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MYR Group, Inc. (MYRG)

Q1 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, everyone, and welcome to the MYR Group First Quarter 2026 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 [Operator Instructions] session. Today's conference is being recorded.

I will now turn the call over to Jennifer Harper, Vice President of Investor Relations and Treasurer for introductory remarks.

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 2026, 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 announcing our first quarter results can be found 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.

Please note today's 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.

For more information, please refer to the risk factors discussed in the company's most recently filed Annual Report on Form 10-K. Certain non-GAAP financial measures will also be presented. A reconciliation of these non-GAAP measures to the most comparable GAAP measures [Technical Difficulty] (00:14:13) set forth in yesterday's press release.

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

Richard S. Swartz

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

Thanks, Jennifer. Good morning everyone. Welcome to our first quarter 2026 conference call to discuss financial and operational results. I will begin by providing a summary of the first quarter results and then turn the call over to Kelly Huntington, our Chief Financial officer, for a 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 them where our 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 delivered strong financial results in the first quarter, supported by ongoing work with long term customers and the selective pursuit of new opportunities while continuing to expand customer relationships. Quarterly results reflect strong bidding activity and continued infrastructure investment to support electrification needs across our business segments. We continue to monitor project opportunities and remain focused on disciplined project execution, safe, reliable delivery and strong customer relationships remains central to our operations. Our teams are focused on understanding our customers' requirements, maintaining clear communication and producing consistent results. I'm proud of our teams for their continued dedication to quality, safety and collaboration.

Now, Kelly will provide details on our first quarter 2026 financial results.

Kelly M. Huntington

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

Thank you, Rick, and good morning, everyone. Our first quarter 2026 revenues were \$1 billion, which represents an increase of \$167 million, or 20%, compared to the same period last year. Our first quarter T&D revenues were \$541 million, an increase of 17% compared to the same period last year. T&D segment revenues increased primarily due to higher revenue on unit price and T&E contracts, partially offset by a decrease in revenue on fixed price contracts. Work performed under master service agreements increased to approximately 70% of our T&D revenues.

C&I revenues were \$459 million, a record high for our C&I segment, and an increase of 24% compared to the same period last year. C&I segment revenues increased primarily due to higher revenue on fixed price contracts. Our gross margin was 13.4% for the first quarter of 2026, compared to 11.6% for the same period last year. The increase in gross margin was primarily due to a larger portion of our projects progressing at higher contractual margins, some of which are nearing completion. Gross margin was also positively impacted by better than

anticipated productivity, favorable change orders, and a favorable job closeout. These margin increases were partially offset by an increase in costs associated with inefficiencies on certain projects.

T&D operating income margin was 9.7% for the first quarter of 2026, compared to 7.8% for the same period last year. The increase was primarily due to better than anticipated productivity and the favorable job closeout, partially offset by an increase in costs associated with inefficiencies on a project. C&I operating income margin was 8.1% for the first quarter of 2026, compared to 4.7% for the same period last year. The increase was primarily due to a larger portion of our projects progressing at higher contractual margins, some of which are nearing completion. C&I operating income margin was also positively impacted by better than anticipated productivity and favorable change orders, partially offset by increasing costs associated with inefficiencies on certain projects.

First quarter 2026 SG&A expenses were \$69 million, an increase of approximately \$7 million compared to the same period last year. The increase was primarily due to higher employee incentive compensation costs and employee related expenses to support future growth. Our first quarter effective tax rate was 26.9%, compared to 28.9% for the same period last year. The decrease was primarily due to a favorable impacts from stock compensation excess tax benefits, partially offset by higher US taxes on Canadian income and other permanent difference items.

First quarter 2026 net income was a record \$47 million, compared to net income of \$23 million for the same period last year. Net income per diluted share of \$2.99 increased 106%, compared to \$1.45 for the same period last year. First quarter 2026 EBITDA was a record \$82 million, compared to \$50 million for the same period last year. Total backlog as of March 31, 2026 was a record \$2.84 billion, 8% higher than a year ago. Total backlog as of March 31, 2026, consisted of \$981 million for our T&D segment and \$1.86 billion for our C&I segment.

First quarter 2026 operating cash flow was \$85 million, compared to operating cash flow of \$83 million for the same period last year. The increase in cash provided by operating activities was primarily due to higher net income, partially offset by the timing of billings and payments associated with project starts and completion. First quarter 2026 free cash flow was \$69 million, compared to free cash flow of \$70 million for the same period last year. This slight decrease was due to higher capital expenditures, partially offset by an increase in operating cash flow.

Moving to liquidity in our balance sheet, we had approximately \$258 million of working capital. \$9 million of funded debt, \$460 million in borrowing availability under our credit facility, and \$163 million in cash and cash equivalents as of March 31, 2026. We improved our already strong funded debt to EBITDA leverage ratio to 0.04 times as of March 31, 2026. 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'll provide an overview of our Transmission & Distribution segments.

Brian K. Stern

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

Thanks. Kelly, and good morning everyone. The T&D segment delivered strong first quarter results, supported by a mix of small to mid-sized projects across our markets. Execution remains consistent with a focus on safety, quality and reliability. Bidding activity remains steady, with increases in revenue and margins from the prior quarter when compared to our first quarter of last year. We continue to deepen relationships with longstanding

customers while also pursuing opportunities with both new and existing customers, supported by a positive industry outlook.

This quarter, Sturgeon was awarded an MSA in Arizona spanning transmission, distribution and substations along with EPC program opportunities in the northwest. Great Southwestern Construction secured the construction of two greenfield substations in Texas. High Country Line Construction was selected for substation work in Arizona, along with a 345 transmission line project in South Carolina. Kelly Myers was selected for a 345 kV transmission job and several overhead distribution rebuild projects across Illinois and Iowa. Harlan Electric was awarded overhead transmission work in Pennsylvania. This activity is supported by a strong industry outlook.

According to the S&P Global Horizon's Top Trends 2026 Report, green infrastructure has become a central focus in 2026 as electrification and digital demand continue to strain existing systems, and underinvestment in transmission and distribution monetization presents a potential bottleneck for reliability and capacity growth. This dynamic reinforces the ongoing importance of a T&D project activity across our markets. We expect work to remain steady across the US and Canada, spanning a range of sizes and complexities. Our ability to support this demand is driven by a continued focus on safety and ongoing investment in our workforce. We are proud of our accomplishments in the first quarter and look forward to advancing this momentum in the months ahead.

I'll now turn the call over 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 strong first quarter results supported by the health of our core markets. Bidding activity remained consistent and backlog expanded further, reflecting both market demand and the depth of our customer relationships. By working closely with customers to understand their needs, plan projects effectively, and execute safely and efficiently, we continue to create opportunities for long term collaboration across projects of various sizes. These strong, ongoing customer relationships remain central to our strategy, reinforcing our position as a trusted partner in the industry.

Data center projects and water wastewater projects are driving the strongest growth in today's construction market. According to FMI's 2026 North American Engineering and Construction Outlook, data center construction starts are up nearly 100% year-over-year while non-building infrastructure such as power, water and wastewater also continues to grow, supported by committed funding and long term investment needs. These projects require specialized expertise in grid modernization and complex installations, creating multi-year backlogs and sustained demand. The result is a clear divergence within the construction market. Mission critical electrical and infrastructure work is showing sustained, resilient growth, while more traditional commercial building segments remain volatile.

Our teams across all subsidiaries continue to execute and pursue a diverse range of projects. We were awarded multiple data center projects in New Jersey, Arizona, California and Colorado, clean energy work in California and multiple water treatment plants in Colorado. These awards reflect the strong and growing demand for data centers and related electrical infrastructure projects across our key markets. We continue to earn significant project awards, reflecting our ongoing ability to deliver value across markets and sectors.

In closing, we continue to see steady performance across our core markets, supported by our long standing customer relationships that drive opportunities. Our employees remain central to this execution with a consistent focus on quality and safety across every project.

Thank you everyone for your time today. I will now hand the call back to Rick for his closing remarks.

Richard S. Swartz

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

Thank you for those updates, Kelly, Brian and Don. Our first quarter 2026 performance reflects the effectiveness of our business strategies and the value of our long term customer relationships across those segments. We believe we are well positioned for continued growth as investments in electrical infrastructure increases, supported by safe execution, disciplined bidding and close collaboration with our customers in a dynamic energy environment. Our record of integrity, teamwork and dependable project delivery enables us to pursue new opportunities and deepen long term customer relationships. I appreciate our employees for their contributions and our shareholders for their ongoing support. As we move through the rest of 2026, we look forward to building on the progress and continuing to strengthen our customer relationships across the business.

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

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Sangita Jain of KeyBanc Capital Markets. Sangita, your line is open.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Q

Great. Thank you. Thanks, Rick, Kelly for taking my question. First, can I ask about C&I margins, which were very, very strong in 1Q. If you could help us kind of understand what led to the strength and what we should expect going forward?

Richard S. Swartz

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

A

Yeah. As said, our backlog margins were similar to what they were in the past, but we had less risk in our contracts. And again, we've been focusing on carrying less risk in our contracts, along with project execution and making sure that we continue to prefab as we can. We do it in controlled environment where we're taking that labor risk out of the field. So we continue to double down on that. And then we also had some projects that were nearing completion that had some potential upsides.

With that being said, our margin profiles coming into this year were at 5% to 7.5%. And we're looking to increase that going forward for the rest of the year. We're looking kind of at that 6% to 9% margin profile, say operating kind of in that mid-ish range on the C&I side.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Q

That's helpful. And then can we talk overall guidance for the year. Because you also beat on well I shouldn't say beat, but your revenue performance was also very strong in 1Q. And I think you've said 10% in each segment for the year. And how should we think about T&D margins, which also came in towards the high end of your range?

Richard S. Swartz

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

A

Yeah, yeah, I think previously, you know, our margin profile on T&D was at 7% to 10.5%. And as we look at what's in our backlog and the quality of our backlog work [indiscernible] (00:29:14) really helping that margin profile to that 8% to 11% with a goal of operating in that mid part of that range. So again, an increase on that one going forward for the rest of the year. Now quarter-to-quarter and either one of those that can be a little lumpy depending what projects are starting and finishing. But we see that kind of as our goal overall.

Along with that, I think if you look at our revenue growth, you know, we came into the year saying we'd have that 10% growth. I think when we look at it, you know, across both segments, you know, as a whole, kind of that 12%-ish growth this year is where I would forecast that out, knowing it can be lumpy quarter-to-quarter, depending how, you know, subcontractors come into our mix or materials delivered. So it can be a little lumpy between segments. But I look at that overall, 12% growth on revenue.

Sangita Jain

Analyst, KeyBanc Capital Markets, Inc.

Q

Very helpful. Thanks, Rick.

Richard S. Swartz

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

A

Thank you.

Operator: Thank you very much. Our next question comes from the line of Manish Somaiya of Cantor Fitzgerald. Manish, your line is open.

Manish A. Somaiya

Analyst, Cantor Fitzgerald & Co.

Q

Thank you so much. Congrats team on a fantastic quarter. Rick, I wanted to just go back to the C&I business. I think you mentioned that the fixed price contracts are now about 86% of the mix. If you could just help us understand, you know, where that mix has been over the past year, over the past couple of years. And perhaps that's what's going to driving some of the upside in C&I based on solid execution?

Richard S. Swartz

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

A

It's solid [indiscernible] (00:30:51). I mean, as I said, a little less risk in our contracts. So more favorable terms and conditions managing our projects very well. So that's really where it is. I'd say that mix has been similar over the past. So fixed cost is really a big component of how we do C&I work, I think we're pretty good at executing it as a whole, and our customers trust us and continue to release that work. But again, with contracts that have a little less risk in them contractually than what historically they've had.

Manish A. Somaiya

Analyst, Cantor Fitzgerald & Co.

Q

Okay, helpful. And then, Kelly, if you could just talk about cash flow from operations, free cash flow, clearly Q1 was exceptionally strong. How should we think about it for the rest of the year?

Kelly M. Huntington

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

A

Sure. Yes. We delivered another strong quarter from a cash flow perspective, and we were able to maintain our DSO and that kind of mid 50s range, which is a significant, significantly below our historical average. I think if we look out, we could see DSO rise to the low 60. And that will really depend on the timing of new awards and the weighting between projects with more favorable billing structures versus more MSA like work. You know, as I noted in my comments on the call, MSA work in T&D represented 70% of our revenues, which was an uptick from what we've seen for the last, last few quarters. And, you know, we like that work. It's recurring, it's predictable, but we never get into an overbuilt position. So that can represent a little bit of a headwind from a DSO perspective.

You know, the other thing I would say about cash flows is I would just point out CapEx. And we've been talking for a couple of quarters now how we expect that to be trending more to about 3% of revenue on a full year basis. And that is above our historical average, really driven by the opportunities that we see on the T&D side of the business. That is the more capital intensive side of the business. And with, you know, first quarter being light from a CapEx perspective, which was really just due to timing. That does mean we'll see an increase as we [Technical Difficulty] (00:33:09).

Manish A. Somaiya

Analyst, Cantor Fitzgerald & Co.

Q

Okay. Wonderful. Thank you so much.

Richard S. Swartz

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

A

Thank you.

Operator: Thank you very much. Our next question comes from the line of Julien Dumoulin-Smith of Jefferies. Julien, your line is open.

Brian Russo

Analyst, Jefferies LLC

Q

Hi. Good morning. It's Brian Russo on for Julien.

Richard S. Swartz

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

A

Morning.

Brian Russo

Analyst, Jefferies LLC

Q

Hey, I was wondering if you could just elaborate a little bit more on what's driving the structural margins higher now in both segments. Is it just your confidence in your labor productivity and maybe better contract terms, or is it more so a function of the electrician labor constraints that we read and see nearly every day in the end markets that you serve is that driving better bidding power for you and the E&Cs?

Richard S. Swartz

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

A

Yeah I would say that tight market right now on labor isn't really turning into margins today. And what we're seeing, it still remains fairly competitive. And we feel that will, you know, potentially change in the future. And we continue to be selective on the larger projects we're taking on. Because I've said in the past, we don't want to be the first in on those projects. Plenty of opportunities. Great conversation going on with our clients. I think it really has more to do about what I talked about a little earlier in the call with better contract management, better terms and conditions, and then better execution on our project side as far as the way we're laying out our projects [indiscernible] (00:34:53) material, really being more efficient out there. So that's really where we see those margin increases. But again, hopefully in the future we can see more margins come in because of the tightness of the market with the labor.

Brian Russo

Analyst, Jefferies LLC

Q

Okay. Should we assume kind of gradual improvement in the segment margins as we move through the year, you know, assuming lower margin projects are burned off and replaced in the backlog with the higher margin type profile, is that the way to see progression?

Richard S. Swartz

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

A

I think from quarter-to-quarter, it can be lumpy. We've given the new margin profiles at 6% to 9% operating margin for C&I and that 8% to 11% for T&D. And again, we plan on operating as a on a yearly basis. You kind of in that mid range of those. With that being said, it can always be lumpy quarter-to-quarter depending on weather depending on project timing, which ones are finishing up, which ones are starting. So again on a yearly basis I'd look at that. But from a quarterly basis it's always going to be lumpy.

Brian Russo

Analyst, Jefferies LLC

Q

Got it. And there's just on the T&D side, just talk about some of the recently signed MSA awards and kind of the cadence of layering that into the backlog. The Xcel \$500 million five year MSA. And then I think there was a Kentucky new MSA highlighted last quarter. Neither of those are in backlog yet. Is that accurate?

Richard S. Swartz

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

A

The Kentucky one wouldn't be in complete backlog yet. I mean, we're not burning it, so the whole amount is not in there. Again, we only count on the MSA side 90 days of that work in our backlog. So the Xcel one starting, you know, to have some activity but a little bit slower start as we said it would. And we see that progressing and going forward. And that's been really, you know, start continuing to ramp up, you know, this year slowly and into the next year and take off from there. But you know good, good activity on those projects and great opportunities going forward.

Brian Russo

Analyst, Jefferies LLC

Q

Okay. And then just lastly I think Kelly referred to, you know, any large transmission towards T&D project awards granted this year would not, you know, start construction or generate revenue till 2027 at the earliest. I mean, is that, you know, kind of insinuating that you're still in discussions on some high voltage transmission projects and is that what you were referring to or were you being more broad?

Richard S. Swartz

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

A

Yes we are. Yeah. That's you know, we anticipate with our conversations going on that some of those large projects will start rolling in our backlog this year. So, we see that still happening ongoing great conversations with our clients. And we see that continuing into next year also. But we do feel we will have some large projects come into our backlog in the future couple quarters.

Brian Russo

Analyst, Jefferies LLC

Q

Great. Thank you very much.

Richard S. Swartz

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

A

Thank you.

Operator: Thank you. Our next question comes from the line of Ati Modak from Goldman Sachs. Ati, your line is open.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Q

Yeah. Thank you, good morning team. I guess you know, some of your peers in the market are increasingly stepping into C&I data center exposure. I'm curious how you're thinking about your exposure on a relative basis. You've guided to very strong year. And obviously the fundamentals look pretty strong. But does it create a little bit more competition or risk to project awards or pricing concerns. Any thoughts on that?

Richard S. Swartz

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

A

Not overly concerned. We've got long term client relationships with a lot of the data center providers. We've been doing it since, you know, we're not just trying to get in the market now. We've been doing data centers since data centers were started. So again, we continue to expand that market. Very good conversations with our client. But along with that, we've always said we want to balance business, so we don't want 100% of our resources just doing data centers. But again, we haven't seen margin pressure from these new entrants. There's a lot of work going on. And again, it's how do we keep our relationship with our clients going forward and keeping those relationships strong.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thank you. And then I guess you mentioned some of the transmission line awards along the larger projects you mentioned 345 kV line awards too. I'm curious what the outlook for 500 kV and more specifically 765 kV lines looks like as you think about the rest of the decade, like in terms of your conversations, how are you positioning for that?

Richard S. Swartz

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

A

I feel we're well positioned for that. We've done, there haven't been much 755 done in the country, but we've performed that work in the past having great conversations with our clients. It's a matter of project timing. You know, I think the 765 kV for the most part, we'll get started the projects at the earliest probably mid next year rolling out. But again very good conversations with our client. We've got long term alliances with some of those clients that are building that work. And as I said, ongoing conversations. So hopefully more to come. And this year, next year I think there's great activity in that market though.

Atidrip Modak

Analyst, Goldman Sachs & Co. LLC

Okay. Thank you, Rick. Congratulations.

Q

Richard S. Swartz

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

Thank you.

A

Operator: Thank you. Next call comes from Brian Brophy of Stifel. Brian, your line is open.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

Yeah. Thanks. Good morning everybody. Congrats on the nice quarter. Just a big picture question for me, Rick. How would you compare the environment you're seeing here today, maybe over the next couple of years to the demand environment we saw back during the CREZ project in 2013 and 2014? And what do you think [indiscernible] (00:40:58) of that? Thanks.

Q

Richard S. Swartz

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

Okay. Yeah. I don't I really can't say what the market, you know, what the margin impact or implications are on that, that what I can say is, you know, when you go back to the CREZ days and you look at that during that 2013, 2014, 2015 timeframe, it had an increased margin against, you know, not just on our, our work but across, you know, for all our peers at that point. But that was in one area. I mean, that was 2,500 miles being built out in Texas. And now you have the buildup going across the United States over the next 10 years or so, over the next decade.

A

So, you know, I think it's going to be amplified from what we saw there, potentially. We're not seeing that yet today. But, you know, again, our conversations with clients aren't just about projects they're going to start the next year or two. We're having conversations with clients about projects going to start in 2030, 2031, 2032 and beyond. And, you know, they're concerned about two things. Where are they going to, you know, how do they get the material lined up to have their project built on time? And [indiscernible] (00:42:03) how do they get their labor secured? So very good conversations with our clients.

Brian Brophy

Analyst, Stifel, Nicolaus & Co., Inc.

Appreciate it. I'll pass it on.

Q

Richard S. Swartz

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

A

Thanks.

Operator: Thank you very much. Our next question comes from the line of Justin Hauke of Baird. Justin, your line is open.

Justin P. Hauke

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

Q

Great. First of all, thank you for giving those updated margin targets. That's interesting. I just wanted to clarify on those that the 6% to 9% for C&I and the 8% to 11% now for T&D. Those are like kind of multiyear targets at this point. Right. That's not you're not talking about just for this year because of some of the pull through. But that's kind of the operating environment as it stands today. Right?

Richard S. Swartz

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

A

Yeah, we see that, as I said on a yearly basis this year, we feel those are those are our margin profiles we can operate within. I think when you look beyond I don't see the market getting any softer. So we haven't got done anything beyond that. But that's where I see it for this year. And again, I think there's great opportunities going in future years.

Justin P. Hauke

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

Q

Yeah okay. That's what I figured. And then I guess the second thing, you know, I heard you talk a little bit more about the prefab capacity that you guys have as, as something that's been controlling the risk terms on your jobs. I feel like you mentioned that more than you have in the past. And, Kelly, maybe it's a question on the CapEx as well. You've got a lot of net cash here, \$152 million. Is that is that one of the areas where you're seeing or where you expect to kind of deploy some of that capital, to the extent that there are acquisitions that you do and kind of expanding some of that, that prefab capacity? Thank you.

Kelly M. Huntington

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

A

Sure, I can start on that. And then Rick or Don might give you a little bit more color, but absolutely that is an area where we continue to invest. And we've been doing prefab for a long time, but I think our teams are continuing to, you know, push the limits on, you know, how we can perform more work in a controlled environment [Technical Difficulty] (00:44:13) that really help us to be effective at the job site, especially in congested areas and, you know, can help us toward a more consistent execution. I would still say that, you know, the vast majority of our capital expenditures go to T&D side of the business, but it is part of our growth in CapEx overall.

Richard S. Swartz

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

A

Yeah. And then you talk a little bit about our strong balance sheet and what we're doing with that. I think, you know, we'll continue to invest in the prefab. But I you know, that's you know, that's not going to take that all up. So I think we continue to look for acquisitions. And I'll say right now there's some great activity in the market with some, you know, I would say some high quality companies that are out there. So, you know, we talked about kind of a 12%-ish growth on revenue overall. And that's on the organic side. If we capture the right, you know, I guess acquisition and it came into our portfolio that would be above that. So again, we're looking to potentially, you know, do acquisitions with that money or do stock buybacks either way.

Justin P. Hauke

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

Yeah. Okay.

Q

Kelly M. Huntington

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

Yeah. I would just kind of reiterate Rick's point, you know, in a very strong financial position, you know, with almost no debt at the end of the quarter and \$160 million plus in cash on the balance sheet. So, in a good position to support that, you know, strong organic growth that we're seeing as well as pursue the right acquisition.

A

Operator: Thank you. At this time, I'm showing no further questions in the queue. And I would now like to turn the call back over to Rick Swartz for additional closing remarks.

Richard S. Swartz

Chief Executive Officer, President & 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 in the future and speaking with you again on our next conference call. Until then, stay safe.

Operator: Thank you very much. This concludes today's conference call. We thank you for your participation and you may now disconnect.

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