you have anything to add on the MSA work we've kind of tried to capture over time?

Tod M. Cooper - *MYR Group Inc. - Senior VP & COO of Transmission and Distribution*

Yes. Our MSA work has always been a big part of our company, and we have several MSAs that go back decades, and we've recently, over the last couple of years, picked up some additional MSAs. And that's both in distribution and transmission work. The ones on the transmission side -- and going back to wrap and talk a little bit about the projects in the script that we referenced there. I would consider those, kind of on par with what we saw in 2018. Not the megaprojects but some nice sized projects. And we're going to see something similar in '19. And we still see some of the megaprojects getting pushed out due to regulatory delays in permitting and issues such as that. We look at '18 and '19 to be kind of on par with each other.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. That's helpful. And then my last question, I think, for today is going to be the question I ask often times, which is about the backlog, which is clearly growing significantly and it's relative burn rate as the composition of the projects inside that backlog continue to change, specifically, obviously, the C&I backlog has grown more rapidly than the T&D backlog. And as we look at how backlog has translated to revenue historically, how should we expect that to change with the current mix that's inside that backlog?

Richard S. Swartz - *MYR Group Inc. - President & CEO*

I think when we look at our C&I backlog part -- partial that increase over time is over the last couple of years has really been due to a couple of the acquisitions that we've done, including -- and then on top of that the organic markets that we moved into starting to bring in more revenue and start covering some of their cost. I'll let Jeff talk about the overall dynamics of the market and kind of where we see it's headed.

Jeffrey J. Waneka - *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

Yes. I think we're seeing pretty robust activity in all of our areas. A couple that were slowed had come out of and turn around the corner, really generated some new revenues, some new backlog, namely, the Arizona market and our new divisions out in the Northeast have picked up quite a bit of work recently.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Got it. But how does the burn rate of the backlog compare today versus what you've seen over the last year? Is it going to burn faster because it's C&I and presumably they are smaller projects, and so you should expect more revenue conversion for every dollar of backlog? How does this burn today versus history?

Jeffrey J. Waneka - *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

There's a wide mix. There are some fast-tracked projects in the mix, but there are also some that extend out. And I wouldn't consider any different than our traditional revenue burn.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Got it. I guess, my question is, at the consolidated level, though, not specific to the C&I segment, if you look at total backlog, or maybe do it segment by segment. But I'm just trying to get a sense about how much -- I mean, I guess, you gave the 12-month backlog status in the 10-K and that's helpful. But any other color you can give on top of that is kind of what we're looking for.

Betty R. Johnson - *MYR Group Inc. - Senior VP, CFO & Treasurer*

Yes, I was just going to say that the backlog of $187 million going out more than one year, that's -- take that, and you get what we're going to burn in the 2019 upside of our MSA work that's not included in that backlog number.

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Only 90 days of the MSA.

Betty R. Johnson - *MYR Group Inc. - Senior VP, CFO & Treasurer*

Yes, only 90 days is included in there, and not more.

Richard S. Swartz - *MYR Group Inc. - President & CEO*

And as we said, the market is very active. So we continue to bid and capture projects that will be additive to that backlog.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Yes. Do you feel like the '19 year has got a disproportionately high level of book-and-burn type of work in it? Or is what you're seeing today still bidding out more than the 12-month period?

Richard S. Swartz - *MYR Group Inc. - President & CEO*

I would say we still see the market strong and are continuing to build-out.

Operator

(Operator Instructions) Our next question is from Noelle Dilts with Stifel.

Noelle Christine Dilts - *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*

So first just on the T&D side. A couple of questions. So first, given that the market has shifted more to some of these -- to more of the small to medium projects, and it sounds like the level of activity there is very robust, but the larger projects are still being pushed out. Are you seeing tougher pricing or contract terms because there are fewer large projects? And then, I guess, what are -- as large projects to start to come out, do you anticipate that they'll be potentially more competitive because there has been this low in the larger project activity?

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Okay. I would say on the small to midsize, we're seeing similar competition, similar pricing in most areas to what we've seen over the last couple of years. So we haven't seen contractual terms really tightening up. We haven't seen margin pressures down, but we also haven't seen them increasing. I mean, some areas are increasing a little more due to labor availability. But contractors remain competitive, and they want that next job for their backlog and to grow their company. So we're like everybody else, we're out there competing for the work. And again, where we focus is really on understanding the cost of our projects and then trying to put a fair markup on top of it. As far as the megaprojects go or the larger projects, as we said, those first ones out of the gate could remain very competitive, people could want them. We'll price them, again, understanding our cost, really trying to make sure we focus on that and then put in a fair markup on. I can't say how our competitors will chase those.

Noelle Christine Dilts - *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*

Right. Okay. And then on the C&I side. A couple of questions. First, what -- how are you thinking about kind of the overall nonresidential construction market outlook? I think there's kind of a mixed view there in terms of how sustainable growth is into 2020? And then given that your greenfield expansion efforts are -- seem to now be contributing to profitability. How are you thinking about kind of the next wave of potential expansion?

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Okay. I'll start by saying the markets we're in are continuing to see pretty good strength. And so we really -- we're seeing projects right now that we're bidding, that are building in 2020, 2021 timeframe. We continue to chase that. We're doing a lot of preconstruction services on projects, Jeff is, and I'll turn this back to him in a second to kind of discuss that and discuss our organic growth. As we said, we wanted to see our organic growth areas be profitable and be adding to the bottom line net-net as a whole by the beginning of the second quarter of '18. We did start seeing that. We are selective on where we'll go after, and our focus is to really grow up areas we have right now and remain focused on making sure those are profitable and they remain profitable throughout 2019. Jeff, anything else on the market you want to add?

Jeffrey J. Waneka - *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

I think things may be shifting some from some nonresidential and other markets are really starting to pick up some steam. We're looking at projects that are out that have 4- and 5-year schedules, and they are large projects with large campus settings that we see that build going on for quite some time. So as Rick said, there's some strong health in different parts of the C&I market.

Operator

Our next question is from Jon Braatz with Kansas City capital.

Jonathan Paul Braatz - *Kansas City Capital Associates - Partner and Research Analyst*

Jeff, back to you. There appears to be some strengthening in the oil and gas markets in Canada, I think in December, the LNG -- a $30 billion project, LNG Canada, was approved. I guess my question is, how active are you in those oil and gas projects in Western Canada? And how active have you been? And how active might you be in going forward?

Jeffrey J. Waneka - *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

The communication has picked up on a lot of that work. We definitely get inquiries quite a bit about opportunities to look at budgets and help folks with it. We haven't seen lot of that come to market yet and don't know exactly what role we're going to play in it at this point,.

Jonathan Paul Braatz - *Kansas City Capital Associates - Partner and Research Analyst*

Okay. But there is a possibility that they could be very sizable projects? Am I correct in that?

Jeffrey J. Waneka - *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*

Yes, some of these are very large projects.

Operator

Thank you, and I'm showing no further questions at this time. I'd like to turn the call back over to management for any closing remarks.

Richard S. Swartz - *MYR Group Inc. - President & CEO*

Thank you, everyone, for participating on today's call. Again, I would like to thank our strong management team and employees for their hard work and our stockholders for their continued support. I don't have anything further. We look forward to working with all of you going forward and speaking with you again on our next conference call.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This does conclude today's program, and you may all disconnect. Everyone, have a good day.
