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Q4 2022 MYR Group Inc Earnings Call

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## CORPORATE PARTICIPANTS

**Betty R. Johnson** MYR Group Inc. - Senior VP & CFO  
**David E. Gutierrez** Dresner Corporate Services, Inc. - Head of PR Practice and SVP  
**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

## PRESENTATION

### Operator

Good morning, everyone, and welcome to the MYR Group Fourth Quarter and Full Year 2022 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.

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

Thank you, and good morning, everyone. I'd like to welcome you to the MYR Group conference call to discuss the company's fourth quarter and full year results for 2022, 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 webcast replay of today's call will be available for 7 days on the Investors page of the MYR Group website at myrgroup.com.

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, and MYR Group assumes no obligation to update any such forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from 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, 2022, 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.

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

Thanks, David. Good morning, everyone. Welcome to our fourth quarter and full year 2022 conference call to discuss financial and operational results. I will begin by providing a summary of our fourth quarter and full year results, and then we'll 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 performance and discuss some of them were our Group's opportunities going forward. I will then conclude the call with some closing remarks and open the call up for your questions.

We finished 2022 with strong financial performance in the fourth quarter and full year revenues of \$3 billion, setting a record high for the eighth consecutive year. Our backlog of \$2.5 billion at the end of 2022 also representative record high and reflects continued investment in infrastructure and the growing demand for clean energy transformation projects. Serving as a strong and nimble partner for our clients, we continue to expand our customer relationships through alliance agreements and master service agreements across our districts, while seeing healthy bidding activity to capture new work. The 2023 construction outlook released in January by the Dodge Construction Network projects an 8% expansion in power and utility spending, up to \$56.4 billion this year as demand on our nation's electrical infrastructure increases and the need for viable clean energy sources grows. We continue to track these opportunities and seek to intelligently bid and execute projects to position us for future success.

Similarly, our C&I segment continues to execute a solid pipeline of work supported by strong relationships with our preferred clients and a demand for clean energy sources and integration. Working closely with our clients on preconstruction planning and project approach help us to mitigate and navigate potential hurdles. Our core markets, including data centers, healthcare and transportation, continue to provide steady opportunities. Expansion of our client relationships, a commitment to the safety, training and development of our dedicated employees and superior execution of projects created the foundation for our accomplishments this year, an increasing need for grid modernization, system hardening and reliability as well as decarbonization goals and legislative funding are the primary drivers we believe will continue to create numerous opportunities. MYR Group plays a key role in building the critical infrastructure needed to support the clean energy transformation and improving the electrical system, positioning us well for 2023 and beyond.

Now Betty will provide details on our fourth quarter and full year 2022 financial results.

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

Thank you, Rick, and good morning, everyone. On today's call, I will be reviewing our quarter-over-quarter results for the fourth quarter of 2022 as compared to the fourth quarter of 2021. Fourth quarter 2022 revenues were \$864 million, another record high, which represents an increase of \$218 million or 33.7% compared to the same period last year.

Our fourth quarter T&D revenues were \$513.7 million, a record high for our T&D segment with an increase of 45.4% compared to the same period last year. The breakdown of T&D revenues was \$347.7 million for transmission and \$166 million for distribution. The T&D segment revenues increased primarily due to an increase in revenue on both transmission and distribution projects, including incremental distribution revenues from the acquired Powerline Plus Companies. Approximately 50% of our fourth quarter T&D revenues related to work performed under master service agreements.

C&I revenues were \$350.3 million, a record high for the C&I segment with an increase of 19.6% compared to the same period last year. The C&I segment revenues increased primarily due to an increase in revenue on various sized projects in certain geographical areas.

Our gross margin was 11.1% for the fourth quarter 2022 compared to 12.9% for the same period last year. The decrease in gross margin was primarily due to overall cost increases mainly associated with supply chain disruptions and inflation. Gross margin was also negatively impacted by labor inefficiencies and climate weather experienced on certain projects and an unfavorable change order on a project. These margin decreases were partially offset by a favorable change order adjustment, better-than-anticipated productivity on certain projects and a favorable job closeout.

SG&A expenses were \$58 million, an increase of \$5.4 million compared to the same period last year. The increase was primarily due to the acquisition of Powerline Plus Companies and an increase in employee-related expenses to support the continued growth in our operations.

Fourth quarter 2022 interest expense was \$1.3 million, an increase of \$1 million compared to the same period last year. The increase was primarily due to higher outstanding debt associated with the acquisition of the Powerline Plus Companies and increased interest rates during the fourth quarter of 2022 as compared to the same period last year.

Fourth quarter 2022 net income was \$24.6 million or \$1.46 per diluted share, both were record highs for MYR compared to \$20.7 million

or \$1.20 per diluted share for the same period last year. Fourth quarter 2022 EBITDA, also a record high, was \$52 million compared to \$41.4 million for the same period last year.

Total backlog as of December 31, 2022, was \$2.5 billion, a record high and 39.8% higher than a year ago. Total backlog as of December 31, 2022 consisted of \$1.1 billion for the T&D segment and \$1.4 billion for our C&I segment.

Moving to liquidity and our balance sheet. We had approximately \$223.3 million of working capital, \$40.6 million of funded debt and \$349.3 million in borrowing availability under our credit facility as of December 31, 2022. We have continued to maintain strong funded debt-to-EBITDA leverage ratios that is 0.23x leverage as of December 31, 2022, partly as a result of our record high quarterly free cash flow of \$65.2 million achieved during the fourth quarter of 2022. We believe that our credit facility, strong balance sheet and future cash flow from operations will enable us to meet our working capital needs, equipment investments, growth initiatives and share repurchases.

In summary, we had improvements this quarter in revenue, gross profit, net income, earnings per share, EBITDA, free cash flow and backlog, all compared to the prior year. This strong quarter also enabled us to reach record annual revenues of \$3 billion, with record highs in both our T&D and C&I segments. For the year ended December 31, 2022, we also reached a record high EBITDA of \$175.8 million and strong free cash flow of \$90.4 million.

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

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

Thanks, Betty, and good morning, everyone. Our T&D segment experienced solid growth in execution in the fourth quarter and throughout 2022. Steady bidding activity led to strategic wins and the expansion of new and existing client relationships. These trends are forecasted to continue, and we believe the outlook for 2023 and beyond is positive. Robust investments in system hardening, grid modernization, transmission expansion and the integration of clean energy sources were drivers for the T&D segment in the fourth quarter and throughout the year. These investments are projected to grow moving forward.

As Rick mentioned, the Dodge Construction Network outlook for the 2023 construction industry released in January, projects healthy growth in power and utility spend this year. The 2022 North American electric distribution forecast by the C3 Group released in October forecast \$248 billion in distribution infrastructure spending by utilities over the next 5 years. This investment across the country continues to be driven by system hardening and fire mitigation efforts in key states where MYR Group has a solid market presence as well as a growing customer base.

The stronger focus on system hardening and grid resiliency along with the demand for more clean energy has the potential to generate additional opportunities for our business moving forward. Our T&D segment expanded upon existing client relationships through long-term extensions of alliance agreements throughout the U.S. in 2022. This includes master service agreements for electric vehicle infrastructure as well as transmission and distribution construction projects. Our long-standing relationships with our largest customers remain strong and could create future opportunities in addition to the work we currently provide.

A solid backlog, combined with opportunities across all districts in transmission and distribution and large capital projects could provide strong opportunities for additional work in the near and long term. This is evident by the recent award of a large-scale solar project in Southeast Texas with a total project value in excess of \$200 million. This project was not included in our year-end backlog.

In summary, our deepening and expanding customer relationships, thanks to strong project execution and client collaboration, combined with new contract wins and a burgeoning clean energy transformation market, positioned MYR Group well in the fourth quarter and throughout 2022. We will continue to actively bid and execute projects of varied capacity, size and complexity across the U.S. and Canada, while maintaining our consistent focus on safety and the development of our dedicated workforce to ultimately enable us to take home the important work ahead of us.

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

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

Thanks, Tod, and good morning, everyone. Our C&I segment saw a steady fourth quarter and full year results, thanks to our diligence throughout 2022. We experienced positive quarterly bookings this past year and a 29% year-over-year increase in backlog. In addition to our positive book-to-bill, we have numerous projects in the pipeline that are expected to allow continued growth. Continued inflationary and supply chain disruptions impacted our district offices, vendors, peers and clients in the fourth quarter. While we are pleased to see inflation cooling, interest rates moderating and supply chain disruptions stabilizing, we are not yet seeing improved confidence in bringing projects to contract any faster. In response to continuing market disruption, clients are placing even greater priority on hiring contractors with proven preconstruction services, exceptional execution and national buying power to help them navigate this uncertainty, all areas of strength for MYR Group. Collaboratively working with our clients and focusing on operational strength and execution enables us to mitigate many of these market constraints.

One of our surging growth areas continues to be clean energy market. We are pleased that our portfolio of solar battery storage and projects continues to flourish in meaningful ways. Nearly every division of C&I has increased its backlog or is pursuing opportunities in the clean energy space. The projects range in size from small to large projects and are located from coast to coast. Fourth quarter awards were lumpy, but pursuits on new opportunities continued providing optimism on projects that are slated to start construction in 2023.

In addition to our clean energy awards, healthcare has remained strong and continues to offer attractive projects in several regions, most notably in our Canadian operations where subsidiary company Western Pacific Enterprises continues to successfully execute projects in Western Canada and is awaiting contracts on new hospitals that will begin construction in 2023. Our healthcare resume in this region is vast, leading Canada's largest general contractors to lean on our services. Healthcare projects remain equally active in the United States as well, with notable hospital expansions in Southern California and Colorado. California subsidiary, CSI, continues to execute many healthcare facilities and future opportunities are ample. Colorado subsidiary Sturgeon Electric sees a continued expansion of their healthcare group with recent awards across the state. All subsidiary companies are leveraging their deep and successful experience in healthcare to place them in leading positions on many exciting projects.

Outside of healthcare, Western Canada continues offering desirable opportunities in light rail transit. Western Pacific Enterprises is well known for its highly skilled personnel who have built substantial portions of Vancouver and Edmonton Skytrain. Vancouver has ambitious plans to continue expanding the Skytrain and WPE is engaged in several pursuits that could expand our footprint in transit. Other exciting opportunities in Canada include water treatment facilities and electrical upgrades for petroleum facilities and LNG projects.

Moving to another consistently strong end market, data center activity was robust in many of our locations as clients seek to expand facilities utilizing contractors who possess deep resources and proven performance. With substantial operations in key areas, our mission-critical teams remain in high demand in both existing facilities and on new builds. Although high-tech companies have recently announced their plans to make mass layoffs, we've not seen reductions in capital expenditures to build, expand and maintain their data center facilities. We remain optimistic about the long-range outlook and our ability for future growth as funding from the Infrastructure Investment and Jobs Act becomes reality. Clients across the country are excited about the potential to modernize roads, bridges, transit rail, ports, airports and water infrastructure and are starting to step up their partnering efforts in preparation for this work.

To conclude, we are proud of how our employees are responding to the unique challenges facing the industry. They continue providing the proactive and customer-focused communication that we believe will enable the MYR Group to maintain a leading position in the markets we serve.

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

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

Thank you for those updates, Betty, Tod and Jeff. We are proud of our fourth quarter and full year 2022 performance, which demonstrated the strength of our sound business strategies and operations across both market segments. We are excited about the role in the clean energy transformation, performing the critical work necessary to make clean energy viable sources of power. Equally important, we serve our clients in the delivery of safe, reliable and cost-effective power to their customers and facilities. Our commitment to delivering exceptional value to our clients, communities and shareholders while supporting the success and safety of our talented

employees and strategically growing our business through sound investment set the foundation for our success. Thank you to all of our dedicated employees for your hard work this past year, to our clients for their continued trust and to our shareholders for your ongoing support. I would also like to thank Betty for her contribution to the company and her tenure as CFO as she transitions towards retirement, and welcome Kelly Huntington to MYR Group as Senior Vice President and CFO. I look forward to working with you all in 2023 and beyond. Operator, we are now ready to open the call up for your comments and questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Our first question will come from line of Justin Hauke from R.W. Baird.

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

So I guess my question is, obviously, you guys don't give guidance and we understand that. But your peers now with the revenue growth growing solidly in double digits and you accelerated here in '22. Your backlog is up 40% year-over-year, it's up 60% in T&D. And so I guess maybe just from a kind of a framework way of thinking about where revenue grows next year. Do you have the capacity to continue to grow at a double-digit rate given that your backlog would support that?

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

I think with everything going on in the marketplace, we've talked about the supply chain disruptions, other issues out there that can kind of continue to push forward. And we're not completely out of that at this point. We've seen some improvements this last quarter, we did see some improvement on kind of the supply chain disruptions with some material coming in a little sooner than we planned. But I wouldn't anticipate double-digit growth barring an acquisition coming into play or something like that. But we do see continued growth, and we'll continue to push where we can.

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

Okay. Fair enough. And maybe my other question would just be you've had some big projects that were ramping that helped with some of that revenue growth, you've had solar project, you've had some larger T&D ones. Are some of the larger projects that you booked over the last couple of quarters, are they still ramping? Or are you kind of at a state right now with some of that larger stuff that tends to kind of move things up and down on a quarter-to-quarter basis?

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

Those larger projects are going to continue to ramp up. The newer ones that we've landed, those haven't ramped up yet. Some of the older ones are kind of coming off are burning out. We had Marcy to New Scotland. That project will finish up the end of this year, the beginning of next year. We had C70 project on the C&I side finish up this year, and there's a little bit that continues through '23. But with that, we've got great opportunities out there, and we've got a good backlog of new projects starting.

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

Okay. I guess I'll leave it there and maybe jump in after someone else asks questions.

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### Operator

Our next question comes from the line of Nick Breckenridge from KeyBanc.

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

This is Alex Dwyer for KeyBanc. So T&D was a major revenue driver this quarter. I think you guys had cautioned around potential headwinds from budget constraints with certain customers last quarter. I'm just kind of wondering how that played out in 4Q and if you were able to move some crews around to other areas or if there's something else that really drove that surprise in the quarter?

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

We did see those disruptions in a couple of areas, but we're able to move those crews around. So that was a positive thing. We also had some good movement on our clean energy side with material coming in, which allowed us to move some subcontractors up forward a little ways of what we had planned originally. So that was kind of that revenue beat and where that kind of accounted for it.

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

Got it. And then on the C&I segment, the margin is nice little uptick here quarter-over-quarter. Can you talk about how we should think about these in 2023? You said you're still not out of the woods yet on the supply chain situation. Like how has this environment trended in the recent months? And maybe if there's anything you guys are doing internally to improve these margins back into that 4% to 6% range?

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

Well, I think last year, we stated that we kind of saw this material impact and kind of the supply chain disruptions continuing through the first half of this year. We've seen improvements in it. And I think we're going to continue to see it through the next 2 quarters and hopefully stabilize by that third quarter of this year, and we're still seeing that trend. And I think we're seeing positive movements that way.

**Operator**

Our next question will come from the line of Brian Russo from Sidoti.

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

I just wanted to follow up on the revenue growth at the T&D, over 40% for the second quarter in a row, both third quarter and fourth quarter. I was just trying to get a sense of, in addition to what you mentioned, I think Powerline, the initial assumption was about \$80 million in revenue annually. Is that exceeding your expectations, which is driving the over 30% year-over-year revenue growth in that sector versus historically close to 17% on average.

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

No. Powerline is pretty close to what we had projected. So I'd say it's, I guess, performing as planned. So the growth is really from the clean energy side, additional transmission and additional distribution contracts out there.

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

Okay. Got it. And then just on the T&D segment margins, it looks like 8% in the fourth quarter, looks like 40 basis points above the third quarter, but still below the fourth quarter '21. And I know you had some closeouts and/or favorable weather in the year ago quarter. But are we well within the, I think it's the 7.5% to 10% target range and a lot of the supply chain inflationary headwinds that are going to persist in C&I through the first half, it's less significant on the T&D side?

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

Yes, this is Tod. On the T&D side, related to our growth was obviously the investment in additional project management, additional supervision and a heavy investment in the training and development of those employees. So that probably could be impacting margins slightly, but it's with the intent of, obviously, continuing to improve those margins in the long term to get higher than the 8% and push towards the higher end of what we're projecting.

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

And Brian, can I just also add that Rick mentioned some of the correlated growth in T&D came from some of the solar accelerated cost in our solar side, which as a reminder, those margins are like higher than the C&I typical margin, but not at the high end of the range. So that's a little bit of a component when it came to the mix of the solar opportunity to still get into the higher range as that mix switches.

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

Okay. Great. And then just again on the T&D, the utilities that have reported earnings are very optimistic about these MISO Tranche 1 projects and some are saying that Tranche 2 could be even bigger, but not to get ahead of ourselves, But I'm curious what type of activity you're seeing with customers or prospective customers on these transmission projects and when we might see a competitive bidding process begin and when projects might be awarded?

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

Yes, Brian, we are starting to see some bids come out on the Tranche 1, and we expect to start hearing more on Tranche 2 later this year. But we're seeing those. As you know, they're spread out over several states. Some states the utilities have first rider usual, and we'll see those coming out of the utilities. And then there's a few projects embedded also in Tranche 1 that will be on the competitive market. And we've seen one of those come out, and we expect to continue to see those throughout the next 2 or 3 years, actually.

**Operator**

(Operator Instructions) Our next question will come from the line of Noelle Dilts from Stifel.

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

A couple of questions, probably for Jeff. First, I was hoping you could expand a little bit on the comments where you mentioned that you were still seeing projects or customers that were kind of hesitant to contract projects. And I also was curious if projects are maybe a little bit slow to start once they're awarded. I was curious if there's any way to maybe quantify that? Are you seeing the engagement or sales cycle extend? Any information there would be helpful.

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

Yes, you bet. Well, we're having a few projects where all the contractors are pricing in some inflationary issues and maybe some supply chain delays. And that's just keeping those developers and owners from pulling the trigger. Their projects are starting to exceed maybe what their pro forma was. As we see those calm down, we're seeing those projects come back out again. And many of those were in a pretty good position. We continue working with our owners. We continue providing pricing as we see the market change. And we're hopeful that those will eventually come to market. It just feels like they're going to as soon as they have a bit more confidence around the whole cost of the project.

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

Well, the only thing I would add is probably the advantage we have is we haven't seen anything in our backlog slip at this point. So what's in our backlog today on the C&I side, it's not moving around a lot. So those projects are going to be executed as planned at this point.

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

Okay. Great. And then sticking with C&I, any notable changes in terms of verticals where you're seeing strength or verticals that are weakening? And then curious if you could give us an update on how you're thinking about any potential IJIA-related projects and benefits, say, around transportation? Are we thinking that's more of a 2024 event?

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

The markets that we have been advertising as core strengths for us, they're remaining strong. We're not necessarily seeing a big fluctuation in any of those, there's more conversation around funding on some of the big transportation projects, but we haven't yet gotten anything real contextual to price up yet. We believe that is probably going to be more out into the future 2024.

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

Okay. Great. And Betty, congrats on your retirement.

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

Thank you so much.

**Operator**

(Operator Instructions) And we have a follow-up from the line of Noelle Dilts from Stifel.



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

Just one additional question for Tod. Curious, it looks like when you're looking at the transmission market, it seems like there are some more large projects or mega projects that are gaining traction again. I'm curious, again, how you're thinking about the timing there. Do you think you could see some pickup in large project bidding opportunity this year? Or is that more into the out years?

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

No. This year, we are going to see some more opportunities on some large project bids. Like we've talked about in the past, the unfortunate part of that is the construction activity on several of these projects is at least a year out, if not 2 years on a couple of them, but we are actively bidding a couple right now, and we see a few more very nice sized projects that should be coming out in the second and third quarter. So we're pretty excited about that.

**Operator**

And our next question will come from the line of Jon Braatz from Oppenheimer.

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

Good morning, everyone.

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

I think we might have some technical difficulties with Jon.

**Operator**

Jon, your line is open. You might be on mute. All right. And it looks like we have another follow-up from Noelle. Noelle, your line is open. Noelle Dilts from Stifel, your line is open. All right. And I see no further questions in the queue. I'd like to turn the call back over to Rick Swartz for any 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. Everyone, have a great day.

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