REFINITIV STREETEVENTS

EDITED TRANSCRIPT

Q2 2021 MYR Group Inc Earnings Call

EVENT DATE/TIME: JULY 29, 2021 / 2:00PM GMT

CORPORATE PARTICIPANTS

Betty R. Johnson *MYR Group Inc. - Senior VP & CFO*
Jeffrey J. Waneka *MYR Group Inc. - Senior VP and COO of Commercial & Industrial*
Richard S. Swartz *MYR Group Inc. - President, CEO & Director*
Tod M. Cooper *MYR Group Inc. - Senior VP & COO of Transmission and Distribution*

CONFERENCE CALL PARTICIPANTS

Alexander David Dwyer *KeyBanc Capital Markets Inc., Research Division - Associate*
Brian J. Russo *Sidoti & Company, LLC - Research Analyst*
Jonathan Paul Braatz *Kansas City Capital Associates - Partner & Research Analyst*
Justin P. Hauke *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Associate*
Noelle Christine Dilts *Stifel, Nicolaus & Company, Incorporated, Research Division - VP & Analyst*
David E. Gutierrez *Dresner Corporate Services, Inc. - Head of PR Practice and SVP*

PRESENTATION

Operator

Good morning, everyone, and welcome to the MYR Group Second Quarter 2021 Earnings Results Conference Call. Today's conference is being recorded.

At this time, for opening remarks and introductions, I would like to turn the conference over to David Gutierrez of Dresner Corporate Services. Please go ahead.

David E. Gutierrez ***Dresner Corporate Services, Inc. - Head of PR Practice and SVP***

Thank you, Theresa, and good morning, everyone. I'd like to welcome you to the MYR Group conference call to discuss the company's second quarter results for 2021, which were reported yesterday. Joining us on today's call are Rick Swartz, President and Chief Executive Officer; Betty Johnson, Senior Vice President and Chief Financial Officer; Tod Cooper, Senior Vice President and Chief Operating Officer of MYR Group's Transmission and Distribution segment; and Jeff Waneka, Senior Vice President and Chief Operating Officer of MYR Group's Commercial and Industrial segment.

If you did not receive yesterday's press release, please contact Dresner Corporate Services at (312) 726-3600, and we will send you a copy, or go to the MYR Group website where a copy is available under the Investor Relations tab. Also, a replay of today's call will be available until Thursday, August 5, 2021, at 11:00 a.m. Mountain Time by dialing (855) 859-2056 or (404) 537-3406 and entering conference ID 6175534.

Before we begin, I want to remind you that this discussion may contain forward-looking statements. Any such statements are based upon information available to MYR Group's management as of this date. MYR Group assumes no obligation to update any such forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Accordingly, these statements are no guarantee of future performance.

These risks and uncertainties are discussed in the company's annual report on Form 10-K for the year ended December 31, 2020, and in yesterday's press release. Certain non-GAAP financial information will be discussed on the call today. A reconciliation of these non-GAAP measures to the most comparable GAAP measures is set forth in yesterday's press release.

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

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

Thanks, David. Good morning, everyone. Welcome to our second quarter 2021 conference call to discuss financial and operational results. I will begin by providing a brief summary of our -- the second quarter results and then will turn the call over to Betty Johnson, our Chief Financial Officer, for a more detailed financial review. Following Betty's overview, Tod Cooper and Jeff Waneka, Chief Operating Officers for our T&D and C&I segments, will provide a summary of our segment activity and discuss some of MYR Group's opportunities going forward. I will then conclude today's call with some closing remarks and open the call up for your questions.

Our solid second quarter performance reflects strong customer relationships, diverse market capabilities and continuous improvement of project delivery. Our second quarter results include record-high net income of $21.2 million, a 58.5% increase over our second quarter 2020 net income, along with record-high quarterly revenues, gross profit and EBITDA. Our backlog at the end of the second quarter was $1.57 billion, reflecting our strength in the markets we serve and the depth of our customer relationships.

Our T&D and C&I segments are currently experiencing steady bidding and project activity. Trends in utility CapEx budgets show utilities expect to invest heavily in T&D transformation and upgrades. Renewable energy is a significant driver of infrastructure improvements, and we are strategically expanding relationships with utilities and developers to capitalize on infrastructure and clean energy project opportunities.

Our C&I market segments continue to remain active through the evolving market conditions. Market indicators point to continued recovery in the C&I industry. We continue to focus on securing work in our core markets while expanding customer relationships to maintain and strengthen our competitive position.

Our T&D and C&I segments continue to attract and develop diverse, talented and dedicated team members. MYR Group values and promotes excellence in safety, project delivery and the development of our people. Collectively, we strive every day to fulfill our mission as an organization and create valuable outcomes for our customers. We are proud of our second quarter performance and are excited to continue to implement our strategies for generating growth and delivering strong financial results.

Now Betty will provide details on our second quarter 2021 financial results.

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

Thank you, Rick, and good morning, everyone. On today's call, I'll be reviewing our quarter-over-quarter results for the second quarter of 2021 as compared to the second quarter of 2020. Our second quarter 2021 revenues were $649.6 million, a record high, representing an increase of $136.5 million or 26.6% compared to the same period last year.

Our second quarter T&D revenues were $326.8 million, a record high for the T&D segment with an increase of 18.1% compared to the same period last year. The breakdown of T&D revenue was $210.9 million for transmission and $115.9 million for distribution. The T&D segment revenues increased primarily due to an increase in revenue on 2 large-sized projects associated with the accelerated schedule requirements at the beginning of a project and battery delivery and installation at the closeout of another. Approximately 50% of our second quarter T&D revenues related to work performed under master services agreements.

C&I revenues were $322.7 million, a record high for our C&I segment with an increase of 36.6% compared to the same period last year. The C&I segment revenues increased primarily due to an increase in revenue on various-sized projects and accelerated schedules on 2 projects. Additionally, revenues during the second quarter of 2020 were negatively impacted by the slight slowdown of C&I work in certain geographic areas relating to the COVID-19 pandemic.

Our gross margin was 12.5% for the second quarter of 2021 compared to 11.9% for the same period last year. The increase in gross margin was primarily due to better-than-anticipated productivity on certain projects and favorable job closeouts, partially offset by labor and equipment efficiencies on certain projects.

SG&A expenses were $51.9 million, an increase of $10.7 million compared to the same period last year. The increase was primarily due to higher employee incentive compensation costs and contingent compensation expense related to prior acquisitions.

Second quarter 2021 net income was $21.2 million or $1.24 per diluted share, both were record highs from MYR, compared to $13.4 million or $0.80 per diluted share for the same period last year.

Total backlog as of June 30, 2021, of $1.57 billion remained consistent with the prior year. Total backlog as of June 30, 2021, consisted of $635.1 million for our T&D segment and $931.6 million for our C&I segment.

Turning to the June 30, 2021, balance sheet. We had approximately $221.5 million of working capital, $8.8 million of funded debt and $362.7 million in borrowing availability under our credit facility. We continue to focus on strengthening our balance sheet, and our funded debt-to-EBITDA leverage has continued to stay strong at less than 0.1x leverage as of June 30, 2021. We believe that our credit facility, strong balance sheet and future cash flows from operations will allow us to meet our working capital needs, equipment investments, overall growth initiatives and bonding requirements.

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

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

Thanks, Betty, and good morning, everyone. Our T&D segment continued to perform well in the second quarter of 2021. Our balanced portfolio of small to midsized projects, alliance agreements and large-scale projects is resulting in effective resource utilization as well as a solid backlog. Our current bidding activity remains solid on the small- to medium-size projects and includes some larger transmission, high-voltage direct current and utility-scale solar projects.

On the regulatory front, FERC and the National Association of Regulatory Utility Commissioners announced the formation of a joint federal and state task force on electric transmission that will work on identifying and realizing transmission benefits while ensuring fair cost allocation. This effort is founded on the recognition that efficient development of new transmission infrastructure is essential to the transition to clean energy generation. The task force will be focused on addressing critical issues, including how to plan and pay for new transmission infrastructure and how to navigate regulatory authority and processes with the goal of improving coordination and cooperation between state and federal agencies. Positive outcomes from this task force would be expected to enable MYR Group customers to plan and implement infrastructure projects with more ease and certainty.

In our annual insight survey, numerous energy executives anticipated electric vehicle charging infrastructure would represent the largest shift in infrastructure spend in the next 3 to 5 years for their companies. The proposed American Jobs Plan includes a $7.5 billion investment to fund the acceleration of electric vehicles and build a national network of charging stations across the country. Electrification will require significant investments in the transmission and distribution facilities to support the changing landscape of transportation, presenting growth opportunities for MYR Group companies. In alignment with our business strategy, our T&D companies continue to strengthen and maintain solid working relationships with valued clients across the United States.

As a full-service contractor, we continue to meet our clients' needs through our wide range of capabilities, extensive industry knowledge and commitment to the energy market. The Eastern region of our business experienced an increase in renewable energy projects throughout the second quarter. We recently secured several projects, and our customers continue to voice a growing need for committed and skilled contractors. MYR Energy Services recently advanced discussions with several solar developers with the goal of becoming their exclusive contractor for future projects.

The Western region of our business remains active with significant proposal opportunities and a nice mix of small- to medium-sized projects, coupled with the continued success in our long-term alliance work with several utilities. We are routinely working with customers on emergency prevention and restoration work throughout the Western region and currently are pursuing numerous opportunities on the EPC front.

I am also excited to report that our Sturgeon Electric Colorado District was recertified with OSHA's elite Voluntary Protection Programs STAR status. This recertification is a true testament to our commitment to ensuring the health and safety of our employees.

Our Midwest region remains engaged with long-term clients such as CenterPoint Energy, Ameren, Oncor and MidAmerican Energy, to name a few, and we continue to meet their demands for consistent, reliable service.

In conclusion, our dedication to our clients, the health and safety of our employees and our operating principles position us well for continued success. We believe we are well equipped to remain an industry leader while addressing the ever-changing industry and market needs.

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

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

Thanks, Tod, and good morning, everyone.

We are pleased that the contracts awarded this quarter were primarily fee-based design assist projects where our relationship and proven experience weighed heavily in the award. Although awards slowed somewhat this quarter, which I'll address shortly, budgeting and bidding activity remained strong, and we are encouraged by the consistent economic improvements in most of our markets.

The Dodge Momentum Index and the Architectural Billing Index continued reporting improved project planning and design activity, which is expected to generate increased opportunity as we move into the near future. The counterbalance to this good news is a recent notable disruption to various supply chains, material pricing uncertainty and a growing labor shortage impacting various industries. To assure our continued success, we are focusing our efforts on core markets and key relationships as the industry works its way through these post-pandemic challenges. We believe our diligent and measured approach will continue resulting in steady, consistent and manageable growth.

Our operations in California and Western Canada are performing nicely, which is creating significant new opportunities in a variety of desirable markets. These opportunities include health care, renewables and expansions for social media companies. Many of these opportunities are with existing clients on projects we have been helping to budget and schedule for many months.

In the mid-Southwest, work has been slower to rebound, but recent pursuits are abundant in high-tech manufacturing, data centers and water management. Again, we are pleased that many of these opportunities include a relational component that is likely to improve our opportunity when these projects come to market.

In Colorado, work is progressing well on the extensive improvements at Denver International Airport and on the transformational Central 70 highway project. On bidding front in Colorado, transportation, data centers, military opportunities are leading the way. And in the Midwest and Northeast, bidding activity remains strong in renewable energy and warehousing, although awards in this region have been hampered by post-pandemic uncertainty.

Tod mentioned a couple of interesting items in the T&D segment that are equally exciting for the future of C&I. The first being the opportunity presented in the proposed Americans Jobs Plan to fund the acceleration of electric vehicles and to build a national network of charging stations. Along with the growth in transmission and distribution facilities to support this agenda, I will highlight the sizable impact this could also have to the commercial building landscape.

Various studies show that large businesses, transportation hubs and fleet facilities of all types will need to undergo substantial renovation or a complete replacement of their electrical infrastructure to meet these goals. This high-tech transformation of the transportation industry is expected to also drive advancements in growth in data centers of all sizes as the network connectivity of a battery-powered world creates sweeping change. We believe this presents a significant opportunity for C&I growth as we have been positioning our teams through advanced training for several years, building teams who are prepared for these high-tech projects regardless of the outcome of the proposed plan.

We believe MYR Group possesses a unique ability to provide our clients with a full suite of EPC services, covering all aspects of project management and construction through a single source. This benefit starts in the procurement phase where early-market intelligence provided with speed and accuracy will benefit our clients. This unique collaboration between T&D and C&I segments is expected to also provide benefit on large-scale EPC solar and battery storage projects across the country. We are currently working in joint pursuit of multiple projects under the MYR Energy Services umbrella.

And finally, I'd also like to congratulate our Sturgeon Electric Colorado C&I District for their STAR level recertification in OSHA's Voluntary Protection Program, the highest level of partnership awarded by OSHA. Only 2 in 1,000 industries demonstrate the commitment to employee health and safety required to win this elite recognition.

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

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

Thank you for those updates, Betty, Tod and Jeff. Our second quarter 2021 performance illustrates the strength of our core markets, the clean energy transformation and our ability to maintain strong customer relationships. We recognize the importance of grid modernization and take pride in the role MYR Group and our subsidiaries play in the renewable energy shift. We continue to focus on bidding opportunities and projects that closely match our operating principles and diverse capabilities.

As I previously mentioned, we believe MYR Group is strategically positioned to generate growth while delivering shareholder value. I want to thank each of you for your continued support of MYR Group. We look forward to progressing our business strategy while emphasizing our values and client relationships.

Operator, we are now ready to open the call up for your comments and questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And your first question comes from Sean Eastman with KeyBanc Capital Markets.

Alexander David Dwyer ***KeyBanc Capital Markets Inc., Research Division - Associate***

This is Alex on for Sean this morning. I'm curious on the accelerated schedule requirements for those 2 large T&D projects. I guess one is closing out, and the other is probably seeing more revenue push into this year. Do you think this creates a tough revenue comparison for next year? Or do you think the T&D backlog in bidding environment supports continued growth next year?

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

We certainly -- what we're seeing today would lead to us saying that that's -- hopefully, the growth continues, and we can land a couple of the projects if they come out that are large, and that trend will continue. I think it's pretty normal operating on a large project to have this revenue kind of push towards that first 1/3 of the project as we mobilize and we bring in subcontractors and we bring in material. So I would say it was -- it just increased cost during this last quarter, but it will level out after that and continue on through the duration of that project.

Alexander David Dwyer ***KeyBanc Capital Markets Inc., Research Division - Associate***

Got it. That's helpful. And has your outlook for the T&D business changed at all over the last couple of months with the increased hurricane and more notably wildfire activity that we've been seeing in the West Coast this year? I mean we saw some news intra-quarter on PG&E over in California putting out a nice-sized capital spending plan, including underground lining. Just thoughts on this from a transmission versus distribution opportunity would be very helpful.

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

Sure. Tod, do you want to start and I'll add?

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

Sure. Sure. From a distribution perspective, that's primarily where we see the assistance we provide utilities with restoration for fire as well as the hurricane season. We are -- we're positioned well to assist them when needed, if needed. We typically perform our restoration work with the existing crews that we have just from a quality and safety perspective. There's an uptick in that from a number of hours worked. The level of it moving the needle is really dependent upon the size and the resources that are required. But we're optimistic about the entire industry right now. I think you read that within our script. And we're just prepared to assist should we be needed for restoration efforts.

Alexander David Dwyer ***KeyBanc Capital Markets Inc., Research Division - Associate***

Got it. If I can just sneak one more in on the C&I segment. I mean leading indicators have just been really strong. And kind of showing an unprecedented rebound. And then the industry forecast we track were upwardly revised a week ago. But the revenue growth rates we've seen in your C&I business are just substantially better than the peers in the industry forecast. I'm just wondering if you could help us understand what's really driving that strong growth. Is it like more of a specialized geographic presence or -- to less impacted areas? Or is it more exposure to secular growth end markets? Any help there would be great.

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

We've had a substantial backlog for quite a while here, and we're seeing some of that burn at this point. So feeling like the markets are good. We did talk about the bidding activity has been very strong. It looks like it's going to continue to be strong. We have seen a little pullback on awards. We're waiting longer to see those markets -- those projects actually be awarded. But as Tod said, we're feeling like there's good opportunity out there.

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

Yes. And as we've discussed before on calls is kind of this -- I think it has to do with the -- some of the increases on material, the commodity price increases. And some of these projects are being pushed out slightly on the award dates, and we're seeing it on both sides on the solar side, on both sides of our business. And I don't know if -- with Jeff's projects, I think where the -- where that stabilizes out and hopefully settles down. I think -- I don't think it's -- it's not a matter of if the projects are going to be built; it's when they're going to be built, and there might be a few months delay. And that's kind of how we look at it is that commodity price kind of settles down and comes back and developers that it matches the model they had as far as their financial model they had to build the project. So we see that side.

On Tod's side, the only thing I would add to your last question is with some of the heat we've seen in areas, we have seen some of our MSA work trend down during the hot seasons. And that kind of started the very end of last quarter, and we see that continuing. So you're not allowed to work on those right of ways when the extreme heat's there because they don't want to have outages. So that can affect us a little bit going forward into this quarter. But it always -- it'll settle back down after this quarter when the heat index really goes back down.

Operator

And your next question comes from Justin Hauke with Baird.

Justin P. Hauke ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Associate***

So I was just going to ask, just kind of curious philosophically about the buyback. Because you haven't bought stock in 4 or 5 years, I guess, but you've put in a new authorization last October, and nothing under that yet in the balance sheet now. I mean you're almost in a net cash position. So I'm just curious about your thoughts on that and how we should interpret that.

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

Sure. That was a 1-year stock buyback program we've put it into -- in place. I think with our Board and our management team, we look at opportunities out there, whether it's acquisition, whether it's organic growth, you can see the growth we've had organically in expanding our businesses even without doing an acquisition. So we continue to push that side and invest.

I think we continue to look at buybacks. We are -- we have always been an opportunistic buyer. And then we weigh it against opportunities we see out there for organic growth and acquisitions again. And it's just something we have not pulled the trigger on because right now, we see other opportunities out there that we may be able to capitalize on.

Justin P. Hauke ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Associate***

Okay. My other one, I guess, more of a technical question. But is there any way you can size that accelerated work that kind of came in the quarter here? I think you said that there's not a sequential downtick because that -- the work will stay steady. But to the extent you can size it at all, that'd be helpful in the T&D side.

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

Yes, I can address on the T&D market where we had the increase during the quarter in our revenue. Basically, that $50 million increase was primarily due to those 2 jobs. We're not segregating it between the 2. But between those 2, it's the majority of that $50 million year-over-year increase.

Operator

And your next question comes from the line of Noelle Dilts with Stifel.

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

Congrats on another good quarter. I was hoping that you could just expand -- I know you've kind of mentioned some of this, but on the labor and equipment inefficiencies that you mentioned in your press release and your 10-Q. I'm just kind of -- I'd like to better understand exactly what you're seeing in the market and if you expect this to get a little bit better or a little bit worse as we look forward over the next couple of quarters.

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

When you look at that, the labor and inefficiencies in the equipment, it's not specific to -- it's not because we can't come up with people. A lot of it has to do -- like on the T&D side, where some of our projects, we can't fully work because of the heat I was talking about. So we do have some stranded equipment cost and that kind of stuff and labor that's not fully productive. I mean it's productive, but there's different times, and you've got to be there still service the customer if it cools down.

So I would say that's where that primary and then one-off weather -- you might have -- on a portfolio of business, you might have a one-off project that's affected by weather but nothing systemic.

On the C&I front, it's really just getting through a couple, what I'd call, low-margin projects that finish up this year, and it's really just finishing that side. And that's where we've seen some inefficiencies. But it's in certain geographic, I would say, areas with a couple of projects that we're getting through right now.

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

Okay. Great. And then I know there's been -- there have been quite a few questions on this, so sorry to beat a dead horse. But in C&I, given that you are kind of focusing on these core markets and key customers as you sort of deal with some of these projects maybe getting pushed out a little bit or competition in certain markets, so do you think we could see backlog kind of continue to tick down for just a couple of quarters here in C&I as you wait for things to settle out? Or do you think that some of this activity could start -- awards could start to pick up in the next -- before the end of the year?

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

We sure hope that they pick up, but it's very hard to tell. We have a number of projects that we've been pricing for our clients for a few months now. And as Rick mentioned, we're hoping that the volatility in materials will settle down a bit, and that will give the owners the confidence they need to move forward. But there are a number of them that are out there that we're just waiting to hear what the results will be. We think we're positioned well. It's very difficult to tell how soon that's going to rebound.

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

And backlog's always lumpy for us. I don't get overly alarmed when I see a decline in our backlog. It's really what projects are we bidding, what are we chasing, what opportunities do we have. And as I said earlier, it's not -- a lot of these projects we're chasing, it's not if they're going to be built because they're going to be built; it's really just a matter of when. So I think it's really just getting in there and working with the owners and the developers to make sure that the projects are able to be built. And a lot of that has to do with them just letting for -- waiting for the commodity market to settle down a little bit.

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

Right. Okay. Perfect. And then, again, a lot of discussion on sort of the impacts of commodities on project timing. Within C&I, in particular, are you facing any challenges with the cost of materials or passing any of that through more any slight more direct impacts that you're seeing from commodity prices?

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

Those impacts are out there. I believe our teams are doing a very good job of managing through those, working with our clients' various issues to mitigate any increases there. We also talked about on the bidding front that we're very careful in how we propose on projects based on the volatility in the materials market now. But it's been -- they've been very isolated in small cases where there's been an impact. We don't see anything, as Rick said, systemic or impacting the overall industry.

Operator

And your next question comes from the line of Brian Russo with Sidoti.

Brian J. Russo ***Sidoti & Company, LLC - Research Analyst***

Could we maybe talk about the segment operating margins? It looks like you've been at the top of that 6% to 9% margin target at T&D for the last several quarters. Are we entering a period of time just maybe based on the mix of projects that those types of margins are sustainable?

And then the same thing with the C&I margins near 5% in the first half of this year. And I think, correct me if I'm wrong, but you mentioned that you're working through some lower-margin projects. So would the higher end of your targets be reasonable looking forward?

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

Yes. Good question, Brian. I would say that we're happy to say based upon the last several quarters of seeing the results for our T&D segment being actually above our 6% to 9% operating range that we've quoted for a very long time. At this point in time, we really believe that, that range should be in the 7% to 10.5%. So you're right, we have been up there. And that's based upon the overall market that we see going forward as well as things that we've put in place to improve our overall productivity, project management tasks that Rick has been talking about for the last couple of quarters.

From a C&I perspective, we still believe the 4% to 6% range is still a reasonable range. And that -- like you've been seeing us come up a little bit higher than we have in the last 2 years, we feel like we can -- we're working towards getting up to the higher end of that range. But nothing to change that at this point.

Brian J. Russo ***Sidoti & Company, LLC - Research Analyst***

Okay. Great. And then just a follow-up on the commentary on electric vehicle infrastructure and charging stations. It seems like you guys are well positioned there. Are you at all involved with the Electric Highway Coalition, which is that growing group of utilities that are looking to form a nationwide connection of charging stations? And does that -- is that C&I work? Or is it also T&D work?

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

It can be either of our groups, depending on where it's at. They work very well together. We've got a lot of overlap between our businesses. So we operate as one to the customer, kind of what Jeff was referencing, and a lot of this stuff that tied us into the T&D group, but it's not just 2 separate operations. We operate as 1 team. So in order to service our customers and then we divide revenue where it needs to go among the 2 groups. That's the least of our concern. So those can benefit both groups.

I think as far as being a member of the coalition, we're not a member of that coalition, but we work closely to follow that information. And we work directly with a lot of those utilities to be able to, hopefully, in the future, be their contractor of choice.

Brian J. Russo ***Sidoti & Company, LLC - Research Analyst***

Okay. Great. And then a common theme with utilities over the last several quarters, if not years, has been renewables and transmission infrastructure spend. There's some MISO planning, which forecasts billions and billions of dollars of needed transmission. I'm just wondering, in conversations with your customers, are you getting close to projects to add to the backlog? Or are you just still in discussions and bidding is in early stages, longer-term projects, which arguably take many years to develop due to permitting, et cetera?

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

Brian, this is Tod. Right now, the market is quite active for all types of work: for the reliability work on the transmission side that we do, the -- all of the system improvements, the interconnects that are out there associated with the renewable projects. But we have several projects that are in the bidding phases right now of all sizes, small to medium, some large-scale projects as well. Rick always talks about our backlog being lumpy on the T&D side. And right now, we have a couple of large projects that are burning off some revenue. And that -- as it stands today, there are some nice projects that are in the hopper that just haven't been released yet, and that's kind of normal for what we see.

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

The only thing I would add to that is I think this year, you will see a few large projects come out a bit. You asked kind of the progress. Are they just all in permitting? I think some of them are working through those permitting issues. And I do see it probably amped up from what it was a year ago as far as large project activity.

Brian J. Russo ***Sidoti & Company, LLC - Research Analyst***

Okay. And when you say large project, do you mean similar size as the LS Power project that was announced back in November, which when you look at the T&D backlog, it seems like that might be really the sole driver of the year ago backlog versus today on the T&D side?

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

Yes. Yes. No. I think when you look at that side, yes, we I say -- when you say the -- that project, I would reference, though, that we look at large projects, anything over $100 million. So it's not -- it doesn't have to be that large, but we're talking projects that are $100 million because a lot of it comes into what subcontractor and material components are released to us under the contract, and each one's going to vary. So we always say at that $100 million mark to mark large projects, and we see that activity being out there. Your statement about part of our burn, and Betty referenced it in her comments back, was on that Marcy to New Scotland Project. So that is correct.

Brian J. Russo ***Sidoti & Company, LLC - Research Analyst***

Great. And then just lastly and quickly, obviously, your cash position is building, which is a good problem to have. It seems like you've chosen not to buy back stock. But in terms of M&A criteria, are -- and we've seen some assets change hands on the C&I side, are you more focused on 1 particular segment to grow through selected acquisitions? Or is it regions? Or any return criteria you might be able to provide? Or any other profile of acquisition targets you might be considering?

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

For us, it's going to be -- what we're looking at is on the T&D and C&I side. I don't have a preference of one over the other. It's really finding the right company that's the right fit for us, that's culturally the right fit, and then be able to buy it at the right price. So everything's got to line up. We're patient when it comes to that side.

The good thing is we're in a position where we don't have to buy a company. We don't have to do stock buybacks. I mean we'll do them as they make sense. But we're also looking organically of how we grow our business, and we continue to do that. And we'll continue to push that side, especially with the market dynamics that are out there today.

So I would say it's going to be a mixture of all 3 going forward long term. But again, we're going to assess each opportunity out there and try to capitalize on the right one.

Operator

(Operator Instructions) Your next question is from Jon Braatz with Kansas City Capital.

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

Rick, in your prepared comments, you referenced expanding relationships within the T&D sector. And I guess, my question is, does that mean that you're beginning to offer additional services, capabilities to the T&D -- the utility industry that maybe wasn't available -- you weren't capable of years ago or quarters ago, so to speak?

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

I'll let Tod start, and then I'll add to it.

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

Yes. If you go back a couple of years, you can see that our entry into the solar market 1.5 years ago or nearly 2 years ago is one of those areas. And that is an area where we are really expanding our relationships with the -- not only the investor-owned utilities but as well the developers that are part of that. So those relationships continue to expand as do the relationships when we try to take our core capabilities throughout all of our areas in the country. And what I mean by that is there may be some areas where we're extremely strong on the transmission front and are doing a lot of transmission work for utilities and trying to continue to work with those utilities on developing, for instance, the distribution work that we do for other companies and bringing it through best practices to them.

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

Okay. Got it. How much solar business are you doing? Can you give us a sense how big solar is at this time?

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

We don't disclose that as a company. It's not 50% of our business. It's climbing every day, and we see that as a good opportunity for us to continue to grow. And as I've said before, it touches both sides of our business. It's a customer relationship side-wise. So we do it both on our C&I and T&D side. And it's a growing business, and we're excited about those opportunities. And as I said before, we've been in this renewable market since that 2010, 2011 time frame. So it's something -- it's not new to us. But the opportunities out there and the growth we're getting through are good going forward. And we're excited about that market.

Operator

We have no further questions on the phone at this time. I would like to turn the conference back over to Rick Swartz for closing remarks.

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

To conclude, on behalf of Betty, Tod, Jeff and myself, I sincerely thank you for joining us on the call today. I don't have anything further. And we look forward to working with you going forward and speaking with you again on our next conference call. Until then, stay safe.

Operator

And this concludes today's conference call. Thank you for participating. You may now disconnect.