



## MasTec Announces Record First Quarter 2017 Financial Results and Increased 2017 Annual Guidance

May 4, 2017

- Record Q1 Revenue of \$1.2 Billion Increased 19% and Record 18-month Backlog of \$5.7 Billion
  - Record Q1 GAAP Net Income and Diluted Earnings per Share
  - Record Q1 Adjusted Net Income, Adjusted Diluted Earnings per Share and Adjusted EBITDA
- 2017 Annual Guidance for Revenue, Diluted Earnings per Share, Adjusted EBITDA and Adjusted Diluted Earnings per Share all Increased

CORAL GABLES, Fla., May 4, 2017 /PRNewswire/ -- MasTec, Inc. (NYSE: MTZ) today announced strong first quarter financial results, record backlog, and increased 2017 guidance.

- First quarter 2017 revenue was \$1.2 billion, a 19% increase compared with \$974 million for the same period last year. Record 18-month backlog as of March 31, 2017 increased approximately 5% compared to December 31, 2016 to \$5.7 billion.
- Record GAAP net income was \$40.6 million, or \$0.50 per diluted share, compared to a net loss of \$2.9 million, or \$0.03 loss per diluted share, in the first quarter of 2016.
- Record first quarter 2017 adjusted net income, adjusted diluted earnings per share and adjusted EBITDA, all non-GAAP measures were as follows:
  - Adjusted net income was \$48.4 million compared to \$1.5 million in the same period of the prior year. Adjusted diluted earnings per share was \$0.59, compared to \$0.02 in the first quarter of 2016, exceeding the Company's previously announced first quarter 2017 expectation by \$0.08.
  - Adjusted EBITDA was \$135 million; a 150% increase compared to \$54 million in the first quarter of 2016, exceeding the Company's previously announced 2017 first quarter guidance expectation by approximately \$10 million.

Adjusted net income, adjusted diluted earnings per share and adjusted EBITDA, which are all non-GAAP measures, exclude certain items which are detailed and reconciled to the most comparable GAAP-reported measures in the attached Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures.

Jose Mas, MasTec's Chief Executive Officer, commented, "We are pleased with our strong first quarter results. We continue to have excellent multi-year growth opportunities and momentum in numerous markets, as evidenced by our record backlog level and our increased annual guidance."

The Company also announced it has acquired SEFNCO Communications, Inc. in April 2017, a leading wireline / fiber deployment construction contractor with operations in several western states, predominantly servicing cable system operators.

Mr. Mas added the following, "We are excited to expand both our geographic and customer capacity in the wireline/fiber deployment market. We expect that the combination of the addition of an excellent entrepreneurial management team with strong cable customer relationships, coupled with existing MasTec operations expertise will provide a compelling platform that will benefit from growing multi-year opportunities in the wireline/fiber deployment market for cable and telecom customers."

Regarding MasTec's financial status, George Pita, MasTec's Executive Vice President and Chief Financial Officer noted, "We had strong cash flow from operations during the first quarter, further improving our leverage metrics, balance sheet and capital structure. We continue to have full financial flexibility and resources to take advantage of the significant multi-year growth opportunities in the markets we serve."

Based on the information available today, the Company is providing second quarter guidance, and increasing full year 2017 guidance expectations. The Company currently estimates 2017 full year revenue of approximately \$5.7 billion. 2017 full year GAAP net income is expected to increase 40% over 2016 to approximately \$188 million with GAAP diluted earnings per share expected to be \$2.25, a 40% increase over 2016. 2017 full year adjusted EBITDA, a non-GAAP measure, is expected to increase 21% over 2016 to \$575 million with adjusted diluted earnings per share, a non-GAAP measure, expected to be \$2.45, a 29% increase over 2016.

For the second quarter of 2017, the Company expects revenue of approximately \$1.5 billion. Second quarter 2017 GAAP net income is expected to increase 113% over 2016 to approximately \$52 million with GAAP diluted earnings per share expected to approximate \$0.61. Second quarter 2017 adjusted EBITDA, a non-GAAP measure, expected to increase 44% over the 2016 period and approximate \$150 million with adjusted diluted earnings per share, a non-GAAP measure, expected to approximate \$0.65.

Management will hold a conference call to discuss these results on Friday, May 5, 2017 at 9:00 a.m. Eastern time. The call-in

number for the conference call is (719) 325-2262 and the replay number is (719) 457-0820, with a pass code of 6289898. The replay will be available for 30 days. Additionally, the call will be broadcast live over the Internet and can be accessed and replayed through the Investors section of the Company's website at [www.mastec.com](http://www.mastec.com).

The following tables set forth the financial results for the periods ended March 31, 2017 and 2016:

**Condensed Unaudited Consolidated Statements of Operations**  
(In thousands, except per share amounts)

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 1,158,184	\$ 974,225
Costs of revenue, excluding depreciation and amortization	971,134	884,401
Depreciation and amortization	42,904	39,008
General and administrative expenses	64,781	60,048
Interest expense, net	12,597	12,158
Equity in earnings of unconsolidated affiliates	(1,646)	(3,066)
Other expense (income), net	<u>429</u>	<u>(13,356)</u>
Income (loss) before income taxes	\$ 67,985	\$ (4,968)
(Provision for) benefit from income taxes	<u>(27,358)</u>	<u>2,087</u>
<b>Net income (loss)</b>	<b>\$ 40,627</b>	<b>\$ (2,881)</b>
Net loss attributable to non-controlling interests	<u>(343)</u>	<u>(189)</u>
<b>Net income (loss) attributable to MasTec, Inc.</b>	<b>\$ 40,970</b>	<b>\$ (2,692)</b>
<b>Earnings per share:</b>		
Basic earnings (loss) per share	0.51	(0.03)
	\$ _____	\$ _____
Basic weighted average common shares outstanding	<u>80,697</u>	<u>80,156</u>
Diluted earnings (loss) per share	0.50	(0.03)
	\$ _____	\$ _____
Diluted weighted average common shares outstanding	<u>82,157</u>	<u>80,156</u>

**Condensed Unaudited Consolidated Balance Sheets**  
(In thousands)

	<b>March 31,</b>	<b>December 31,</b>
	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current assets	\$ 1,267,099	\$ 1,402,486
Property and equipment, net	570,479	549,084
Goodwill and other intangibles, net	1,172,414	1,175,585
Other long-term assets	<u>105,842</u>	<u>55,977</u>
<b>Total assets</b>	<b><u>\$ 3,115,834</u></b>	<b><u>3,183,132</u></b>
<b>Liabilities and Equity</b>		
Current liabilities	\$ 813,260	\$ 839,990

Long-term debt	893,362	961,379
Long-term deferred tax liabilities, net	175,033	178,355
Other long-term liabilities	86,373	99,774
Equity	<u>1,147,806</u>	<u>1,103,634</u>
<b>Total liabilities and equity</b>	<b><u>\$ 3,115,834</u></b>	<b><u>3,183,132</u></b>

**Condensed Unaudited Consolidated Statements of Cash Flows**  
(In thousands)

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2016</u>
Net cash provided by operating activities	\$ 154,173	\$ 15,851
Net cash used in investing activities	(69,619)	(12,620)
Net cash used in financing activities	(107,794)	(3,648)
Effect of currency translation on cash	160	(682)
Net decrease in cash and cash equivalents	<u>(23,080)</u>	<u>(1,099)</u>
Cash and cash equivalents - beginning of period	\$ 38,767	\$ 4,984
<b>Cash and cash equivalents - end of period</b>	<b><u>\$ 15,687</u></b>	<b><u>\$ 3,885</u></b>

**Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited**  
(In millions, except for percentages and per share amounts)

<b>Segment Information</b>	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
<b>Revenue by Reportable Segment</b>	<u>2017</u>	<u>2016</u>
Communications	\$ 559.5	\$ 511.6
Oil and Gas	455.9	292.7
Electrical Transmission	98.8	86.3
Power Generation and Industrial	46.6	81.4
Other	1.7	3.4
Eliminations	(4.3)	(1.2)

Corporate	-	-
<b>Consolidated revenue</b>	<b>1,158.2</b>	<b>974.2</b>
	<u>\$</u>	<u>\$</u>

**For the Three Months Ended  
March 31,**

	<u>2017</u>	<u>2016</u>
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<b>EBITDA</b>	<b>123.5</b>	<b>46.2</b>
	<u>\$</u>	<u>\$</u>

Non-cash stock-based compensation expense	3.8	3.5
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Restructuring charges	0.6	4.1
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Project results from non-controlled joint venture	7.0	-
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<b>Adjusted EBITDA</b>	<b>134.8</b>	<b>53.8</b>
	<u>\$</u>	<u>\$</u>

**Adjusted EBITDA by Reportable Segment**

Communications	48.5	61.8
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Oil and Gas	93.9	19.6
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Electrical Transmission	3.8	(23.1)
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Power Generation and Industrial	0.8	2.9
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Other	1.7	0.2
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Corporate	(13.9)	(7.6)
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<b>Adjusted EBITDA</b>	<b>134.8</b>	<b>53.8</b>
	<u>\$</u>	<u>\$</u>

**For the Three Months Ended  
March 31,**

	<u>2017</u>	<u>2016</u>
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<b>EBITDA Margin</b>	<b>10.7%</b>	<b>4.7%</b>
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Non-cash stock-based compensation expense	0.3%	0.4%
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Restructuring charges	0.0%	0.4%
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Project results from non-controlled joint venture	0.6%	-
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<b>Adjusted EBITDA margin</b>	<b>11.6%</b>	<b>5.5%</b>
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**Adjusted EBITDA Margin by Reportable Segment**

Communications	8.7%	12.1%
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Oil and Gas	20.6%	6.7%
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Electrical Transmission	3.8%	(26.8)%
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Power Generation and Industrial	1.8%	3.6%
Other	99.7%	6.3%
Corporate		
	NA	NA
<b>Adjusted EBITDA margin</b>	<u><u>11.6%</u></u>	<u><u>5.5%</u></u>

**Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited**  
(In millions, except for percentages and per share amounts)

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2016</u>
<b>EBITDA and Adjusted EBITDA Reconciliation</b>		
<b>Net income (loss)</b>	<b>\$ 40.6</b>	<b>\$ (2.9)</b>
Interest expense, net	12.6	12.2
Provision for (benefit from) income taxes	27.4	(2.1)
Depreciation and amortization	<u>42.9</u>	<u>39.0</u>
<b>EBITDA</b>	<b>\$ 123.5</b>	<b>\$ 46.2</b>
Non-cash stock-based compensation expense	3.8	3.5
Restructuring charges	0.6	4.1
Project results from non-controlled joint venture	7.0	-
<b>Adjusted EBITDA</b>	<b>\$ 134.8</b>	<b>\$ 53.8</b>

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2016</u>
<b>EBITDA and Adjusted EBITDA Margin Reconciliation</b>		
<b>Net income (loss)</b>	<b>3.5%</b>	<b>(0.3)%</b>
Interest expense, net	1.1%	1.2%
Provision for (benefit from) income taxes	2.4%	(0.2)%
Depreciation and amortization	<u>3.7%</u>	<u>4.0%</u>
<b>EBITDA margin</b>	<b>10.7%</b>	<b>4.7%</b>
Non-cash stock-based compensation expense	0.3%	0.4%
Restructuring charges	0.0%	0.4%
Project results from non-controlled joint venture	0.6%	-
<b>Adjusted EBITDA margin</b>	<b>11.6%</b>	<b>5.5%</b>

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<u>2017</u>	<u>2016</u>
<b>Adjusted Net Income Reconciliation</b>		
<b>Net income (loss)</b>	<b>\$ 40.6</b>	<b>\$ (2.9)</b>
Non-cash stock-based compensation expense	3.8	3.5

Restructuring charges	0.6	4.1
Project results from non-controlled joint venture	7.0	-
Income tax effect of adjustments (a)	<u>(3.5)</u>	<u>(3.2)</u>
<b>Adjusted net income</b>	<b>\$ <u>48.4</u></b>	<b>\$ <u>1.5</u></b>
	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Adjusted Diluted EPS Reconciliation</b>		
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.50</b>	<b>\$ (0.03)</b>
Non-cash stock-based compensation expense	0.05	0.04
Restructuring charges	0.01	0.05
Project results from non-controlled joint venture	0.08	-
Income tax effect of adjustments (a)	<u>(0.04)</u>	<u>(0.04)</u>
<b>Adjusted diluted earnings per share</b>	<b>\$ <u>0.59</u></b>	<b>\$ <u>0.02</u></b>

(a) Represents the tax effect of the adjusted items that are subject to tax, including the tax effects of share-based compensation expense. Tax effects are determined based on the tax treatment of the related items, the incremental statutory tax rate of the jurisdictions pertaining to each adjustment, and taking into consideration their effect on pre-tax income (loss).

**Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited**  
(In millions, except for percentages and per share amounts)

	<b>Guidance for the Three Months Ended June 30, 2017 Est.</b>	<b>For the Three Months Ended June 30, 2016</b>
<b>EBITDA and Adjusted EBITDA Reconciliation</b>		
<b>Net income</b>	<b>\$ 52</b>	<b>\$ 24.4</b>
Interest expense, net	13	12.6
Provision for income taxes	34	17.6
Depreciation and amortization	47	40.7
<b>EBITDA</b>	<b>\$ <u>147</u></b>	<b>\$ <u>95.3</u></b>
Non-cash stock-based compensation expense	3	3.9
Restructuring charges	-	5.1
<b>Adjusted EBITDA</b>	<b>\$ <u>150</u></b>	<b>\$ <u>104.3</u></b>

## EBITDA and Adjusted EBITDA Margin Reconciliation

	<b>3.4%</b>	<b>2.0%</b>
<b>Net income</b>		
Interest expense, net	0.9%	1.0%
Provision for income taxes	2.3%	1.4%
Depreciation and amortization	3.1%	3.3%
	<b>9.8%</b>	<b>7.7%</b>
<b>EBITDA margin</b>		
Non-cash stock-based compensation expense	0.2%	0.3%
Restructuring charges	-	0.4%
	<b>10.0%</b>	<b>8.5%</b>
<b>Adjusted EBITDA margin</b>		

	<b>Guidance for the Three Months Ended June 30, 2017 Est.</b>	<b>For the Three Months Ended June 30, 2016</b>
<b>Adjusted Net Income Reconciliation</b>		
<b>Net income</b>	<b>\$ 52</b>	<b>\$ 24.4</b>
Non-cash stock-based compensation expense	3	3.9
Restructuring charges	-	5.1
Income tax effect of adjustments (a)	(0)	(3.5)
<b>Adjusted net income</b>	<b>\$ 55</b>	<b>\$ 29.9</b>

	<b>Guidance for the Three Months Ended June 30, 2017 Est.</b>	<b>For the Three Months Ended June 30, 2016</b>
<b>Adjusted Diluted EPS Reconciliation</b>		
<b>Diluted earnings per share</b>	<b>\$ 0.61</b>	<b>\$ 0.30</b>
Non-cash stock-based compensation expense	0.04	0.05
Restructuring charges	-	0.06
Income tax effect of adjustments (a)	(0.01)	(0.04)
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.65</b>	<b>\$ 0.36</b>

(a) Represents the tax effect of the adjusted items that are subject to tax, including the tax effects of share-based compensation expense. Tax effects are determined based on the tax treatment of the related items, the incremental statutory tax rate of the jurisdictions pertaining to each adjustment, and taking into consideration their effect on pre-tax income (loss).

**Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited**  
(In millions, except for percentages and per share amounts)

	<b>Guidance for the Year Ended December 31, 2017 Est.</b>	<b>For the Year Ended December 31, 2016</b>	<b>For the Year Ended December 31, 2015</b>
<b>EBITDA and Adjusted EBITDA Reconciliation</b>			
<b>Net income (loss)</b>	<b>\$ 188\$</b>	<b>134.0\$</b>	<b>(79.7)</b>
Interest expense, net	54	50.7	48.1
Provision for income taxes	126	91.8	12.0
Depreciation and amortization	186	164.9	169.7
<b>EBITDA</b>	<b>\$ 553\$</b>	<b>441.5\$</b>	<b>150.0</b>
Non-cash stock-based compensation expense	14	15.1	12.4
Restructuring charges	1	15.2	-
Goodwill and intangible asset impairment	-	-	78.6
Acquisition integration costs	-	-	17.8
Audit Committee investigation related costs	-	-	16.5
Project results from non-controlled joint venture	7	5.1	16.3
Court mandated mediation settlement	-	-	12.2
(Gain) Loss on equity investee interest rate swaps	-	-	4.4
<b>Adjusted EBITDA</b>	<b>\$ 575\$</b>	<b>476.9\$</b>	<b>308.1</b>
<b>EBITDA and Adjusted EBITDA Margin Reconciliation</b>			
<b>Net income (loss)</b>	<b>3.3%</b>	<b>2.6%</b>	<b>(1.9)%</b>
Interest expense, net	0.9%	1.0%	1.1%
Provision for income taxes	2.2%	1.8%	0.3%
Depreciation and amortization	3.3%	3.2%	4.0%
<b>EBITDA margin</b>	<b>9.7%</b>	<b>8.6%</b>	<b>3.6%</b>
Non-cash stock-based compensation expense	0.2%	0.3%	0.3%
Restructuring charges	0.0%	0.3%	-
Goodwill and intangible asset impairment	-	-	1.9%
Acquisition integration costs	-	-	0.4%
Audit Committee investigation related costs	-	-	0.4%
Project results from non-controlled joint venture	0.1%	0.1%	0.4%
Court mandated mediation settlement	-	-	0.3%
(Gain) Loss on equity investee interest rate swaps	-	-	0.1%
<b>Adjusted EBITDA margin</b>	<b>10.1%</b>	<b>9.3%</b>	<b>7.3%</b>

	Guidance for the Year Ended December 31, 2017 Est.	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
<b>Adjusted Net Income</b>			
<b>Net income (loss)</b>	<b>\$ 188\$</b>	<b>134.0\$</b>	<b>(79.7)</b>
Non-cash stock-based compensation expense	14	15.1	12.4
Restructuring charges	1	15.2	-
Goodwill and intangible asset impairment	-	-	78.6
Acquisition integration costs	-	-	17.8
Audit Committee investigation related costs	-	-	17.4
Project results from non-controlled joint venture	7	5.1	16.3
Court mandated mediation settlement	-	-	12.2
(Gain) Loss on equity investee interest rate swaps	-	-	4.4
Impact of Alberta tax law change	-	-	2.8
Income tax effect of adjustments (a)	(5)	(11.7)	(30.8)
<b>Adjusted net income</b>	<b>\$ 204\$</b>	<b>157.7\$</b>	<b>51.4</b>

	Guidance for the Year Ended December 31, 2017 Est.	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
<b>Adjusted Diluted EPS Reconciliation</b>			
<b>Diluted earnings (loss) per share</b>	<b>\$ 2.25\$</b>	<b>1.61\$</b>	<b>(0.98)</b>
Non-cash stock-based compensation expense	0.17	0.19	0.15
Restructuring charges	0.01	0.19	-
Goodwill and intangible asset impairment	-	-	0.97
Acquisition integration costs	-	-	0.22
Audit Committee investigation related costs	-	-	0.21
Project results from non-controlled joint venture	0.08	0.06	0.20
Court mandated mediation settlement	-	-	0.15
(Gain) Loss on equity investee interest rate swaps	-	-	0.05
Impact of Alberta tax law change	-	-	0.03
Income tax effect of adjustments (a)	(0.06)	(0.14)	(0.38)

