



MasTec Announces First Quarter 2018 Financial Results, Record Backlog and Increased Annual Guidance

April 30, 2018

- **Record 18-month Backlog of \$7.6 Billion, with Record Segment Level Backlog in Communications, Oil & Gas and Power Generation & Industrial**
- **Record Q1 Revenue Increased 21% to \$1.4 Billion**
- **Q1 GAAP Diluted Earnings per Share of \$0.32 and Adjusted Diluted Earnings per Share \$0.35, Both \$0.15 Above Guidance Expectations**
- **Q1 Adjusted EBITDA of \$108 million, \$18 Million Above Guidance Expectation**
- **Increasing 2018 Annual Guidance for Revenue, Diluted Earnings per Share, Adjusted EBITDA and Adjusted Diluted Earnings per Share**

CORAL GABLES, Fla., April 30, 2018 /PRNewswire/ -- MasTec, Inc. (NYSE: MTZ) today announced higher than expected first quarter financial results, record backlog, and increased 2018 guidance.

- First quarter 2018 revenue was \$1.4 billion, a 21% increase compared with \$1.2 billion for the same period last year. GAAP net income was \$26.5 million, or \$0.32 per diluted share, compared to \$40.6 million or \$0.50 per share in the first quarter of 2017. GAAP results exceeded the Company's previously announced diluted earnings per share expectation by \$0.15.
- First quarter 2018 adjusted net income, a non-GAAP measure, was \$28.8 million. Adjusted diluted earnings per share, a non-GAAP measure, was \$0.35 exceeding the Company's previously announced first quarter 2018 expectation by \$0.15.
- First quarter adjusted EBITDA, also a non-GAAP measure, was \$107.8 million, exceeding the Company's previously announced 2018 first quarter guidance expectation by approximately \$18 million.
- The Company also announced record 18-month backlog for the second consecutive quarter, with backlog as of March 31, 2018 at \$7.6 billion, a \$464 million sequential increase when compared to year end 2017, and a \$1.9 billion increase or 33%, compared to the first quarter of 2017.
- 18-month backlog as of March 31, 2018 included record levels of Communications, Oil & Gas and Power Generation & Industrial segment backlog, as well as a sequential increase in Electrical Transmission segment backlog.

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 proud to once again report record backlog levels, demonstrating the strength in demand for our services across multiple markets."

Mr. Mas continued, "We are pleased to increase our 2018 annual guidance expectations to another record level. More importantly, many items in our backlog represent multi-year programs that are initiating over the course of 2018. Thus, we have strong visibility for continued growth in 2019 and beyond."

George Pita, MasTec's Executive Vice President and Chief Financial Officer noted, "We have significant multi-year growth opportunities across multiple segments. Our confidence in the future is evidenced by the repurchase of approximately 2.6 million shares thus far in 2018 under authorized share repurchase programs. We continue to expect 2018 to be a record year of cash flow from operations as we complete several major projects and normalize our working capital. We expect to maintain a strong balance sheet giving us the financial flexibility and resources to take advantage of the significant multi-year growth opportunities ahead of us."

Based on the information available today, the Company is providing initial second quarter guidance, and increasing full year 2018 guidance expectations. The Company currently estimates full year 2018 revenue of approximately \$6.9 billion, a record level. Full year 2018 GAAP net income and diluted earnings per share are expected to approximate \$285 million and \$3.53, respectively. Regarding full year 2018 expectations for non-GAAP measures, adjusted EBITDA is expected to approximate \$700 million or 10.2% of revenue and adjusted diluted earnings per share is expected to be \$3.65, a 25% increase over 2017 with both non-GAAP measures representing record levels.

For the second quarter of 2018, the Company expects revenue of approximately \$1.78 billion. Second quarter 2018 GAAP net income is expected to approximate \$81 million with GAAP diluted earnings per share expected to approximate \$1.00. Second quarter 2018 adjusted EBITDA, a non-GAAP measure, is expected to approximate \$189 million with adjusted diluted earnings per share, a non-GAAP measure, expected to approximate \$1.03.

Management will hold a conference call to discuss these results on Tuesday, May 1, 2018 at 9:00 a.m. Eastern time. The call-in number for the conference call is (719) 325-4876 or (877) 718-5108, and the replay number is (719) 457-0820, with a pass code

of 6702869. 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.

The following tables set forth the financial results for the periods ended March 31, 2018 and 2017:

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

	For the Three Months Ended March 31,	
	2018	2017
Revenue	\$ 1,396,834	\$ 1,158,184
Costs of revenue, excluding depreciation and amortization	1,237,299	971,134
Depreciation and amortization	49,940	42,904
General and administrative expenses	63,622	64,781
Interest expense, net	17,058	12,597
Equity in earnings of unconsolidated affiliates	(5,585)	(1,646)
Other (income) expense, net	(3,089)	429
Income before income taxes	\$ 37,589	\$ 67,985
Provision for income taxes	(11,126)	(27,358)
Net income	\$ 26,463	\$ 40,627
Net loss attributable to non-controlling interests	(97)	(343)
Net income attributable to MasTec, Inc.	\$ 26,560	\$ 40,970
Earnings per share:		
Basic earnings per share	\$ 0.33	\$ 0.51
Basic weighted average common shares outstanding	81,150	80,697
Diluted earnings per share	\$ 0.32	\$ 0.50
Diluted weighted average common shares outstanding	82,221	82,157

Condensed Unaudited Consolidated Balance Sheets
(In thousands)

	March 31, 2018	December 31, 2017
Assets		
Current assets	\$ 1,907,595	\$ 1,852,366
Property and equipment, net	709,806	706,506
Goodwill and other intangibles, net	1,332,876	1,328,880
Other long-term assets	204,071	178,824
Total assets	\$ 4,154,348	\$ 4,066,576
Liabilities and Equity		
Current liabilities	\$ 1,047,340	\$ 963,827
Long-term debt	1,343,549	1,280,706
Long-term deferred tax liabilities, net	197,275	204,518
Other long-term liabilities	191,987	184,172
Total equity	1,374,197	1,433,353
Total liabilities and equity	\$ 4,154,348	\$ 4,066,576

Condensed Unaudited Consolidated Statements of Cash Flows
(In thousands)

For the Three Months Ended March 31,	
2018	2017

Net cash provided by operating activities	\$	83,501	\$	154,173
Net cash used in investing activities		(30,856)		(69,619)
Net cash used in financing activities		(53,458)		(107,794)
Effect of currency translation on cash		722		160
Net decrease in cash and cash equivalents		(91)		(23,080)
Cash and cash equivalents - beginning of period	\$	40,326	\$	38,767
Cash and cash equivalents - end of period	\$	40,235	\$	15,687

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

Segment Information	For the Three Months Ended March 31,	
	2018	2017
Revenue by Reportable Segment		
Communications	\$ 627.1	\$ 559.5
Oil and Gas	536.5	455.9
Electrical Transmission	114.0	98.8
Power Generation and Industrial	117.6	46.6
Other	1.9	1.7
Eliminations	(0.3)	(4.3)
Corporate	—	—
Consolidated revenue	\$ 1,396.8	\$ 1,158.2

Adjusted EBITDA by Reportable Segment	For the Three Months Ended March 31,	
	2018	2017
EBITDA	\$ 104.6	\$ 123.5
Non-cash stock-based compensation expense	3.2	3.8
Project results from non-controlled joint venture	—	7.0
Restructuring charges	—	0.6
Adjusted EBITDA	\$ 107.8	\$ 134.8
Reportable Segment:		
Communications	\$ 82.1	\$ 48.5
Oil and Gas	33.0	93.9
Electrical Transmission	4.6	3.8
Power Generation and Industrial	4.8	0.8
Other	5.9	1.7
Corporate	(22.6)	(13.9)
Adjusted EBITDA	\$ 107.8	\$ 134.8

Adjusted EBITDA Margin by Reportable Segment	For the Three Months Ended March 31,	
	2018	2017
EBITDA Margin	7.5%	10.7%
Non-cash stock-based compensation expense	0.2%	0.3%
Project results from non-controlled joint venture	—%	0.6%
Restructuring charges	—%	0.0%
Adjusted EBITDA margin	7.7%	11.6%
Reportable Segment:		
Communications	13.1%	8.7%
Oil and Gas	6.2%	20.6%
Electrical Transmission	4.0%	3.8%
Power Generation and Industrial	4.1%	1.8%

Other	304.3%	99.7%
Corporate	NA	NA
Adjusted EBITDA margin	7.7%	11.6%

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

For the Three Months Ended March 31,

	2018	2017
EBITDA and Adjusted EBITDA Reconciliation		
Net income	\$ 26.5	\$ 40.6
Interest expense, net	17.1	12.6
Provision for income taxes	11.1	27.4
Depreciation and amortization	49.9	42.9
EBITDA	\$ 104.6	\$ 123.5
Non-cash stock-based compensation expense	3.2	3.8
Project results from non-controlled joint venture	—	7.0
Restructuring charges	—	0.6
Adjusted EBITDA	\$ 107.8	\$ 134.8

For the Three Months Ended March 31,

	2018	2017
EBITDA and Adjusted EBITDA Margin Reconciliation		
Net income	1.9%	3.5%
Interest expense, net	1.2%	1.1%
Provision for income taxes	0.8%	2.4%
Depreciation and amortization	3.6%	3.7%
EBITDA margin	7.5%	10.7%
Non-cash stock-based compensation expense	0.2%	0.3%
Project results from non-controlled joint venture	—%	0.6%
Restructuring charges	—%	0.0%
Adjusted EBITDA margin	7.7%	11.6%

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

For the Three Months Ended March 31,

	2018	2017
Adjusted Net Income Reconciliation		
Net income	\$ 26.5	\$ 40.6
Non-cash stock-based compensation expense	3.2	3.8
Project results from non-controlled joint venture	—	7.0
Restructuring charges	—	0.6
Income tax effect of adjustments ^(a)	(0.9)	(3.5)
Adjusted net income	\$ 28.8	\$ 48.4

For the Three Months Ended March 31,

	2018	2017
Adjusted Diluted Earnings per Share Reconciliation		
Diluted earnings per share	\$ 0.32	\$ 0.50

Non-cash stock-based compensation expense	0.04	0.05
Project results from non-controlled joint venture	—	0.08
Restructuring charges	—	0.01
Income tax effect of adjustments ^(a)	(0.01)	(0.04)
Adjusted diluted earnings per share	\$ 0.35	\$ 0.59

(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.

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

	Guidance for the Three Months Ended June 30, 2018 Est.	For the Three Months Ended June 30, 2017
EBITDA and Adjusted EBITDA Reconciliation		
Net income	\$ 81	\$ 83.3
Interest expense, net	19	14.8
Provision for income taxes	34	55.4
Depreciation and amortization	52	45.4
EBITDA	\$ 185	\$ 198.9
Non-cash stock-based compensation expense	3	3.4
Adjusted EBITDA	\$ 189	\$ 202.3

	Guidance for the Three Months Ended June 30, 2018 Est.	For the Three Months Ended June 30, 2017
EBITDA and Adjusted EBITDA Margin Reconciliation		
Net income	4.6%	4.4%
Interest expense, net	1.1%	0.8%
Provision for income taxes	1.9%	2.9%
Depreciation and amortization	2.9%	2.4%
EBITDA margin	10.4%	10.5%
Non-cash stock-based compensation expense	0.2%	0.2%
Adjusted EBITDA margin	10.6%	10.7%

	Guidance for the Three Months Ended June 30, 2018 Est.	For the Three Months Ended June 30, 2017
Adjusted Net Income Reconciliation		
Net income	\$ 81	\$ 83.3
Non-cash stock-based compensation expense	3	3.4
Income tax effect of adjustments ^(a)	(1)	0.0
Adjusted net income	\$ 83	\$ 86.7

	Guidance for the Three Months Ended June 30, 2018 Est.	For the Three Months Ended June 30, 2017
Adjusted Diluted Earnings per Share Reconciliation		
Diluted earnings per share	\$ 1.00	\$ 0.99
Non-cash stock-based compensation expense	0.04	0.04
Income tax effect of adjustments ^(a)	(0.01)	0.00
Adjusted diluted earnings per share	\$ 1.03	\$ 1.03

(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.

Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited

(In millions, except for percentages and per share amounts)

	Guidance for the Year Ended December 31, 2018 Est.	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
EBITDA and Adjusted EBITDA Reconciliation			
Net income	\$ 285	\$ 348.9	\$ 134.0
Interest expense, net	72	61.0	50.7
Provision for income taxes	119	22.9	91.8
Depreciation and amortization	210	188.0	164.9
EBITDA	\$ 687	\$ 620.9	\$ 441.5
Non-cash stock-based compensation expense	14	15.7	15.1
Project results from non-controlled joint venture	—	7.9	5.1
Restructuring charges	—	0.6	15.2
Charges (recoveries) from multi-employer pension plan withdrawals	—	0.7	—
Adjusted EBITDA	\$ 700	\$ 645.6	\$ 476.9

	Guidance for the Year Ended December 31, 2018 Est.	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
EBITDA and Adjusted EBITDA Margin Reconciliation			
Net income	4.1%	5.3%	2.6%
Interest expense, net	1.0%	0.9%	1.0%
Provision for income taxes	1.7%	0.3%	1.8%
Depreciation and amortization	3.0%	2.8%	3.2%
EBITDA margin	10.0%	9.4%	8.6%
Non-cash stock-based compensation expense	0.2%	0.2%	0.3%
Project results from non-controlled joint venture	—%	0.1%	0.1%
Restructuring charges	—%	0.0%	0.3%
Charges (recoveries) from multi-employer pension plan withdrawals	—%	0.0%	—%
Adjusted EBITDA margin	10.2%	9.8%	9.3%

Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited

(In millions, except for percentages and per share amounts)

	Guidance for the Year Ended December 31, 2018 Est.	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Adjusted Net Income Reconciliation			
Net income	\$ 285	\$ 348.9	\$ 134.0
Non-cash stock-based compensation expense	14	15.7	15.1
Project results from non-controlled joint venture	—	7.9	5.1
Restructuring charges	—	0.6	15.2
Charges (recoveries) from multi-employer pension plan withdrawals	—	0.7	—
Income tax effect of adjustments ^(a)	(4)	(11.6)	(11.7)
Effect of changes in statutory tax rates	—	(120.1)	—
Adjusted net income	\$ 295	\$ 241.9	\$ 157.7

	Guidance for the Year Ended December 31, 2018 Est.	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Adjusted Diluted Earnings per Share Reconciliation			
Diluted earnings per share	\$ 3.53	\$ 4.22	\$ 1.61
Non-cash stock-based compensation expense	0.17	0.19	0.19
Project results from non-controlled joint venture	—	0.10	0.06
Restructuring charges	—	0.01	0.19
Charges (recoveries) from multi-employer pension plan withdrawals	—	0.01	—
Income tax effect of adjustments ^(a)	(0.05)	(0.14)	(0.14)

J. Marc Lewis, Vice President-Investor Relations, 305-406-1815, 305-406-1886 fax, marc.lewis@mastec.com