

# INVESTOR PRESENTATION

Q4 | MARCH 2024 | NASDAQ: MYRG



## SAFE HARBOR NOTICE

# FORWARD-LOOKING STATEMENTS

**Various statements in this announcement, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements.**

The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenue, income, capital spending, segment improvements and investments.

Forward-looking statements are generally accompanied by words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “likely,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “unlikely” or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this announcement speak only as of the date of this announcement. We disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly.

We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected.

Forward-looking statements in this announcement should be evaluated together with the many uncertainties that affect MYR Group’s business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of MYR Group’s most recent Annual Report on Form 10-K, and in any risk factors or cautionary statements contained in MYR Group’s Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

# MYR GROUP INC. - A MARKET LEADER IN ELECTRICAL CONSTRUCTION

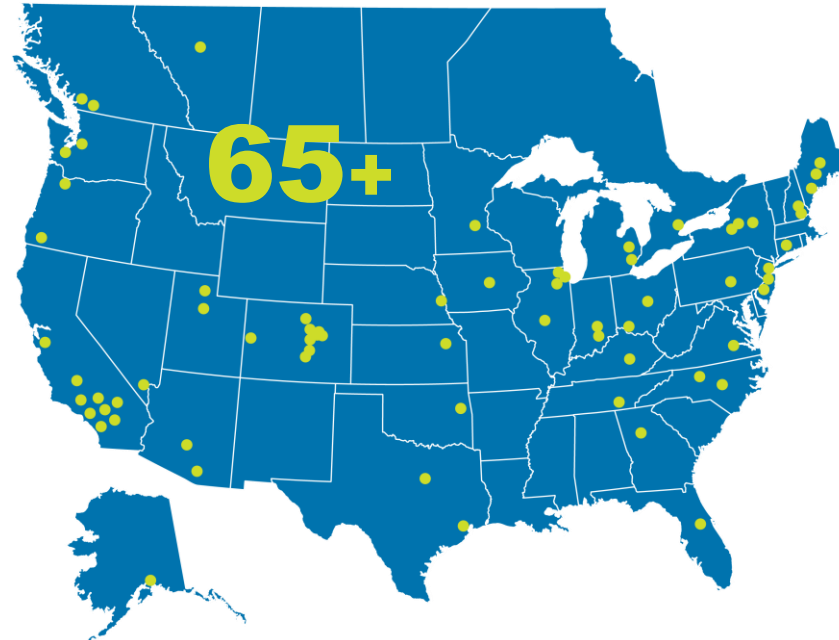


Nasdaq : MYRG SINCE 2008

## QUALITY SOLUTIONS FOR INCREASED ELECTRIFICATION

MYR Group Inc. is a holding company of subsidiaries that have delivered some of the largest and most notable electrical infrastructure and commercial and industrial projects throughout the United States and Canada, since 1891.

## OFFICE LOCATIONS



### TRANSMISSION & DISTRIBUTION (T&D)

### COMMERCIAL & INDUSTRIAL (C&I)

Reportable Segments:  
T&D and C&I



TRANSMISSION  
DISTRIBUTION  
SUBSTATION

STREET LIGHTING  
STORM RESTORATION  
STORAGE & SOLAR



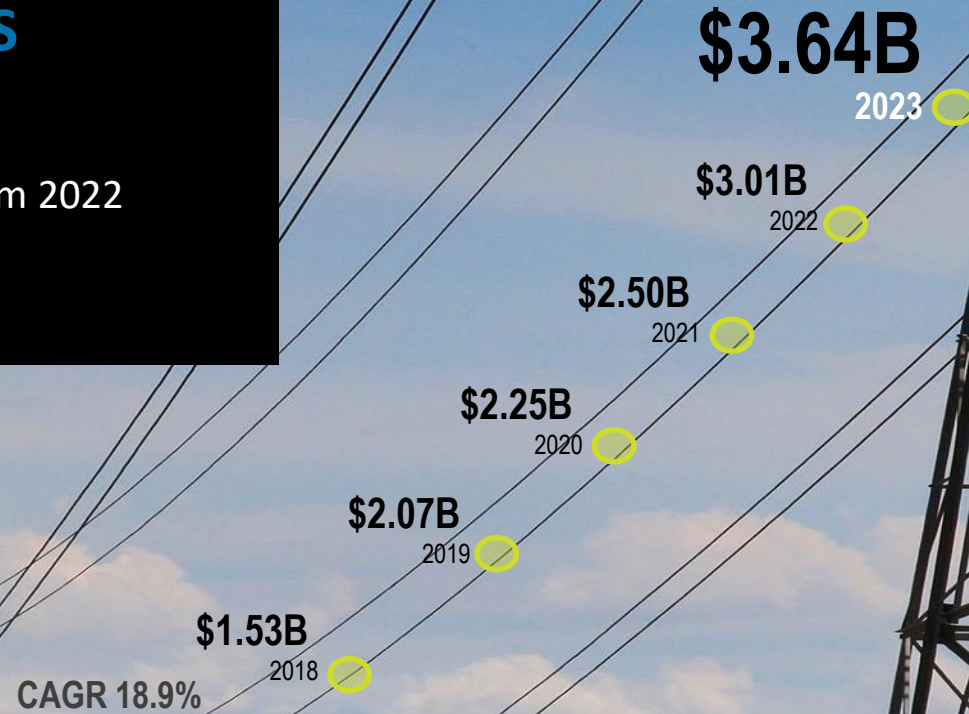
COMMERCIAL  
INDUSTRIAL  
TRANSPORTATION

EV CHARGING  
SOLAR  
DATA CENTERS

- ➔ **CONTINUED GROWTH**  
Healthy organic and acquisitive growth
- ➔ **SUPERIOR SAFETY CULTURE**  
Performance that exceeds industry standards;  
2023 stats: TCIR – 1.13 LTIR - 0.14
- ➔ **ESSENTIAL CLEAN ENERGY CONTRACTOR**  
Providing superior electrical infrastructure services that support the clean energy transformation
- ➔ **STRONG FINANCIALS**  
Growing revenue, strong backlog, and stable balance sheet to support projects of any magnitude
- ➔ **EXTENSIVE RESOURCES & EXPERTISE**  
Dedicated workforce of 9,000+ employees and one of the largest centralized, specialized fleet in the industry
- ➔ **LONG-STANDING CUSTOMERS**  
Established client relationships and alliance partnerships across the U.S. and Canada, some held for 50+ years
- ➔ **EXPERIENCED LEADERSHIP**  
Executive team that averages more than 28 years of industry experience

# RANKED AMONG TOP 5 U.S. SPECIALTY ELECTRICAL CONTRACTORS 28 YEARS IN A ROW

Achieved record revenue in 2023, up 21% from 2022



## WHAT WE SEE OUTLOOK

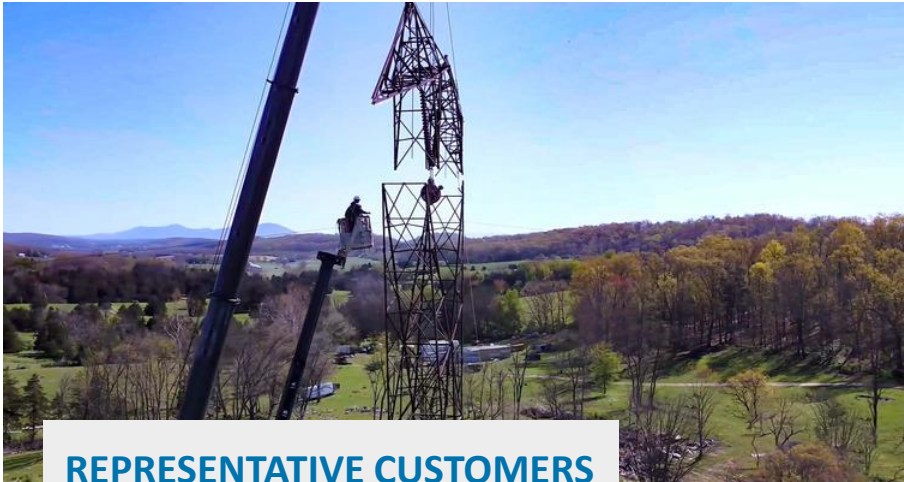
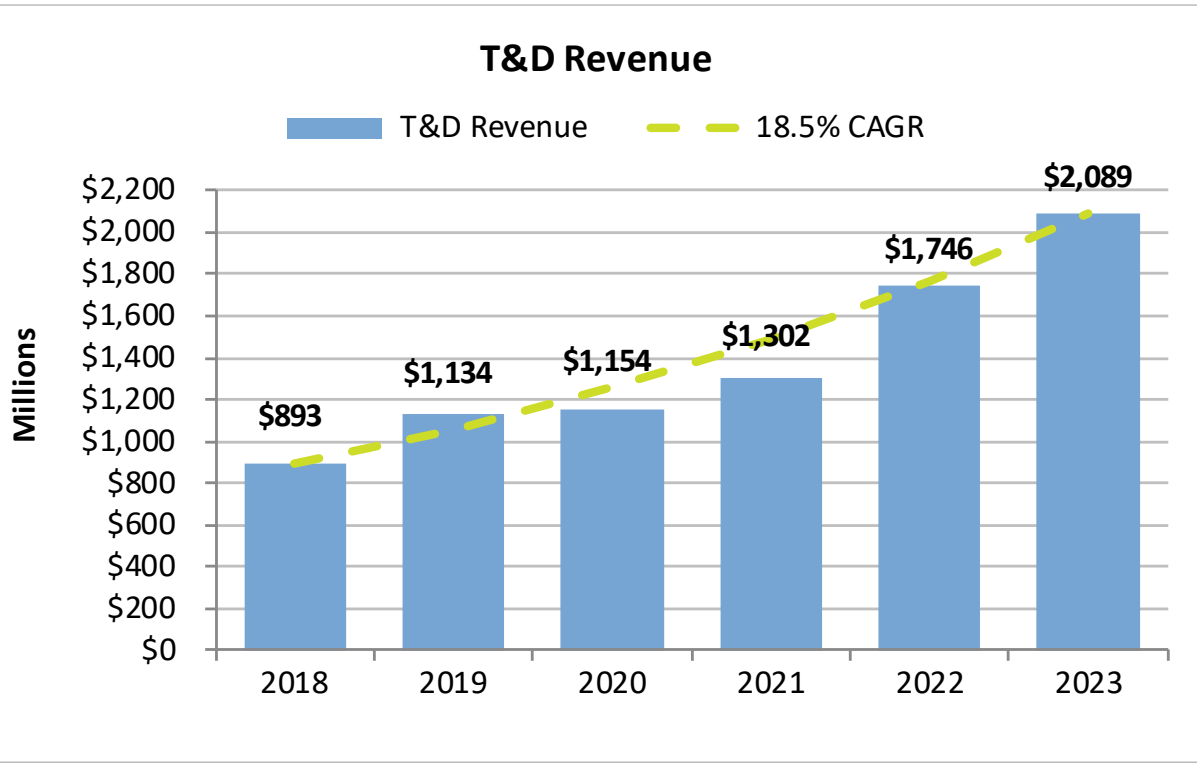


- T&D work activity primarily consists of small to medium-sized projects, with some larger transmission, High Voltage Direct Current (HVDC) and utility-scale solar projects. We continue to execute routine maintenance work under long-term Master Services Agreements (MSAs). Strong, long-term drivers will continue to increase T&D spending.
- C&I projects have had slight impacts due to supply chain disruptions though budgeting and bidding activity remains strong, specifically in the core markets we serve.
- Record full-year revenue, EBITDA, net income, and EPS.
- Infrastructure bills could promote increased spending and both MYR Group business segments are well-positioned to benefit from this.
- Strong balance sheet with \$442M in availability under our \$490M credit facility and funded debt to LTM EBITDA leverage of 0.19x, which management believes will enable us to meet our working capital needs, support the organic growth of the business, pursue acquisitions, and opportunistically repurchase shares.

# BUSINESS SEGMENT UPDATE

## TRANSMISSION & DISTRIBUTION (T&D)

- Record T&D full-year revenue of \$2.09 billion
- Strong \$960M T&D segment backlog as of December 31, 2023
- Strong, long-standing relationships with a diverse customer base where approx. 50% of business is performed under Master Service Agreements
- Acquired the Powerline Plus Companies in January 2022



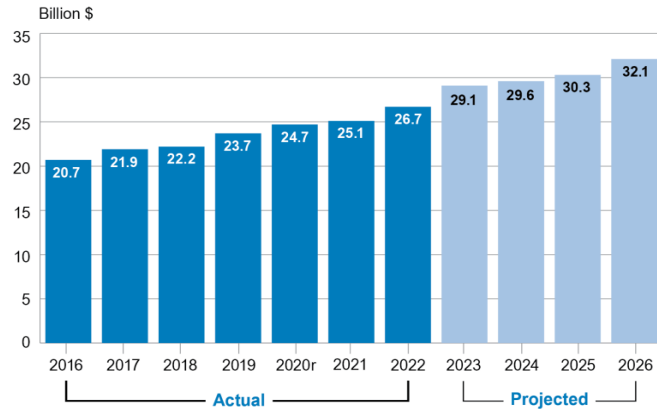
### REPRESENTATIVE CUSTOMERS



# STRONG LONG-TERM DRIVERS

## T&D MARKET OUTLOOK

### Actual and Projected Transmission Investment of Investor-Owned Electric Companies

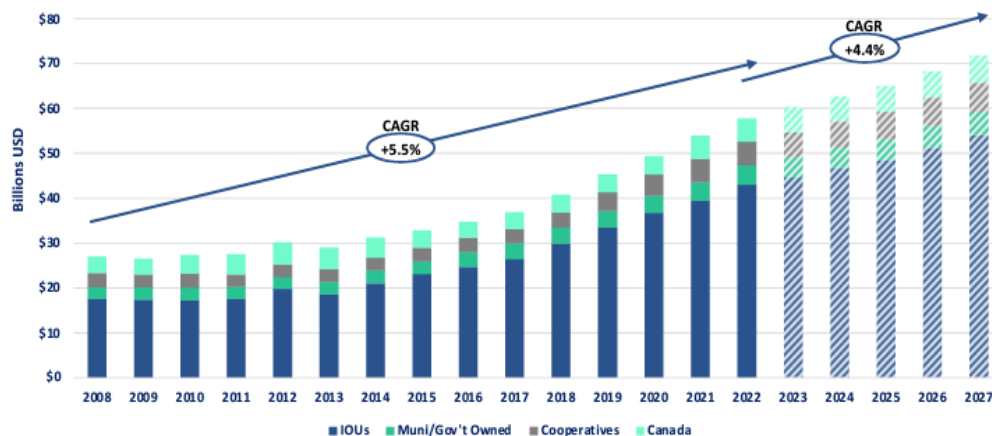


Investor-owned electric companies spent \$26.7 billion on transmission investment in 2022, compared to \$25.1 billion in 2021 (in nominal dollars), and are planning to invest approximately \$121 billion on transmission construction between 2023 and 2026.

Source: Edison Electric Institute, updated January 2024

- The \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) will invest significantly in our nation’s infrastructure over the next decade, including \$73 billion for the electric grid and energy infrastructure. So far, more than \$400 billion of the total funding has been announced. (*whitehouse.gov, Nov. 2023*)
- Between the IIJA and Inflation Reduction Act (IRA), combined federal spending planned for energy over the next 5-10 years is more than \$300 billion. (*Brookings.edu, Feb. 1, 2023*)
- The DOE has acknowledged U.S. transmission systems need to grow significantly – by 60% by 2030 and may need to triple by 2050 – to meet clean electricity demands. (*energy.gov, May and June 2023*)

### U.S. and Canadian Electric Distribution Actual and Forecasted Capital Expenditures



“Overall, distribution spend increased 7% in 2022 over 2021. Investor-owned utility spend increased by 9.1%.”

Source: The C Three Group, North American Electric Distribution Market Forecast, October 2023

### INVESTMENT DRIVERS

- System Reliability & Resiliency Programs
- Aging Electric Grid
- Connecting Clean Energy Sources
- Plant Retirements
- System Hardening
- Electrification
- Data Centers
- Distributed Energy Resources

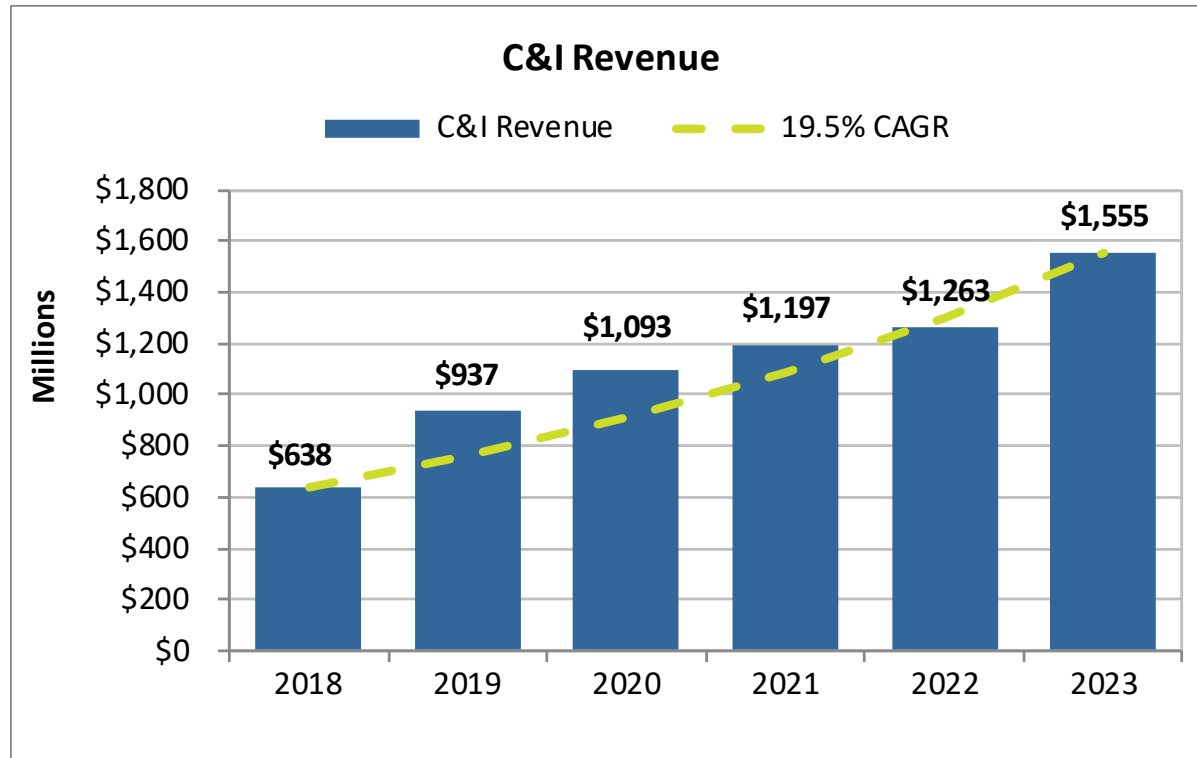
# BUSINESS SEGMENT UPDATE

## COMMERCIAL & INDUSTRIAL (C&I)

- Record C&I full-year revenue of \$1.55 billion
- Strong \$1.55B C&I segment backlog as of December 31, 2023
- Growth in our core markets is driven by increasing investments in data centers, transportation, clean energy, and healthcare, as well as reshoring of manufacturing, and we remain well diversified across our core markets
- Strong, long-standing customer relationships



REPRESENTATIVE CUSTOMERS





# ACTIVE MARKET DRIVERS

## C&I MARKET OUTLOOK

MYR Group's C&I segment sees steady bidding opportunities in our core markets and we continue to be well diversified.

### MYR GROUP CORE C&I MARKETS



### DODGE MOMENTUM INDEX

(2000=100, Seasonally Adjusted)



Source: The Dodge Momentum Index, January 8, 2024

- Infrastructure Investment and Jobs Act funding is expected to continue driving growth in infrastructure construction categories including highways, bridges and public works. More than \$400 billion in funding has been announced by federal agencies so far. (*whitehouse.gov*, Nov. 2023)
- The American Institute of Architects reported a 45.4 reading in their December Architecture Billings Index, showing “soft” business conditions remained. Billings at architecture firms declined eight months of 2023, however project inquiries grew eleven months of the year. (*aia.org*, Jan. 2024)
- The Dodge Momentum Index improved to 186.6 (2000=100) in December, up 3% since November. Hotel and data center planning drove the commercial index component up, and “stronger health and public building planning” spurred institutional momentum. Dodge said the substantive queue of planned projects “will support construction spending going into 2025.” (*construction.com*, Jan. 2024)
- The Associated Builders and Contractors Association’s Construction Backlog Indicator inched up to 8.6 in December from the previous month but remained down 0.6 months from December 2022. The ABC’s Construction Confidence Index rose in all three categories (sales, profit margin and staffing level expectations). All three measures of confidence were above 50, indicating growth expectations for the next six months. (*ABC.org*, Jan. 2024)

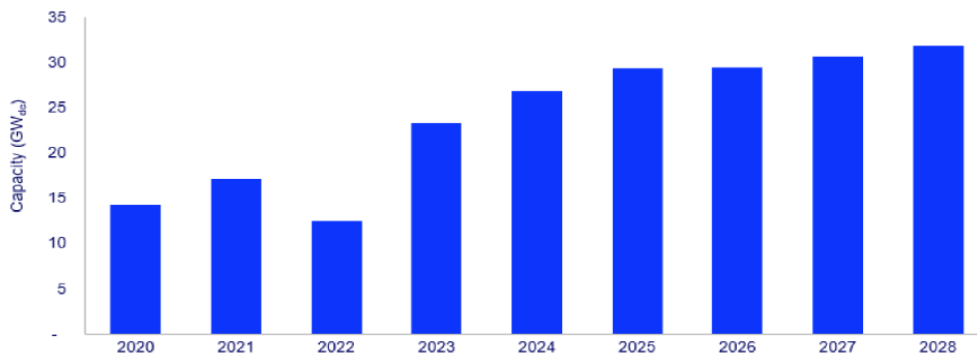
# CLEAN ENERGY GENERATION MIX DRIVING MARKET OPPORTUNITIES FOR BOTH T&D AND C&I

The generation mix across the U.S. and Canada is changing as traditional baseload generation resources retire and clean energy provides an increasingly large percentage of demand.

## UTILITY-SCALE SOLAR

By 2050 solar is expected to be the largest source of generating capacity on the U.S. grid. The utility-scale solar sector continued its growth trajectory with 4 GWdc of installations in Q3 2023, its strongest third quarter on record. The sector achieved 58% growth compared to Q3 2022. Though strict environmental regulations, labor shortages, and bottlenecks for equipment procurement have increased lead times, impacting near-term project development, Wood Mackenzie forecasts that utility-scale solar installations will total 171 GWdc between 2023-2028, a 1% increase compared to their last forecast. (*seia.org, Dec. 7, 2023*)

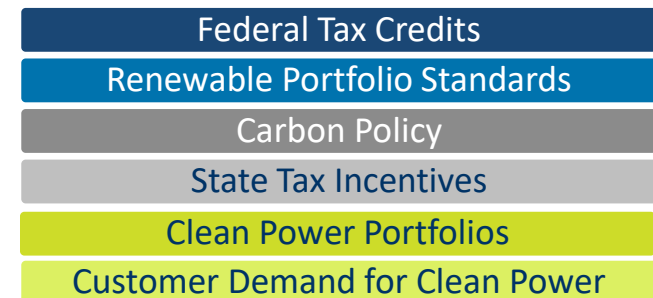
Utility solar installations and forecast, 2020-2028



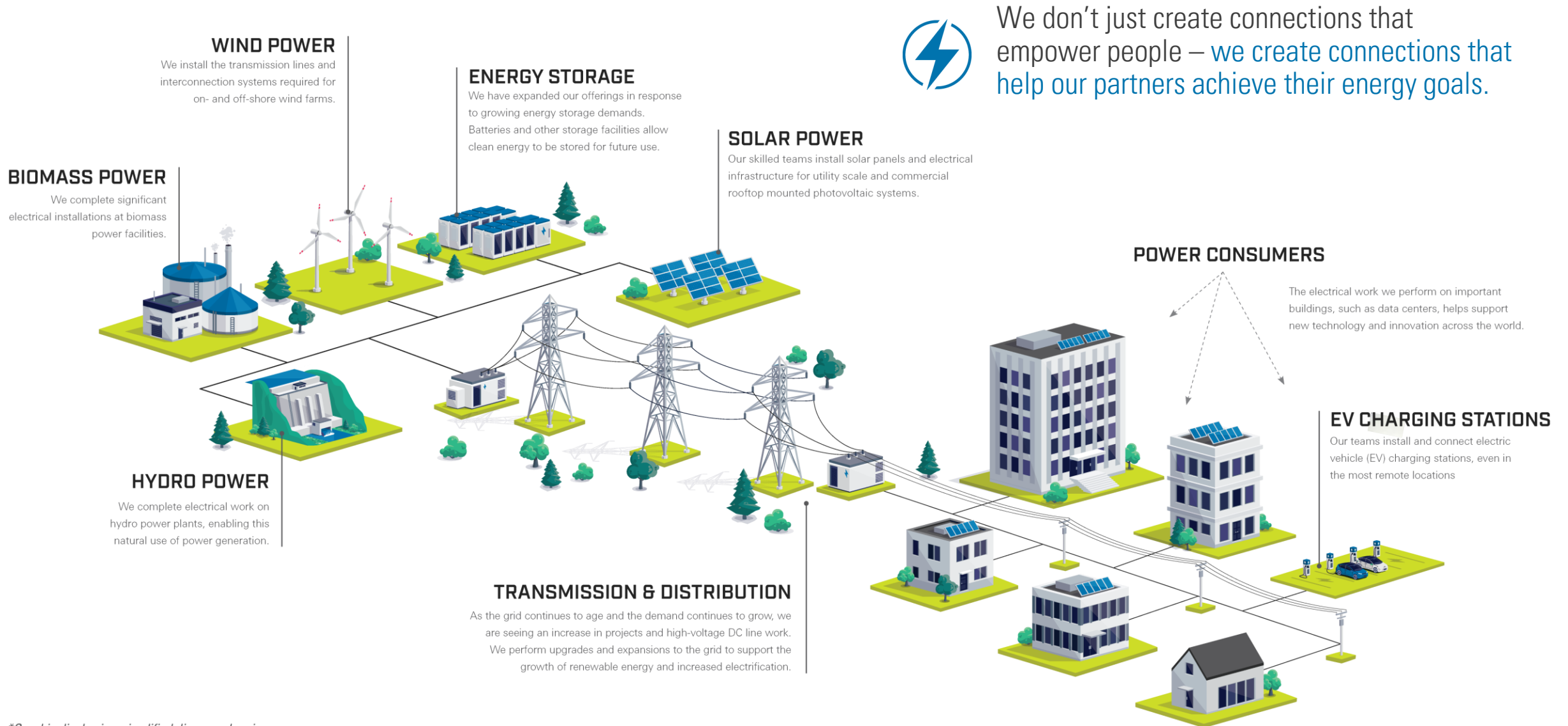
SOURCE: SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight Report, Dec. 7, 2023

- The Inflation Reduction Act’s clean energy tax credits could help triple U.S. renewable energy capacity in 10 years according to Wood Mackenzie. (*Reuters.com, Sept. 2023*)
- Energy storage will also get a boost from IRA tax credits. Utility-scale battery storage capacity is expected to nearly quadruple in the next three years. (*Utility Dive/eia, Jan. 13, 2023*)
- The Energy Information Administration (EIA) anticipates more than 36 GW of new solar capacity will come online in 2024 and roughly 43 GW in 2025. (*eia.gov, January 2024*)
- According to the EIA, solar is expected to generate 14% more electricity than hydroelectric facilities next year, thanks to the growth of new utility-scale and small-scale solar facilities. If solar energy performs as forecasted in 2024, it will be the first time in the U.S. that solar has annually generated more electricity than hydropower. (*utilitydive.com, Nov. 2023*)
- The National Electric Vehicle Infrastructure (NEVI) program will provide \$5 billion over five years to create a network of EV charging stations across the states. \$46.5 million in new funding for EV charging was announced in January 2024, on top of nearly \$150 million in announced grant funding so far under NEVI. (*driveelectric.gov, January 2024*)

### CLEAN ENERGY DRIVERS



# CLEAN ENERGY TRANSFORMATION PARTNER



We don't just create connections that empower people – we create connections that help our partners achieve their energy goals.

\*Graphic display is a simplified diagram showing the major components of a typical power grid.

# STRONG MARKET COUPLED WITH OUR COMPETITIVE EDGE POSITIONS MYR GROUP FOR CONTINUED GROWTH



## STRATEGIC GROWTH



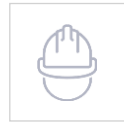
### U.S./Canada

Long-term growth both organically and via acquisition



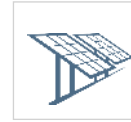
### T&D

Transmission market outlook strong next 5+ years (higher ratio of small-medium/large projects)



### C&I

Well-diversified C&I sector (Transportation, Healthcare, Data Center, EV Infrastructure)



### Clean Energy

Clean energy initiatives driving increased construction spend

## MYR GROUP STRATEGIC IMPERATIVES

### FINANCIAL STRENGTH

Deliver positive financial results on a consistent basis while positioning the company for growth

### OPERATIONAL EXCELLENCE

Continue investments in people, equipment, health, safety, the environment, technology, innovative programs, process improvement, and sustainability

### ORGANIZATIONAL EXCELLENCE

Sustain a culture that aids in attracting, retaining, and developing the best people in the industry

### CUSTOMER SATISFACTION

Strive to always be the first choice for our clients and remain one of the most reliable, efficient, and high-value providers

## INVESTMENT HIGHLIGHTS

- Healthy organic and acquisitive growth
- Proven execution of corporate strategy
- Strong financial position
- Centralized operations for greater efficiency and cross-collaboration
- Strong presence in key markets with expanding geographic footprint
- Future-driven mindset to deploy new systems and technologies
- Broadening our capabilities to support the development of clean energy infrastructure
- Experienced leadership team
- Reputation for excellence with customers, with more than 90% return clients in both segments
- Diversified customer base with no client or contract representing more than 10% of revenue

# BUILDING A SUSTAINABLE FUTURE WITH CORPORATE RESPONSIBILITY



## → Reducing Our Impact On Projects

Recycling scrap material  
Environmental compliance

## → Clean Energy Transformation Partner

Clean energy interconnect work  
Solar & energy storage projects  
Electric Vehicle charging installations

## → Equity & Inclusion

38% racially/ethnically/gender diverse Board of Directors  
Established Veteran Employee Resource Group  
Varied vendor utilization and partnerships

## → Policy & Guidance

Established corporate policies  
Promote honest and ethical conduct  
Develop employee awareness and compliance

## → Corporate Governance

Conduct annual evaluations  
Effective executive compensation best practices

## → Board Composition

Independent Chair of the Board  
Committees comprised solely of independent directors  
Majority voting standard for directors in uncontested elections

## → Keeping Safety at Our Core

Behavioral commitment to safety  
Strong culture built on leadership, employee dedication, top-notch training programs, industry involvement, and a focus on constant innovation and improvement

## → Investing in our People

50,900+ workhours of training  
1,143 employee development courses completed  
Robust benefits and wellness program

## → Giving Back to our Communities

In the last three years:  
Raised and donated more than \$2.9M  
Supported more than 130 organizations  
8,100 volunteer hours

## → Operating Sustainably

GHG emissions tracking and goals  
Waste recycling and reduction  
Water and energy stewardship

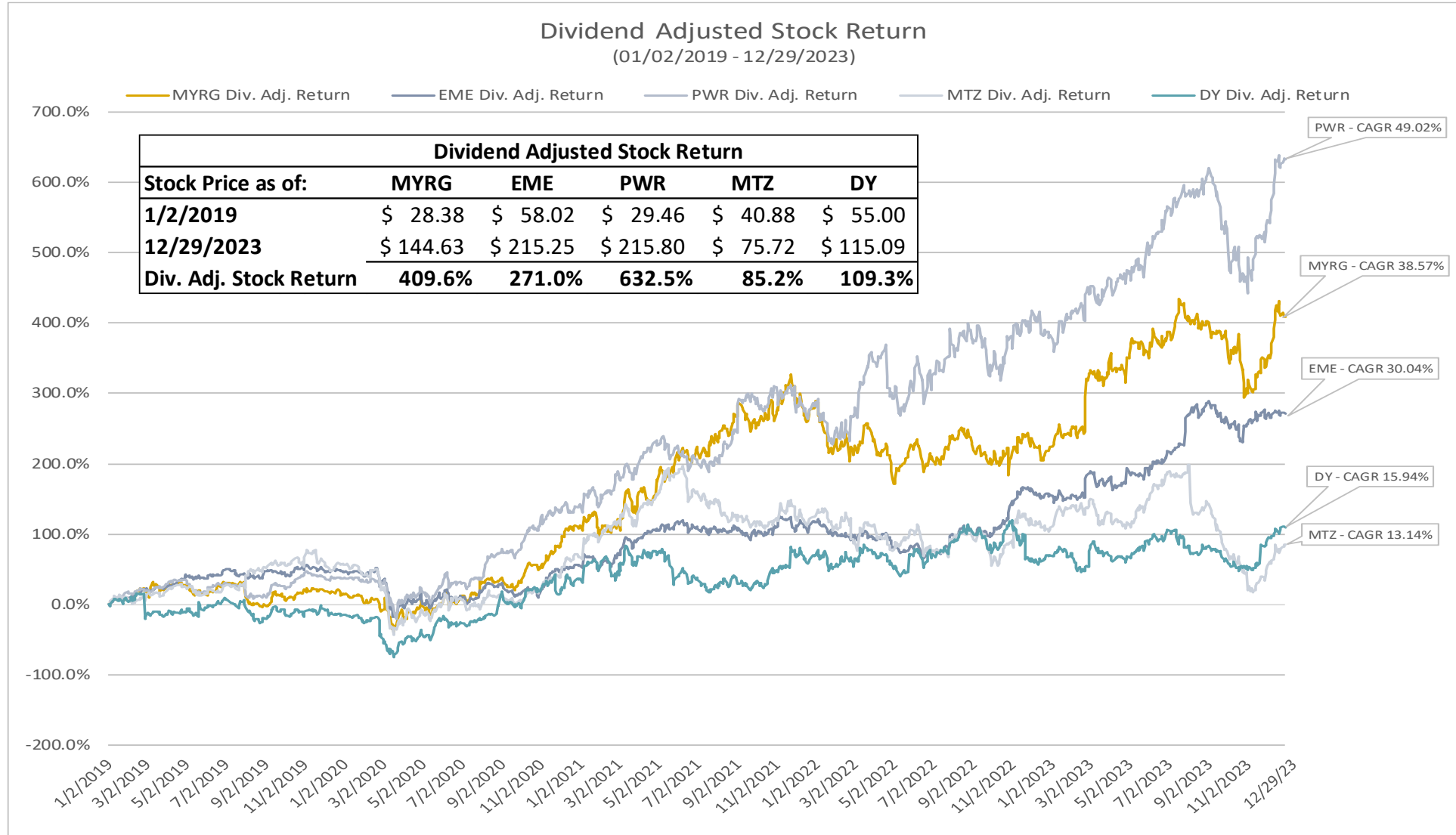
VIEW REPORT



Online at [myrgroup.com/sustainability](https://myrgroup.com/sustainability)

# DELIVERING STRONG RETURNS

## DIVIDEND ADJUSTED STOCK RETURN



# DELIVERING STRONG RETURNS

## FINANCIAL SNAPSHOT

“ Our financial performance illustrates the overall strength of our core markets, the continued demand and investment in electrical infrastructure, which is bringing steady opportunities for our business, and our ability to maintain and expand our diverse customer relationships. ”

**Rick Swartz** President and CEO

### Q4 2023 HIGHLIGHTS



**\$1.00B**  
Revenue  
Record High



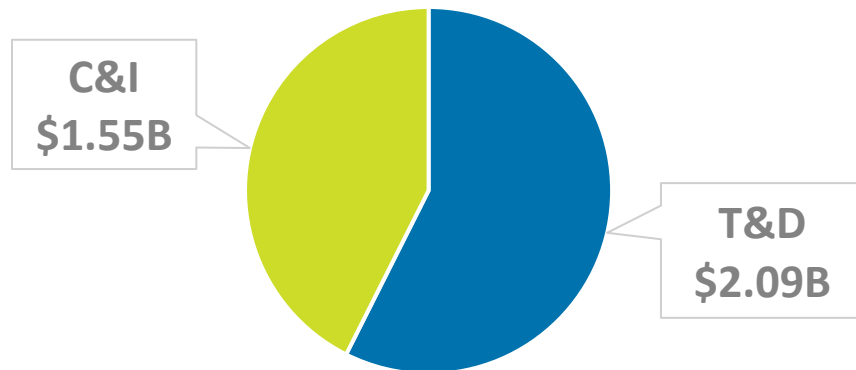
**\$24.0M**  
Net Income or  
\$1.43 Per Diluted Share



**\$2.51B**  
Backlog

## 2023 FULL-YEAR FINANCIAL OVERVIEW

BUSINESS SEGMENT REVENUE



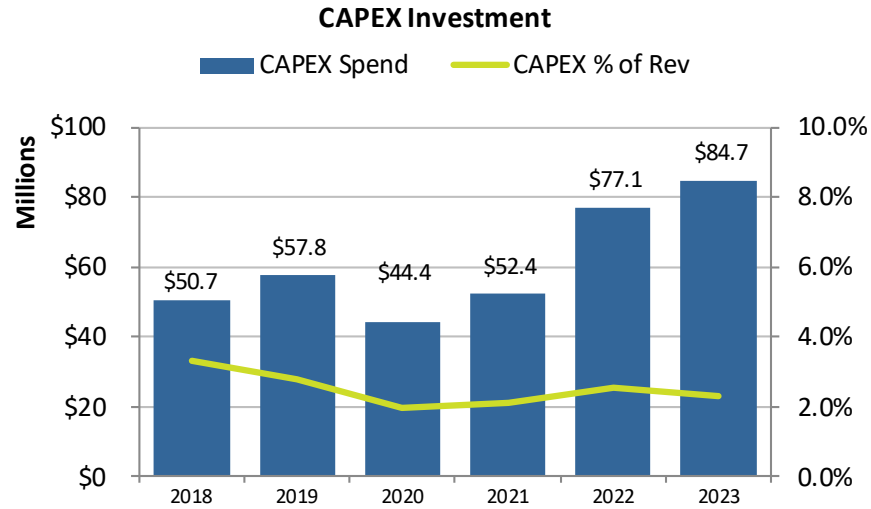
TOTAL REVENUE **\$3.64B**

FULL-YEAR AS OF 12/31/2023	
TOTAL REVENUE <sup>(1)</sup>	\$3.64B
NET INCOME <sup>(1)</sup>	\$91.0M
EARNINGS PER DILUTED SHARE <sup>(1)</sup>	\$5.40
EBITDA * <sup>(1)</sup>	\$188.2M
FREE CASH FLOW *	(\$13.7M)

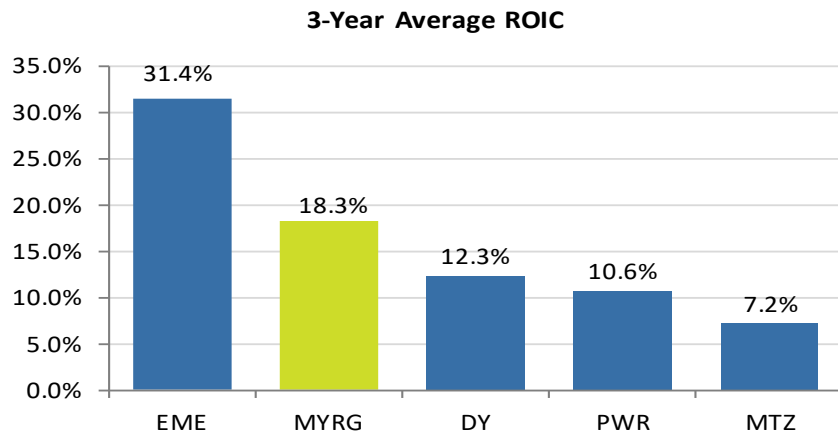
(1) Full-year Record Highs  
\* See reconciliation of non-GAAP measures on slide 20

# WELL-POSITIONED TO SUPPORT ADDITIONAL GROWTH

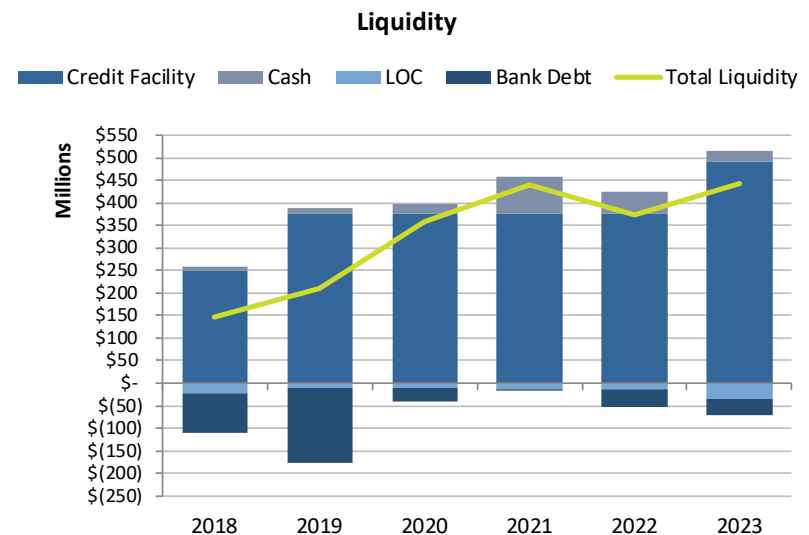
## BALANCE SHEET STRENGTH



- Little off-balance-sheet leverage
- Low debt leverage
- Strong balance sheet with \$442M in availability under our \$490M credit facility
- Substantial bonding capacity
- Investment in specialty equipment contributed to top-line organic growth and supports future organic growth clients

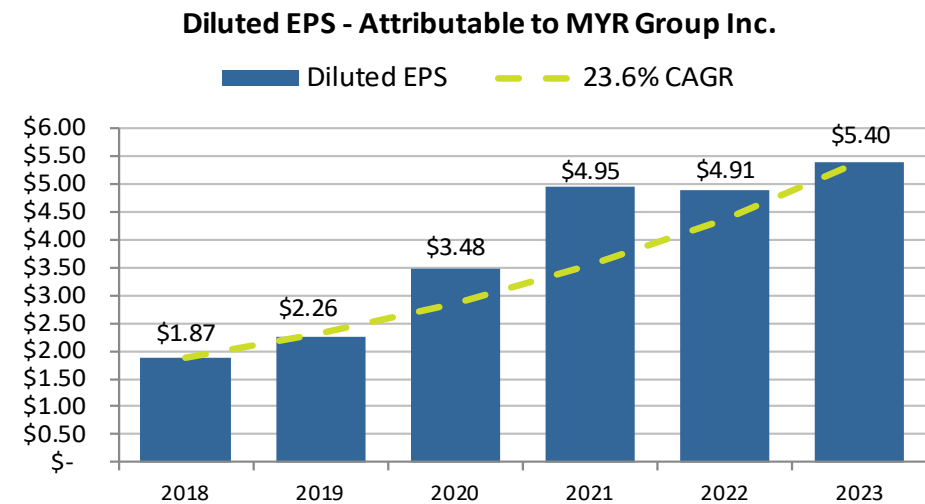
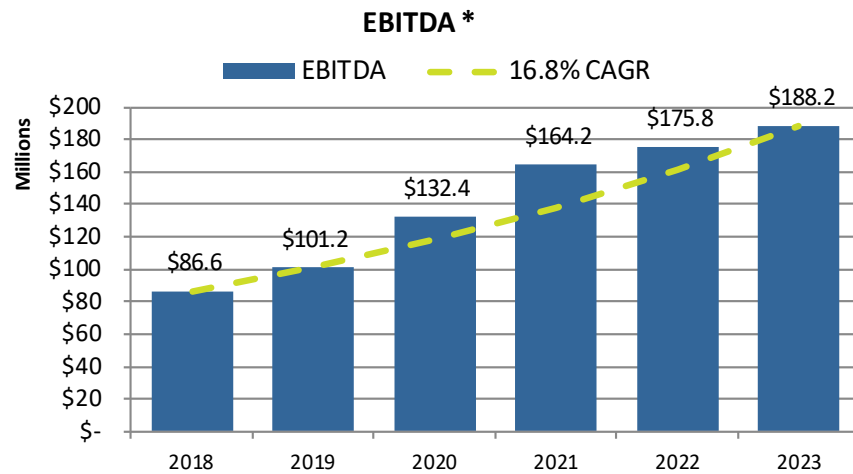
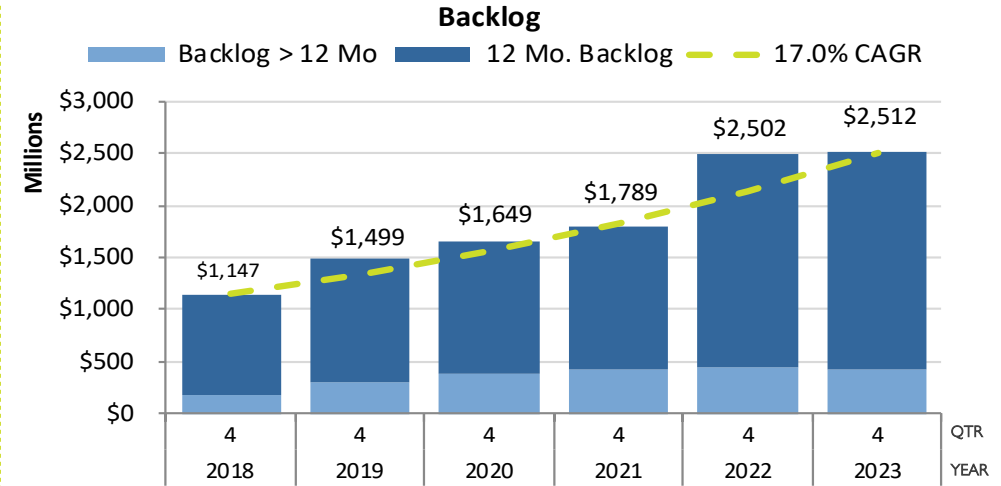
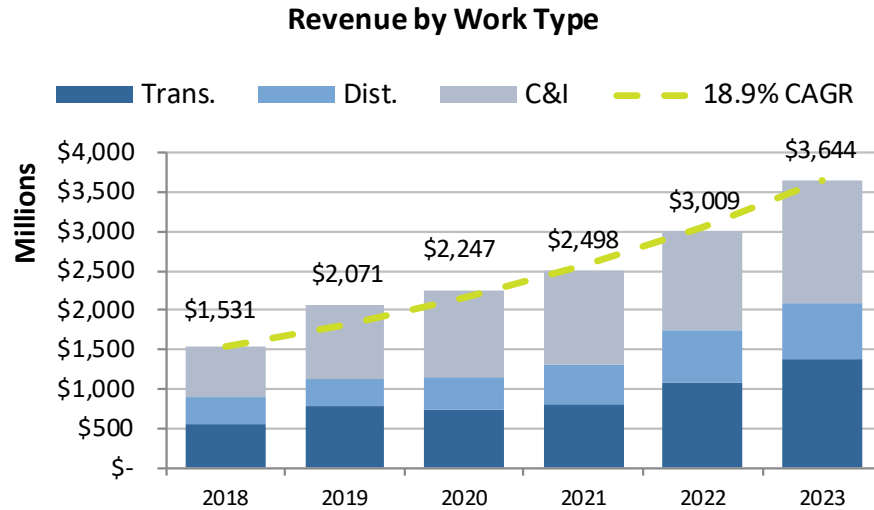


Source: S&P Capital IQ  
 MYRG, PWR, MTZ, and EME 3-year period is December 2021 – December 2023  
 DY period is January 2022 – January 2024





# DEMONSTRATES STRONG, LONG-TERM EXECUTION FINANCIAL PERFORMANCE



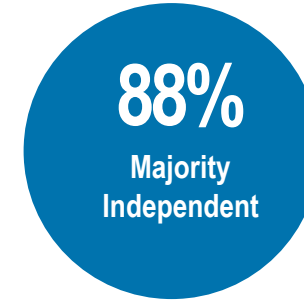
\* For reconciliation of EBITDA to net income, see page 20

# EXECUTIVES & BOARD OF DIRECTORS

## EXPERIENCED LEADERSHIP TEAM

MYR Group Inc. has a strong team of experienced leaders that make up our executive team and Board of Directors. We believe diversity of our leadership is a critical component of creating long-term value for our shareholders. We select individuals that bring extensive experience and unique perspectives to both our Company and our Board.

### BOARD OF DIRECTORS STATISTICS



7 of 8 have 0- 9 years  
1 of 8 have 10 years

### EXECUTIVE LEADERSHIP

EXECUTIVES AVERAGE:

**19 YEARS**  
WITH MYR GROUP

**28 YEARS**  
OF INDUSTRY EXPERIENCE



**Rick Swartz, CEO**  
MYRG: 41 years  
Industry: 41 years



**Kelly Huntington, CFO**  
MYRG: 1 year  
Industry: 21 years



**Brian Stern, COO - T&D**  
MYRG: 19 years  
Industry: 23 years

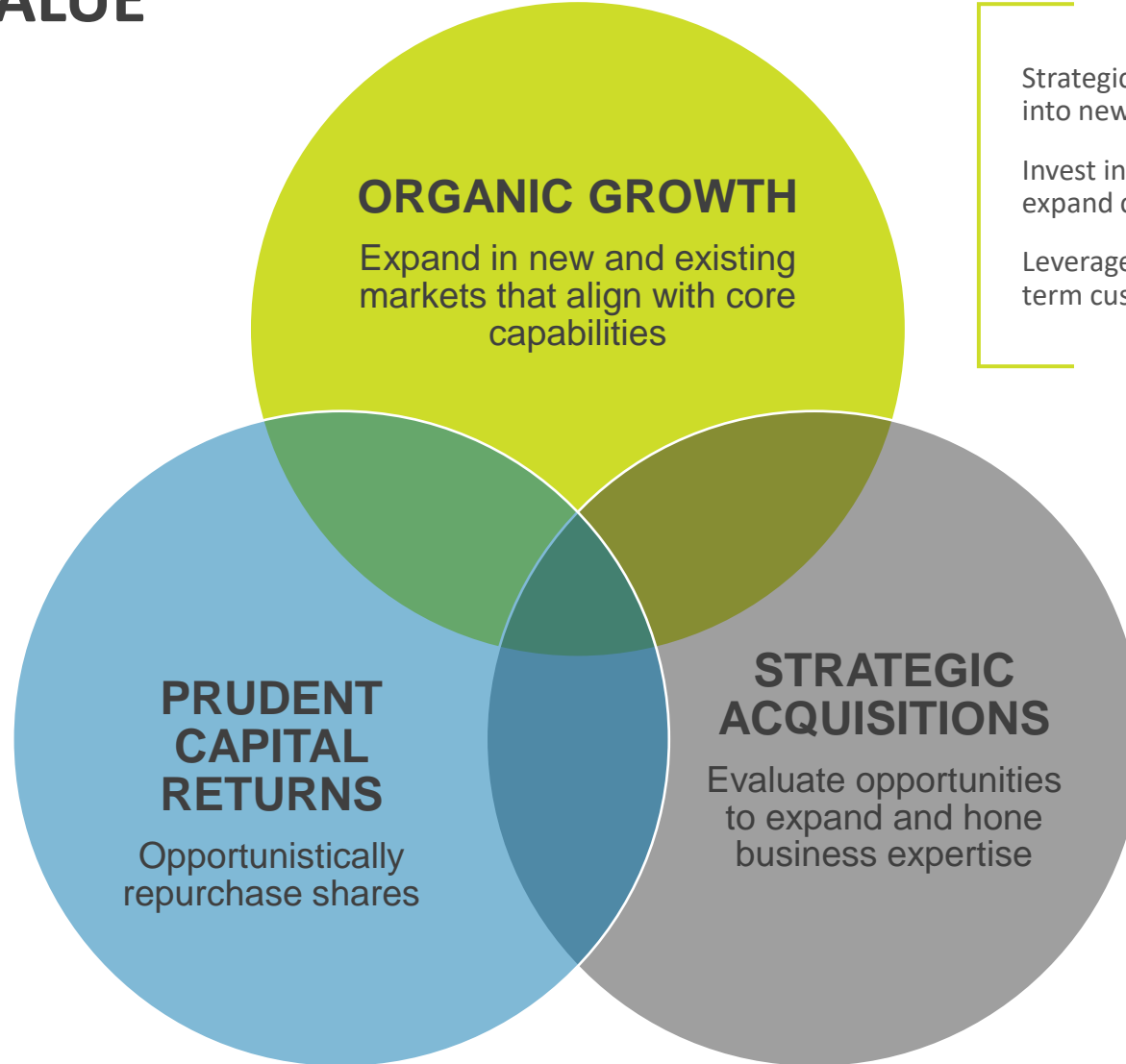


**Don Egan, COO - C&I**  
MYRG: 32 years  
Industry: 32 years



**William Fry, CLO**  
MYRG: 5 years  
Industry: 26 years

# CREATING SHAREHOLDER VALUE



Strategic expansion of geographic footprint into new markets

Invest in additional fleet and labor resources to expand capacity

Leverage extensive bid knowledge and long-term customer relationships

Authorized \$75M share repurchase program on November 1, 2023

Expires May 8, 2024, or when the authorized funds are exhausted, whichever is earlier

As of December 31, 2023, \$72.5M of availability remained to repurchase common stock under the current program

Identify and evaluate strategic opportunities that achieve long-term growth objectives and leverage our core capabilities

Focus on acquisitions that meet clear, long-term return thresholds and are compatible with MYR Group's values and culture

Focus on integration of processes, people, technology, and equipment

# DEMONSTRATES STRONG LONG-TERM EXECUTION

## RECONCILIATION OF NON-GAAP MEASURES



### EBITDA

(\$ In Millions, Except Per Share Amounts)\*

	FY					
	2018	2019	2020	2021	2022	2023
Net Income	\$ 31.3	\$ 36.2	\$ 58.8	\$ 85.0	\$ 83.4	\$ 91.0
Interest Expense, net	3.6	6.2	4.6	1.7	3.4	4.1
Income Tax Expense	11.8	14.2	22.6	31.3	30.8	34.0
Depreciation and Amortization	39.9	44.5	46.4	46.2	58.2	59.1
EBITDA	<u>\$ 86.6</u>	<u>\$ 101.2</u>	<u>\$ 132.4</u>	<u>\$ 164.2</u>	<u>\$ 175.8</u>	<u>\$ 188.2</u>
Diluted Weighted Average Shares Outstanding	16.6	16.7	16.9	17.2	17.0	16.8
EBITDA per Diluted Share	\$ 5.22	\$ 6.06	\$ 7.84	\$ 9.57	\$ 10.37	\$ 11.17
Revenue	\$1,531.2	\$2,071.2	\$2,247.4	\$2,498.3	\$3,008.5	\$3,643.9

EBITDA is a non-GAAP financial measure that is defined as Earnings Before Interest, Taxes, Depreciation and Amortization.

#### Note:

LTM diluted weighted average shares outstanding were determined by adding the average shares reported for the last four quarters and dividing by four.

EBITDA is not recognized under GAAP and does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. EBITDA is a component of the debt to EBITDA covenant that we must report to our bank on a quarterly basis. In addition, management considers EBITDA a useful measure because it eliminates differences which are caused by different capital structures as well as different tax rates and depreciation schedules when comparing our measures to our peers' measures.

Free cash flow is not recognized under GAAP and does not purport to be an alternative to net income attributable to MYR Group Inc., cash flow from operations or the change in cash on the balance sheet. Management views free cash flow as a measure of operational performance, liquidity, and financial health.

### FREE CASH FLOW

	FY
	12/31/2023
Net cash flow from operating activities	\$ 71.0
Less: cash used in purchasing property and equipment	(84.7)
Free Cash Flow	<u>\$ (13.7)</u>

Free cash flow is a non-GAAP measure that is defined as cash flow provided by operating activities minus cash flow used in purchasing property and equipment.

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## DEFINITIONS FINANCIAL RATIOS

$$\begin{aligned} & \text{Net Income (LTM) [A]} + [(\text{Net Interest Expense} + \text{Amortization of Intangibles}) * (1 - \text{Effective Tax Rate})] \\ \div & \text{ [Book Value (Total Stockholders' Equity [B]) + Net Funded Debt] @ beginning and ending period average} \\ = & \text{ Return on Invested Capital} \end{aligned}$$

[A] Net Income excludes noncontrolling interest and discontinued operations

[B] Total Stockholders' Equity excludes minority interests and discontinued operations

Three year averages are derived from calculating the return metric for each twelve month period and then averaging the three period metrics



**HEADQUARTERS**  
 12121 GRANT STREET, SUITE 610  
 THORNTON, CO 80241