UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-08325

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-3158643**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12150 East 112th Avenue
Henderson, CO **80640**
(Address of principal executive offices) (Zip Code)

(303) 286-8000
(Registrant’s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	MYRG	The Nasdaq Stock Market, LLC
		(Nasdaq Global Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐		Accelerated filer	x
Non-accelerated filer ☐		Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

As of July 23, 2021, there were 16,867,470 outstanding shares of the registrant’s $0.01 par value common stock.

INDEX

		Page
	Part I—Financial Information	
Item 1.	Financial Statements	2
	Consolidated Balance Sheets as of June 30, 2021 (unaudited) and December 31, 2020	2
	Unaudited Consolidated Statements of Operations and Comprehensive Income for the Three and Six Months Ended June 30, 2021 and 2020	3
	Unaudited Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended June 30, 2021 and 2020	4
	Unaudited Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2021 and 2020	5
	Notes to Unaudited Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	32
Item 4.	Controls and Procedures	32
	Part II—Other Information	
Item 1.	Legal Proceedings	33
Item 1A.	Risk Factors	33
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 6.	Exhibits	34

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, 2021	December 31, 2020
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 68,322	$ 22,668
Accounts receivable, net of allowances of $1,980 and $1,696, respectively	396,450	385,938
Contract assets, net of allowances of $339 and $359, respectively	196,873	185,803
Current portion of receivable for insurance claims in excess of deductibles	11,324	11,859
Refundable income taxes	5,844	1,534
Other current assets	12,516	28,882
Total current assets	691,329	636,684
Property and equipment, net of accumulated depreciation of $307,911 and $294,366, respectively	185,018	185,114
Operating lease right-of-use assets	22,413	22,291
Goodwill	66,070	66,065
Intangible assets, net of accumulated amortization of $15,623 and $14,467, respectively	50,223	51,365
Receivable for insurance claims in excess of deductibles	27,274	27,043
Investment in joint ventures	4,580	3,040
Other assets	3,926	4,257
Total assets	$ 1,050,833	$ 995,859
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 1,550	$ 4,381
Current portion of operating lease obligations	7,191	6,612
Current portion of finance lease obligations	—	318
Accounts payable	211,975	162,580
Contract liabilities	136,987	158,396
Current portion of accrued self-insurance	25,670	24,395
Other current liabilities	86,506	86,718
Total current liabilities	469,879	443,400
Deferred income tax liabilities	18,831	18,339
Long-term debt	7,235	25,039
Accrued self-insurance	46,030	45,428
Operating lease obligations, net of current maturities	15,211	15,730
Other liabilities	22,018	18,631
Total liabilities	579,204	566,567
Commitments and contingencies		
Stockholders' equity:		
Preferred stock—$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at June 30, 2021 and December 31, 2020	—	—
Common stock—$0.01 par value per share; 100,000,000 authorized shares; 16,867,470 and 16,734,239 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	168	167
Additional paid-in capital	159,624	158,618
Accumulated other comprehensive income	689	23
Retained earnings	311,144	270,480
Total stockholders' equity attributable to MYR Group Inc.	471,625	429,288
Noncontrolling interest	4	4
Total stockholders' equity	471,629	429,292
Total liabilities and stockholders' equity	$ 1,050,833	$ 995,859

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, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Contract revenues	$ 649,573	$ 513,051	$ 1,242,059	$ 1,031,521
Contract costs	568,551	451,746	1,084,084	908,584
Gross profit	81,022	61,305	157,975	122,937
Selling, general and administrative expenses	51,890	41,199	101,537	86,245
Amortization of intangible assets	578	1,203	1,156	2,431
Gain on sale of property and equipment	(1,111)	(439)	(1,794)	(1,489)
Income from operations	29,665	19,342	57,076	35,750
Other income (expense):				
Interest income	15	4	28	6
Interest expense	(678)	(1,315)	(1,153)	(2,828)
Other income (expense), net	80	321	121	(574)
Income before provision for income taxes	29,082	18,352	56,072	32,354
Income tax expense	7,863	4,967	14,925	9,037
Net income	$ 21,219	$ 13,385	$ 41,147	$ 23,317
Income per common share:				
—Basic	$ 1.26	$ 0.80	$ 2.45	$ 1.40
—Diluted	$ 1.24	$ 0.80	$ 2.41	$ 1.39
Weighted average number of common shares and potential common shares outstanding:				
—Basic	16,854	16,685	16,807	16,656
—Diluted	17,125	16,765	17,093	16,751
Net income	$ 21,219	$ 13,385	$ 41,147	$ 23,317
Other comprehensive income (loss):				
Foreign currency translation adjustment	413	(39)	666	48
Other comprehensive income (loss):	413	(39)	666	48
Total comprehensive income	$ 21,632	$ 13,346	$ 41,813	$ 23,365

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

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	MYR Group Inc. Stockholders' Equity	Noncontrolling Interest	Total
Balance at December 31, 2019	—	16,649	$ 166	$ 152,532	$ (446)	$ 212,219	$ 364,471	$ 4	$ 364,475
Net income	—	—	—	—	—	9,932	9,932	—	9,932
Adjustment to adopt ASC 326	—	—	—	—	—	(268)	(268)	—	(268)
Stock issued under compensation plans, net	—	55	—	82	—	—	82	—	82
Stock-based compensation expense	—	—	—	1,080	—	—	1,080	—	1,080
Shares repurchased	—	(20)	—	(241)	—	(185)	(426)	—	(426)
Other comprehensive income	—	—	—	—	87	—	87	—	87
Stock issued - other	—	1	—	24	—	—	24	—	24
Balance at March 31, 2020	—	16,685	166	153,477	(359)	221,698	374,982	4	374,986
Net income	—	—	—	—	—	13,385	13,385	—	13,385
Stock issued under compensation plans, net	—	23	1	—	—	—	1	—	1
Stock-based compensation expense	—	—	—	1,093	—	—	1,093	—	1,093
Other comprehensive loss	—	—	—	—	(39)	—	(39)	—	(39)
Stock issued - other	—	1	—	24	—	—	24	—	24
Balance at June 30, 2020	$ —	16,709	$ 167	$ 154,594	$ (398)	$ 235,083	$ 389,446	$ 4	$ 389,450
Balance at December 31, 2020	—	16,734	$ 167	$ 158,618	$ 23	$ 270,480	$ 429,288	$ 4	$ 429,292
Net income	—	—	—	—	—	19,928	19,928	—	19,928
Stock issued under compensation plans, net	—	123	1	109	—	—	110	—	110
Stock-based compensation expense	—	—	—	1,487	—	—	1,487	—	1,487
Shares repurchased	—	(41)	—	(2,231)	—	(387)	(2,618)	—	(2,618)
Other comprehensive income	—	—	—	—	253	—	253	—	253
Stock issued - other	—	1	—	12	—	—	12	—	12
Balance at March 31, 2021	—	16,817	168	157,995	276	290,021	448,460	4	448,464
Net income	—	—	—	—	—	21,219	21,219	—	21,219
Stock issued under compensation plans, net	—	60	1	318	—	—	319	—	319
Stock-based compensation expense	—	—	—	1,948	—	—	1,948	—	1,948
Shares repurchased	—	(10)	(1)	(637)	—	(96)	(734)	—	(734)
Other comprehensive income	—	—	—	—	413	—	413	—	413
Balance at June 30, 2021	$ —	16,867	$ 168	$ 159,624	$ 689	$ 311,144	$ 471,625	$ 4	$ 471,629

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, 2021	Six months ended June 30, 2020
Cash flows from operating activities:		
Net income	$ 41,147	$ 23,317
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	22,172	21,324
Amortization of intangible assets	1,156	2,431
Stock-based compensation expense	3,435	2,173
Deferred income taxes	481	537
Gain on sale of property and equipment	(1,794)	(1,489)
Other non-cash items	1,370	267
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(10,098)	46,353
Contract assets, net	(10,855)	(7,658)
Receivable for insurance claims in excess of deductibles	304	4,934
Other assets	10,389	7,198
Accounts payable	47,772	(38,342)
Contract liabilities	(21,433)	23,271
Accrued self insurance	1,869	(5,843)
Other liabilities	2,647	19,450
Net cash flows provided by operating activities	88,562	97,923
Cash flows from investing activities:		
Proceeds from sale of property and equipment	1,637	1,633
Purchases of property and equipment	(20,997)	(16,938)
Net cash flows used in investing activities	(19,360)	(15,305)
Cash flows from financing activities:		
Net repayments under revolving lines of credit	—	(70,423)
Payment of principal obligations under equipment notes	(20,635)	(13,433)
Payment of principal obligations under finance leases	(376)	(616)
Proceeds from exercise of stock options	429	82
Repurchase of common shares	(3,352)	(425)
Other financing activities	12	49
Net cash flows used in financing activities	(23,922)	(84,766)
Effect of exchange rate changes on cash	374	(258)
Net increase in cash and cash equivalents	45,654	(2,406)
Cash and cash equivalents:		
Beginning of period	22,668	12,397
End of period	$ 68,322	$ 9,991

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 and is currently conducting operations through wholly owned subsidiaries, including: The L. E. Myers Co., a Delaware corporation; Harlan Electric Company, a Michigan corporation; Great Southwestern Construction, Inc., a Colorado corporation; Sturgeon Electric Company, Inc., a Michigan corporation; MYR Energy Services, Inc., a Delaware corporation; E.S. Boulos Company, a Delaware corporation; High Country Line Construction, Inc., a Nevada corporation; Sturgeon Electric California, LLC, a Delaware limited liability company; GSW Integrated Services, LLC, a Delaware limited liability company; Huen Electric, Inc., a Delaware corporation; CSI Electrical Contractors, Inc., a Delaware corporation; MYR Transmission Services Canada, Ltd., a British Columbia corporation; Northern Transmission Services, Ltd., a British Columbia corporation and Western Pacific Enterprises Ltd., a British Columbia corporation.

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, which include design, engineering, procurement, construction, upgrade, maintenance and repair services, with a particular focus on construction, maintenance and repair. 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, the installation of traffic networks and the installation of bridge, roadway and tunnel lighting.

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, stockholders’ equity and cash flows with respect to the interim consolidated financial statements, have been included. The consolidated balance sheet as of December 31, 2020 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, 2020, included in the Company’s Annual Report on Form 10-K, which was filed with the SEC on March 3, 2021 (the "2020 Annual Report").

Joint Ventures and Noncontrolling Interests

The Company accounts for investments in joint ventures using the proportionate consolidation method for income statement reporting and under the equity method for balance sheet reporting, unless the Company has a controlling interest causing the joint venture to be consolidated with equity owned by other joint venture partners recorded as noncontrolling interests. Under the proportionate consolidation method, joint venture activity is allocated to the appropriate line items found on the consolidated statements of operations in proportion to the percentage of participation the Company has in the joint venture. Under the equity method the net investment in joint ventures is stated as a single item on the Company’s consolidated balance sheets. If an investment in a joint venture contains a recourse or unfunded commitments to provide additional equity, distributions and/or losses in excess of the investment, a liability is recorded in other current liabilities on the Company’s consolidated balance sheets.

For joint ventures in which the Company does not have a controlling interest, the Company's share of any profits and assets and its share of any losses and liabilities are recognized based on the Company's stated percentage partnership interest in the joint venture, and are normally recorded by the Company one month in arrears. The investments in joint ventures are recorded at cost and the carrying amounts are adjusted to recognize the Company's proportionate share of cumulative income or loss, additional contributions made and dividends and capital distributions received. The Company records the effect of any impairment or any other-than-temporary decrease in the value of the joint venture investment as incurred, which may or may not be one month in arrears, depending on when the Company obtains the joint venture activity information. Additionally, the Company continually assesses the fair value of its investment in unconsolidated joint ventures despite using information that is one month in arrears for regular reporting purposes. The Company includes only its percentage ownership of each joint venture in its backlog.

The Company is the majority controlling interest in a joint venture. As a result, the Company has consolidated the carrying value of the joint ventures' assets and liabilities and results of operations in the Company's consolidated financial statements. The equity owned by the other joint venture partners has been recorded as noncontrolling interest in the Company's consolidated balance sheets, consolidated statements of stockholders' equity, and their portions, if material, of net income (loss) and other comprehensive income shown as net income or other comprehensive income attributable to noncontrolling interest in the Company's consolidated statements of operations and other comprehensive income. Additionally, the joint venture associated with the Company's noncontrolling interest is a partnership, and consequently, the tax effect of only the Company's share of the joint venture income is recognized by the Company. The majority controlled joint venture made no distributions to its partners, and the Company made no capital contributions to the joint venture, during the three and six months ended June 30, 2021. Additionally, there have been no changes in ownership during the three and six months ended June 30, 2021. The project associated with this joint venture was substantially completed in 2019.

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 in shareholders' equity. Foreign currency transaction gains and losses, arising primarily from changes in exchange rates on short-term monetary assets and liabilities, and ineffective long-term monetary assets and liabilities 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 six months ended June 30, 2021 were $0.1 million. Foreign currency gains, recorded in other income, net, for the six months ended June 30, 2020 were not significant. Effective foreign currency transaction gains and losses, arising primarily from long-term monetary assets and liabilities, are recorded in the foreign currency translation adjustment line on the Company's consolidated statements of comprehensive income.

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, pending change orders and claims, shared savings, insurance reserves, income tax reserves, 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.

As of June 30, 2021 and 2020, the Company had recognized revenues of $6.0 million and $40.1 million, respectively, related to significant 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, 2021, changes in estimates pertaining to certain projects increased consolidated gross margin by 0.8%, which resulted in increases in operating income of $5.1 million, net income of $3.6 million and diluted earnings per common share of $0.21. During the six months ended June 30, 2021, changes in estimates pertaining to certain projects increased consolidated gross margin by 0.3%, which resulted in increases in operating income of $3.9 million, net income of $2.7 million and diluted earnings per common share of $0.16.

During the three months ended June 30, 2020, changes in estimates pertaining to certain projects increased consolidated gross margin by 0.2%, which resulted in increases in operating income of $1.2 million, net income of $0.9 million and diluted earnings per common share of $0.05. During the six months ended June 30, 2020, changes in estimates pertaining to certain projects decreased consolidated gross margin by 0.1%, which resulted in decreases in operating income of $0.7 million, net income of $0.5 million and diluted earnings per common share of $0.03.

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 adoption will have minimal impact on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistent application among reporting entities. The Company adopted this ASU in January 2021 and there was no effect on the consolidated financial statements or 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, which frequently include retention provisions contained in each 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 $0.3 million as of June 30, 2021 and $0.4 million as of December 31, 2020.

Contract assets consisted of the following:

(in thousands)	June 30, 2021	December 31, 2020	Change
Unbilled revenue, net	$ 105,727	$ 97,543	$ 8,184
Contract retainages, net	91,146	88,260	2,886
Contract assets, net	$ 196,873	$ 185,803	$ 11,070

The Company’s consolidated balance sheets present contract liabilities which contain deferred revenue and an accrual for contracts in a loss provision.

Contract liabilities consisted of the following:

(in thousands)	June 30, 2021	December 31, 2020	Change
Deferred revenue	$ 134,194	$ 155,570	$ (21,376)
Accrued loss provision	2,793	2,826	(33)
Contract liabilities	$ 136,987	$ 158,396	$ (21,409)

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

(in thousands)	June 30, 2021	December 31, 2020	Change
Contract assets, net	$ 196,873	$ 185,803	$ 11,070
Contract liabilities	(136,987)	(158,396)	21,409
Net contract assets (liabilities)	$ 59,886	$ 27,407	$ 32,479

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 $22.3 million and $73.9 million for the three and six months ended June 30, 2021, respectively. The amounts of revenue recognized in the period that were included in the opening contract liability balances were $16.9 million and $43.0 million for the three and six months ended June 30, 2020, respectively. This revenue consists primarily of work performed on previous billings to customers.

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

(in thousands)	June 30, 2021	December 31, 2020
Costs and estimated earnings on uncompleted contracts	$ 3,756,350	$ 3,921,376
Less: billings to date	3,784,817	3,979,403
	$ (28,467)	$ (58,027)

The net asset 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, 2021	December 31, 2020
Unbilled revenue	$ 105,727	$ 97,543
Deferred revenue	(134,194)	(155,570)
	$ (28,467)	$ (58,027)

3. 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 one to five years, some of which may include options to extend the leases for up to five 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, 2021, 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 on-going 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, 2021	December 31, 2020
Assets			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 22,413	$ 22,291
Finance lease right-of-use assets	Property and equipment, net of accumulated depreciation	9	390
Total right-of-use lease assets		$ 22,422	$ 22,681
Liabilities			
Current			
Operating lease obligations	Current portion of operating lease obligations	$ 7,191	$ 6,612
Finance lease obligations	Current portion of finance lease obligations	—	318
Total current obligations		7,191	6,930
Non-current			
Operating lease obligations	Operating lease obligations, net of current maturities	15,211	15,730
Total non-current obligations		15,211	15,730
Total lease obligations		$ 22,402	$ 22,660

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

	June 30, 2021	December 31, 2020
Weighted-average remaining lease term - finance leases	0.1 years	0.4 years
Weighted-average remaining lease term - operating leases	3.2 years	3.4 years
Weighted-average discount rate - finance leases	3.1 %	2.6 %
Weighted-average discount rate - operating leases	3.9 %	3.9 %

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, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Lease cost:				
Finance lease cost:				
Amortization of right-of-use assets	$ 186	$ 247	$ 375	$ 497
Interest on lease liabilities	1	9	3	20
Operating lease cost	2,469	2,296	4,955	4,563
Variable lease costs	78	76	156	153
Total lease cost	$ 2,734	$ 2,628	$ 5,489	$ 5,233

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, 2021	Six months ended June 30, 2020
Other information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 5,069	$ 4,335
Right-of-use asset obtained in exchange for new operating lease obligations	$ 4,387	$ 5,111

The future undiscounted minimum lease payments, as reconciled to the discounted minimum lease obligation indicated on the Company's consolidated balance sheets under operating leases, less imputed interest, as of June 30, 2021 were as follows:

(in thousands)	Operating Lease Obligations
Remainder of 2021	$ 5,052
2022	8,819
2023	6,482
2024	3,601
2025	1,634
2026	962
Thereafter	—
Total minimum lease payments	26,550
Financing component	(4,148)
Net present value of minimum lease payments	22,402
Less: current portion of finance and operating lease obligations	(7,191)
Long-term finance and operating lease obligations	$ 15,211

The financing component for operating lease obligations represents the effect of discounting the lease payments to their present value. As of June 30, 2021, the Company had no outstanding finance lease obligations.

Certain subsidiaries of the Company have operating leases for facilities from third party companies that are owned, in whole or part, by employees of the subsidiaries. The terms and rental rates of these leases are at market rental rates. As of June 30, 2021, the minimum lease payments required under these leases totaled $2.7 million, which are due over the next 3.0 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, 2021 and December 31, 2020, the Company determined that the carrying value of cash and cash equivalents approximated fair value based on Level 1 inputs. As of June 30, 2021 and December 31, 2020, the fair values of the Company's long-term debt and finance lease obligations were based on Level 2 inputs. The Company's long-term debt was based on variable and fixed interest rates at June 30, 2021 and December 31, 2020, 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 values 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, 2021	Outstanding Balance as of December 31, 2020
Credit Agreement						
Revolving loans	9/13/2019	Variable	Variable	5	$ —	$ —
Equipment Notes						
Equipment Note 6	6/25/2019	2.89%	Semi-annual	7	—	12,896
Equipment Note 7	6/24/2019	3.09%	Semi-annual	5	—	6,980
Equipment Note 8	12/27/2019	2.75%	Semi-annual	5	5,011	5,513
Equipment Note 9	12/24/2019	3.01%	Semi-annual	7	3,774	4,031
					8,785	29,420
Total debt					8,785	29,420
Less: current portion of long-term debt					(1,550)	(4,381)
Long-term debt					$ 7,235	$ 25,039

Credit Agreement

On September 13, 2019, the Company entered into a five-year 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 $375 million facility (the "Facility"), subject to certain financial covenants as defined in the Credit Agreement, that may be used for revolving loans of which $150 million may be used for letters of credit. The Facility also allows for revolving loans and letters of credit in Canadian dollars and other currencies, up to the U.S. dollar equivalent of $75 million. 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. 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 for refinancing existing indebtedness, working capital, capital expenditures, acquisitions, share repurchases, 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 0.00% to 0.75%; or (2) Adjusted LIBO Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.00% to 1.75%. The applicable margin is determined based on the Company’s consolidated leverage ratio (the “Leverage Ratio”) which is defined in the Credit Agreement as Consolidated Total Indebtedness (as defined in the Credit Agreement) divided by Consolidated EBITDA (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.00% to 1.75% for non-performance letters of credit or 0.50% to 0.875% for performance letters of credit, based on the Company’s consolidated Leverage Ratio. The Company is subject to a commitment fee of 0.15% to 0.25%, based on the Company’s consolidated Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the Company’s consolidated Leverage Ratio exceeds 2.50 or the Company's consolidated Liquidity (as defined in the Credit Agreement) is less than $50 million.

Under the Credit Agreement, the Company is subject to certain financial covenants and is limited to a maximum consolidated Leverage Ratio of 3.0 and a minimum interest coverage ratio of 3.0, 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). 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, 2021.

As of June 30, 2021, the Company had no debt outstanding under the Facility and letters of credit outstanding under the Facility of approximately $12.3 million, which are almost entirely related to the Company's payment obligation under its insurance programs.

As of December 31, 2020, the Company had no debt outstanding under the Facility and letters of credit outstanding under the Facility of approximately $10.4 million, including $9.8 million related to the Company's payment obligation under its insurance programs and approximately $0.6 million related to contract performance obligations.

The Company had remaining deferred debt issuance costs totaling $1.0 million as of June 30, 2021, related to the line of credit. 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 line of credit.

Equipment Notes

The Company has entered into Master Equipment Loan and Security Agreements (the “Master Loan Agreements”) with multiple banks. The Master Loan Agreements may be used for the financing of equipment between the Company and the lending banks 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, 2021, the Company had two Equipment Notes outstanding under the Master Loan Agreements that are collateralized by equipment and vehicles owned by the Company. The following table sets forth our remaining principal payments for the Company’s outstanding Equipment Notes as of June 30, 2021:

(in thousands)	Future Equipment Notes Principal Payments
Remainder of 2021	$ 770
2022	1,572
2023	1,617
2024	2,962
2025	583
2026	1,281
Thereafter	—
Total future principal payments	$ 8,785
Less: current portion of equipment notes	(1,550)
Long-term principal obligations	$ 7,235

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 guaranteed not-to-exceed 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 three 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. Additional information related to the Company’s market types is provided in Note 10–Segment Information.

The components of the Company's revenue by contract type for the three and six months ended June 30, 2021 and 2020 were as follows:

	Three months ended June 30, 2021					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 157,439	48.2 %	$ 259,218	80.3 %	$ 416,657	64.1 %
Unit price	89,953	27.5	18,483	5.7	108,436	16.7
T&E	73,099	22.4	18,138	5.6	91,237	14.1
Other	6,340	1.9	26,903	8.4	33,243	5.1
	$ 326,831	100.0 %	$ 322,742	100.0 %	$ 649,573	100.0 %

	Three months ended June 30, 2020					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 126,350	45.7 %	$ 187,662	79.4 %	$ 314,012	61.2 %
Unit price	84,629	30.6	19,047	8.1	103,676	20.2
T&E	61,632	22.3	21,752	9.2	83,384	16.3
Other	4,148	1.4	7,831	3.3	11,979	2.3
	$ 276,759	100.0 %	$ 236,292	100.0 %	$ 513,051	100.0 %

The components of the Company's revenue by contract type for the six months ended June 30, 2021 and 2020 were as follows:

	Six months ended June 30, 2021					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 309,370	48.2 %	$ 486,927	81.1 %	$ 796,297	64.1 %
Unit price	175,222	27.3	36,914	6.2	212,136	17.1
T&E	143,377	22.3	32,520	5.4	175,897	14.2
Other	13,770	2.2	43,959	7.3	57,729	4.6
	$ 641,739	100.0 %	$ 600,320	100.0 %	$ 1,242,059	100.0 %

	Six months ended June 30, 2020					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 247,352	46.1 %	$ 406,201	82.0 %	$ 653,553	63.4 %
Unit price	147,939	27.6	37,123	7.5	185,062	17.9
T&E	129,683	24.2	37,554	7.6	167,237	16.2
Other	11,055	2.1	14,614	2.9	25,669	2.5
	$ 536,029	100.0 %	$ 495,492	100.0 %	$ 1,031,521	100.0 %

The components of the Company's revenue by market type for the three months ended June 30, 2021 and 2020 were as follows:

	Three months ended June 30, 2021			Three months ended June 30, 2020		
(dollars in thousands)	Amount	Percent	Segment	Amount	Percent	Segment
Transmission	$ 210,946	32.5 %	T&D	$ 181,189	35.3 %	T&D
Distribution	115,885	17.8	T&D	95,570	18.6	T&D
Electrical construction	322,742	49.7	C&I	236,292	46.1	C&I
Total revenue	$ 649,573	100.0 %		$ 513,051	100.0 %	

The components of the Company’s revenue by market type for the six months ended June 30, 2021 and 2020 were as follows:

	Six months ended June 30, 2021			Six months ended June 30, 2020		
(dollars in thousands)	Amount	Percent	Segment	Amount	Percent	Segment
Transmission	$ 422,173	34.0 %	T&D	$ 352,755	34.2 %	T&D
Distribution	219,566	17.7	T&D	183,274	17.8	T&D
Electrical construction	600,320	48.3	C&I	495,492	48.0	C&I
Total revenue	$ 1,242,059	100.0 %		$ 1,031,521	100.0 %	

Remaining Performance Obligations

As of June 30, 2021, the Company had $1.45 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 following table summarizes the amount of remaining performance obligations as of June 30, 2021 that the Company expects to be realized and the amount of the remaining performance obligations that the Company reasonably estimates will not be recognized within the next twelve months.

	Remaining Performance Obligations at June 30, 2021		
(in thousands)	Total	Amount estimated to not be recognized within 12 months	Total at December 31, 2020
T&D	$ 530,018	$ 125,748	$ 645,422
C&I	916,598	163,142	889,596
Total	$ 1,446,616	$ 288,890	$ 1,535,018

The Company expects a vast majority of the remaining performance obligations to be recognized within twenty-four months, although the timing of the Company’s performance is not always under its control. 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, 2021 and 2020. The Company’s effective tax rate for the three and six months ended June 30, 2021 was 27.0% and 26.6%, respectively, of pretax income compared to the effective tax rate for the three and six months ended June 30, 2020 of 27.1% and 27.9%, respectively.

The difference between the U.S. federal statutory tax rate and the Company’s effective tax rate for the three and six months ended June 30, 2021 was primarily due to state income taxes and foreign earnings and the associated impact of the global intangible low tax income (“GILTI”) 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 rate for the three and six months ended June 30, 2020, was primarily due to state income taxes and foreign earnings and the associated impact GILTI.

The Company had unrecognized tax benefits of approximately $0.5 million and $0.4 million as of June 30, 2021 and December 31, 2020, 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, 2021 and 2020.

The Company is subject to taxation in various jurisdictions. The Company's 2017 through 2019 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 2016 through 2019.

8. Commitments and Contingencies

Purchase Commitments

As of June 30, 2021, the Company had approximately $14.2 million in outstanding purchase orders for certain construction equipment, with cash payments scheduled to occur over the next six months.

Insurance and Claims Accruals

The Company carries insurance policies, which are subject to certain deductibles, 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, except for wildfire coverage which has a deductible of $2.0 million. The Company's health benefit plans are subject to stop-loss limits of up to $0.2 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, 2021, an aggregate of approximately $1.30 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 $605.4 million as of June 30, 2021.

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 and 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 underfunding of some of the multi-employer pension plans to which its subsidiaries contribute have been classified as "critical" status, 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 our business, as well as in respect of our divested businesses. 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 the aggregate, would be expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

9. Stock-Based Compensation

The Company maintains two equity compensation plans under which stock-based compensation has been granted: the 2017 Long-Term Incentive Plan (which was amended and restated as of April 23, 2020) (the "LTIP") and the 2007 Long-Term Incentive Plan (as amended) (the "2007 Plan"). Upon the adoption of the original LTIP in 2017, awards were no longer granted under the 2007 Plan. The LTIP 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 share awards, (g) phantom stock units, (h) stock bonuses, (i) dividend equivalents, and (j) any combination of such grants. The Company has outstanding grants of non-qualified stock options, 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, 2021, the Company granted time-vested stock awards covering 57,196 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 $66.80. During the six months ended June 30, 2021, time-vested stock awards covering 87,584 shares of common stock vested at a weighted average grant date fair value of $29.20.

During the six months ended June 30, 2021, the Company granted 42,091 performance share awards under the LTIP at target, which will cliff vest, if earned, on December 31, 2023, at a weighted average grant date fair value of $80.11. 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 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.

During the six months ended June 30, 2021, plan participants exercised options to purchase 18,640 shares of the Company's common stock with a weighted average exercise price of $23.02.

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 western Canada. The Company has two reporting segments, each a separate operating segment, which are referred to as T&D and C&I. Performance measurement and resource allocation for the reporting segments are based on many factors. The primary financial measures used to evaluate the segment information are contract revenues and income from operations, excluding general corporate expenses. General corporate expenses include corporate facility and staffing costs, which include safety costs, professional fees, IT expenses and management fees. The accounting policies of the segments are the same as those described in the Note 1–Organization, Business and Significant Accounting Policies to the 2020 Annual Report.

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. The T&D segment also provides emergency restoration services in response to hurricane, ice or other storm-related damage. 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, installation of traffic networks and the installation of bridge, roadway and tunnel lighting. Typical C&I contracts cover electrical contracting services for airports, hospitals, data centers, hotels, stadiums, convention centers, renewable energy projects, manufacturing plants, processing facilities, waste-water treatment facilities, mining facilities and transportation control and management systems. 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:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Contract revenues:				
T&D	$ 326,831	$ 276,759	$ 641,739	$ 536,029
C&I	322,742	236,292	600,320	495,492
	$ 649,573	$ 513,051	$ 1,242,059	$ 1,031,521
Income from operations:				
T&D	$ 32,764	$ 23,838	$ 61,437	$ 41,802
C&I	14,523	8,958	28,796	18,270
General Corporate	(17,622)	(13,454)	(33,157)	(24,322)
	$ 29,665	$ 19,342	$ 57,076	$ 35,750

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 available to stockholders by the weighted average number of common shares outstanding during the period, and diluted earnings per share are computed by dividing net income available to stockholders 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:

	Three months ended June 30,		Six months ended June 30,	
(in thousands, except per share data)	**2021**	**2020**	**2021**	**2020**
Numerator:				
Net income	$ 21,219	$ 13,385	$ 41,147	$ 23,317
Denominator:				
Weighted average common shares outstanding	16,854	16,685	16,807	16,656
Weighted average dilutive securities	271	80	286	95
Weighted average common shares outstanding, diluted	17,125	16,765	17,093	16,751
Income per common share:				
Basic	$ 1.26	$ 0.80	$ 2.45	$ 1.40
Diluted	$ 1.24	$ 0.80	$ 2.41	$ 1.39

For the three and six months ended June 30, 2021 and 2020, certain common stock equivalents were excluded from the calculation of dilutive securities because their inclusion would either have been anti-dilutive or, for stock options, the exercise prices of those stock options were greater than the average market price of the Company's common stock for the period. All of the Company's unvested time-vested stock awards were included in the computation of weighted average dilutive securities.

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:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Time-vested stock awards	—	44	—	—
Performance awards	17	110	17	110

12. Subsequent Event

On July 2, 2021, the Company prepaid its $3.8 million Equipment Note 9 using cash on hand. This prepayment included an insignificant amount of accrued interest and there was no associated prepayment penalty.

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

The following discussion 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, 2020 (the "2020 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 2020 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 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 western Canada. Our T&D customers include many of the leading companies in the electric utility industry. We have also 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 facility owners and general contractors.

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 proposed legislative actions aimed at supporting infrastructure improvements in the United States may positively impact long-term demand, particularly in connection with electric power infrastructure, transportation and renewable energy spending. We believe the proposed legislative actions are likely to provide greater opportunity in both of our reporting segments. However due to the market disruption associated with the COVID-19 pandemic and market uncertainty, both of our segments may be subject to pricing volatility and materials availability delays which could contribute to an overall deceleration in project opportunities and awards.

We had consolidated revenues for the six months ended June 30, 2021 of $1.24 billion, of which 51.7% was attributable to our T&D customers and 48.3% was attributable to our C&I customers. Our consolidated revenues for the six months ended June 30, 2020 were $1.03 billion. For the six months ended June 30, 2021, our net income and EBITDA[1] were $41.1 million and $80.5 million, respectively, compared to $23.3 million and $58.9 million, respectively, for the six months ended June 30, 2020.

We believe there is an ongoing need for utilities to sustain investment in their transmission systems to improve reliability, reduce congestion and connect to new sources of renewable generation. Consequently, we anticipate that we will continue to see significant bidding activity on large transmission projects going forward. The timing of multi-year transmission project awards and substantial construction activity is difficult to predict due to regulatory requirements and the permitting needed to commence construction. Significant construction on any large, multi-year projects awarded in the remainder of 2021 will not likely occur until 2022. Bidding and construction activity for small to medium-size transmission projects and upgrades remain active, and we expect this trend to continue, primarily due to reliability and economic drivers.

As a result of reduced spending by United States utilities on their distribution systems for several years, we believe there is a need for sustained investment by utilities in their distribution systems to properly maintain or meet reliability requirements. In 2021, we continue to see increased bidding activity in some of our electric distribution markets, as economic conditions improved in those areas. We believe the increased hurricane activity over the past several years and recent destruction caused by wildfires will cause a push to strengthen utility distribution systems against catastrophic damage. Several industry and market trends are also prompting customers in the electric utility industry to seek outsourcing partners rather than performing projects internally. These trends include an aging electric utility workforce, increasing costs and staffing constraints. We believe electric utility employee retirements could increase with further economic recovery, which may result in an increase in outsourcing opportunities.

---

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

We expect C&I bidding opportunities to continue to be impacted by various recent market disruptions, and as a result the ultimate recovery of the C&I market will be heavily dependent on the timing and pace of the United States and Canada economic recoveries. We believe that the primary markets we serve may be somewhat less vulnerable to economic slowing, such as health care, transportation, data centers, warehousing, renewable energy and water projects. We are hopeful that the service industry and small project market could quickly rebound as pent-up demand will need to be addressed.

In addition, the United States has experienced a decade of economic expansion which has challenged the capacity of public water and transportation infrastructure forcing states and municipalities to seek creative means to fund needed expansion. We believe the need for expanding public infrastructure will offer opportunity in our C&I segment for several years. We expect the long-term growth in our C&I segment to generally track the economic growth of the regions we serve.

We strive to maintain our status as a preferred provider to our T&D and C&I customers. In an effort to support our growth strategy and maximize stockholder returns, we seek to efficiently manage our capital. We continue to implement strategies that further expand our capabilities and allow opportunities to provide prudent capital returns. We ended the second quarter of 2021 with $362.7 million available under our credit facility. We believe that our financial position, positive cash flows and other operational strengths will enable us to manage the challenges and uncertainties in the markets we serve and give us the flexibility to successfully execute our strategies. We continue to invest in developing key management and craft personnel in both our T&D and C&I markets 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 three-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 $1.57 billion at June 30, 2021, compared to $1.65 billion at December 31, 2020 and $1.55 billion at June 30, 2020. Our backlog at June 30, 2021 decreased 4.7% from March 31, 2021. Backlog in the T&D segment decreased $59.4 million and C&I backlog decreased $17.2 million compared to March 31, 2021. Our backlog as of June 30, 2021 included our proportionate share of joint venture backlog totaling $15.2 million, compared to $19.2 million at March 31, 2021.

The following table summarizes that 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:

	Backlog at June 30, 2021		
(in thousands)	Total	Amount estimated to not be recognized within 12 months	Total backlog at December 31, 2020
T&D	$ 635,094	$ 125,748	$ 753,932
C&I	931,642	163,142	895,524
Total	$ 1,566,736	$ 288,890	$ 1,649,456

Project Bonding Requirements and Parent Guarantees

A substantial portion of our business requires performance and payment bonds or other means of financial assurance to secure contractual performance. These bonds are typically issued at the face value of the contract awarded. If we fail to perform or pay our subcontractors or vendors, the customer may demand that the surety provide services or make payments under the bond. In such a case, we would likely be required to reimburse the surety for any expenses or outlays it incurs. To date, we have not been required to make any reimbursements to our sureties for claims against our surety bonds. As of June 30, 2021, we had approximately $1.30 billion in original face amount of surety bonds outstanding. Our estimated remaining cost to complete these bonded projects was approximately $605.4 million as of June 30, 2021.

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.

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:

	Three months ended June 30,				Six months ended June 30,			
	2021		2020		2021		2020	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Contract revenues	$ 649,573	100.0 %	$ 513,051	100.0 %	$ 1,242,059	100.0%	$ 1,031,521	100.0 %
Contract costs	568,551	87.5	451,746	88.1	1,084,084	87.3	908,584	88.1
Gross profit	81,022	12.5	61,305	11.9	157,975	12.7	122,937	11.9
Selling, general and administrative expenses	51,890	8.0	41,199	8.0	101,537	8.1	86,245	8.4
Amortization of intangible assets	578	0.1	1,203	0.2	1,156	0.1	2,431	0.2
Gain on sale of property and equipment	(1,111)	(0.2)	(439)	(0.1)	(1,794)	(0.1)	(1,489)	(0.2)
Income from operations	29,665	4.6	19,342	3.8	57,076	4.6	35,750	3.5
Other income (expense):								
Interest income	15	—	4	—	28	—	6	—
Interest expense	(678)	(0.1)	(1,315)	(0.3)	(1,153)	(0.1)	(2,828)	(0.3)
Other income (expense), net	80	—	321	0.1	121	—	(574)	(0.1)
Income before provision for income taxes	29,082	4.5	18,352	3.6	56,072	4.5	32,354	3.1
Income tax expense	7,863	1.2	4,967	1.0	14,925	1.2	9,037	0.8
Net income	$ 21,219	3.3 %	$ 13,385	2.6 %	$ 41,147	3.3 %	$ 23,317	2.3 %

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

Revenues. Revenues were $649.6 million for the three months ended June 30, 2021 compared to $513.1 million for the three months ended June 30, 2020. The increase of $136.5 million, or 26.6%, was primarily due to an increase in revenue on large-sized T&D projects as well as an increase in revenue on various-sized C&I projects. Additionally, revenues during the three months ended June 30, 2020 were negatively impacted by a slight slowdown of C&I work in certain geographic areas related to the COVID-19 pandemic.

Gross margin. Gross margin was 12.5% for the three months ended June 30, 2021 compared to 11.9% for the three months ended June 30, 2020. The increase in gross margin was primarily due to better-than-anticipated productivity on certain projects and favorable job close-outs, partially offset by labor and equipment inefficiencies on certain projects. Changes in estimates of gross profit on certain projects resulted in a gross margin increases of 0.8% and 0.2% for the three months ended June 30, 2021 and 2020, respectively.

Gross profit. Gross profit was $81.0 million for the three months ended June 30, 2021 compared to $61.3 million for the three months ended June 30, 2020. The increase of $19.7 million, or 32.2%, was due to higher revenues and margins.

Selling, general and administrative expenses. Selling, general and administrative expenses ("SG&A") were $51.9 million for the three months ended June 30, 2021 compared to $41.2 million for the three months ended June 30, 2020. The period-over-period increase of $10.7 million was primarily due to higher employee incentive compensation costs and contingent compensation expense related to prior acquisitions.

Gain on sale of property and equipment. Gains from the sale of property and equipment for the three months ended June 30, 2021 were $1.1 million compared to $0.4 million for the three months ended June 30, 2020. 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 expense. Interest expense was $0.7 million for the three months ended June 30, 2021 compared to $1.3 million for the three months ended June 30, 2020. The period-over-period decrease of $0.6 million was primarily due to the decrease in our outstanding debt during the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, partially offset by a prepayment penalty from an early retirement of an equipment note during the three months ended June 30, 2021.

Income tax expense. Income tax expense was $7.9 million for the three months ended June 30, 2021, with an effective tax rate of 27.0%, compared to the expense of $5.0 million for the three months ended June 30, 2020, with an effective tax rate of 27.1%. The decrease in the tax rate for the three months ended June 30, 2021 was primarily due to a favorable impact from stock compensation excess tax benefits, partially offset by excess tax expense pertaining to the impact of global intangible low tax income (“GILTI”).

Net income. Net income was $21.2 million for the three months ended June 30, 2021 compared to $13.4 million for the three months ended June 30, 2020. 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:

	Three months ended June 30,			
	2021		2020	
(dollars in thousands)	**Amount**	**Percent**	**Amount**	**Percent**
Contract revenues:				
Transmission & Distribution	$ 326,831	50.3 %	$ 276,759	53.9 %
Commercial & Industrial	322,742	49.7	236,292	46.1
Total	$ 649,573	100.0 %	$ 513,051	100.0 %
Operating income (loss):				
Transmission & Distribution	$ 32,764	10.0 %	$ 23,838	8.6 %
Commercial & Industrial	14,523	4.5	8,958	3.8
Total	47,287	7.3	32,796	6.4
General Corporate	(17,622)	(2.7)	(13,454)	(2.6)
Consolidated	$ 29,665	4.6 %	$ 19,342	3.8 %

Transmission & Distribution

Revenues for our T&D segment for the three months ended June 30, 2021 were $326.8 million compared to $276.8 million for the three months ended June 30, 2020, an increase of $50.0 million, or 18.1%. The increase in revenue was primarily related to an increase in revenue on two large-sized projects associated with accelerated schedule requirements at the beginning of a project and battery delivery and installation at the close-out of another. Revenues from transmission projects represented 64.5% and 65.5% of T&D segment revenue for the three months ended June 30, 2021 and 2020, respectively.

Operating income for our T&D segment for the three months ended June 30, 2021 was $32.8 million, an increase of $9.0 million, or 37.4%, from the three months ended June 30, 2020. The increase in T&D operating income from the prior year was primarily due to higher revenues, favorable job close-outs and better-than-anticipated productivity on certain projects, partially offset by labor and equipment inefficiencies on certain projects. As a percentage of revenues, operating income for our T&D segment was 10.0% for the three months ended June 30, 2021 compared to 8.6% for the three months ended June 30, 2020.

Commercial & Industrial

Revenues for our C&I segment for the three months ended June 30, 2021 were $322.7 million compared to $236.3 million for the three months ended June 30, 2020, an increase of $86.4 million, or 36.6%, primarily due to an increase in revenue on various-sized projects and accelerated schedules on two projects. Additionally, revenues during the three months ended June 30, 2020 were negatively impacted by a slight slowdown of work in certain geographic areas related to the COVID-19 pandemic.

Operating income for our C&I segment for the three months ended June 30, 2021 was $14.5 million, an increase of $5.5 million, over the three months ended June 30, 2020. The period-over-period increase in operating income was due to higher revenues and better-than-anticipated productivity on certain projects. These increases were partially offset by labor and equipment inefficiencies on certain projects. As a percentage of revenues, operating income for our C&I segment was 4.5% for the three months ended June 30, 2021 compared to 3.8% for the three months ended June 30, 2020.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

Revenues. Revenues were $1.24 billion for the six months ended June 30, 2021 compared to $1.03 billion for the six months ended June 30, 2020. The increase of $210.6 million, or 20.4%, was primarily due to an increase in revenue on large-sized T&D projects as well as an increase in revenue on various-sized C&I projects. Additionally, revenues during the six months ended June 30, 2020 were negatively impacted by a slight slowdown of C&I work in certain geographic areas related to the COVID-19 pandemic.

Gross margin. Gross margin was 12.7% for the six months ended June 30, 2021 compared to 11.9% for the six months ended June 30, 2020. The increase in gross margin was primarily due to better-than-anticipated productivity on certain projects and favorable job close-outs. These improvements were partially offset by labor and equipment inefficiencies on certain projects, unfavorable pending change order adjustments on certain projects and inclement weather experienced on a project. Changes in estimates of gross profit on certain projects resulted in gross margin increase of 0.3% and decrease of 0.1% for the six months ended June 30, 2021 and 2020, respectively.

Gross profit. Gross profit was $158.0 million for the six months ended June 30, 2021 compared to $122.9 million for the six months ended June 30, 2020, the increase of $35.1 million, or 28.5% was due to higher revenues and margins.

Selling, general and administrative expenses. SG&A was $101.5 million for the six months ended June 30, 2021 compared to $86.2 million for the six months ended June 30, 2020. The period-over-period increase of $15.3 million was primarily due to higher employee incentive compensation costs and contingent compensation expense related to prior acquisitions.

Gain on sale of property and equipment. Gains from the sale of property and equipment for the six months ended June 30, 2021 were $1.8 million compared to $1.5 million for the six months ended June 30, 2020. 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 expense. Interest expense was $1.2 million for the six months ended June 30, 2021 compared to $2.8 million for the six months ended June 30, 2020. This decrease was primarily attributable to a decrease in our outstanding debt during the six months ended June 30, 2021 as compared to the six months ended June 30, 2020, partially offset by a prepayment penalty from an early retirement of an equipment note during the six months ended June 30, 2021.

Income tax expense. Income tax expense was $14.9 million for the six months ended June 30, 2021, with an effective tax rate of 26.6%, compared to the expense of $9.0 million for the six months ended June 30, 2020, with an effective tax rate of 27.9%. The decrease in the tax rate for the six months ended June 30, 2021 was primarily due to a favorable impact from stock compensation excess tax benefits, partially offset by excess tax expense pertaining to the impact of GILTI.

Net income. Net income was $41.1 million for the six months ended June 30, 2021 compared to $23.3 million for the six months ended June 30, 2020. 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:

	Six months ended June 30,			
	2021		2020	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 641,739	51.7 %	$ 536,029	52.0 %
Commercial & Industrial	600,320	48.3	495,492	48.0
Total	$ 1,242,059	100.0 %	$ 1,031,521	100.0 %
Operating income (loss):				
Transmission & Distribution	$ 61,437	9.6 %	$ 41,802	7.8 %
Commercial & Industrial	28,796	4.8	18,270	3.7
Total	90,233	7.3	60,072	5.8
General Corporate	(33,157)	(2.7)	(24,322)	(2.3)
Consolidated	$ 57,076	4.6 %	$ 35,750	3.5 %

Transmission & Distribution

Revenues for our T&D segment for the six months ended June 30, 2021 were $641.7 million compared to $536.0 million for the six months ended June 30, 2020, an increase of $105.7 million, or 19.7%. The increase in revenue was primarily related to an increase in revenue on large-sized projects. Revenues from transmission projects represented 65.8% of T&D segment revenue for each of the six months ended June 30, 2021 and 2020.

Operating income for our T&D segment for the six months ended June 30, 2021 was $61.4 million, an increase of $19.6 million, or 47.0%, from the six months ended June 30, 2020. The increase in T&D operating income from the prior year was primarily due to higher revenues, favorable job close-outs and better-than-anticipated productivity on certain projects. These increases were partially offset by labor and equipment inefficiencies and inclement weather experienced on a project. As a percentage of revenues, operating income for our T&D segment was 9.6% for the six months ended June 30, 2021 compared to 7.8% for the six months ended June 30, 2020.

Commercial & Industrial

Revenues for our C&I segment for the six months ended June 30, 2021 were $600.3 million compared to $495.5 million for the six months ended June 30, 2020, an increase of $104.8 million, or 21.2%, primarily due an increase in revenues on various-sized projects. Additionally, revenues during the six months ended June 30, 2020 were negatively impacted by a slight slowdown of work in certain geographic areas related to the COVID-19 pandemic.

Operating income for our C&I segment for the six months ended June 30, 2021 was $28.8 million, an increase of $10.5 million over the six months ended June 30, 2020. The period-over-period increase in operating income was primarily due to higher revenues and better-than-anticipated productivity on certain projects. These increases were partially offset by unfavorable change order adjustments on certain projects and labor and equipment inefficiencies on a project. As a percentage of revenues, operating income for our C&I segment was 4.8% for the six months ended June 30, 2021 compared to 3.7% for the six months ended June 30, 2020.

Non-GAAP Measure—EBITDA

We define EBITDA, a performance measure used by management, as net income plus net income from noncontrolling interest, 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 stockholders. 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 stockholders.

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

	Three months ended June 30,		**Six months ended June 30,**	
(in thousands)	**2021**	**2020**	**2021**	**2020**
Net income	21,219	13,385	41,147	23,317
Add:				
Interest expense, net	663	1,311	1,125	2,822
Income tax expense	7,863	4,967	14,925	9,037
Depreciation & amortization	11,457	11,886	23,328	23,755
EBITDA	$ 41,202	$ 31,549	$ 80,525	$ 58,931

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 leverage ratio, which is defined in the Credit Agreement as Consolidated Total 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. 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, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Provided by Operating Activities:				
Net cash flows provided by operating activities	$ 29,172	$ 62,680	$ 88,562	$ 97,923
Add/(subtract):				
Changes in operating assets and liabilities	5,710	(35,882)	(20,595)	(49,363)
Adjustments to reconcile net income to net cash flows provided by operating activities	(13,663)	(13,413)	(26,820)	(25,243)
Depreciation & amortization	11,457	11,886	23,328	23,755
Income tax expense	7,863	4,967	14,925	9,037
Interest expense, net	663	1,311	1,125	2,822
EBITDA	$ 41,202	$ 31,549	$ 80,525	$ 58,931

Liquidity and Capital Resources

As of June 30, 2021, we had working capital of $221.5 million. We define working capital as current assets less current liabilities. During the six months ended June 30, 2021, operating activities of our business provided net cash of $88.6 million, compared to $97.9 million of cash provided for the six months ended June 30, 2020. Cash flow from operations is primarily influenced by demand for our services, operating margins, timing of contract performance and the type of services we provide to our customers. The $9.4 million year-over-year decrease in cash used by operating activities was primarily due to unfavorable net changes in operating assets and liabilities of $28.8 million and an increase in net income of $17.8 million. 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 $18.2 million and an unfavorable change of $16.8 million in other liabilities. The unfavorable changes in cash provided by working capital accounts, primarily related to construction activities, was primarily due to unfavorable changes in contract assets and contract liabilities due to the timing of billings and payments under our contracts. The unfavorable change of $16.8 million in other liabilities was primarily due to higher bonus accruals and the timing of employee related wage and tax payments.

In the six months ended June 30, 2021, we used net cash of $19.4 million in investing activities of consisting of $21.0 million for capital expenditures, partially offset by $1.6 million of proceeds from the sale of equipment.

In the six months ended June 30, 2021, financing activities used net cash of $23.9 million, consisting primarily of payment of principal obligations under equipment notes of $20.6 million and share repurchases of $3.4 million, all of which represented shares surrendered to satisfy tax obligations under our stock compensation programs.

We anticipate that our borrowing availability of $362.7 million at June 30, 2021 under our revolving line of credit and future cash flow from operations will provide sufficient cash to enable us to meet our future operating needs, debt service requirements, capital expenditures, acquisition and joint venture opportunities, share repurchases, and $25.4 million of remaining payroll tax deferrals provided under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which will be paid within the next two years. Although we believe that we have adequate cash and borrowing capacity to meet our liquidity needs, any large projects or acquisitions may require additional capital. We continue to invest in developing key management and craft personnel in both our T&D and C&I markets 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.

Debt Instruments

Credit Agreement

On September 13, 2019, we entered into a five-year 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. The Credit Agreement provides for a facility of $375 million (the “Facility”), subject to certain financial covenants as defined in the Credit Agreement, that may be used for revolving loans of which $150 million may be used for letters of credit. The Facility also allows for revolving loans and letters of credit in Canadian dollars and other currencies, up to the U.S. dollar equivalent of $75 million. We have 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 our assets and the assets of our domestic subsidiaries and by a pledge of substantially all of the capital stock of our domestic subsidiaries and 65% of the capital stock of our direct foreign subsidiaries. Additionally, subject to certain exceptions, our domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. 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 Facility are used for refinancing existing debt, working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement bear interest, at our option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.00% to 0.75%; or (2) Adjusted LIBO Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.00% to 1.75%. The applicable margin is determined based on our consolidated leverage ratio (“Leverage Ratio”) which is defined in the Credit Agreement as Consolidated Total Indebtedness (as defined in the Credit Agreement) divided by Consolidated EBITDA (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.00% to 1.75% for non-performance letters of credit or 0.50% to 0.875% for performance letters of credit, based on our consolidated Leverage Ratio. We are subject to a commitment fee of 0.15% to 0.25%, based on our consolidated Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when our consolidated Leverage Ratio exceeds 2.50 or our consolidated Liquidity (as defined in the Credit Agreement) is less than $50.0 million.

Under the Credit Agreement, we are subject to certain financial covenants and are limited to a maximum consolidated Leverage Ratio of 3.0 and a minimum interest coverage ratio of 3.0, 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). The Credit Agreement also contains a number of covenants, including limitations on asset sales, investments, indebtedness and liens. We were in compliance with all of the financial covenants under the Credit Agreement as of June 30, 2021.

We had no debt outstanding under the Facility as of June 30, 2021 and December 31, 2020, and letters of credit outstanding of approximately $12.3 million and $10.4 million as of June 30, 2021 and December 31, 2020, respectively.

Equipment Notes

We have entered into multiple Master Loan Agreements with multiple banks. The Master Loan Agreements may be used for financing of equipment between us and the lending banks 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, 2021, we had two executed and outstanding Equipment Notes that are collateralized by equipment and vehicles owned by us. In addition to regularly scheduled payments, we retired two of our Equipment Notes during the six months ended June 30, 2021, one of which contained a prepayment penalty. The outstanding balance of our Equipment Notes was $8.8 million and $29.4 million as of June 30, 2021 and December 31, 2020, respectively.

On July 2, 2021, we prepaid our $3.8 million Equipment Note 9 using cash on hand. This prepayment included an insignificant amount of accrued interest and there was no associated prepayment penalty.

Off-Balance Sheet Transactions

As is common in our industry, we enter into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected on our balance sheets. Our significant off-balance sheet transactions, such as liabilities associated with letter of credit obligations and surety guarantees related to performance bonds, could be entered into in the normal course of business. We have not engaged in any off-balance sheet financing arrangements through special purpose entities.

For a discussion regarding off-balance sheet transactions, please refer to Note 8–Commitments and Contingencies in the accompanying notes to our Consolidated Financial Statements.

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. Consequently, we are subject to potential credit risk related to changes in business and economic factors throughout the United States. 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, 2021 and 2020, none of our customers individually exceeded 10% of 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 2020 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. In addition, many of these risks, contingencies and uncertainties are currently amplified by, and may continue to be amplified by, the COVID-19 pandemic. These and other important factors, including those discussed under the caption “Forward-Looking Statements” and in Item 1A. “Risk Factors” in our 2020 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 may adversely impact our customers' future 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 may 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 may 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 the unavailability or cancellation of third party insurance coverages would increase our overall risk exposure and could disrupt our operations.
- Changes in tax laws or our interpretations of tax laws could materially impact our income tax liabilities.
- The nature of our business exposes us to potential liability for warranty claims and faulty engineering, which may reduce our profitability.
- Risks associated with operating in the Canadian market could restrict our ability to expand and harm our business and prospects.
- Our dependence on suppliers, subcontractors and equipment manufacturers could 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 electricity transmission and renewable energy may impact demand for our services.
- We may 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 prices of certain materials and commodities used in our business 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.
- COVID-19 may have an adverse impact on our business, employees, liquidity, financial condition, results of operations and cash flows.

- 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

As of June 30, 2021, we were not party to any derivative instruments. We did not use any material derivative financial instruments during the six months ended June 30, 2021 and 2020, including instruments for trading, hedging or speculating on changes in interest rates or 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, federal funds effective rate, the NYFRB overnight bank funding rate, CDOR, and LIBOR. If the prime rate, Canadian prime rate, federal funds effective rate, the NYFRB overnight bank funding rate, CDOR, or LIBOR rises, any interest payment obligations 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, 2021, we did not have any borrowings under our Facility.

Borrowings under our Equipment Notes are at fixed rates established on the date the respective Equipment Note was executed.

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, 2021.

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 2020 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 2020 Annual Report. An investment in our common stock involves various risks. When considering an investment in our company, you should carefully consider all of the risk factors described in our 2020 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 our 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 (2)
April 1, 2021 - April 30, 2021	10,246	$ 71.67	—	$ 50,000,000
May 1, 2021 - May 31, 2021	—	$ —	—	$ 50,000,000
June 1, 2021 - June 30, 2021	—	$ —	—	$ 50,000,000
Total	10,246	$ 71.67	—	

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

(2) On October 23, 2020 the Company’s Board of Directors announced a new $50.0 million share repurchase program effective November 2, 2020. The Company intends to fund the share repurchase program from cash on hand and through borrowings under its credit facility. The new share repurchase program will expire on November 2, 2021, or when the authorized funds are exhausted, whichever is earlier. No shares were repurchased under the program during the six months ended June 30, 2021.

ITEM 6. EXHIBITS

Number	Description
31.1	Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†
31.2	Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350†
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350†
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
* 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.

	MYR GROUP INC. (Registrant)
July 28, 2021	/s/ BETTY R. JOHNSON
	Betty R. Johnson Senior Vice President and Chief Financial Officer

Exhibit 31.1

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 28, 2021

/s/ RICHARD S. SWARTZ, JR.

(Principal Executive Officer)
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATIONS

Certification of Principal Financial Officer

I, Betty R. Johnson, 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 28, 2021

/s/ BETTY R. JOHNSON

(Principal Financial Officer)
Senior Vice President and Chief Financial Officer

Exhibit 32.1

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, 2021 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 28, 2021

/s/ RICHARD S. SWARTZ, JR.

Chief Executive Officer and President

Exhibit 32.2

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

I, Betty R. Johnson, 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, 2021 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 28, 2021

/s/ BETTY R. JOHNSON

Senior Vice President and Chief Financial Officer