




# INVESTOR PRESENTATION

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## Q4 2020

*March 2021 Update | NASDAQ: MYRG*



**MYR Group's ability to execute its strategy of conservative, profitable, steady growth in a focused, scalable market -- electrical construction -- is a strength that differentiates us from the rest.**





# SAFE HARBOR STATEMENT

## Forward-Looking Statements

Various statements in this communication, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenue, income, capital spending, segment improvements and investments. Forward-looking statements are generally accompanied by words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “likely,” “unlikely,” “possible,” “potential,” “should” or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this communication speak only as of the date of this communication; 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. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. Forward-looking statements in this communication should be evaluated together with the many uncertainties that affect MYR Group’s business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of MYR Group’s most recent Annual Report on Form 10-K, and in any risk factors or cautionary statements contained in MYR Group’s Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

### MYR GROUP CONTACT

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For **more than a century**, MYR Group's subsidiaries have served the electrical construction needs of clients. **Our reputation for excellence** in both our markets makes us a leader in the industry.



#### HEADQUARTERS

12150 E 112TH AVENUE  
HENDERSON, CO 80640

Phone: 303.286.8000



#### STOCK TICKER SYMBOL

NASDAQ: MYRG



#### 2020 REVENUE

**\$2.25B**

↑ 8.5% YoY



#### RECORDABLE SEGMENTS

TRANSMISSION & DISTRIBUTION (T&D)  
COMMERCIAL & INDUSTRIAL (C&I)



#### FORTUNE TOP 100

LISTED ON FORTUNE'S  
2020 TOP 100 **FASTEST-  
GROWING** COMPANIES



#### TOTAL EMPLOYEES

**7,200+**



#### AMONG TOP 5 ENR

U.S. SPECIALTY  
ELECTRICAL  
CONTRACTORS FOR  
**25 YEARS** IN A ROW



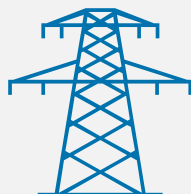
**130**

**YEARS OF EXPERIENCE**





# A MARKET LEADER



**NATIONWIDE  
LEADER** in T&D



**EXPANDING  
PRESENCE** in C&I



**GROWING FOOTPRINT**



**HEALTHY ORGANIC &  
ACQUISITIVE GROWTH**



**STRONG PRESENCE IN  
KEY GROWTH MARKETS**



**LONG STANDING  
CLIENT RELATIONSHIPS**



**GROWING REVENUES**



**STRONG BACKLOG**



**EXTENSIVE,  
CENTRALIZED FLEET**



**STABLE  
BALANCE SHEET**



**NO EXTRAORDINARY  
LOSSES OR GOODWILL  
IMPAIRMENT**



**SUPERIOR SAFETY  
PERFORMANCE**

# STRATEGIC IMPERATIVES

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

## FINANCIAL STRENGTH

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

## ORGANIZATIONAL EXCELLENCE

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

## CUSTOMER SATISFACTION

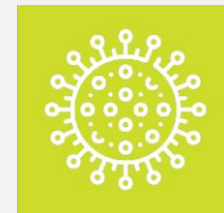
## OPERATIONAL EXCELLENCE

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

Ensures we are focused on the right work and programs

# COVID-19 IMPACTS

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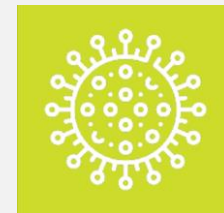


- Considered an essential business as a provider of critical infrastructure services.
- Remain committed to serving our customers and are responding and adhering to any new or heightened job-site requirements and guidelines to protect our front-line field employees.
- Enacted measures to maintain safe, efficient, and resilient business operations during the pandemic, adjusting operations as needed.
- Project execution and bidding opportunities have remained active to date.
- T&D work activity primarily consists of small to medium-sized projects, and we continue to execute routine maintenance work under long-term MSAs. Drivers for T&D spending remain intact thus far.
- Most C&I projects remain operational, though social distancing and other project restrictions are limiting project workflows and extending project schedules. We believe the primary markets we serve may be somewhat less vulnerable to economic slowing, such as healthcare, transportation, data centers, warehousing, renewable energy and water projects.
- Closed out the year with record revenues, profit, earnings per share, net income, and EBITDA.
- Stimulus packages and infrastructure bills could promote increased spending.
- Strong balance sheet with \$364.6M in availability under our \$375.0M credit facility, funded debt to LTM EBITDA leverage of 0.2x and management has continued to focus with heightened scrutiny on controlling costs and capital expenditures in these uncertain times



# COVID-19 IMPACTS

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Since March of 2020, the COVID-19 pandemic has had a significant impact on the global economy, including the US and Canadian economies. As the situation continues to evolve, we are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business, including how it impacts our customers, subcontractors, suppliers, vendors and employees. The COVID-19 pandemic caused a slowdown of certain projects due to specific state, local, municipal and customer mandated stay-at-home orders and new project requirements that were established to protect construction workers and the general public, most of which have impacted our C&I segment. Although the majority of stay-at-home orders have been phased-out, we are still experiencing impacts associated with the COVID-19 project-specific protocols. We expect the project-specific requirements to remain in place which will continue to impact project schedules and workflow going forward.

# REVENUE GROWTH

For **more than a century**, MYR Group's subsidiaries have served the electrical construction needs of clients. **Our reputation for excellence** in both our markets makes us a leader in the industry.

## AMONG TOP 5

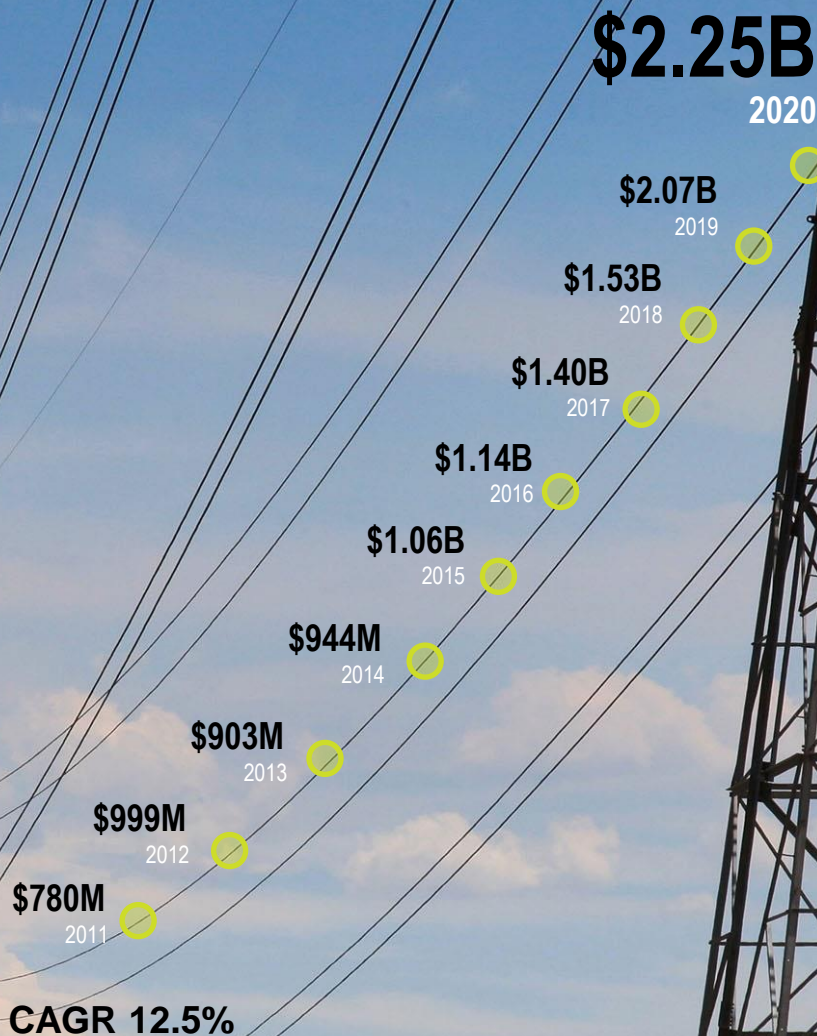
ENR U.S. Specialty Electrical Contractors for 25 years in a row

## REPORTABLE SEGMENTS

Commercial & Industrial (C&I)  
Transmission & Distribution (T&D)

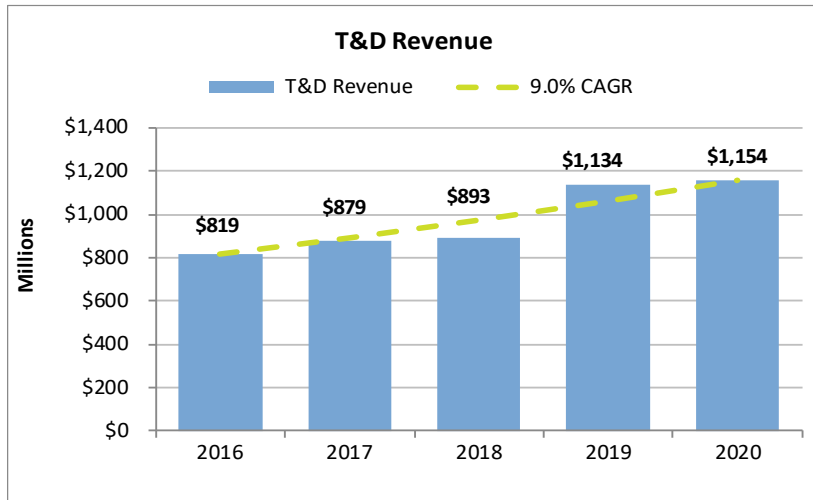
## RECORD REVENUES

Reached record revenues in 2020, an increase of 8.5% over 2019



# COMPREHENSIVE SERVICE OFFERINGS

## TRANSMISSION & DISTRIBUTION (T&D) BUSINESS SEGMENT



### Segment Updates:

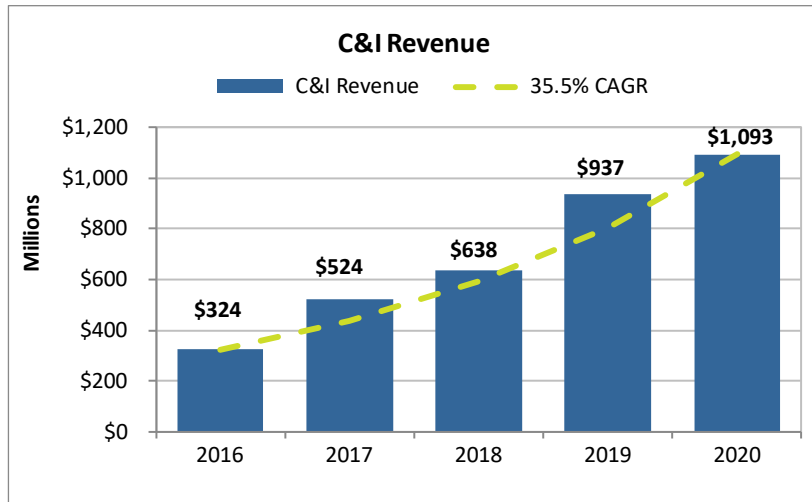
- Full year T&D record revenue of \$1,154 Million
- Recent years growth is 100% organic and primarily due to an increase in revenue on small to medium-sized transmission and distribution projects.
- ~ 50% of T&D business is Master Service Agreement work





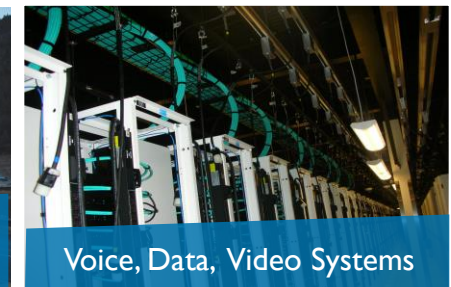
# COMPREHENSIVE SERVICE OFFERINGS

## COMMERCIAL & INDUSTRIAL (C&I) BUSINESS SEGMENT



### Segment Updates:

- Full year C&I record revenue of \$1,093 Million
- Growth primarily due to increases in volume across all project sizes and incremental revenues from the acquisitions of CSI, and the Huen Companies in the second half of 2019 and 2018, respectively





# STRONG COMPETITIVE ADVANTAGE

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## WE ARE...



Extending our **geographical reach** and expanding our **service offerings**



Inspired to **do the right thing** and investing in the communities in which we live and work



Expanding our **depth and breadth of expertise** while refining project delivery capabilities



Executing with **health and safety as our #1 priority** to maintain our industry-leading safety performance



Helping our people reach their **fullest potential** through investments in training and development



Building a **future driven mindset** and deploying new systems and technologies



Maintaining **long-standing client relationships** and **developing customized solutions** to address their greatest needs.



Supporting **clean energy infrastructure** and broadening our capabilities to meet the needs of our clients



**Focused on collaboration** to create truly integrated and cohesive teams

# POSITIONED FOR GROWTH



## U.S./CANADA

Long-term growth both organically and via acquisition



## T&D

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



## C&I

Strength in C&I sector (Airport, Healthcare, Data Center, Hwy/Transp.)

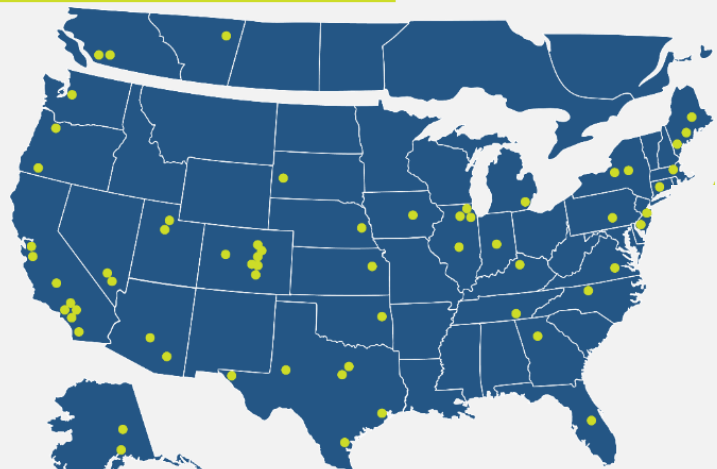


## RENEWABLES

Clean energy initiatives driving increased construction spend

**Success**

# VALUE CREATION OPPORTUNITIES



**63** OFFICE LOCATIONS IN U.S. AND WESTERN CANADA

## PRUDENT CAPITAL RETURN

### \$50 Million Share Repurchase Program

On October 22, 2020, the Company's Board of Directors authorized a new \$50.0 million share repurchase program which became effective November 2, 2020. 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 new program in 2020

## ORGANIC GROWTH

Expand in new and existing markets that align with core capabilities

- Strategic expansion of geographic footprint into new markets
- Invest in additional fleet and labor resources to expand capacity
- Leverage extensive bid knowledge and long-term customer relationships

## STRATEGIC ACQUISITIONS

Continue to evaluate targeted, strategic acquisitions to expand business and hone operating expertise

- Search for and evaluate strategic opportunities that achieve long-term growth objectives and leverage our core capabilities
- Focus on acquisitions that meet clear, long-term return thresholds and are compatible with MYR Group's values and culture
- Focus on integration of processes, people, technology and equipment



# FAVORABLE T&D MARKET CONDITIONS

There may be delays on some spending due to COVID-19 which could impact previously reported projections, however the impacts have been minimal and market drivers remain favorable for the long-term.

## Drivers of T&D Spend

System Reliability

Aging Electric Grid

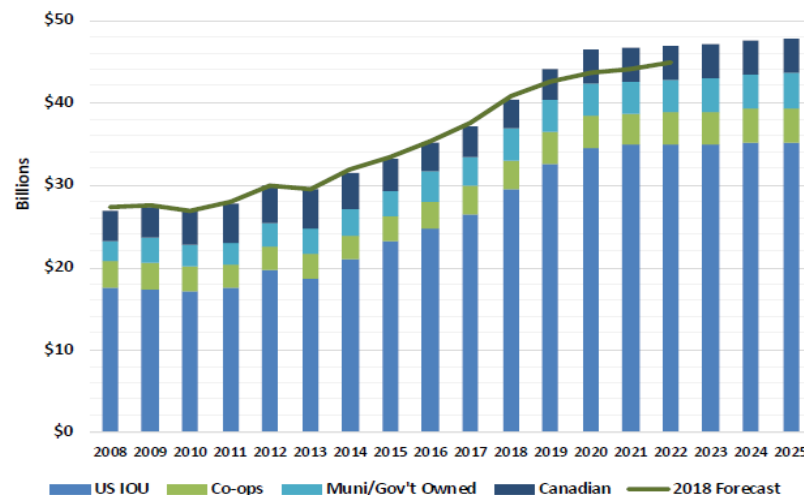
Connecting Renewables

Plant Retirements

Storm Hardening

Housing Starts

U.S. and Canadian Electric Distribution Actual and Forecasted Capital Expenditures by Ownership Type



“Capital expenditures came in at \$40.4 billion in 2018, a 9.3% increase from 2017. U.S. investor-owned utilities project planned spend from 2019 through at least 2023 is robust.”

Source: The C Three Group, North American Electric Distribution Market Forecast, September 2019

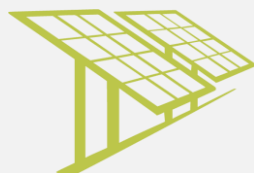


# MARKET OPPORTUNITIES

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

## UTILITY SOLAR



In Q3, the U.S. solar market installed 3.8GW of PV, 70% of which comprised of utility-scale installations, up 9% from Q2 as the industry began recovering from the worst impacts of the pandemic. Forecasts for solar installations from 2021 – 2025 are now forecasted to exceed 107 GWdc, a 10 GWdc increase from last quarter driven primarily by increases to the utility-scale solar pipeline.

**SOURCE:** Solar Energy Industries Association (SEIA), December 2020

## OFFSHORE WIND



30 MW of offshore wind are operational today and in the next four to six years, U.S. developers expect to manufacture, construct, and install more than 9 GW of offshore wind.

**SOURCE:** The Business Network for Offshore Wind (BNOW), March 2020

Provides ample engineer, procurement, and construction (EPC) opportunities for the generation site and transmission interconnect.

# ACTIVE C&I MARKET

C&I's strong \$895.5M backlog as of 12/31/2020 is driven by:

Hospitals

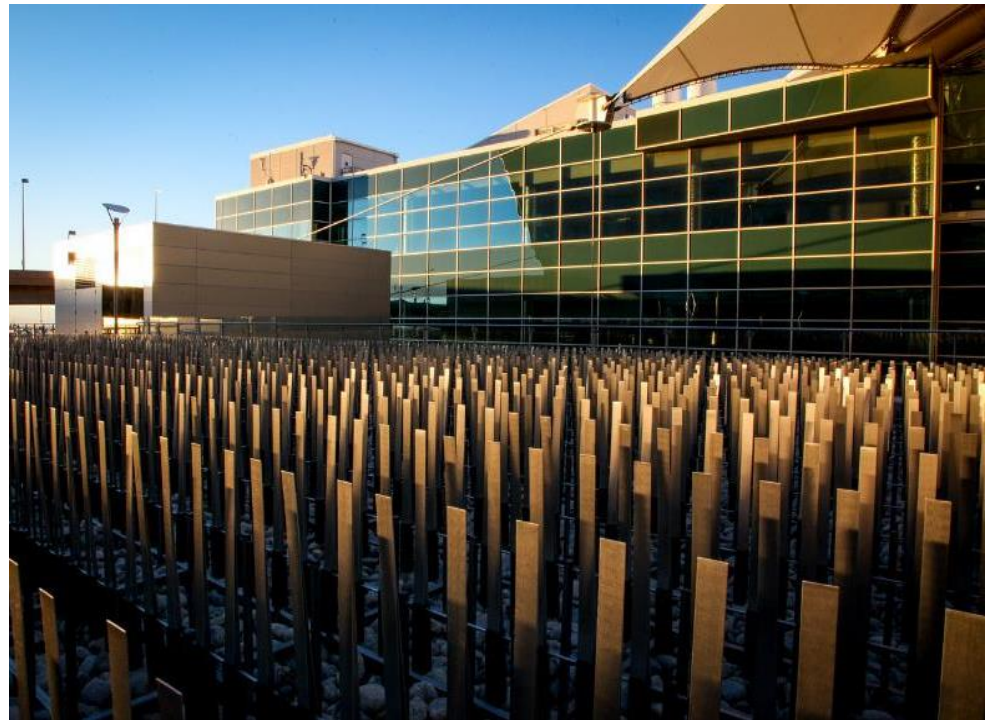
Data Centers

Airport Projects

Transportation Work

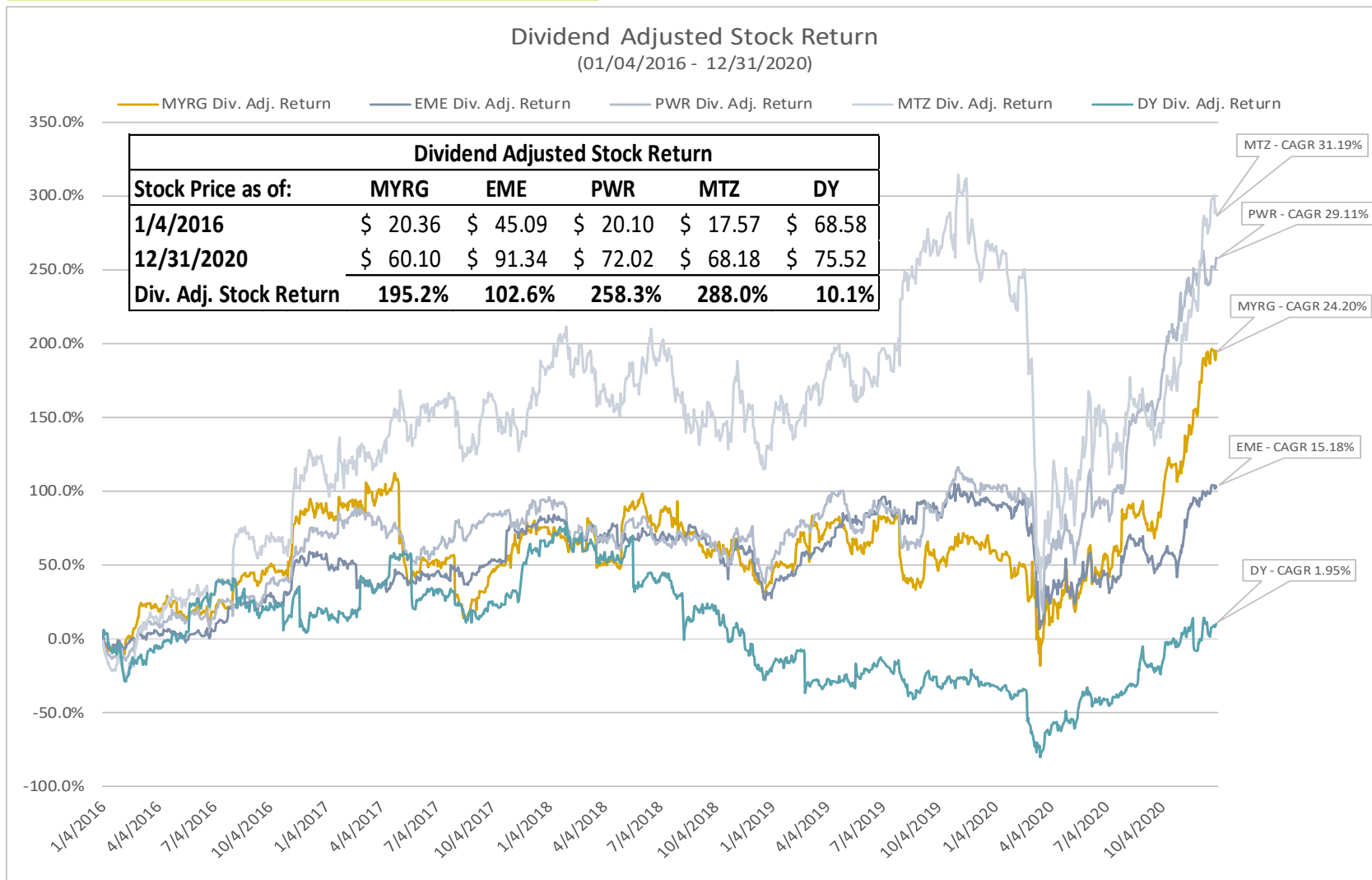
Aerospace

Water / Wastewater Upgrades



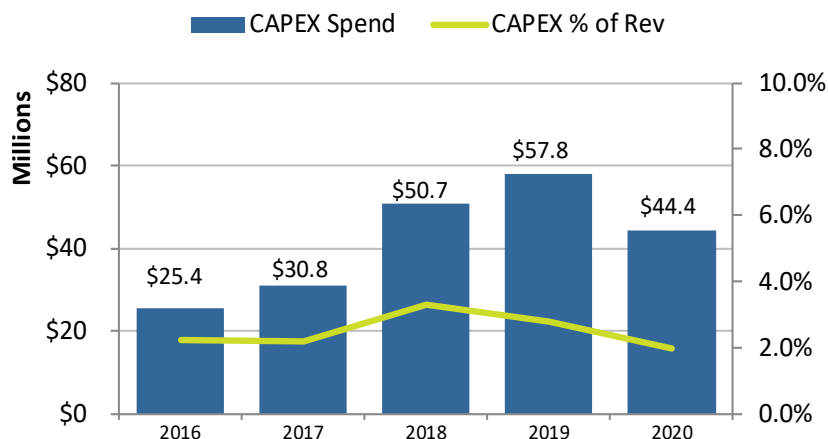
- Most of our primary markets are deemed critical and essential and may be less vulnerable to economic slowdown
- The primary markets we serve may be somewhat less vulnerable to economic slowing, such as healthcare, transportation, data centers, warehousing, renewable energy and water projects
- Government stimulus packages and infrastructure investment programs could accelerate project activity

# DELIVERING STRONG RETURNS



# BALANCE SHEET STRENGTH TO SUPPORT ADDITIONAL GROWTH

## CAPEX Investment



Little off-balance-sheet leverage

Limited goodwill

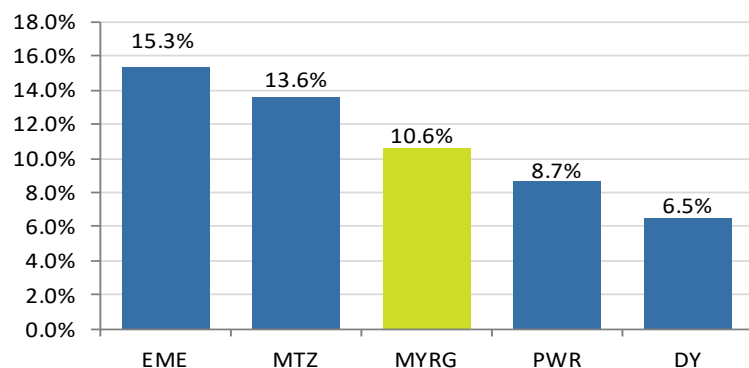
Modest debt leverage

Strong liquidity position – Renewed credit facility in Q3 2019, increasing the revolver to \$375 million

Substantial bonding capacity

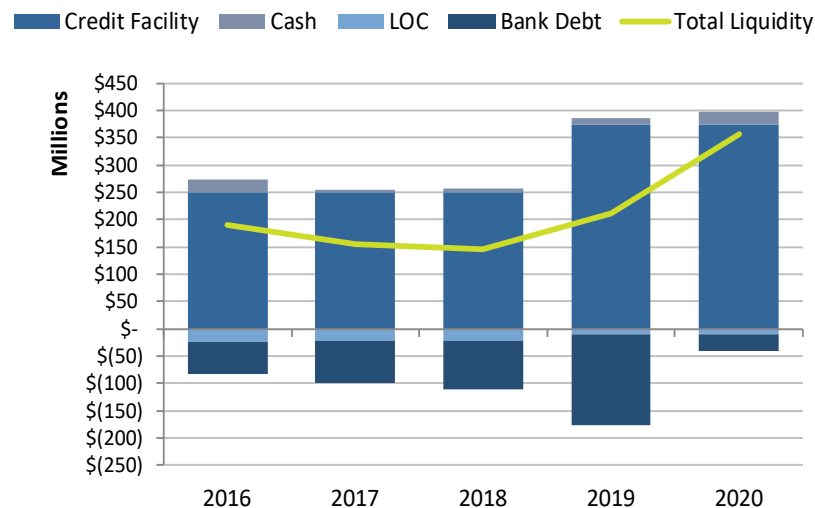
Investment in specialty equipment contributed to top-line organic growth and supports future organic growth

## 3-Year Average ROIC



Source: S&P Capital IQ  
3-year period is December 2018 – December 2020  
DY period is October 2018 – October 2020

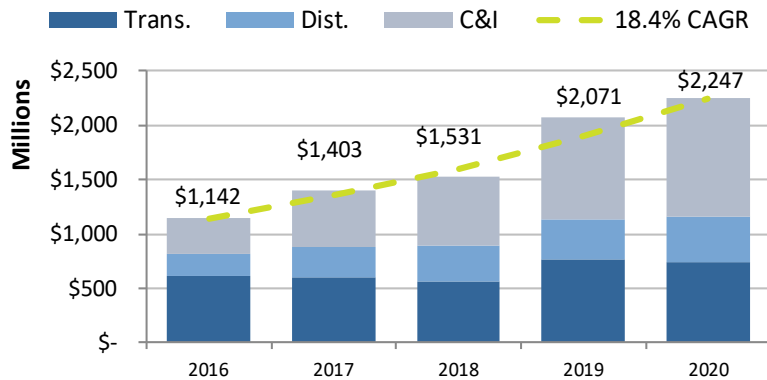
## Liquidity



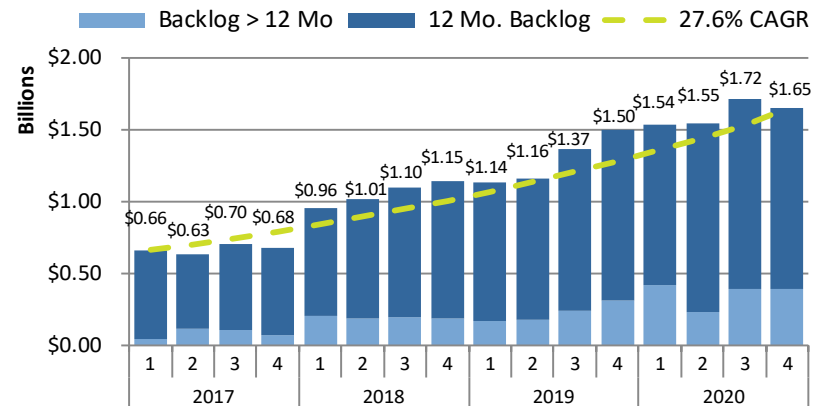


# STRONG LONG-TERM FINANCIAL PERFORMANCE

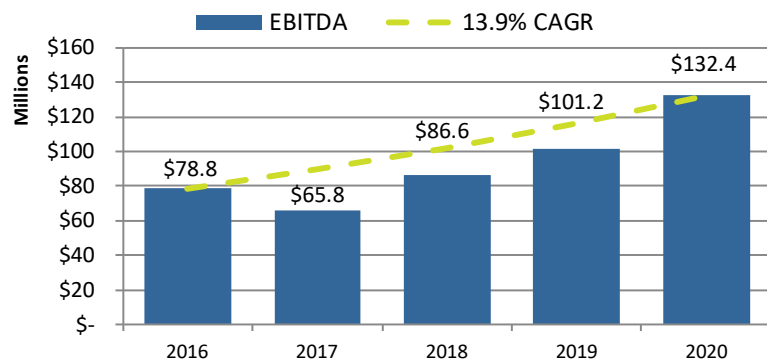
## Revenue by Work Type



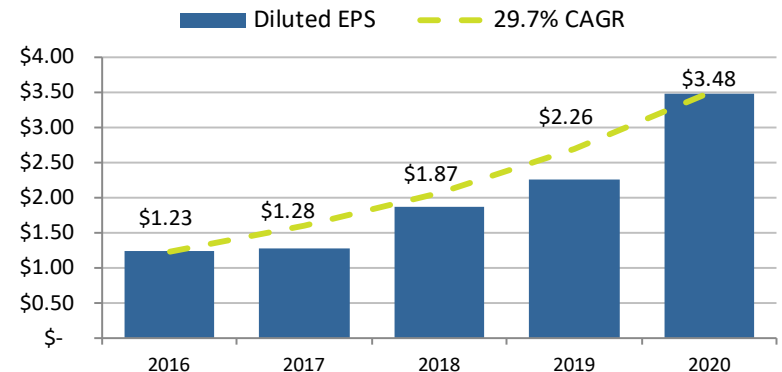
## Backlog



## EBITDA \*



## Diluted EPS - Attributable to MYR Group Inc.



\* For reconciliation of EBITDA to net income, see page 21

# INVESTMENT OUTLOOK

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## Proven Strategy Execution

Solid execution of corporate strategy has solidified MYR Group's position as a market leader in large transmission line construction



## Experienced Management

Executive Management average 32 years of industry experience



## Positive Industry Outlook

Regulatory environment supports growth and market analysts expect escalated spending going forward



## Favorable Growth Prospects

Opportunities for organic, vertical, horizontal and geographic growth



## Strong Financial Position

Strong equity base provides capacity to add leverage for additional potential acquisitions, organic growth and share repurchases



## Centralized Fleet & Corporate Operations

Centralization allows for greater efficiency and leverage of company resources

# CORPORATE GOVERNANCE OVERVIEW



## DIVERSE AND EXPERIENCED BOARD WITH INDEPENDENT OVERSIGHT

- 7 of 9 directors are independent
- 3 of 7 independent directors are diverse
- 5 of 9 directors have significant energy / utility experience
- Independent Chairman of the Board
- Audit, Compensation, Nominating, Environmental, and Social & Corporate Governance committees comprised solely of independent directors
- Annual Board evaluations



## STRONG CORPORATE GOVERNANCE PRACTICES

- Majority voting standard for directors in uncontested elections
- No “Poison Pill” in place
- Effective executive compensation best practices
- Majority of CEO compensation is performance based



## ACCOUNTABILITY & RESPONSIVENESS

- Board adopted majority voting for uncontested elections in December of 2015 based on input from shareholders
- Proactive investor relations outreach to ensure active, ongoing engagement

# EXPERIENCED MANAGEMENT TEAM



**Rick Swartz**

**Chief Executive Officer**  
38 years with MYRG  
38 years in industry



**Betty Johnson**

**Chief Financial Officer**  
20 years with MYRG  
31 years in industry



**Tod Cooper**

**Chief Operating Officer –  
Transmission & Distribution**  
30 years with MYRG  
32 years in industry



**Jeff Waneka**

**Chief Operating Officer –  
Commercial & Industrial**  
29 years with MYRG  
36 years in industry



**William Fry**

**Chief Legal Officer**  
2 year with MYRG  
23 years in industry

**EXPERIENCED  
MANAGEMENT TEAM  
AVERAGES  
23 YEARS  
WITH MYR GROUP  
32 YEARS  
IN OUR INDUSTRY**





# APPENDIX

# MYR GROUP CUSTOMER SAMPLE



# EBITDA RECONCILIATION

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

	2016	2017	2018	2019	2020
Net Income	\$ 21.4	\$ 21.2	\$ 31.3	\$ 36.2	\$ 58.8
Interest Expense, net	1.3	2.6	3.6	6.2	4.6
Income Tax Expense	16.9	3.5	11.8	14.2	22.6
Depreciation and Amortization	39.2	38.6	39.9	44.5	46.4
EBITDA	<u>\$ 78.8</u>	<u>\$ 65.8</u>	<u>\$ 86.6</u>	<u>\$ 101.2</u>	<u>\$ 132.4</u>
Diluted Weighted Average Shares Outstanding	17.5	16.5	16.6	16.7	16.9
EBITDA per Diluted Share	\$ 4.51	\$ 3.99	\$ 5.22	\$ 6.06	\$ 7.84
Revenue	\$ 1,142.5	\$ 1,403.3	\$ 1,531.2	\$ 2,071.2	\$ 2,247.4

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

**Note:**

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

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

# FINANCIAL RATIO DEFINITIONS

$$\div \frac{\text{Net Income (LTM) [A] + [Net Interest Expense * (1-Effective Tax Rate)]}{\text{[Book Value (Total Stockholders' Equity [B]) + Net Funded Debt] @ beginning of LTM}}$$

= **Return on Invested Capital**

$$\div \frac{\text{EBITDA (Earnings before Interest, Taxes, Depreciation, & Amortization)}}{\text{Revenue}}$$

= **EBITDA Margin**

[A] Net Income excludes noncontrolling interest and discontinued operations

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

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

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