

01-May-2025

MYR Group, Inc. (MYRG)

Q1 2025 Earnings Call

CORPORATE PARTICIPANTS

Jennifer Harper

Treasurer & Vice President-Investor Relations, MYR Group, Inc.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

Brian K. Stern

Senior Vice President & Chief Operating Officer-Transmission & Distribution, MYR Group, Inc.

Don A. Egan

Senior Vice President & Chief Operating Officer-Commercial & Industrial, MYR Group, Inc.

OTHER PARTICIPANTS

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Jon Braatz

Analyst, Kansas City Capital Associates

Justin P. Hauke

Analyst, Robert W. Baird & Co., Inc.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good morning, everyone, and welcome to the MYR Group First Quarter 2025 Earnings Results Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions] Today's conference is being recorded.

At this time for opening remarks and introductions, I would like to turn the call over to Jennifer Harper, MYR Group Vice President of Investor Relations and Treasurer. Please go ahead, Jennifer.

Jennifer Harper

Treasurer & Vice President-Investor Relations, MYR Group, Inc.

Thank you and good morning, everyone. I would like to welcome you to the MYR Group conference call to discuss the company's first quarter results for 2025, which were reported yesterday.

Joining us on today's call are Rick Swartz, President and Chief Executive Officer; Kelly Huntington, Senior Vice President and Chief Financial Officer; Brian Stern, Senior Vice President and Chief Operating Officer of MYR Group's Transmission & Distribution segment; and Don Egan, Senior Vice President and Chief Operating Officer of MYR Group's Commercial & Industrial segment.

A copy of yesterday's press release is available on the MYR Group website at myrgroup.com under the Investors tab. A webcast replay of today's call will be available on the website for seven days following the call.

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, 2024, the company's Quarterly Report on Form 10-Q for the first quarter of 2025, and in yesterday's press release.

We also present certain non-GAAP financial measures. A reconciliation of these non-GAAP measures to the most comparable GAAP measures is set forth in yesterday's press release.

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

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

Thanks, Jennifer. Good morning, everyone. Welcome to our first quarter 2025 conference call to discuss financial and operational results. I will begin by providing a summary of the first quarter results, and then we'll turn the call over to Kelly Huntington, our Chief Financial Officer, for a more detailed financial review. Following Kelly's overview, Brian Stern and Don Egan, Chief Operating Officers for our T&D and C&I segments, will provide a summary of our segments performance 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.

We achieved solid financial results in the first quarter as we continue to expand strong customer relationships through master service and alliance agreements, perform ongoing work for our long-term customers, and strategically pursue new opportunities. We remain committed to operational consistency and serving as an open and trusted partner for our customers. Bidding activity is healthy in both business segments and is reflective of the investments being made to meet the growing electrification demand. We believe our experience and proven ability to deliver safe, quality and on-time results places us in leading positions to capture this expansive work and grow our business.

Remaining a strong and nimble partner while executing projects with superior quality enables us to offer to our customers and develop future opportunities. Our financial results and performance continue to reflect a commitment to long-term growth and creating a foundation for future opportunities and success.

Now, Kelly will provide details on our first quarter 2025 financial results.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

Thank you, Rick, and good morning, everyone.

Our first quarter 2025 revenues were \$834 million, which represents an increase of \$18 million or 2.2% compared to the same period last year. Our first quarter T&D revenues were \$462 million, a decrease of 5.8% compared to the same period last year. The breakdown of T&D revenues was \$270 million for transmission and \$192 million for distribution. Transmission revenues decreased by \$44 million, primarily related to our continued selectivity on clean energy projects, offset by an increase of \$16 million in revenue on distribution project. Work performed under master service agreements continue to represent approximately 60% of our T&D revenues.

C&I revenues were \$372 million, an increase of 14.4% compared to the same period last year due to an increase in revenue on fixed price contracts and [ph] T&D (00:05:42) contract. Our gross margin was 11.6% for the first quarter of 2025 compared to 10.6% for the same period last year. The increase in gross margin was primarily due to the larger portion of our projects progressing at higher contractual margins, some of which are nearing completion. Gross margin was also positively impacted by favorable change orders, better than anticipated productivity, and a favorable job closeout. These margin increases were partially offset by higher costs related to labor and project inefficiencies and unfavorable change orders.

T&D operating income margin was 7.8% for the first quarter of 2025 compared to 6.1% for the same period last year. The increase was primarily due to a lower negative impact of significant changes in our estimated gross profit on certain projects, primarily due to fewer labor and project inefficiencies when compared to the same period last year.

C&I operating income margin was 4.7% for the first quarter of 2025 compared to 3.5% for the same period last year. The increase was primarily due to a larger portion of our C&I projects progressing at higher contractual margins, some of which are nearing completion, as well as favorable change orders. Additionally, C&I operating income for the first quarter of 2024 was negatively impacted by contingent compensation expense related to a prior acquisition that did not recur in the first quarter of 2025. C&I operating income margin was also positively impacted by favorable joint venture results, a favorable job closeout, and better than anticipated productivity. These increases were partially offset by higher costs related to labor and project inefficiencies and unfavorable change orders.

First quarter 2025 SG&A expenses were \$62.5 million, an increase of approximately \$300,000 compared to the same period last year. The increase was primarily due to higher employee-related expenses to support future growth and an increase in employee incentive compensation costs. These increases were partially offset by \$3.2 million of contingent compensation expense related to a prior acquisition recognized during the first quarter of 2024.

First quarter 2025 interest expense was \$1.4 million, an increase of \$300,000 compared to the same period last year. The increase was due to higher average outstanding debt balances, partially offset by lower interest rates. Our first quarter effective tax rate was 28.9% compared to 18% for the same period last year. The increase was primarily due to no stock compensation excess tax benefits in the first quarter of 2025.

First quarter 2025 net income was \$23 million compared to net income of \$19 million for the same period last year. Net income per diluted share of \$1.45 increased 29% compared to \$1.12 for the same period last year. First quarter 2025 EBITDA was \$50 million compared to \$40 million for the same period last year.

Total backlog as of March 31, 2025 was \$2.64 billion, 9% higher than a year ago. Total backlog as of March 31, 2025 consisted of \$873 million for our T&D segment and \$1.77 billion for our C&I segment.

First quarter 2025 operating cash flow was \$83 million compared to operating cash flow of \$8 million for the same period last year. The increase in cash provided by operating activities was primarily due to a reduction in our accounts receivable. First quarter 2025 free cash flow was \$70 million compared to negative free cash flow of \$80 million for the same period last year, reflecting the increase in operating cash flow and lower capital expenditures.

During the quarter, we repurchased 639,000 shares at an average price of \$117.33, exhausting our current share repurchase program.

Moving to liquidity and our balance sheet, we had approximately \$230 million of working capital, \$87 million of funded debt, and \$379 million in borrowing availability under our credit facility as of March 31, 2025. We have continued to maintain a strong funded debt to EBITDA leverage ratio of 0.68 times as of March 31, 2025. We believe that our credit facility, strong balance sheet, and future cash flow from operations will enable us to meet our working capital needs, support the organic growth of our business, pursue acquisitions, and opportunistically repurchase shares.

I'll now turn the call over to Brian Stern, who will provide an overview of our Transmission & Distribution segment.

Brian K. Stern

Senior Vice President & Chief Operating Officer-Transmission & Distribution, MYR Group, Inc.

Thanks, Kelly, and good morning, everyone.

Expansion of long-term relationships and winning additional work with customers across the country resulted in solid financial results for our T&D segment in the first quarter. Our project portfolio consists of healthy mix of smaller to midsized jobs and master service agreements, which continue to increase backlog.

Driven by a growing demand for electricity and the improvement needed from the aging electrical infrastructure, bidding activity remains strong in the segment. The utility market continues to see opportunities such as the PJM Interconnection approval of \$5.9 billion and new transmission projects to bolster reliability throughout the grid operators' footprint. Also, MISO continued to add to its long-range transmission planning by approving Tranche 2.1 plans of \$6.7 billion in December 2024. We believe these significant investments in electrical infrastructure present many exciting opportunities for growth across our subsidiaries who have strong existing relationships with several utility customers in the region. We will continue to monitor and strategically pursue project opportunities [indiscernible] (00:12:08) and others in the US and Canada to further strengthen our market presence.

As we continue serving our longstanding customers through MSAs and alliance agreements, we were also awarded variety of transmission, distribution and substation work across the country in the first quarter, including a sizable transmission line rebuilding project in Virginia.

In conclusion, we continue to evaluate, improve and grow our T&D business. Our first quarter results reflect our ability to effectively listen to and work with our customers to meet or exceed their expectations. We will remain disciplined in our efforts to capitalize on the right opportunities, and we will continue to invest in the development and safety of our talented teams.

I will now turn over the call to Don Egan, who will provide an overview of our Commercial & Industrial segment.

Don A. Egan

Senior Vice President & Chief Operating Officer-Commercial & Industrial, MYR Group, Inc.

Thanks, Brian, and good morning, everyone.

Our C&I segment achieved solid results in the first quarter as we continue to execute projects of various sizes in close collaboration with our valued customers while strategically monitoring and pursuing new opportunities. Our chosen core markets remain strong and present a healthy bidding environment as we captured additional work this quarter in data centers, healthcare, industrial and clean energy, just to name a few.

Recently, Sturgeon was verbally awarded Phase 1, a large-scale data center project in Colorado, valued at over \$90 million, which we anticipate being added to our backlog in the coming quarters. Additionally, CSI and Sturgeon were awarded water treatment projects in California and Colorado respectively, while Sturgeon also won projects in healthcare, transportation and municipality projects.

Out East, E.S. Boulos was awarded solar and industrial work in Maine, and Huen Electric won higher education, solar and municipality projects in New York. We're also pursuing exciting opportunities for sizable data center projects this year across various subsidiaries. And it's a fact that some data center contracts already in place to increase due to project expansion to meet the growing demand to support artificial intelligence.

The American Institute of Architects Consensus Construction Forecast released in January projects further growth for our core markets in 2025, with positive forecast of 22% in data centers, 4% increases in both healthcare and education construction spend, and 3% in manufacturing. This growth is also reflected in the Dodge Momentum Index figures reported in recent months. The latest Dodge Momentum Index report released in April found the overall index in February was up 30% compared to the previous year, and the commercial segment was up 32% from February of 2024.

In summary, we believe these encouraging forecasts in our core markets could generate growth for our business as we continue to leverage our expertise to place us in leading positions and strategically capture future opportunities.

I thank all of our employees for their daily commitment to safely executing projects and delivering exceptional quality and value to our customers. I look forward to all the important work ahead of us this year and beyond. Thanks, everyone, for your time today.

I will now turn the call back to Rick, who'll provide us with some closing comments.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

Thank you for those updates, Kelly, Brian and Don.

Our first quarter performance demonstrates the stability of our core markets, the strength of our operational teams, and the depth of our customer relationships. We will continue our commitment to sound business strategies and strong operating principles, while remaining proactive and disciplined in a dynamic energy landscape. I am proud of the performance across both our market segments, which is a testament to the tireless work, skill and ongoing training of our amazing employees. I thank each of them for their efforts to safely and consistently deliver high-quality electrical construction services and generate value for our customers. We will continue to invest in the safety and development of our teams across the company because they are the catalyst to our success.

Finally, I would like to thank all of you for your continued support of MYR Group. We look forward to growing our business in 2025, serving our customers as a trusted and nimble partner, and creating value for our communities and shareholders.

Operator, we're now ready to open the call up for comments and questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Please stand by while we compile the Q&A roster. One moment for our first question. Our first question will come from line of Ati Modak from Goldman Sachs. Your line is open.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Q

Hi. Good morning, team. I guess on the C&I side, revenue was strong, margin was strong. I'm just curious how you are looking at the backlog and pipeline of opportunities there. I know you mentioned some of the end markets, but wondering about the impacts of the macro in the potential timing of the backlog. And anything that you are hearing from customer conversations there would be helpful.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

From our standpoint, still having very active conversations with our clients. We haven't seen anybody pull back or say they're pulling back in any way to-date. Continue, as I said, to see an active market. And I think it, right now, points to a positive going forward. I know there is a lot of discussions around tariffs and we continue to have those daily with our clients of how that's going to affect their projects, how inflation is going to affect them. But to-date, we haven't seen any pullback.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Q

Got it. And then maybe one for Kelly. You guys authorized and exhausted the share repurchase this quarter. I'm just curious how you are thinking about that for the rest of the year and just overall capital allocation priorities for this year.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

A

Yeah, thanks. We continue to prioritize growth with respect to our capital allocation strategy. So, that means supporting the organic growth that we see this year, as well as being in the position to make the right acquisition. We continue to be in a strong financial position, but we're not announcing another share repurchase program at this time. But I think, as you've seen in the past, we can be nimble. And as we monitor the markets and our growth prospects, we can put in a program quickly, if that makes sense.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Q

Absolutely. Thank you.

Operator: Thank you. One moment for our next question. Our next question will come from line of Sangita Jain from KeyBanc. Your line is open.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Q

Yeah, good morning. Thank you for taking my question. Kelly, if I can ask one more on the capital allocation. Your free cash flow this quarter was considerably stronger than at least what we were anticipating. So just trying to see if there was any kind of like onetime-ish in there, and how we should think about your free cash flow for the rest of the year. And more color maybe on why you wouldn't want to extend your share buyback authorization.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

A

Sure. So on the last call, we mentioned some positive leading indicators from third quarter to fourth quarter 2024. We saw an over \$30 million reduction in our pending change orders and over \$40 million reduction in retainage. So that did translate to cash collections in the first quarter, driving higher operating and free cash flow.

I think as we look forward, as we've talked about before, there's not a good rule of thumb for free cash flow conversion for our business, particularly in the near term. But maybe just to give some color on some of the pluses and minuses as we look forward.

On the positive side, our increased profitability this year should drive positive operating cash flow. On the negative side, we are a little below our historic DSO average. So that could be a headwind, especially as interest rates remain relatively high. Payment terms continue to be more of a focus in our contract negotiation. And as we've seen, MSAs are an increasing percentage of our revenues. So that, along with selectivity on clean energy and kind of the lumpiness of large projects, can mean less opportunity to get into a really strong overbuild position like we saw back at the end of 2022. So I'd say that's at least some of the pluses and minuses that we see.

Rick, did you want to give any more color on share repurchase? We are sensitive to how much we're deploying to that over time.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

Yeah. For us, it's just that balancing act. When we see the opportunities to organically grow our business, we want to make sure that we can continue to do that, and then we're always looking at acquisitions. So those opportunities are out there. We just want to make sure we're patient and buying the right ones. But as Kelly said, we've shown in the past we can basically deploy our capital, whether it's acquisitions, organic growth or through share repurchase. And we try to balance that on the opportunities that are out there to continue to grow our business.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Q

Got it. That's helpful. And if I can ask one more. Rick, you mentioned in your prepared comments that positive margins this quarter in T&D partly were a function of burning off some higher margin projects. I just kind of want to make sure that what is coming behind that is not necessarily lower margin than this. So I hope – what I want to see is if we can continue to see you work towards that 7% to 10.5% margin target for the year.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

Yeah, yeah. I think we're – for us, nothing's changed. We should be in that mid-part of our margin profile. That's the way we saw it coming into this year, and we still see that. So when I look at the 7% to 10.5%, we should be in that mid-range by year-end and continue our trend from there.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Got it. Appreciate it. Thanks for taking my questions.

Q

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

Thank you.

A

Operator: One moment for next question. Our next question will come from the line of Braatz from KCCA. Your line...

Jon Braatz

Analyst, Kansas City Capital Associates

Good morning, everyone.

Q

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

Good morning.

A

Jon Braatz

Analyst, Kansas City Capital Associates

Rick, just sort of a broad question. With the new administration and his issues with the Inflation Reduction Act and maybe with the tariffs on solar panels, are you seeing any change in thinking from the utilities on clean energy projects at this point?

Q

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

I think from a developer standpoint, I mean, any kind of price increase, I mean, those are really financially driven models of whether those are economically feasible to build. I think that always comes into play. So I would say there could be some pausing on that side a little bit in a couple of geographic areas where we work, and we've seen that over the last couple of quarters. But for us, we've really been selective on what we take on on our T&D side. And then as I said on our C&I side, that market remains strong in the areas we're in today, so we haven't seen that pull back to-date.

A

Again, tariffs or inflation can affect those projects, but the rest of our core business, we really haven't seen it affect our conversations there at all.

Jon Braatz

Analyst, Kansas City Capital Associates

Okay. All right. Thank you. And, Kelly, back to your free cash flow. It was so strong in the quarter. Would you imagine that as you go forward, you have to dip into your credit lines for working capital purposes?

Q

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

A

I would just refer back to the comments I gave in response to Sangita's question. We see some pluses and minuses, but I think we're in a...

Jon Braatz

Analyst, Kansas City Capital Associates

Okay.

Q

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

...a good financial position right now. And, of course, as we look forward from a leverage perspective at the second quarter of last year when we had those bigger losses, that'll be rolling off, and that's part of the calculation.

A

Jon Braatz

Analyst, Kansas City Capital Associates

Okay. All right. Thank you, Kelly.

Q

Operator: Thank you. One moment for our next question. Our next question comes line of Justin Hauke from Baird. Your line is open.

Justin P. Hauke

Analyst, Robert W. Baird & Co., Inc.

Great. A lot of the questions I had have already been asked. I guess the one I wanted to ask about was just kind of CapEx has been light the last couple of quarters. And I was just curious if you've seen any shift in kind of purchasing decisions or maybe using rental assets instead of buying equipment because ahead of tariffs and just how rapidly costs are shifting in the environment for some of the equipment [ph] that bucks (00:25:40) and things that you buy.

Q

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

Yeah. I think if you look at our lower capital expenditure in the first quarter, that was really just due to timing and how the receipt of fleet and equipment just kind of rolling out. historically, we've seen CapEx as a percentage of revenue average around the 2% level. So I'd say we continue to see that as a good benchmark going forward, and that could take a little higher or lower depending on whether our growth is more weighted to T&D or C&I.

A

But no, we haven't made any significant shifts in how we're looking at, how we procure our fleet and equipment. A lot of that we purchase, and we do use our rentals and leasing as well, and rentals in particular kind of throttle up and down as we see demand in different market that's changing.

Justin P. Hauke

Analyst, Robert W. Baird & Co., Inc.

Okay. And then I guess my other one, just from a modeling perspective. I think – so the T&D, I guess particularly the transmission side, the pressure from the roll-off of some of those larger clean energy project, I just want to kind of confirm. I think 2Q is the last, if you want to call it, a headwind from a growth perspective. And so just for thinking about revenue growth, I guess probably thinking 2Q remains pretty modest, and then we get to the

Q

second half of the year and see more of that underlying single-digit type growth that you guys have outside of that. I just want to confirm it.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

Yeah. I would say nothing changed from what we said before right now. I would look at it as still that higher single-digit growth for the core T&D segment and overall minus solar. So when you take solar out of it, the core T&D business, we expect to grow, but with that mid-single digit or that higher single digit with the offset of solar there, though. So that is the headwinds, the solar revenue we have.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

A

Yeah. And I think that's consistent with what we saw in the quarter where, if you just look at that core T&D business, that was up in the high single digits year-over-year, so in line with that.

Justin P. Hauke

Analyst, Robert W. Baird & Co., Inc.

Q

Yeah, right. I was more curious when the solar headwind, if you will, rolled off. I think 2Q, it's still pretty significant, but you got dragged.

Kelly M. Huntington

Senior Vice President & Chief Financial Officer, MYR Group, Inc.

A

Yeah. So just kind of a recap of what we shared last year about solar within T&D. So as of second quarter year-to-date, we have said that represented about 15% of our T&D revenues. That declined to 12% as of 9/30 year-to-date last year and was down to 10% for the full year last year. And we did mention in the fourth quarter last year that it was 4% of our T&D revenues, and that has further declined here in the first quarter of 2025.

Justin P. Hauke

Analyst, Robert W. Baird & Co., Inc.

Q

Okay. All right. That's what I thought. Thank you very much.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

Thanks.

Operator: Thank you. [Operator Instructions] One moment for our next question. Our next question will come from the line of Brian Brophy from Stifel. Your line is open.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Thanks. Good morning, everybody. I think I had heard you mention in your opening comments a sizable transmission award in Virginia. I guess, if I hear that right, is there any more color you can provide on that project, whether the name or any other information? And how should we be thinking about timing and size of that project?

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

For us, that's a midsized project, so it wasn't a large project. We kind of classify projects, large projects, \$100 million plus. We always try to give a little color around it if the client will let us. In this case, the client is not letting us disclose a lot. So with that being said, the project will burn through this year. It's a good project for us, and we're happy to have it and we're seeing a lot of long-term opportunities beyond this year.

And as I said, anything we capture on a large project size today really wouldn't come in. Though it would affect our backlog, we wouldn't really start burning any revenue on it until the end of the year or the beginning of next year. So anything we capture today would really be more burned in 2026 and affect our revenue then.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Okay. That's helpful. And then I wanted to also ask a question on tariffs. How should we think about that impacting your cost profile, particularly on the C&I side, where you guys have more fixed priced contracts? And should we think about that potentially impacting your margin performance at all this year? Thanks.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

A

It could. I don't want to say there could be no impact from it. I think it's unknown at this time. I mean, the unknown side is the headlines change every 10 minutes as far as tariffs and how it could affect us, and what tariffs are going to be in place. So we continue to watch it. We've got teams that are very focused on that. We're having conversations with our clients daily on that. I would say the newer contracts we have in place today have stronger language than the ones that – some of the older ones that are in our backlog. But again, we continue to monitor it.

Right now, I would say, as we see it today, we still expect to be in that mid-range of our margin profiles that we've given. But again, we're watching it closely. And if anything changes, we would definitely let everyone know.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

Q

Okay. Thanks. I'll pass it on.

Operator: Thank you. And I'm not showing any further questions in the queue. I would now like to turn the call back over to Rick Swartz for any additional or closing remarks.

Richard S. Swartz

President, Chief Executive Officer & Director, MYR Group, Inc.

To conclude, on behalf of Kelly, Brian, Don and myself, I sincerely thank you for joining us on the call today. I do not 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: This concludes today's conference call. We thank you for your participation. You may now disconnect. Everyone, have a great day.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2025 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.