UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-08325

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-3158643**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12121 Grant Street, Suite 610	
Thornton, CO	**80241**
(Address of principal executive offices)	(Zip Code)

(303) 286-8000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	MYRG	The Nasdaq Stock Market, LLC
		(Nasdaq Global Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 25, 2025, there were 15,522,834 outstanding shares of the registrant's $0.01 par value common stock.

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Throughout this report, references to "MYR Group," the "Company," "we," "us" and "our" refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MYR GROUP INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	June 30, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,956	$ 3,464
Accounts receivable, net of allowances of $2,168 and $1,129, respectively	599,629	653,069
Contract assets, net of allowances of $537 and $422, respectively	347,082	301,942
Current portion of receivable for insurance claims in excess of deductibles	10,131	9,081
Refundable income taxes	4,392	4,638
Prepaid expenses and other current assets	33,416	42,468
Total current assets	1,017,606	1,014,662
Property and equipment, net of accumulated depreciation of $402,519 and $387,223, respectively	281,901	278,226
Operating lease right-of-use assets	45,322	42,648
Goodwill	115,466	112,983
Intangible assets, net of accumulated amortization of $37,584 and $34,573, respectively	75,048	75,691
Receivable for insurance claims in excess of deductibles	34,245	34,553
Deferred income taxes	6,002	5,734
Investment in joint ventures	4,611	3,730
Other assets	6,781	5,832
Total assets	$ 1,586,982	$ 1,574,059
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 4,458	$ 4,363
Current portion of operating lease obligations	12,848	12,141
Current portion of finance lease obligations	915	1,046
Accounts payable	308,191	295,476
Contract liabilities	286,288	321,958
Current portion of accrued self-insurance	26,801	25,883
Accrued income taxes	3,583	196
Other current liabilities	123,308	87,837
Total current liabilities	766,392	748,900
Deferred income tax liabilities	53,614	52,498
Long-term debt	81,623	70,018
Accrued self-insurance	53,577	53,600
Operating lease obligations, net of current maturities	32,446	30,496
Finance lease obligations, net of current maturities	1,632	1,930
Other liabilities	14,464	16,257
Total liabilities	1,003,748	973,699
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock—$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at June 30, 2025 and December 31, 2024	—	—
Common stock—$0.01 par value per share; 100,000,000 authorized shares; 15,522,834 and 16,121,901 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	155	161
Additional paid-in capital	156,138	159,133
Accumulated other comprehensive loss	(7,657)	(12,651)
Retained earnings	434,598	453,717
Total shareholders’ equity	583,234	600,360
Total liabilities and shareholders’ equity	$ 1,586,982	$ 1,574,059

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands, except per share data)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Contract revenues	$ 900,325	$ 828,890	$ 1,733,945	$ 1,644,452
Contract costs	796,614	788,047	1,533,333	1,517,366
Gross profit	103,711	40,843	200,612	127,086
Selling, general and administrative expenses	63,313	61,839	125,837	124,072
Amortization of intangible assets	1,211	1,217	2,399	2,445
Gain on sale of property and equipment	(600)	(1,506)	(1,701)	(2,995)
Income (loss) from operations	39,787	(20,707)	74,077	3,564
Other income (expense):				
Interest income	45	81	236	223
Interest expense	(1,905)	(1,241)	(3,319)	(2,295)
Other expense, net	(533)	(270)	(833)	(533)
Income (loss) before provision for income taxes	37,394	(22,137)	70,161	959
Income tax expense (benefit)	10,928	(6,860)	20,387	(2,703)
Net income (loss)	$ 26,466	$ (15,277)	$ 49,774	$ 3,662
Income (loss) per common share:				
—Basic	$ 1.70	$ (0.91)	$ 3.16	$ 0.22
—Diluted	$ 1.70	$ (0.91)	$ 3.15	$ 0.22
Weighted average number of common shares and potential common shares outstanding:				
—Basic	15,527	16,756	15,759	16,734
—Diluted	15,575	16,809	15,813	16,820
Net income (loss)	$ 26,466	$ (15,277)	$ 49,774	$ 3,662
Other comprehensive income (loss):				
Foreign currency translation adjustment	4,872	(1,173)	4,994	(3,645)
Other comprehensive income (loss)	4,872	(1,173)	4,994	(3,645)
Total comprehensive income (loss)	$ 31,338	$ (16,450)	$ 54,768	$ 17

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands)	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at December 31, 2023	$ —	16,684	$ 167	$ 162,386	$ (3,880)	$ 492,529	$ 651,202
Net income	—	—	—	—	—	18,939	18,939
Stock issued under compensation plans, net	—	114	1	(1)	—	—	—
Stock-based compensation expense	—	—	—	1,917	—	—	1,917
Shares repurchased related to tax withholding for stock-based compensation	—	(36)	(1)	(5,511)	—	(354)	(5,866)
Other comprehensive loss	—	—	—	—	(2,472)	—	(2,472)
Balance at March 31, 2024	—	16,762	167	158,791	(6,352)	511,114	663,720
Net loss	—	—	—	—	—	(15,277)	(15,277)
Stock issued under compensation plans, net	—	3	—	—	—	—	—
Stock-based compensation expense	—	—	—	2,331	—	—	2,331
Share repurchases under share repurchase program	—	(117)	(1)	(1,121)	—	(15,137)	(16,259)
Other comprehensive loss	—	—	—	—	(1,173)	—	(1,173)
Balance at June 30, 2024	$ —	16,648	$ 166	$ 160,001	$ (7,525)	$ 480,700	$ 633,342
Balance at December 31, 2024	$ —	16,122	$ 161	$ 159,133	$ (12,651)	$ 453,717	$ 600,360
Net income	—	—	—	—	—	23,308	23,308
Stock issued under compensation plans, net	—	58	1	(1)	—	—	—
Stock-based compensation expense	—	—	—	2,333	—	—	2,333
Shares repurchased related to tax withholding for stock-based compensation	—	(19)	(1)	(2,264)	—	(186)	(2,451)
Share repurchases under share repurchase program	—	(639)	(6)	(6,303)	—	(68,691)	(75,000)
Other comprehensive income	—	—	—	—	122	—	122
Balance at March 31, 2025	—	15,522	155	152,898	(12,529)	408,148	548,672
Net income	—	—	—	—	—	26,466	26,466
Stock issued under compensation plans, net	—	3	—	—	—	—	—
Stock-based compensation expense	—	—	—	3,426	—	—	3,426
Shares repurchased related to tax withholding for stock-based compensation	—	(2)	—	(186)	—	(16)	(202)
Other comprehensive income	—	—	—	—	4,872	—	4,872
Balance at June 30, 2025	$ —	15,523	$ 155	$ 156,138	$ (7,657)	$ 434,598	$ 583,234

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Six months ended June 30, 2025	2024
Cash flows from operating activities:		
Net income	$ 49,774	$ 3,662
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	30,139	29,659
Amortization of intangible assets	2,399	2,445
Stock-based compensation expense	5,759	4,248
Deferred income taxes	347	—
Gain on sale of property and equipment	(1,701)	(2,995)
Other non-cash items	(180)	1,266
Changes in operating assets and liabilities:		
Accounts receivable, net	55,665	(34,139)
Contract assets, net	(42,167)	17,057
Receivable for insurance claims in excess of deductibles	(742)	(30)
Other assets	4,737	(3,507)
Accounts payable	11,133	(10,336)
Contract liabilities	(36,516)	16,514
Accrued self-insurance	872	(4,161)
Other liabilities	36,628	10,688
Net cash flows provided by operating activities	116,147	30,371
Cash flows from investing activities:		
Proceeds from sale of property and equipment	3,726	3,380
Purchases of property and equipment	(34,289)	(45,961)
Net cash flows used in investing activities	(30,563)	(42,581)
Cash flows from financing activities:		
Borrowings under revolving lines of credit	488,553	290,907
Repayments under revolving lines of credit	(474,695)	(279,488)
Payment of principal obligations under equipment notes	(2,158)	(2,595)
Payment of principal obligations under finance leases	(568)	(549)
Repurchase of common stock	(75,000)	(14,251)
Debt refinancing costs	—	(33)
Payments related to tax withholding for stock-based compensation	(2,653)	(5,866)
Other financing activities	—	1,600
Net cash flows used in financing activities	(66,521)	(10,275)
Effect of exchange rate changes on cash	429	(545)
Net increase (decrease) in cash and cash equivalents	19,492	(23,030)
Cash and cash equivalents:		
Beginning of period	3,464	24,899
End of period	$ 22,956	$ 1,869

The accompanying notes are an integral part of these consolidated financial statements.

MYR GROUP INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization, Business and Basis of Presentation

Organization and Business

MYR Group Inc. (the "Company") is a holding company of specialty electrical construction service providers conducting operations through wholly owned subsidiaries. The Company performs construction services in two business segments: Transmission and Distribution ("T&D"), and Commercial and Industrial ("C&I"). T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors. T&D provides a broad range of services on electric transmission, distribution networks, substation facilities, clean energy projects and electric vehicle charging infrastructure. T&D services include design, engineering, procurement, construction, upgrade, maintenance and repair services. C&I customers include general contractors, commercial and industrial facility owners, government agencies and developers. C&I provides a broad range of services, which include the design, installation, maintenance and repair of commercial and industrial wiring. Typical C&I contracts cover electrical contracting services for data centers, airports, hospitals, hotels, stadiums, commercial and industrial facilities, clean energy projects, manufacturing plants, processing facilities, water/waste-water treatment facilities, mining facilities, intelligent transportation systems, roadway lighting, signalization and electric vehicle charging infrastructure.

Basis of Presentation

Interim Consolidated Financial Information

The accompanying unaudited consolidated financial statements of the Company were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. The Company believes that the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position, results of operations, comprehensive income (loss), shareholders' equity and cash flows with respect to the interim consolidated financial statements, have been included. The consolidated balance sheet as of December 31, 2024 has been derived from the audited financial statements as of that date. The results of operations and comprehensive income (loss) are not necessarily indicative of the results for the full year or the results for any future periods. These financial statements should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2024, included in the Company's Annual Report on Form 10-K, which was filed with the SEC on February 26, 2025 (the "2024 Annual Report").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates.

The most significant estimates are related to estimates of costs to complete contracts, variable consideration inclusive of pending change orders and claims, shared savings, insurance reserves, income tax reserves, estimates surrounding stock-based compensation, the recoverability of goodwill and intangibles and allowance for doubtful accounts. The Company estimates a cost accrual every quarter that represents costs incurred but not invoiced for services performed or goods delivered during the period, and estimates revenue from the contract cost portion of these accruals based on current gross margin rates to be consistent with its cost method of revenue recognition.

The Company estimates costs to complete on fixed price contracts which are determined on an individual contract basis by evaluating each project's status as of the balance sheet date, and using our historical experience with the level of effort required to complete the underlying project. Claims and change orders are measured based on our historical experience with individual customers and similar contracts, and are evaluated by management individually. The Company includes these estimated amounts of variable consideration to the extent that it is probable there will not be a significant reversal of revenue.

Some of the Company's contracts may have contract terms that include variable consideration such as safety or performance bonuses or liquidated damages. The Company includes the estimated amount of variable consideration in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative recognized revenue will not occur when the final outcome of the variable consideration is determined. In contracts in which a significant reversal may occur, the Company uses constraint in recognizing revenue on variable consideration. The Company often enters into contracts that contain liquidated damage clauses. The Company does not include amounts associated with liquidated damage clauses until it is probable that liquidated damages will occur. These items are continually monitored by multiple levels of management throughout the reporting period.

As of June 30, 2025 and December 31, 2024, the Company had recognized revenues of $23.0 million and $46.0 million, respectively, related to large change orders and/or claims that had been included as contract price adjustments on certain contracts, some of which are multi-year projects. These change orders and/or claims are in the process of being negotiated in the normal course of business, and a portion of these recognized revenues had been included in multiple periods.

The cost-to-cost method of accounting requires the Company to make estimates about the expected revenue and gross profit on each of its contracts in process. During the three months ended June 30, 2025, net changes in estimates pertaining to certain projects decreased consolidated gross margin by 1.0%, which resulted in decreases in operating income of $8.9 million, net income of $6.7 million and diluted earnings per common share of $0.43. During the six months ended June 30, 2025, changes in estimates pertaining to certain projects decreased consolidated gross margin by 1.2% and resulted in decreases in operating income of $21.3 million, net income of $15.7 million and diluted earnings per common share of $0.99. Additional discussion on the impact of these estimate changes can be found in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Consolidated Results of Operations."

During the three months ended June 30, 2024, net changes in estimates pertaining to certain projects decreased consolidated gross margin by 7.2%, which resulted in decreases in operating income of $59.7 million, net income of $40.2 million and diluted earnings per common share of $2.39. During the six months ended June 30, 2024, changes in estimates pertaining to certain projects decreased consolidated gross margin by 4.2% and resulted in decreases in operating income of $68.4 million, net income of $46.1 million and diluted earnings per common share of $2.74.

Foreign Currency

The functional currency for the Company's Canadian operations is the Canadian dollar. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars at the end-of-period exchange rate. Revenues and expenses are translated using average exchange rates for the periods reported. Equity accounts are translated at historical rates. Cumulative translation adjustments are included as a separate component of accumulated other comprehensive income (loss) in shareholders' equity. Foreign currency transaction gains and losses, arising primarily from changes in exchange rates on short-term monetary assets and liabilities, and intercompany loans that are not deemed long-term investment accounts are recorded in the "other income (expense), net" line on the Company's consolidated statements of operations. Foreign currency losses, recorded in other income (expense), net, for the three months ended June 30, 2025 and 2024 were $0.5 million and $0.2 million, respectively. Foreign currency losses, recorded in other income (expense), net, for the six months ended June 30, 2025 and 2024 were $0.8 million and $0.5 million, respectively. Foreign currency translation gains and losses, arising from intercompany loans that are deemed long-term investment accounts, are recorded in the foreign currency translation adjustment line on the Company's consolidated statements of comprehensive income.

Recent Accounting Pronouncements

Changes to U.S. GAAP are typically established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. The Company, based on its assessment, determined that any recently issued or proposed ASUs not listed below are either not applicable to the Company or will have minimal impact on its financial statements when adopted.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which is intended to improve the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The guidance also includes certain other amendments intended to improve the effectiveness of income tax disclosures. The update is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted. The amendments in this pronouncement should be applied on a prospective basis, with the option to apply them retrospectively. The Company is currently evaluating the impact of the new standard on the Company's income tax disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. The guidance will require disclosure of certain costs and expenses on an interim and annual basis in the notes to the consolidated financial statements. The update is effective for annual reporting periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments in this pronouncement should be applied either (i) prospectively to financial statements issued for reporting periods after the effective date or (ii) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the new standard on the Company's consolidated financial statements and related disclosures.

2. Contract Assets and Liabilities

Contracts with customers usually stipulate the timing of payment, which is defined by the terms found within the various contracts under which work was performed during the period. Therefore, contract assets and liabilities are created when the timing of costs incurred on work performed does not coincide with the billing terms. These contracts frequently include retention provisions contained in each contract.

The Company's consolidated balance sheets present contract assets, which contain unbilled revenue and contract retainages associated with contract work that has been completed and billed but not paid by customers, pursuant to retainage provisions, that are generally due once the job is completed and approved. The allowance for doubtful accounts associated with contract assets was $0.5 million as of June 30, 2025 and $0.4 million as of December 31, 2024.

Contract assets consisted of the following:

(in thousands)	June 30, 2025	December 31, 2024	Change
Unbilled revenue, net	$ 171,992	$ 149,449	$ 22,543
Contract retainages, net	175,090	152,493	22,597
Contract assets, net	$ 347,082	$ 301,942	$ 45,140

The Company's consolidated balance sheets present contract liabilities that contain deferred revenue and an accrual for contracts in a loss provision.

Contract liabilities consisted of the following:

(in thousands)	June 30, 2025	December 31, 2024	Change
Deferred revenue	$ 279,860	$ 312,632	$ (32,772)
Accrued loss provision	6,428	9,326	(2,898)
Contract liabilities	$ 286,288	$ 321,958	$ (35,670)

The following table provides information about contract assets and contract liabilities from contracts with customers:

(in thousands)	June 30, 2025	December 31, 2024	Change
Contract assets, net	$ 347,082	$ 301,942	$ 45,140
Contract liabilities	(286,288)	(321,958)	35,670
Net contract assets	$ 60,794	$ (20,016)	$ 80,810

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing of the Company's billings in relation to its performance of work. The amounts of revenue recognized in the period that were included in the opening contract liability balances was $48.2 million and $117.7 million for the three and six months ended June 30, 2025, respectively. The amounts of revenue recognized in the period that were included in the opening contract liability balances was $57.8 million and $99.7 million for the three and six months ended June 30, 2024, respectively. This revenue consists primarily of work performed on previous billings to customers.

The net asset position for contracts in process consisted of the following:

(in thousands)	June 30, 2025	December 31, 2024
Costs and estimated earnings on uncompleted contracts	$ 7,918,888	$ 7,627,894
Less: billings to date	8,026,756	7,791,077
	$ (107,868)	$ (163,183)

The net asset position for contracts in process is included within the contract asset and contract liability in the accompanying consolidated balance sheets as follows:

(in thousands)	June 30, 2025	December 31, 2024
Unbilled revenue	$ 171,992	$ 149,449
Deferred revenue	(279,860)	(312,632)
	$ (107,868)	$ (163,183)

3. Lease Obligations

From time to time, the Company enters into non-cancelable leases for some of our facility, vehicle and equipment needs. These leases allow the Company to conserve cash by paying a monthly lease rental fee for the use of facilities, vehicles and equipment rather than purchasing them. The Company's leases have remaining terms ranging from less than one to eight years, some of which may include options to extend the leases for up to ten years, and some of which may include options to terminate the leases within one year. Currently, all the Company's leases contain fixed payment terms. The Company may decide to cancel or terminate a lease before the end of its term, in which case we are typically liable to the lessor for the remaining lease payments under the term of the lease. Additionally, all of the Company's month-to-month leases are cancelable, by the Company or the lessor, at any time and are not included in our right-of-use asset or liability. At June 30, 2025, the Company had several leases with residual value guarantees. Typically, the Company has purchase options on the equipment underlying its long-term leases and many of its short-term rental arrangements. The Company may exercise some of these purchase options when the need for equipment is ongoing and the purchase option price is attractive. Leases are accounted for as operating or finance leases, depending on the terms of the lease.

The following is a summary of the lease-related assets and liabilities recorded:

(in thousands)	Classification on the Consolidated Balance Sheet	June 30, 2025	December 31, 2024
Assets			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 45,322	$ 42,648
Finance lease right-of-use assets	Property and equipment, net of accumulated depreciation	2,599	3,215
Total right-of-use lease assets		$ 47,921	$ 45,863
Liabilities			
Current			
Operating lease obligations	Current portion of operating lease obligations	$ 12,848	$ 12,141
Finance lease obligations	Current portion of finance lease obligations	915	1,046
Total current obligations		13,763	13,187
Non-current			
Operating lease obligations	Operating lease obligations, net of current maturities	32,446	30,496
Finance lease obligations	Finance lease obligations, net of current maturities	1,632	1,930
Total non-current obligations		34,078	32,426
Total lease obligations		$ 47,841	$ 45,613

The following is a summary of the lease terms and discount rates:

	June 30, 2025	December 31, 2024
Weighted-average remaining lease term - finance leases	2.9 years	3.3 years
Weighted-average remaining lease term - operating leases	3.9 years	3.7 years
Weighted-average discount rate - finance leases	3.9 %	3.9 %
Weighted-average discount rate - operating leases	4.0 %	4.0 %

The following is a summary of certain information related to the lease costs for finance and operating leases:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Lease cost:				
Finance lease cost:				
Amortization of right-of-use assets	$ 245	$ 233	$ 494	$ 432
Interest on lease liabilities	24	22	53	39
Operating lease cost	4,563	3,764	8,869	7,478
Variable lease costs	117	91	223	184
Total lease cost	$ 4,949	$ 4,110	$ 9,639	$ 8,133

The following is a summary of other information and supplemental cash flow information related to finance and operating leases:

(in thousands)	Six months ended June 30, 2025	2024
Other information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 8,760	$ 7,195
Right-of-use asset obtained in exchange for new operating lease obligations	$ 9,809	$ 9,958
Right-of-use asset obtained in exchange for new finance lease obligations	$ —	$ 2,255

The future undiscounted minimum lease payments, as reconciled to the discounted minimum lease obligation indicated on the Company's consolidated balance sheets, under financial leases, less interest, and under operating leases, less imputed interest, as of June 30, 2025 were as follows:

(in thousands)	Finance Lease Obligations	Operating Lease Obligations	Total Lease Obligations
Remainder of 2025	$ 561	$ 9,346	$ 9,907
2026	872	15,840	16,712
2027	872	10,403	11,275
2028	389	8,421	8,810
2029	—	5,604	5,604
2030	—	2,189	2,189
Thereafter	—	1,927	1,927
Total minimum lease payments	2,694	53,730	56,424
Financing component	(147)	(8,436)	(8,583)
Net present value of minimum lease payments	2,547	45,294	47,841
Less: current portion of finance and operating lease obligations	(915)	(12,848)	(13,763)
Long-term finance and operating lease obligations	$ 1,632	$ 32,446	$ 34,078

The financing component for finance lease obligations represents the interest component of finance leases that will be recognized as interest expense in future periods. The financing component for operating lease obligations represents the effect of discounting the lease payments to their present value.

Certain subsidiaries of the Company have ongoing operating leases for facilities that were entered into or extended with third-party companies that, are or were, owned in whole or part, by employees of the subsidiaries. The terms and rental rates of these leases are at or below market rental rates. Lease expense associated with these leases was $0.6 million and $1.3 million for the three and six months ended June 30, 2025 and $0.6 million and $1.3 million for the three and six months ended June 30, 2024. As of June 30, 2025, the minimum lease payments required under these leases totaled $8.7 million, which are due over the next 4.2 years.

4. Fair Value Measurements

The Company uses the three-tier hierarchy of fair value measurement, which prioritizes the inputs used in measuring fair value based upon their degree of availability in external active markets. These tiers include: Level 1 (the highest priority), defined as observable inputs, such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 (the lowest priority), defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of June 30, 2025 and December 31, 2024, the Company determined that the carrying value of cash and cash equivalents approximated fair value based on Level 1 inputs. As of June 30, 2025 and December 31, 2024, the fair value of the Company's long-term debt and finance lease obligations was based on Level 2 inputs. The Company's long-term debt was based on variable and fixed interest rates at June 30, 2025 and December 31, 2024, for new issues with similar remaining maturities, and approximated carrying value. In addition, based on borrowing rates currently available to the Company for borrowings with similar terms, the carrying value of the Company's finance lease obligations also approximated fair value.

5. Debt

The table below reflects the Company's total debt, including borrowings under its credit agreement and master loan agreements for equipment notes:

(dollar amounts in thousands)	Inception Date	Stated Interest Rate (per annum)	Payment Frequency	Term (years)	Outstanding Balance as of June 30, 2025	Outstanding Balance as of December 31, 2024
Credit Agreement						
Revolving loans	5/31/2023	Variable	Variable	5	$ 72,253	$ 58,395
Equipment Notes						
Equipment Note 10	8/26/2022	4.32%	Semi-annual	5	13,803	15,957
Other equipment note	4/11/2022	4.55%	Monthly	5	25	29
					13,828	15,986
Total debt					86,081	74,381
Less: current portion of long-term debt					(4,458)	(4,363)
Long-term debt					$ 81,623	$ 70,018

Credit Agreement

On May 31, 2023, the Company entered into a five-year third amended and restated credit agreement (the "Credit Agreement") with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. that provides for a $490 million revolving credit facility (the "Facility"), subject to certain financial covenants as defined in the Credit Agreement. The Facility allows for revolving loans in Canadian dollars and other non-US currencies, up to the U.S. dollar equivalent of $150 million. Up to $75 million of the Facility may be used for letters of credit, with an additional $75 million available for letters of credit, subject to the sole discretion of each issuing bank. The Facility also allows for $15 million to be used for swingline loans. The Company has an expansion option to increase the commitments under the Facility or enter into incremental term loans, subject to certain conditions, by up to an additional $200 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries, and by a pledge of substantially all of the capital stock of the Company's domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company's domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. The Credit Agreement provides for customary events of default. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement are used to refinance existing indebtedness, and to provide for future working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement bear interest, at the Company's option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.25% to 1.00%; or (2) the Term Benchmark Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.25% to 2.00%. The applicable margin is determined based on the Company's Net Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.25% to 2.00% for non-performance letters of credit or 0.625% to 1.00% for performance letters of credit, based on the Company's Net Leverage Ratio. The Company is subject to a commitment fee of 0.20% to 0.30%, based on the Company's Net Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the Company's Net Leverage Ratio, after giving pro forma effect thereto, exceeds 2.75. The weighted average interest rate on borrowings outstanding on the Facility was 5.08% and 7.30%, per annum, for the six months ended June 30, 2025 and 2024, respectively.

Under the Credit Agreement, the Company is subject to certain financial covenants including a maximum Net Leverage Ratio of 3.0 and a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 3.0. The Credit Agreement also contains covenants including limitations on asset sales, investments, indebtedness and liens. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 30, 2025.

As of June 30, 2025, the Company had $72.3 million of borrowings outstanding under the Facility and letters of credit outstanding under the Facility of $34.5 million, including $29.8 million related to the Company's payment obligation under its insurance programs and $4.7 million related to contract performance obligations.

As of December 31, 2024, the Company had $58.4 million of borrowings outstanding under the Facility and letters of credit outstanding under the Facility of $37.3 million, including $32.6 million related to the Company's payment obligation under its insurance programs and $4.7 million related to contract performance obligations.

The Company had remaining deferred debt issuance costs related to the Facility totaling $1.5 million and $1.8 million as of June 30, 2025 and December 31, 2024, respectively. As permitted, debt issuance costs have been deferred and are presented as an asset within other assets, which is amortized as interest expense over the term of the Facility.

Equipment Notes

The Company has entered into Master Equipment Loan and Security Agreements (the “Master Loan Agreements”) with multiple finance companies. The Master Loan Agreements may be used for the financing of equipment between the Company and the lenders pursuant to one or more equipment notes ("Equipment Note"). Each Equipment Note executed under the Master Loan Agreements constitutes a separate, distinct and independent financing of equipment and a contractual obligation of the Company, which may contain prepayment clauses.

As of June 30, 2025, the Company had one Equipment Note outstanding under the Master Loan Agreements that is collateralized by equipment and vehicles owned by the Company. As of June 30, 2025, the Company had one other equipment note outstanding that is collateralized by a vehicle owned by the Company. The following table sets forth our remaining principal payments for all of the Company’s outstanding equipment notes as of June 30, 2025:

(in thousands)	Future Equipment Notes Principal Payments
Remainder of 2025	$ 2,205
2026	4,555
2027	7,068
2028	—
2029	—
2030	—
Total future principal payments	13,828
Less: current portion of equipment notes	(4,458)
Long-term principal obligations	$ 9,370

6. Revenue Recognition

Disaggregation of Revenue

A majority of the Company’s revenues are earned through contracts with customers that normally provide for payment upon completion of specified work or units of work as identified in the contract. Although there is considerable variation in the terms of these contracts, they are primarily structured as fixed-price contracts, under which the Company agrees to perform a defined scope of a project for a fixed amount, or unit-price contracts, under which the Company agrees to do the work at a fixed price per unit of work as specified in the contract. The Company also enters into time-and-equipment and time-and-materials contracts under which the Company is paid for labor and equipment at negotiated hourly billing rates and for other expenses, including materials, as incurred at rates agreed to in the contract. Finally, the Company sometimes enters into cost-plus contracts, where the Company is paid for costs plus a negotiated margin. On occasion, time-and-equipment, time-and-materials and cost-plus contracts require the Company to include a guarantee not-to-exceed a maximum price.

Historically, fixed-price and unit-price contracts have had the highest potential margins; however, they have had a greater risk in terms of profitability because cost overruns may not be recoverable. Time-and-equipment, time-and-materials and cost-plus contracts have historically had less margin upside, but generally have had a lower risk of cost overruns. The Company also provides services under master service agreements ("MSAs") and other variable-term service agreements. MSAs normally cover maintenance, upgrade and extension services, as well as new construction. Work performed under MSAs is typically billed on a unit-price, time-and-materials or time-and-equipment basis. MSAs are typically one to three years in duration; however, most of the Company's contracts, including MSAs, may be terminated by the customer on short notice, typically 30 to 90 days, even if the Company is not in default under the contract. Under MSAs, customers generally agree to use the Company for certain services in a specified geographic region. Most MSAs include no obligation for the contract counterparty to assign specific volumes of work to the Company and do not require the counterparty to use the Company exclusively, although in some cases the MSA contract gives the Company a right of first refusal for certain work. Additional information related to the Company's market types is provided in Note 10–Segment Information.

The components of the Company's revenue by contract type for the three months ended June 30, 2025 and 2024 were as follows:

	Three months ended June 30, 2025					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 178,118	35.2 %	$ 329,982	83.8 %	$ 508,100	56.4 %
Unit price	191,022	37.7	20,246	5.1	211,268	23.5
T&E	137,133	27.1	43,824	11.1	180,957	20.1
	$ 506,273	100.0 %	$ 394,052	100.0 %	$ 900,325	100.0 %

	Three months ended June 30, 2024					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 214,882	46.9 %	$ 306,679	82.7 %	$ 521,561	62.9 %
Unit price	138,127	30.1	18,803	5.1	156,930	18.9
T&E	105,200	23.0	45,199	12.2	150,399	18.2
	$ 458,209	100.0 %	$ 370,681	100.0 %	$ 828,890	100.0 %

The components of the Company's revenue by contract type for the six months ended June 30, 2025 and 2024 were as follows:

	Six months ended June 30, 2025					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 351,568	36.3 %	$ 623,787	81.4 %	$ 975,355	56.3 %
Unit price	343,124	35.4	37,913	5.0	381,037	22.0
T&E	273,351	28.3	104,202	13.6	377,553	21.7
	$ 968,043	100.0 %	$ 765,902	100.0 %	$ 1,733,945	100.0 %

	Six months ended June 30, 2024					
	T&D		C&I		Total	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Fixed price	$ 457,882	48.3 %	$ 571,479	82.1 %	$ 1,029,361	62.6 %
Unit price	274,252	28.9	35,139	5.1	309,391	18.8
T&E	216,470	22.8	89,230	12.8	305,700	18.6
	$ 948,604	100.0 %	$ 695,848	100.0 %	$ 1,644,452	100.0 %

The components of the Company's revenue by market type for the three months ended June 30, 2025 and 2024 were as follows:

	Three months ended June 30, 2025			Three months ended June 30, 2024		
(dollars in thousands)	**Amount**	**Percent**	**Segment**	**Amount**	**Percent**	**Segment**
Transmission	$ 305,449	33.9 %	T&D	$ 282,488	34.1 %	T&D
Distribution	200,824	22.3	T&D	175,721	21.2	T&D
Electrical construction	394,052	43.8	C&I	370,681	44.7	C&I
Total revenue	$ 900,325	100.0 %		$ 828,890	100.0 %	

The components of the Company's revenue by market type for the six months ended June 30, 2025 and 2024 were as follows:

	Six months ended June 30, 2025			Six months ended June 30, 2024		
(dollars in thousands)	**Amount**	**Percent**	**Segment**	**Amount**	**Percent**	**Segment**
Transmission	$ 575,222	33.1 %	T&D	$ 596,414	36.3 %	T&D
Distribution	392,821	22.7	T&D	352,190	21.4	T&D
Electrical construction	765,902	44.2	C&I	695,848	42.3	C&I
Total revenue	$ 1,733,945	100.0 %		$ 1,644,452	100.0 %	

Remaining Performance Obligations

As of June 30, 2025, the Company had $2.33 billion of remaining performance obligations. The Company's remaining performance obligations include projects that have a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. The timing of when remaining performance obligations are recognized is evaluated quarterly and is largely driven by the estimated start date and duration of the underlying projects.

The following table summarizes the amount of remaining performance obligations as of June 30, 2025 that the Company expects to be realized and the amount of the remaining performance obligations that the Company reasonably estimates will be recognized within the next twelve months, and the amount estimated to be recognized after the next twelve months.

	Remaining Performance Obligations at June 30, 2025		
(in thousands)	**Total**	**Amount estimated to be recognized within 12 months**	**Amount estimated to be recognized after 12 months**
T&D	$ 629,097	$ 592,244	$ 36,853
C&I	1,702,813	1,264,250	438,563
Total	$ 2,331,910	$ 1,856,494	$ 475,416

The Company estimates approximately 95% or more of the remaining performance obligations will be recognized within twenty-four months, including approximately 80% of the remaining performance obligations estimated to be recognized within twelve months, although the timing of the Company's performance is not always under its control. The timing of when remaining performance obligations are recognized by the Company can vary considerably and is impacted by multiple variables including, but not limited to: changes in the estimated versus actual start time of a project; the availability of labor, equipment and materials; changes in project workflow; weather; project delays and accelerations; and the timing of final contract settlements. Additionally, the difference between the remaining performance obligations and backlog is due to the exclusion of a portion of the Company's MSAs under certain contract types from the Company's remaining performance obligations as these contracts can be canceled for convenience at any time by the Company or the customer without considerable cost incurred by the customer. Additional information related to backlog is provided in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

7. Income Taxes

The U.S. federal statutory tax rate was 21% for each of the three and six months ended June 30, 2025 and 2024. The Company's effective tax rate for the three and six months ended June 30, 2025 was 29.2% and 29.1%, respectively, of pretax income compared to the effective tax rate for the three and six months ended June 30, 2024 of 31.0% and (281.9)%, respectively.

The difference between the U.S. federal statutory tax rate and the Company's effective tax rates for the three and six months ended June 30, 2025 was primarily due to permanent difference items and state income taxes.

The difference between the U.S. federal statutory tax rate and the Company's effective tax rates for the three months ended June 30, 2024 was primarily due to state income taxes, Canadian taxes and other permanent difference items.

The difference between the U.S. federal statutory tax rate and the Company's effective tax rate for the six months ended June 30, 2024, was primarily due to lower taxes associated with a reduction in net income and a favorable impact from stock compensation excess tax benefits, partially offset by state income taxes, Canadian taxes and other permanent difference items.

The Company has recorded a liability for unrecognized tax benefits of approximately $0.4 million and $0.3 million as of June 30, 2025 and December 31, 2024, respectively, which were included in other liabilities in the accompanying consolidated balance sheets.

The Company's policy is to recognize interest and penalties related to income tax liabilities as a component of income tax expense in the consolidated statements of operations. The amount of interest and penalties charged to income tax expense related to unrecognized tax benefits was not significant for the three and six months ended June 30, 2025 and 2024.

The Company is subject to taxation in various jurisdictions. The Company's 2020 through 2023 tax returns are subject to examination by U.S. federal authorities. The Company's tax returns are subject to examination by various state authorities for the years 2019 through 2023.

On July 4, 2025, the "One Big Beautiful Bill Act" (the "Act") was signed into law. The Act includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The Act has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company is currently evaluating the impact of the Act on our deferred tax balances and consolidated financial statements.

8. Commitments and Contingencies

Purchase Commitments

As of June 30, 2025, the Company had approximately $9.2 million in outstanding purchase orders for certain construction equipment, with cash payments scheduled to occur in 2025.

Insurance and Claims Accruals

The Company carries insurance policies, which are subject to certain deductibles and limits, for workers' compensation, general liability, automobile liability and other insurance coverage. The deductible per occurrence for each line of coverage is up to $1.0 million. The Company's health benefit plans are subject to stop-loss limits of up to $0.2 million for qualified individuals. Losses up to the deductible and stop-loss amounts are accrued based upon the Company's estimates of the ultimate liability for claims reported and an estimate of claims incurred but not yet reported.

The insurance and claims accruals are based on known facts, actuarial estimates and historical trends. While recorded accruals are based on the ultimate liability, which includes amounts in excess of the deductible, a corresponding receivable for amounts in excess of the deductible is included in current and long-term assets in the Company's consolidated balance sheets.

Performance and Payment Bonds and Parent Guarantees

In certain circumstances, the Company is required to provide performance and payment bonds in connection with its future performance on certain contractual commitments. The Company has indemnified its sureties for any expenses paid out under these bonds. As of June 30, 2025, an aggregate of approximately $2.24 billion in original face amount of bonds issued by the Company's sureties were outstanding. The Company estimated the remaining cost to complete these bonded projects was approximately $640.2 million as of June 30, 2025.

From time to time, the Company guarantees the obligations of wholly owned subsidiaries, including obligations under certain contracts with customers, certain lease agreements, and, in some states, obligations in connection with obtaining contractors' licenses. Additionally, from time to time the Company is required to post letters of credit to guarantee the obligations of wholly owned subsidiaries, which reduces the borrowing availability under the Facility.

Indemnities

From time to time, pursuant to its service arrangements, the Company indemnifies its customers for claims related to the services it provides under those service arrangements. These indemnification obligations may subject the Company to indemnity claims, liabilities and related litigation. The Company is not aware of any material unrecorded liabilities for asserted claims in connection with these indemnification obligations.

Collective Bargaining Agreements

Most of the Company's subsidiaries' craft labor employees are covered by collective bargaining agreements. The agreements require the subsidiaries to pay specified wages, provide certain benefits and contribute certain amounts to multi-employer pension plans. If a subsidiary withdraws from any of the multi-employer pension plans or if the plans were to otherwise become underfunded, the subsidiary could incur liabilities for additional contributions related to these plans. Although the Company has been informed that the status of some multi-employer pension plans to which its subsidiaries contribute have been classified as "critical", the Company is not currently aware of any potential liabilities related to this issue.

Litigation and Other Legal Matters

The Company is from time to time party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief.

The Company is routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of business. These claims, lawsuits and other proceedings include claims related to the Company's current services and operations, as well as our historic operations.

With respect to all such lawsuits, claims and proceedings, the Company records reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, separately or in the aggregate, would be expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

9. Stock-Based Compensation

The Company maintains an equity compensation plan under which stock-based compensation has been granted: the 2017 Long-Term Incentive Plan (Amended and Restated as of April 24, 2024) (the "LTIP"). The LTIP was approved by our shareholders and provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) restricted stock units, (f) performance awards, (g) phantom stock, (h) stock bonuses, (i) dividend equivalents, or (j) any combination of such grants. The Company has outstanding grants of time-vested stock awards in the form of restricted stock units and internal metric-based and market-based performance stock units.

During the six months ended June 30, 2025, the Company granted time-vested stock awards covering 68,055 shares of common stock under the LTIP, which vest ratably over three years for employee awards and after one year for non-employee director awards, at a weighted average grant date fair value of $126.34. During the six months ended June 30, 2025, time-vested stock awards covering 39,629 shares of common stock vested at a weighted average grant date fair value of $134.78.

During the six months ended June 30, 2025, the Company granted 53,678 performance share awards under the LTIP at target, which will cliff vest, if earned, on December 31, 2027, at a weighted average grant date fair value of $148.73. The number of shares ultimately earned under a performance award may vary from zero to 200% of the target shares granted, based upon the Company's performance compared to certain financial and other metrics. The metrics used were determined at the time of the grant by the Compensation Committee of the Board of Directors and were either based on internal measures, such as the Company's financial performance compared to targets, or on a market-based metric, such as the Company's stock performance compared to a peer group. Performance awards granted cliff vest following the performance period if the stated performance targets and minimum service requirements are attained and are paid in shares of the Company's common stock.

The Company recognizes stock-based compensation expense related to restricted stock units based on the grant date fair value, which was the closing price of the Company's stock on the date of grant. The fair value is expensed over the service period, which is generally three years.

For performance awards, the Company recognizes stock-based compensation expense based on the grant date fair value of the award. The fair value of internal metric-based performance awards is determined by the closing stock price of the Company's common stock on the date of the grant. The fair value of market-based performance awards is computed using a Monte Carlo simulation. Performance awards are expensed over the service period of approximately 2.8 years, and the Company adjusts the stock-based compensation expense related to internal metric-based performance awards according to its determination of the shares expected to vest at each reporting date.

10. Segment Information

MYR Group is a holding company of specialty contractors serving electrical utility infrastructure and commercial construction markets in the United States and Canada. The Company has two reporting segments, each a separate operating segment, which are referred to as T&D and C&I. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM is the Chief Executive Officer. The CODM uses segment revenue and income from operations, over multiple time periods, along with a comparison to the corresponding budgeted and prior year periods, as the primary basis for assessing segment performance and deciding how to allocate resources. Income from operations is the Company's reported measure of segment profit or loss, as summarized in the table below, and excludes general corporate expenses. General corporate expenses reflect items that are generally viewed as Company-wide operating costs by the CODM and include items such as corporate facility and staffing costs, which includes safety costs, professional fees, IT expenses and certain management fees. The CODM also considers many other factors, such as contract terms, individual project performance, project location and other items, to support the CODM's assessment of segment performance and resource allocation decisions.

Transmission and Distribution: The T&D segment provides a broad range of services on electric transmission and distribution networks and substation facilities which include design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair. T&D services include the construction and maintenance of high voltage transmission lines, substations and lower voltage underground and overhead distribution systems, clean energy projects and electric vehicle charging infrastructure. The T&D segment also provides emergency restoration services. T&D customers include investor-owned utilities, cooperatives, private developers, government-funded utilities, independent power producers, independent transmission companies, industrial facility owners and other contractors.

Commercial and Industrial: The C&I segment provides services such as the design, installation, maintenance and repair of commercial and industrial wiring, the installation of intelligent transportation systems, roadway lighting, signalization and electric vehicle charging infrastructure. Typical C&I contracts cover electrical contracting services for data centers, airports, hospitals, hotels, stadiums, commercial and industrial facilities, clean energy projects, manufacturing plants, processing facilities, water/waste-water treatment facilities, mining facilities, and transportation control and management systems. The C&I segment generally provides electric construction and maintenance services as a subcontractor to general contractors in the C&I industry, but also contracts directly with facility owners. The C&I segment has a diverse customer base with many long-standing relationships.

The information in the following table is derived from the segment's internal financial reports used for corporate management purposes:

	For the Three Months Ended June 30, 2025			
(in thousands)	T&D	C&I	General Corporate	Consolidated
Contract revenues	$ 506,273	$ 394,052	$ —	$ 900,325
Operating costs [(1)]	465,808	372,060	22,670	860,538
Income from operations	40,465	21,992	(22,670)	39,787
Other income (expense):				
Interest income				45
Interest expense				(1,905)
Other expense, net				(533)
Income before provision for income taxes				37,394
Income tax expense				10,928
Net income				$ 26,466

	For the Three Months Ended June 30, 2024			
(in thousands)	T&D	C&I	General Corporate	Consolidated
Contract revenues	$ 458,209	$ 370,681	$ —	$ 828,890
Operating costs [(1)]	466,509	369,073	14,015	849,597
Income (loss) from operations	(8,300)	1,608	(14,015)	(20,707)
Other income (expense):				
Interest income				81
Interest expense				(1,241)
Other expense, net				(270)
Loss before provision for income taxes				(22,137)
Income tax benefit				(6,860)
Net loss				$ (15,277)

	For the Six Months Ended June 30, 2025			
(in thousands)	T&D	C&I	General Corporate	Consolidated
Contract revenues	$ 968,043	$ 765,902	$ —	$ 1,733,945
Operating costs [(1)]	891,357	726,533	41,978	1,659,868
Income from operations	76,686	39,369	(41,978)	74,077
Other income (expense):				
Interest income				236
Interest expense				(3,319)
Other expense, net				(833)
Income before provision for income taxes				70,161
Income tax expense				20,387
Net income				$ 49,774

(in thousands)	For the Six Months Ended June 30, 2024 T&D	C&I	General Corporate	Consolidated
Contract revenues	$ 948,604	$ 695,848	$ —	$ 1,644,452
Operating costs [1]	927,068	682,817	31,003	1,640,888
Income from operations	21,536	13,031	(31,003)	3,564
Other income (expense):				
Interest income				223
Interest expense				(2,295)
Other expense, net				(533)
Income before provision for income taxes				959
Income tax benefit				(2,703)
Net income				$ 3,662

(1) Operating costs include T&D, C&I and general corporate portion of contract costs, selling, general and administrative expenses, amortization of intangible assets and gain on sale of property and equipment. The expenses found in these other segment items are generally viewed as operating costs by the CODM and are not considered individually significant segment reporting items.

The Company does not identify capital expenditures and total assets by segment in its internal financial reports due in part to the shared use of a centralized fleet of vehicles and specialized equipment. Identifiable assets, consisting of contract receivables, contract assets, construction materials inventory, goodwill and intangibles. As of June 30, 2025 and December 31, 2024, there were $190.8 million and $177.9 million, respectively, of identifiable assets attributable to Canadian operations. The table below reflects the identifiable assets for each segment.

(in thousands)	June 30, 2025	December 31, 2024
T&D	$ 584,314	$ 601,546
C&I	549,847	539,687
General Corporate	452,821	432,826
	$ 1,586,982	$ 1,574,059

An allocation of total depreciation, including depreciation of shared construction equipment, and amortization to each segment is as follows:

(in thousands)	For the Six Months Ended June 30, 2025	2024
Depreciation and amortization		
T&D	$ 28,286	$ 28,017
C&I	4,252	4,087
	$ 32,538	$ 32,104

11. Earnings Per Share

The Company computes earnings per share using the treasury stock method. Under the treasury stock method, basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the period, and diluted earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the period plus all potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalent would be anti-dilutive.

Net income and the weighted average number of common shares used to compute basic and diluted earnings per share were as follows:

(in thousands, except per share data)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Numerator:				
Net income (loss)	$ 26,466	$ (15,277)	$ 49,774	$ 3,662
Denominator:				
Weighted average common shares outstanding	15,527	16,756	15,759	16,734
Weighted average dilutive securities	48	53	54	86
Weighted average common shares outstanding, diluted	15,575	16,809	15,813	16,820
Income (loss) per common share:				
Basic	$ 1.70	$ (0.91)	$ 3.16	$ 0.22
Diluted	$ 1.70	$ (0.91)	$ 3.15	$ 0.22

For the three and six months ended June 30, 2025 and 2024, certain common stock equivalents were excluded from the calculation of dilutive securities because their inclusion would have been anti-dilutive.

The following table summarizes the shares of common stock underlying the Company's unvested time-vested stock awards and performance awards that were excluded from the calculation of dilutive securities:

(in thousands)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Time-vested stock awards	34	36	—	36
Performance awards	25	30	30	30

Share Repurchases

During the six months ended June 30, 2025, the Company repurchased 20,504 shares of stock, for approximately $2.7 million, from its employees to satisfy tax obligations on shares vested under the LTIP. During the six months ended June 30, 2024, the Company repurchased 36,397 shares of stock, for approximately $5.9 million, from its employees to satisfy tax obligations on shares vested under the LTIP.

On February 26, 2025, the Company announced that its Board of Directors had approved a new $75.0 million share repurchase program (the "Repurchase Program"). The Repurchase Program will expire on September 5, 2025, or when the authorized funds are exhausted, whichever is earlier. During the six months ended June 30, 2025, the Company repurchased 639,207 shares of its common stock under the Repurchase Program, at a weighted-average price of $117.33 per share. As of June 30, 2025, the Company had exhausted substantially all of the funds available to repurchase shares of the Company's common stock under the Repurchase Program. On July 30, 2025, the Company announced that its Board of Directors approved a new share repurchase program (the "New Repurchase Program"), which authorizes the Company to repurchase, in the aggregate, up to $75.0 million of its outstanding shares of common stock. The New Repurchase Program will expire on February 4, 2026, or when the authorized funds are exhausted, whichever is earlier.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis provides a narrative on the Company's financial performance and condition that should be read in conjunction with the accompanying unaudited consolidated financial statements and with our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report"). In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed herein under the captions "Cautionary Statement Concerning Forward-Looking Statements and Information" and "Risk Factors," as well as in the 2024 Annual Report. We assume no obligation to update any of these forward-looking statements.

Overview and Outlook

We are a holding company of specialty electrical construction service providers that was established in 1995 through the merger of long-standing specialty contractors. Through our subsidiaries, we serve the electric utility infrastructure, commercial and industrial construction markets. We manage and report our operations through two electrical contracting service segments: Transmission and Distribution ("T&D") and Commercial and Industrial ("C&I").

We have operated in the transmission and distribution industry since 1891. We are one of the largest U.S. contractors servicing the T&D sector of the electric utility industry and provide T&D services throughout the United States and in Ontario, Canada. Our T&D customers include many of the leading companies in the electric utility industry. We have provided electrical contracting services for commercial and industrial construction since 1912. Our C&I segment provides services in the United States and in western Canada. Our C&I customers include general contractors and facility owners. We strive to maintain our status as a preferred provider to our T&D and C&I customers.

We believe that we have a number of competitive advantages in both of our segments, including our skilled workforce, extensive centralized fleet, proven safety performance and reputation for timely completion of quality work that allows us to compete favorably in our markets. In addition, we believe that we are better capitalized than some of our competitors, which provides us with valuable flexibility to take on additional and more complex projects.

We believe legislative actions aimed at supporting infrastructure improvements in the United States may positively impact long-term demand, particularly in connection with electric power infrastructure, expansion of domestic manufacturing, and transportation spending. We believe legislative actions are likely to provide greater long-term opportunity in both of our reporting segments. However, we may experience unanticipated volatility associated with policy changes and tariffs. Prolonged uncertainty in the business environment and higher inflation could also impact customer demand and our profitability.

We had consolidated revenues for the six months ended June 30, 2025 of $1.7 billion, of which 55.8% was attributable to our T&D customers and 44.2% was attributable to our C&I customers. Our consolidated revenues for the six months ended June 30, 2024 were $1.6 billion. For the six months ended June 30, 2025, our net income and EBITDA[(1)] were $49.8 million and $105.8 million, respectively, compared to $3.7 million and $35.1 million, respectively, for the six months ended June 30, 2024.

We believe there is an ongoing need for utilities to sustain investment in their transmission systems to improve reliability, reduce congestion, connect to new power generation sources and support future load growth. Consequently, we believe that we will see continued bidding activity on large transmission projects going forward. The timing of multi-year transmission project awards and substantial construction activity is difficult to predict due to regulatory requirements and the permitting needed to commence construction. Significant construction on any large, multi-year projects awarded in the remainder of 2025 will not likely have a large impact on 2025 results. Bidding and construction activity for small to medium-size transmission projects and upgrades remains active, and we expect this trend to continue.

We believe there is a need for further investment by utilities on their distribution systems to properly maintain or meet reliability requirements. We continue to see strong activity in many of our electric distribution markets. We believe the increased storm activity and destruction caused by wildfires will cause a push to strengthen utility distribution systems against catastrophic damage. Distribution systems may also require upgrades to accommodate additional distributed energy resources and increased electrification. We expect to see an increase in the distribution market opportunities during the rest of 2025.

[(1)] EBITDA is a non-GAAP measure. Refer to "Non-GAAP Measure—EBITDA" for a discussion of this measure.

We believe the increasing demand for electricity associated with additional power requirements, driven by increased electrification associated with new technologies, including the emergence and adoption of artificial intelligence technologies as well as increased power needs connected to the reshoring of manufacturing, will require significant investment by our customers in both of our reporting segments.

Our C&I bidding opportunities remain strong and we believe we will see continued opportunities in the primary markets we serve such as data centers, transportation, health care, clean energy and warehousing. In addition, the United States has experienced decades of underfunded economic expansion and aging infrastructure that have challenged the capacity of public water and transportation infrastructure forcing states and municipalities to seek creative means to fund needed expansion and repair. We believe the need for expanding public infrastructure in both the United States and Canada will offer opportunity in our C&I segment for several years. Legislation and regulation that promotes domestic manufacturing could also create opportunity for our C&I segment. We expect the long-term growth in our C&I segment to generally track the overall growth of the regions we serve.

We continue to implement strategies that are designed to further expand our capabilities and effectively allocate capital. We have maintained a strong balance sheet, while also supporting our organic growth with capital expenditures and working capital and repurchasing our shares. During the six months ended June 30, 2025, the Company repurchased 639,207 shares of its common stock under our Repurchase Program (as defined below) at a weighted-average price of $117.33 per share, exhausting substantially all of the authorized funds under our Repurchase Program. On July 30, 2025, the Company announced that its Board of Directors approved a new share repurchase program (the “New Repurchase Program”), which authorizes the Company to repurchase, in the aggregate, up to $75.0 million of its outstanding shares of common stock. The New Repurchase Program will expire on February 4, 2026, or when the authorized funds are exhausted, whichever is earlier. We believe the borrowing availability under our $490 million revolving credit facility and future cash flow from operations will enable us to support the organic growth of our business, pursue acquisitions and opportunistically repurchase shares.

We continue to manage our increasing operating costs, including increasing insurance, equipment, labor and material costs. We believe that our financial position, positive cash flows and other operational strengths will enable us to respond to challenges and uncertainties in the markets we serve and give us the flexibility to successfully execute our strategy. We continue to invest in developing key management and craft personnel in both our T&D and C&I segments and in procuring the specific specialty equipment and tooling needed to win and execute projects of all sizes and complexity.

Backlog

We refer to our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue we have recognized under such contracts, as “backlog.” A customer’s intention to award us work under a fixed-price contract is not included in backlog unless there is an actual written award to perform a specific scope of work at specific terms and pricing. For many of our unit-price, time-and-equipment, time-and-materials and cost plus contracts, we only include projected revenue for a three-month period in the calculation of backlog, although these types of contracts are generally awarded as part of master service agreements that typically have a one-year to three-year duration from execution. Backlog may not accurately represent the revenues that we expect to realize during any particular period. Several factors, such as the timing of contract awards, the type and duration of contracts, and the mix of subcontractor and material costs in our projects, can impact our backlog at any point in time. Some of our revenue does not appear in our periodic backlog reporting because the award of the project, as well as the execution of the work, may all take place within the period. Our backlog includes projects that have a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. Backlog should not be relied upon as a stand-alone indicator of future events.

The difference between our backlog and remaining performance obligations is due to the exclusion of a portion of our master service agreements under certain contract types from our remaining performance obligations as these contracts can be canceled for convenience at any time by us or the customer without considerable cost incurred by the customer. Our estimated backlog also includes our proportionate share of unconsolidated joint venture contracts. Additional information related to our remaining performance obligations is provided in Note 6–Revenue Recognition in the accompanying notes to our Consolidated Financial Statements.

Our backlog was $2.64 billion at June 30, 2025, compared to $2.58 billion at December 31, 2024 and $2.54 billion at June 30, 2024. Our backlog at June 30, 2025 increased $1.4 million from March 31, 2025. Backlog in the T&D segment increased $54.0 million and C&I backlog decreased $52.6 million compared to March 31, 2025. Our backlog as of June 30, 2025 included our proportionate share of joint venture backlog totaling $172.9 million, compared to $169.2 million at March 31, 2025.

The following table summarizes that amount of our backlog that we believe to be firm as of the dates shown and the amount of our current backlog that we reasonably estimate will not be recognized within the next twelve months, and the amount estimated to be recognized after the next twelve months:

	Backlog at June 30, 2025			
(in thousands)	Total	Amount estimated to be recognized within 12 months	Amount estimated to be recognized after 12 months	Total backlog at December 31, 2024
T&D	$ 926,525	$ 889,672	$ 36,853	$ 818,185
C&I	1,715,018	1,276,455	438,563	1,758,233
Total	$ 2,641,543	$ 2,166,127	$ 475,416	$ 2,576,418

Consolidated Results of Operations

The following table sets forth selected consolidated statements of operations data and such data as a percentage of revenues for the periods indicated:

	Three months ended June 30,				Six months ended June 30,			
	2025		2024		2025		2024	
(dollars in thousands)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Contract revenues	$ 900,325	100.0 %	$ 828,890	100.0 %	$ 1,733,945	100.0 %	$ 1,644,452	100.0 %
Contract costs	796,614	88.5	788,047	95.1	1,533,333	88.4	1,517,366	92.3
Gross profit	103,711	11.5	40,843	4.9	200,612	11.6	127,086	7.7
Selling, general and administrative expenses	63,313	7.0	61,839	7.5	125,837	7.3	124,072	7.5
Amortization of intangible assets	1,211	0.1	1,217	0.1	2,399	0.1	2,445	0.1
Gain on sale of property and equipment	(600)	—	(1,506)	(0.2)	(1,701)	(0.1)	(2,995)	(0.2)
Income (loss) from operations	39,787	4.4	(20,707)	(2.5)	74,077	4.3	3,564	0.3
Other income (expense):								
Interest income	45	—	81	—	236	—	223	—
Interest expense	(1,905)	(0.2)	(1,241)	(0.1)	(3,319)	(0.2)	(2,295)	(0.1)
Other expense, net	(533)	—	(270)	—	(833)	—	(533)	—
Income (loss) before provision for income taxes	37,394	4.2	(22,137)	(2.6)	70,161	4.1	959	0.2
Income tax expense (benefit)	10,928	1.3	(6,860)	(0.8)	20,387	1.2	(2,703)	—
Net income (loss)	$ 26,466	2.9 %	$ (15,277)	(1.8)%	$ 49,774	2.9 %	$ 3,662	0.2 %

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Revenues increased $71.4 million, or 8.6%, to $900.3 million for the three months ended June 30, 2025 from $828.9 million for the three months ended June 30, 2024. The increase was primarily due to an increase of $25.1 million in revenue on distribution projects, an increase of $23.4 million in C&I revenue and an increase of $22.9 million in revenue on transmission projects.

Gross margin for the three months ended June 30, 2025 increased to 11.5% compared to 4.9% for the three months ended June 30, 2024. The increase in gross margin was primarily impacted by significant changes in our estimated gross profit on certain projects resulting in a net gross margin decrease of 1.0% for the three months ended June 30, 2025, compared to a net gross margin decrease of 7.2% for the three months ended June 30, 2024. During the three months ended June 30, 2025, significant estimate changes negatively impacted gross margin by 1.7%, largely related to an increase in costs associated with labor and project inefficiencies and unfavorable change orders. In addition, significant estimate changes in gross profit positively impacted gross margin by 0.7%, primarily related to better-than-anticipated productivity and a favorable job closeout. During the three months ended June 30, 2024, gross margin was primarily impacted by negative significant estimate changes in our estimated gross profit on certain T&D clean energy projects and a C&I project.

Gross profit was $103.7 million for the three months ended June 30, 2025 compared to $40.8 million for the three months ended June 30, 2024. The increase of $62.9 million, or 153.9%, was due to higher margin and revenues.

Selling, general and administrative expenses ("SG&A") were $63.3 million for the three months ended June 30, 2025 compared to $61.8 million for the three months ended June 30, 2024. The period-over-period increase of $1.5 million was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth. These increases were partially offset by $5.0 million of contingent compensation expense, related to a prior acquisition, recognized during the three months ended June 30, 2024.

Interest expense was $1.9 million for the three months ended June 30, 2025 compared to $1.2 million for the three months ended June 30, 2024. The increase was attributable to higher average outstanding debt balances partially offset by lower interest rates during the three months ended June 30, 2025 as compared to the three months ended June 30, 2024.

Income tax expense was $10.9 million for the three months ended June 30, 2025, with an effective tax rate of 29.2%, compared to the income tax benefit of $6.9 million for the three months ended June 30, 2024, with an effective tax rate of 31.0%. The decrease in the tax rate for the three months ended June 30, 2025 was primarily due to the reduction of the impact of the global intangible low tax income ("GILTI").

Net income was $26.5 million for the three months ended June 30, 2025 compared to net loss of $15.3 million for the three months ended June 30, 2024. The increase was primarily due to the reasons stated earlier.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as percentage of total net sales and segment operating income as a percentage of segment net sales:

	Three months ended June 30,			
	2025		2024	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 506,273	56.2 %	$ 458,209	55.3 %
Commercial & Industrial	394,052	43.8	370,681	44.7
Total	$ 900,325	100.0 %	$ 828,890	100.0 %
Operating income (loss):				
Transmission & Distribution	$ 40,465	8.0 %	$ (8,300)	(1.8)%
Commercial & Industrial	21,992	5.6	1,608	0.4
Total	62,457	6.9	(6,692)	(0.8)
General Corporate	(22,670)	(2.5)	(14,015)	(1.7)
Consolidated	$ 39,787	4.4 %	$ (20,707)	(2.5)%

Transmission & Distribution

Revenues for our T&D segment for the three months ended June 30, 2025 were $506.3 million compared to $458.2 million for the three months ended June 30, 2024, an increase of $48.1 million, or 10.5%. The increase in revenue was related to an increase of $25.1 million in revenue on distribution projects and of $22.9 million in revenue on transmission projects.

Operating income for our T&D segment for the three months ended June 30, 2025 was $40.5 million, an increase of $48.8 million, from the three months ended June 30, 2024. As a percentage of revenues, operating income for our T&D segment was 8.0% for the three months ended June 30, 2025 compared to an operating loss of 1.8% for the three months ended June 30, 2024. Operating income margin was impacted by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin decrease of 0.9% for the three months ended June 30, 2025, compared to a net operating income margin decrease of 10.5% for the three months ended June 30, 2024. During the three months ended June 30, 2025, significant estimated gross profit changes negatively impacted operating income as a percentage of revenues by 1.0%, primarily related to labor and project inefficiencies. These decreases were partially offset by positive significant estimated gross profit changes totaling 0.1% and largely related to better-than-anticipated productivity. During the three months ended June 30, 2024, operating loss margin was negatively impacted by significant estimated gross profit changes related to clean energy projects.

Commercial & Industrial

Revenues for our C&I segment for the three months ended June 30, 2025 were $394.1 million compared to $370.7 million for the three months ended June 30, 2024, an increase of $23.4 million, or 6.3%. The increase in revenue was primarily related to an increase of $23.3 million in revenue on fixed priced contracts.

Operating income for our C&I segment for the three months ended June 30, 2025 was $22.0 million, an increase of $20.4 million, over the three months ended June 30, 2024. As a percentage of revenues, operating income for our C&I segment was 5.6% for the three months ended June 30, 2025 compared to 0.4% for the three months ended June 30, 2024. Operating income margin was impacted by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin decrease of 1.2% for the three months ended June 30, 2025, compared to a net operating income margin decrease of 3.1% for the three months ended June 30, 2024. Significant estimated gross profit changes negatively impacted operating income as a percentage of revenues by 2.6%, primarily related to an increase in costs associated with labor and project inefficiencies and unfavorable change orders. These decreases were partially offset by positive significant estimated gross profit changes totaling 1.4% and largely related to better-than-anticipated productivity and a favorable job closeout. During the three months ended June 30, 2024, operating income margin was negatively impacted by significant estimated gross profit changes primarily related to a single project. Operating income margin was also positively impacted during the three months ended June 30, 2025, by a larger portion of our C&I projects progressing at higher contractual margins, some of which are nearing completion. Additionally, C&I operating income for the three months ended June 30, 2024, was negatively impacted by contingent compensation expense related to a prior acquisition, that did not recur during the three months ended June 30, 2025.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenues increased $89.4 million or 5.4%, to $1.73 billion for the six months ended June 30, 2025 from $1.64 billion for the six months ended June 30, 2024. The increase was primarily due to an increase of $70.1 million in C&I revenue, and an increase of $40.6 million in revenue on distribution projects, partially offset by a decrease of $21.2 million in revenue on transmission projects, primarily related to clean energy.

Gross margin for the six months ended June 30, 2025 increased to 11.6% compared to 7.7% for the six months ended June 30, 2024. The increase in gross margin was primarily impacted by significant changes in our estimated gross profit on certain projects resulting in a net gross margin decrease of 1.2% for the six months ended June 30, 2025, compared to a net gross margin decrease of 4.2% for the six months ended June 30, 2024. During the six months ended June 30, 2025, significant estimate changes negatively impacted gross margin by 2.1%, largely related to an increase in costs associated with labor and project inefficiencies and unfavorable change orders. In addition, significant estimate changes in gross profit positively impacted gross margin by 0.9%, mainly related to better-than-anticipated productivity, favorable change orders and a favorable job closeout. During the six months ended June 30, 2024, gross margin was primarily impacted by negative significant estimate changes in our estimated gross profit on certain T&D clean energy projects and a C&I project.

Gross profit was $200.6 million for the six months ended June 30, 2025 compared to $127.1 million for the six months ended June 30, 2024. The increase of $73.5 million, or 57.9% was due to higher margin and revenues.

SG&A was $125.8 million for the six months ended June 30, 2025 compared to $124.1 million for the six months ended June 30, 2024. The period-over-period increase of $1.7 million was primarily due to an increase in employee incentive compensation costs and an increase in employee-related expenses to support future growth. These increases were partially offset by $8.2 million of contingent compensation expense, related to a prior acquisition, recognized during the six months ended June 30, 2024.

Gains from the sale of property and equipment for the six months ended June 30, 2025 were $1.7 million compared to $3.0 million for the six months ended June 30, 2024. Gains from the sale of property and equipment are attributable to routine sales of property and equipment no longer useful or valuable to our ongoing operations.

Interest expense was $3.3 million for the six months ended June 30, 2025 compared to $2.3 million for the six months ended June 30, 2024. The increase was primarily attributable to higher average outstanding debt balances, partially offset by lower interest rates during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024.

Income tax expense was $20.4 million for the six months ended June 30, 2025, with an effective tax rate of 29.1%, compared to the benefit of $2.7 million for the six months ended June 30, 2024, with an effective tax rate of (281.9)%. The change in the tax rate for the six months ended June 30, 2025 was primarily due to higher pretax income, lower other permanent difference items and lower stock compensation excess tax benefits.

Net income was $49.8 million for the six months ended June 30, 2025 compared to $3.7 million for the six months ended June 30, 2024. The increase was primarily due to the reasons stated earlier.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment net sales as percentage of total net sales and segment operating income as a percentage of segment net sales:

	Six months ended June 30,			
	2025		2024	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 968,043	55.8 %	$ 948,604	57.7 %
Commercial & Industrial	765,902	44.2	695,848	42.3
Total	$ 1,733,945	100.0 %	$ 1,644,452	100.0 %
Operating income:				
Transmission & Distribution	$ 76,686	7.9 %	$ 21,536	2.3 %
Commercial & Industrial	39,369	5.1	13,031	1.9
Total	116,055	6.7	34,567	2.1
General Corporate	(41,978)	(2.4)	(31,003)	(1.9)
Consolidated	$ 74,077	4.3 %	$ 3,564	0.2 %

Transmission & Distribution

Revenues for our T&D segment for the six months ended June 30, 2025 were $968.0 million compared to $948.6 million for the six months ended June 30, 2024, an increase of $19.4 million, or 2.0%. The increase in revenue was related to an increase of $40.6 million in revenue on distribution projects, partially offset by a decrease of $21.2 million in revenue on transmission projects. Revenues from transmission projects represented 59.4% and 62.9% of T&D segment revenue for the six months ended June 30, 2025 and 2024, respectively.

Operating income for our T&D segment for the six months ended June 30, 2025 was $76.7 million, an increase of $55.2 million, from the six months ended June 30, 2024. As a percentage of revenues, operating income for our T&D segment was 7.9% for the six months ended June 30, 2025 compared to 2.3% for the six months ended June 30, 2024. Operating income margin was impacted by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin decrease of 0.8% for the six months ended June 30, 2025, compared to a net decrease of 5.7% for the six months ended June 30, 2024. During the six months ended June 30, 2025, significant estimated gross profit changes negatively impacted operating income as a percentage of revenues by 1.2% primarily related to labor and project inefficiencies. These decreases were partially offset by positive significant estimated gross profit changes totaling 0.4% of revenues mostly related to better-than-anticipated productivity and a favorable change order. During the six months ended June 30, 2024, T&D operating income margin was negatively impacted by significant estimated gross profit changes related to clean energy projects.

Commercial & Industrial

Revenues for our C&I segment for the six months ended June 30, 2025 were $765.9 million compared to $695.8 million for the six months ended June 30, 2024, an increase of $70.1 million, or 10.1%. The increase in revenue was primarily related to an increase of $52.3 million in revenue on fixed priced contracts.

Operating income for our C&I segment for the six months ended June 30, 2025 was $39.4 million, an increase of $26.4 million, over the six months ended June 30, 2024. As a percentage of revenues, operating income for our C&I segment was 5.1% for the six months ended June 30, 2025, compared to 1.9% for the six months ended June 30, 2024. Operating income margin was positively impacted during the six months ended June 30, 2025, by a larger portion of our C&I projects progressing at higher contractual margins, some of which are nearing completion. Additionally, C&I operating income for the six months ended June 30, 2024, was negatively impacted by contingent compensation expense related to a prior acquisition, that did not recur during the six months ended June 30, 2025. C&I operating income margin during the six months ended June 30, 2025, was also impacted by significant changes in our estimated gross profit on certain projects resulting in a net operating income margin decrease of 1.8% for the six months ended June 30, 2025, compared to a net decrease of 2.1% for the six months ended June 30, 2024. Significant estimated gross profit changes negatively impacted operating income as a percentage of revenues by 3.3%, primarily related to an increase in costs associated with labor and project inefficiencies and unfavorable change orders. These decreases were partially offset by positive significant estimated gross profit changes totaling 1.5% and largely related to better-than-anticipated productivity, favorable change orders and a favorable job closeout.

Non-GAAP Measure—EBITDA

We define EBITDA, a performance measure used by management, as net income plus interest expense net of interest income, provision for income taxes and depreciation and amortization. EBITDA, a non-GAAP financial measure, does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. We believe that EBITDA is useful to investors and other external users of our Consolidated Financial Statements in evaluating our operating performance and cash flow because EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, useful lives placed on assets, capital structure and the method by which assets were acquired. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly-titled measures of other companies. We use, and we believe investors benefit from, the presentation of EBITDA in evaluating our operating performance because it provides us and our investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations.

Using EBITDA as a performance measure has material limitations as compared to net income, or other financial measures as defined under accounting principles generally accepted in the United States of America ("U.S. GAAP"), as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense net of interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our shareholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenues, depreciation and amortization are a necessary element of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense net of interest income, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis. Using both EBITDA and net income to evaluate the business allows management and investors to (a) assess our relative performance against our competitors and (b) monitor our capacity to generate returns for our shareholders.

The following table provides a reconciliation of net income to EBITDA:

(in thousands)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net income (loss)	$ 26,466	$ (15,277)	$ 49,774	$ 3,662
Add:				
Interest expense, net	1,860	1,160	3,083	2,072
Income tax expense (benefit)	10,928	(6,860)	20,387	(2,703)
Depreciation & amortization	16,345	16,274	32,538	32,104
EBITDA	$ 55,599	$ (4,703)	$ 105,782	$ 35,135

We also use EBITDA as a liquidity measure. Certain material covenants contained within our credit agreement (the "Credit Agreement") are based on EBITDA with certain additional adjustments. Non-compliance with these financial covenants under the Credit Agreement — our interest coverage ratio which is defined in the Credit Agreement as Consolidated EBITDA (as defined in the Credit Agreement) divided by interest expense (as defined in the Credit Agreement) and our net leverage ratio, which is defined in the Credit Agreement as Total Net Indebtedness (as defined in the Credit Agreement), divided by Consolidated EBITDA (as defined in the Credit Agreement) — could result in our lenders requiring us to immediately repay all amounts borrowed on our revolving credit facility. If we anticipated a potential covenant violation, we would seek relief from our lenders, likely causing us to incur additional cost, and such relief might not be available, or if available, might not be on terms as favorable as those in the Credit Agreement. In addition, if we cannot satisfy these financial covenants, we would be prohibited under the Credit Agreement from engaging in certain activities, such as incurring additional indebtedness, making certain payments, and acquiring or disposing of assets. Based on the information above, management believes that the presentation of EBITDA as a liquidity measure is useful to investors and relevant to their assessment of our capacity to service or incur debt, fund capital expenditures, finance acquisitions and expand our operations.

The following table provides a reconciliation of net cash flows provided by operating activities to EBITDA:

(in thousands)	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Provided by Operating Activities:				
Net cash flows provided by operating activities	$ 32,861	$ 22,681	$ 116,147	$ 30,371
Add/(subtract):				
Changes in operating assets and liabilities	12,872	(20,249)	(29,610)	7,914
Adjustments to reconcile net income to net cash flows provided by operating activities	(19,267)	(17,709)	(36,763)	(34,623)
Depreciation & amortization	16,345	16,274	32,538	32,104
Income tax expense (benefit)	10,928	(6,860)	20,387	(2,703)
Interest expense, net	1,860	1,160	3,083	2,072
EBITDA	$ 55,599	$ (4,703)	$ 105,782	$ 35,135

Liquidity, Capital Resources and Material Cash Requirements

As of June 30, 2025, we had working capital of $251.2 million. We define working capital as current assets less current liabilities. During the six months ended June 30, 2025, operating activities of our business provided net cash of $116.1 million, compared to $30.4 million of cash provided for the six months ended June 30, 2024. Cash flow from operations is primarily influenced by operating margins, timing of contract performance and the type of services we provide to our customers. The $85.8 million year-over-year increase in cash provided by operating activities was primarily due to an increase of $46.1 million in net income and favorable net changes in operating assets and liabilities of $37.5 million. The favorable change in operating assets and liabilities was primarily due to the favorable change of $25.9 million in other liabilities, slightly offset by the net unfavorable year-over-year changes in various working capital accounts that relate primarily to construction activities (accounts receivable, contract assets, accounts payable and contract liabilities) of $1.0 million. The favorable change of $25.9 million in other liabilities was primarily due to changes in our employee incentive compensation accruals and the timing of employee related wage and tax payments.

In the six months ended June 30, 2025, we used net cash of $30.6 million in investing activities consisting of $34.3 million for capital expenditures, partially offset by $3.7 million of proceeds from the sale of equipment.

In the six months ended June 30, 2025, financing activities used net cash of $66.5 million, consisting primarily of $75.0 million of share repurchases under our Repurchase Program, $2.7 million of shares repurchased to satisfy tax obligations under our stock compensation programs and $2.2 million of payments under our equipment notes, partially offset by $13.9 million of net borrowings under our revolving line of credit.

We believe our $383.3 million borrowing availability under our revolving line of credit as of June 30, 2025, future cash flow from operations and our ability to utilize short-term and long-term leases will provide sufficient liquidity for our short-term and long-term needs. Our primary short-term liquidity needs include cash for operations, debt service requirements, capital expenditures, and acquisition and joint venture opportunities. We believe we have adequate sources of liquidity to meet our long-term liquidity needs and foreseeable material cash requirements, including those associated with funding future acquisition opportunities. We continue to invest in developing key management and craft personnel in both our T&D and C&I segments and in procuring the specific specialty equipment and tooling needed to win and execute projects of all sizes and complexity.

We have not historically paid dividends and currently do not expect to pay dividends.

Debt Instruments

Credit Agreement

On May 31, 2023, the Company entered into a five-year third amended and restated credit agreement (the “Credit Agreement”) with a syndicate of banks led by JPMorgan Chase Bank, N.A. and Bank of America, N.A. that provides for a $490 million revolving credit facility (the “Facility”), subject to certain financial covenants as defined in the Credit Agreement. The Facility allows for revolving loans in Canadian dollars and other non-US currencies, up to the U.S. dollar equivalent of $150 million. Up to $75 million of the Facility may be used for letters of credit, with an additional $75 million available for letters of credit, subject to the sole discretion of each issuing bank. The Facility also allows for $15 million to be used for swingline loans. The Company has an expansion option to increase the commitments under the Facility or enter into incremental term loans, subject to certain conditions, by up to an additional $200 million upon receipt of additional commitments from new or existing lenders. Subject to certain exceptions, the Facility is secured by substantially all of the assets of the Company and its domestic subsidiaries, and by a pledge of substantially all of the capital stock of the Company’s domestic subsidiaries and 65% of the capital stock of the direct foreign subsidiaries of the Company. Additionally, subject to certain exceptions, the Company’s domestic subsidiaries also guarantee the repayment of all amounts due under the Credit Agreement. The Credit Agreement provides for customary events of default. If an event of default occurs and is continuing, on the terms and subject to the conditions set forth in the Credit Agreement, amounts outstanding under the Facility may be accelerated and may become or be declared immediately due and payable. Borrowings under the Credit Agreement are used to refinance existing indebtedness, and to provide for future working capital, capital expenditures, acquisitions and other general corporate purposes.

Amounts borrowed under the Credit Agreement bear interest, at the Company's option, at a rate equal to either (1) the Alternate Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.25% to 1.00%; or (2) the Term Benchmark Rate (as defined in the Credit Agreement) plus an applicable margin ranging from 1.25% to 2.00%. The applicable margin is determined based on the Company's Net Leverage Ratio (as defined in the Credit Agreement). Letters of credit issued under the Facility are subject to a letter of credit fee of 1.25% to 2.00% for non-performance letters of credit or 0.625% to 1.00% for performance letters of credit, based on the Company's Net Leverage Ratio. The Company is subject to a commitment fee of 0.20% to 0.30%, based on the Company's Net Leverage Ratio, on any unused portion of the Facility. The Credit Agreement restricts certain types of payments when the Company's Net Leverage Ratio, after giving pro forma effect thereto, exceeds 2.75.

Under the Credit Agreement, the Company is subject to certain financial covenants including a maximum Net Leverage Ratio of 3.0 and a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 3.0. The Credit Agreement also contains covenants including limitations on asset sales, investments, indebtedness and liens. The Company was in compliance with all of its financial covenants under the Credit Agreement as of June 30, 2025.

We had $72.3 million and $58.4 million of borrowings outstanding under the Facility as of June 30, 2025 and December 31, 2024, respectively.

Letters of Credit

Some of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our insurance programs. In addition, from time to time, certain customers require us to post letters of credit to guarantee performance under our contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit if the holder claims that we have failed to perform specified actions in accordance with the terms of the letter of credit. If this were to occur, we would be required to reimburse the issuer of the letter of credit. Depending on the circumstances of such a reimbursement, we may also have to record a charge to earnings for the reimbursement. Currently, we do not believe it is likely that any claims will be made under any letter of credit.

As of June 30, 2025, we had $34.5 million in letters of credit outstanding under our Credit Agreement, including $29.8 million related to the Company's payment obligation under its insurance programs and $4.7 million related to contract performance obligations. As of December 31, 2024, we had $37.3 million in letters of credit outstanding under our Credit Agreement, including $32.6 million related to the Company's payment obligations under its insurance programs and $4.7 million related to contract performance obligations.

Equipment Notes

We have entered into multiple Master Loan Agreements with multiple finance companies. The Master Loan Agreements may be used for financing of equipment between us and the lenders pursuant to one or more equipment notes ("Equipment Notes"). Each Equipment Note constitutes a separate, distinct and independent financing of equipment and contractual obligation.

As of June 30, 2025 and December 31, 2024, we had one outstanding Equipment Note collateralized by equipment and vehicles owned by us. As of June 30, 2025 and December 31, 2024, we also had one other equipment note outstanding collateralized by a vehicle owned by us. The outstanding balance of all equipment notes was $13.8 million as of June 30, 2025 and $16.0 million as of December 31, 2024. As of June 30, 2025, we had outstanding short-term and long-term equipment notes of approximately $4.5 million and $9.4 million, respectively. As of December 31, 2024, we had outstanding short-term and long-term equipment notes of approximately $4.4 million and $11.6 million, respectively.

Lease Obligations

From time to time, the Company enters into non-cancelable leases for some of our facility, vehicle and equipment needs. These leases allow the Company to conserve cash by paying a monthly lease rental fee for the use of facilities, vehicles and equipment rather than purchasing them. The Company's leases have remaining terms ranging from less than one to eight years, some of which may include options to extend the leases for up to ten years, and some of which may include options to terminate the leases within one year. Typically, the Company has purchase options on the equipment underlying its long-term leases and many of its short-term rental arrangements. The Company may exercise some of these purchase options when the need for equipment is on-going and the purchase option price is attractive.

The outstanding balance of operating lease obligations was $45.2 million as of June 30, 2025, consisting of short-term and long-term operating lease obligations of approximately $12.8 million and $32.4 million, respectively. The outstanding balance of operating lease obligations was $42.6 million as of December 31, 2024, consisting of short-term and long-term operating lease obligations of approximately $12.1 million and $30.5 million, respectively.

The outstanding balance of finance lease obligations was $2.5 million as of June 30, 2025, consisting of short-term and long-term finance lease obligations of approximately $0.9 million and $1.6 million, respectively. As of December 31, 2024, we had $3.0 million outstanding finance lease obligations, consisting of short-term and long-term finance lease obligations of approximately $1.1 million and $1.9 million, respectively.

Purchase Commitments for Construction Equipment

As of June 30, 2025, we had approximately $9.2 million in outstanding purchase obligations for certain construction equipment to be paid with cash outlays scheduled to occur in 2025.

Performance and Payment Bonds and Parent Guarantees

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We must reimburse our sureties for any expenses or outlays they incur. Under our continuing indemnity and security agreements with the issuers of the bonds, we may be required to grant them a security interest relating to a particular project. We believe that it is unlikely that we will have to fund significant claims under our surety arrangements. As of June 30, 2025, an aggregate of approximately $2.24 billion in original face amount of bonds issued by our sureties were outstanding. Our estimated remaining cost to complete these bonded projects was approximately $640.2 million as of June 30, 2025.

From time to time, we guarantee the obligations of our wholly owned subsidiaries, including obligations under certain contracts with customers, certain lease agreements, and, in some states, obligations in connection with obtaining contractors' licenses. Additionally, from time to time, we are required to post letters of credit to guarantee the obligations of our wholly owned subsidiaries, which reduces the borrowing availability under our credit facility.

Concentration of Credit Risk

We grant trade credit under normal payment terms, generally without collateral, to our customers, which include high credit quality electric utilities, governmental entities, general contractors and builders, owners and managers of commercial and industrial properties located in the United States and Canada. Consequently, we are subject to potential credit risk related to changes in business and economic factors throughout the United States and Canada. However, we generally have certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosures or negotiated settlements, we may take title to the underlying assets in lieu of cash in settlement of receivables. As of June 30, 2025 and 2024, none of our customers individually exceeded 10% of consolidated accounts receivable. Management believes the terms and conditions in its contracts, billing and collection policies are adequate to minimize the potential credit risk.

New Accounting Pronouncements

For a discussion regarding new accounting pronouncements, please refer to Note 1–Organization, Business and Basis of Presentation—Recent Accounting Pronouncements in the accompanying notes to our Consolidated Financial Statements.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates. For further information regarding our critical accounting policies and estimates, please refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" included in our 2024 Annual Report.

Cautionary Statement Concerning Forward-Looking Statements and Information

We are including the following discussion to inform you of some of the risks and uncertainties that can affect our company and to take advantage of the protections for forward-looking statements that applicable federal securities law affords.

Statements in this Quarterly Report on Form 10-Q contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), which represent our management’s beliefs and assumptions concerning future events. When used in this document and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “likely,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should”, "unlikely,” or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q. We disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict, and many of which are beyond our control. These and other important factors, including those discussed under the caption “Forward-Looking Statements” and in Item 1A. “Risk Factors” in our 2024 Annual Report, and in any risk factors or cautionary statements contained in our other filings with the Securities and Exchange Commission, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

These risks, contingencies and uncertainties include, but are not limited to, the following:

- Our operating results may vary significantly from period to period.
- Our industry is highly competitive.
- Negative economic and market conditions including tariffs and inflation on materials, interest rates and recessionary conditions have in the past and may in the future adversely impact our customers’ spending and, as a result, our operations and growth.
- We may be unsuccessful in generating internal growth, which could impact the projects available to the Company.
- Our inability to successfully execute or integrate acquisitions or joint ventures may have an adverse impact on our growth strategy and business.
- Project performance issues, including those caused by third parties, or certain contractual obligations have in the past and may in the future result in additional costs to us, reductions or delays in revenues or the payment of penalties, including liquidated damages.
- We may be unable to attract and retain qualified personnel.
- The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results.
- During the ordinary course of our business, we have in the past and may in the future become subject to lawsuits or indemnity claims.
- Backlog may not be realized or may not result in profits and may not accurately represent future revenue.
- Our insurance has limits and exclusions that may not fully indemnify us against certain claims or losses, including claims resulting from wildfires or other natural disasters and an increase in cost, or the unavailability or cancellation of third-party insurance coverages would increase our overall risk exposure and could disrupt our operations and reduce our profitability.
- Risks associated with operating in the Canadian market could impact our profitability.
- Changes in tax laws or our interpretations of tax laws could materially impact our tax liabilities.
- The nature of our business exposes us to potential liability for warranty claims and faulty engineering, which may reduce our profitability.
- Pandemic outbreaks of disease, such as the COVID-19 pandemic, have in the past had and may in the future have an adverse impact on our business, employees, liquidity, financial condition, results of operations and cash flows.
- Our dependence on customers, suppliers, subcontractors and equipment manufacturers has in the past and may in the future expose us to the risk of loss in our operations.

- Our participation in joint ventures and other projects with third parties may expose us to liability for failures of our partners.
- Legislative or regulatory actions relating to electricity transmission and clean energy may impact demand for our services.
- We have in the past and may in the future incur liabilities and suffer negative financial or reputational impacts relating to occupational health and safety matters, including those related to environmental hazards such as wildfires and other natural disasters.
- Our failure to comply with environmental and other laws and regulations could result in significant liabilities.
- Our business may be affected by seasonal and other variations, including severe weather conditions and the nature of our work environment.
- Opportunities associated with government contracts could lead to increased governmental regulation applicable to us.
- We are subject to risks associated with climate change including financial risks and physical risks such as an increase in extreme weather events (such as floods, wildfires or hurricanes), rising sea levels and limitations on water availability and quality.
- Our use of percentage-of-completion accounting could result in a reduction or reversal of previously recognized revenues and profits.
- Our financial results are based upon estimates and assumptions that may differ from actual results.
- Our actual costs may be greater than expected in performing our fixed-price and unit-price contracts.
- An increase in the cost or availability for items such as materials, parts, commodities, equipment and tooling may also be impacted by trade regulations, tariffs, global relations, wars, taxes, transportation costs and inflation which could adversely affect our business.
- We may not be able to compete for, or work on, certain projects if we are not able to obtain necessary bonds, letters of credit, bank guarantees or other financial assurances.
- Unfavorable developments affecting the banking and financial services industry could adversely affect our business, liquidity and financial condition and overall results of operations.
- Work stoppages or other labor issues with our unionized workforce could adversely affect our business, and we may be subject to unionization attempts.
- Multi-employer pension plan obligations related to our unionized workforce could adversely impact our earnings.
- We rely on information, communications and data systems in our operations and we or our business partners may be subject to failures, interruptions or breaches of such systems, which could affect our operations or our competitive position, expose sensitive information or damage our reputation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations within the United States and Canada, and we are exposed to market risks in the ordinary course of our business, including the effects of fluctuations in interest rates, foreign exchange rates, and commodity prices.

As of June 30, 2025, we were not party to any derivative instruments. We did not use any material derivative financial instruments during the six months ended June 30, 2025 and 2024, including instruments for trading, hedging, or speculating on changes in interest rates, changes in foreign currency rates or changes in commodity prices of materials used in our business.

Any borrowings under our Facility are based upon interest rates that will vary depending upon the prime rate, Canadian prime rate, the NYFRB overnight bank funding rate, Term CORRA, and Term SOFR Reference Rate, each as defined in the Credit Agreement. If the prime rate, Canadian prime rate, the NYFRB overnight bank funding rate, Term CORRA, or Term SOFR Reference Rate rises, any interest payment obligations would increase and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest when we have outstanding borrowings. As of June 30, 2025, we had $72.3 million of borrowings outstanding under the Facility. If market rates of interest on all our revolving debt as of June 30, 2025, which is subject to variable rates, permanently increased by 1%, the increase in interest expense on all revolving debt would decrease future income before provision for income taxes and cash flows by approximately $0.7 million annually. If market rates of interest on all our revolving debt, which is subject to variable rates as of June 30, 2025, permanently decreased by 1%, the decrease in interest expense on all debt would increase future income before provision for income taxes and cash flows by approximately $0.7 million annually. Borrowings under our equipment notes are at fixed rates established on the date the respective equipment note was executed.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision, and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined under Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting

During the period covered by this report, there were no changes in our internal control over financial reporting that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For discussion regarding legal proceedings, please refer to Note 8–Commitments and Contingencies—Litigation and Other Legal Matters in the accompanying notes to our Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

We face a number of risks that could materially and adversely affect our business, employees, liquidity, financial condition, results of operations and cash flows. A discussion of our risk factors can be found in Item 1A. "Risk Factors" in our 2024 Annual Report. As of the date of this filing, there have been no material changes to the risk factors previously discussed in Item 1A. "Risk Factors" in our 2024 Annual Report. An investment in our common stock involves various risks. When considering an investment in the Company, you should carefully consider all of the risk factors described in our 2024 Annual Report. These risks and uncertainties are not the only ones facing us and there may be additional matters that are not known to us or that we currently consider immaterial. These risks and uncertainties could adversely affect our business, employees, liquidity, financial condition, results of operations or cash flows and, thus, the value of our common stock and any investment in the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Common Stock. The following table includes all of the Company's repurchases of common stock for the periods shown. Repurchased shares are retired and returned to authorized but unissued common stock.

Period	Total Number of Shares Purchased [1][2]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs [1]
April 1, 2025 - April 30, 2025	1,638	$ 123.43	1,638	$ 191
May 1, 2025 - May 31, 2025	—	$ —	—	$ 191
June 1, 2025 - June 30, 2025	—	$ —	—	$ 191
Total	1,638	$ 123.43	1,638	

(1) On February 26, 2025, the Company announced that its Board of Directors had approved a new $75.0 million share repurchase program (the "Repurchase Program"). The Repurchase Program will expire on September 5, 2025, or when the authorized funds are exhausted, whichever is earlier. As of June 30, 2025, the Company had exhausted substantially all of the funds available to repurchase shares of the Company's common stock under the Repurchase Program. On July 30, 2025, the Company announced that its Board of Directors approved a new share repurchase program (the "New Repurchase Program"), which authorizes the Company to repurchase, in the aggregate, up to $75.0 million of its outstanding shares of common stock. The New Repurchase Program will expire on February 4, 2026, or when the authorized funds are exhausted, whichever is earlier. The New Repurchase Program replaces and supersedes the Company's prior repurchase program, and such prior repurchase program has been terminated.

(2) This column contains repurchases of common stock to satisfy tax obligations on the vesting of performance and restricted stock under the 2017 Long-Term Incentive Plan (as amended).

ITEM 5. OTHER INFORMATION

None of the Company's directors or "officers" (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended June 30, 2025.

ITEM 6. EXHIBITS

Number	Description
31.1	Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†
31.2	Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a)†
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350+
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350+
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

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† Filed herewith
+ Furnished herewith
* Electronically filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	MYR GROUP INC. (Registrant)
July 30, 2025	/s/ KELLY M. HUNTINGTON
	Kelly M. Huntington Senior Vice President and Chief Financial Officer (Principal Financial Officer, Principal Accounting Officer, and Duly Authorized Officer)

Exhibit 31.1

CERTIFICATIONS

Certification of Principal Executive Officer

I, Richard S. Swartz, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2025

/s/ RICHARD S. SWARTZ, JR.

(Principal Executive Officer)
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATIONS

Certification of Principal Financial Officer

I, Kelly M. Huntington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the Financial Statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2025

/s/ KELLY M. HUNTINGTON

(Principal Financial Officer)
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER,
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard S. Swartz, Jr., Chief Executive Officer and President of MYR Group Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Quarterly Report on Form 10-Q for the quarter and six months ended June 30, 2025 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2025

/s/ RICHARD S. SWARTZ, JR.

Chief Executive Officer and President

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kelly M. Huntington, Senior Vice President and Chief Financial Officer of MYR Group, Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Quarterly Report on Form 10-Q for the quarter and six months ended June 30, 2025 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 30, 2025

/s/ KELLY M. HUNTINGTON

Senior Vice President and Chief Financial Officer