



MasTec Lowers 2015 Guidance and Announces Approval of Stock Repurchase Program

December 17, 2014

CORAL GABLES, Fla., Dec. 17, 2014 /PRNewswire/ -- MasTec, Inc. (NYSE: MTZ) today announced lower 2015 expectations to reflect uncertainties due to the potential impact of lower world oil prices and expected lower levels of wireless project activity.

The Company issued preliminary 2015 guidance expectations in October 2014, earlier than its historical timing, as a result of its previously announced WesTower acquisition. Since the issuance of this preliminary guidance range, a major customer has announced reduced levels of 2015 expected wireless project activity and world oil prices have significantly declined. While the Company has not experienced any significant delays or cancellations of pipeline, or related oil and gas facilities projects, the Company believes that it is prudent to moderate its 2015 expectations for its Oil & Gas segment. Additionally, MasTec's revised 2015 guidance also includes the estimated impact of reduced levels of wireless project activity, based on previous public announcements by the major customer.

For 2015, the Company now expects revenue will increase 9% over expected 2014 revenue to \$5.0 billion, with continuing operations adjusted EBITDA margin, a non-GAAP measure, of approximately 10% of revenue, and continuing operations adjusted diluted earnings per share, also a non-GAAP measure, of \$1.87. The Company will provide further information on full year 2015 guidance in its upcoming fourth quarter earnings release, in light of ongoing changes in market conditions, which may impact 2015 expectations. Previously announced guidance for the fourth quarter of 2014 remains unchanged.

Additionally, MasTec's Board of Directors has authorized the repurchase of up to \$100 million of MasTec common stock. The authorization does not obligate MasTec to repurchase any particular amount of common stock during any period and the program may be modified or suspended at any time at the Company's discretion. Stock repurchases may be made from time to time and the actual amount repurchased will depend on a variety of factors including market conditions, regulatory and legal requirements, cash flow and liquidity needs and other factors. The stock repurchases may be made in both open market and privately negotiated transactions, and may include the use of derivative contracts, structured share repurchase agreements and Rule 10b5-1 trading plans. Repurchases would be funded from cash on hand and availability under the Company's revolving credit facility.

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

| | <u>Guidance for the Year Ended December 31, 2015 Est.</u> | <u>Guidance for the Year Ended December 31, 2014 Est.</u> | <u>For the Year Ended December 31, 2013</u> | <u>For the Year Ended December 31, 2012</u> |
|--|---|---|---|---|
| EBITDA and Adjusted EBITDA Reconciliation – Continuing Operations | | | | |
| Net income from continuing operations | \$ 146 | \$ 118 | \$ 147.7 | \$ 116.6 |
| Interest expense, net | 48 | 51 | 46.4 | 37.4 |
| Provision for income taxes | 89 | 72 | 92.5 | 76.1 |
| Depreciation and amortization | 191 | 157 | 140.9 | 92.0 |
| EBITDA - continuing operations | \$ 474 | \$ 399 | \$ 427.6 | \$ 322.1 |
| Non-cash stock-based compensation expense | 16 | 16 | 12.9 | 4.4 |
| Acquisition integration expense | 10 | 10 | - | - |
| Loss on debt extinguishment | - | - | 5.6 | - |

| | | | | |
|---|--------------|---------------|-----------------|-----------------|
| Sintel legal settlement | - | - | 2.8 | 9.6 |
| | <u>500</u> | | | |
| Adjusted EBITDA - continuing operations | \$ | \$ 425 | \$ 448.9 | \$ 336.1 |
| EBITDA and Adjusted EBITDA Margin Reconciliation – Continuing Operations | | | | |
| Net income from continuing operations | 2.9% | 2.6% | 3.4% | 3.1% |
| Interest expense, net | 1.0% | 1.1% | 1.1% | 1.0% |
| Provision for income taxes | 1.8% | 1.6% | 2.1% | 2.0% |
| Depreciation and amortization | 3.8% | 3.4% | 3.3% | 2.5% |
| | <u>9.5%</u> | | | |
| EBITDA margin- continuing operations | | 8.7% | 9.9% | 8.6% |
| Non-cash stock-based compensation expense | 0.3% | 0.3% | 0.3% | 0.1% |
| Acquisition integration expense | 0.2% | 0.2% | - | - |
| Loss on debt extinguishment | - | - | 0.1% | - |
| Sintel legal settlement | - | - | 0.1% | 0.3% |
| | <u>10.0%</u> | | | |
| Adjusted EBITDA margin - continuing operations | | 9.2% | 10.4% | 9.0% |

| | <u>Guidance for the Year Ended December 31, 2015 Est.</u> | <u>Guidance for the Year Ended December 31, 2014 Est.</u> | <u>For the Year Ended December 31, 2013</u> | <u>For the Year Ended December 31, 2012</u> |
|--|---|---|---|---|
| Adjusted Net Income from Continuing Operations and Adjusted Diluted EPS – Continuing Operations Reconciliations | | | | |
| Adjusted Net Income from Continuing Operations Reconciliation | | | | |
| Net income from continuing operations | \$ 146 | \$ 118 | \$ 147.7 | \$ 116.6 |
| Non-cash stock-based compensation expense, net of tax | 10 | 10 | 8.0 | 2.7 |
| Acquisition integration expense, net of tax | 6 | 6 | - | - |
| Loss on debt extinguishment, net of tax | - | - | 3.5 | - |
| Sintel legal settlement, net of tax | - | - | 1.7 | 5.8 |
| | <u>162</u> | | | |
| Adjusted net income from continuing operations | \$ | \$ 134 | \$ 160.8 | \$ 125.1 |

| | Guidance for the Year Ended December 31, | Guidance for the Year Ended December 31, | For the Year Ended December 31, | For the Year Ended December 31, |
|--|---|--|---------------------------------------|---------------------------------------|
| | 2015 Est. | 2014 Est. | 2013 | 2012 |
| Adjusted Diluted EPS Reconciliation – Continuing Operations | | | | |
| Diluted earnings per share – continuing operations | \$ 1.69\$ | 1.37\$ | 1.74\$ | 1.42 |
| Non-cash stock-based compensation expense, net of tax | 0.11 | 0.11 | 0.09 | 0.03 |
| Acquisition integration expense, net of tax | 0.07 | 0.07 | - | - |
| Loss on debt extinguishment, net of tax | - | - | 0.04 | - |
| Sintel legal settlement, net of tax | - | - | 0.02 | 0.07 |
| | - | - | 0.02 | 1.53 |
| Adjusted diluted earnings per share - continuing operations | \$ 1.87\$ | 1.55\$ | 1.90\$ | |

MasTec, Inc. is a leading infrastructure construction company operating mainly throughout North America across a range of industries. The Company's primary activities include the engineering, building, installation, maintenance and upgrade of energy, utility and communications infrastructure, such as: electrical utility transmission and distribution; natural gas and petroleum pipeline infrastructure; wireless, wireline and satellite communications; power generation, including renewable energy infrastructure; and industrial infrastructure. MasTec's customers are primarily in these industries. The Company's corporate website is located at www.mastec.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including the effect of economic conditions on demand for our services, trends in oil, natural gas, electricity and other energy source prices; reduced capital expenditures by our customers, reduced financing availability, customer consolidation and technological and regulatory changes in the industries we serve; market conditions, technological developments and regulatory changes that affect us or our customers' industries; our ability to accurately estimate the costs associated with our fixed price and other contracts, including any material changes in estimates for completion of projects, and performance on such projects; customer disputes related to our performance of services; disputes with, or failures of, our subcontractors to deliver agreed-upon supplies or services in a timely fashion; any material changes in estimates for legal costs or case settlements or adverse determinations on any claim, lawsuit or proceeding; our ability to replace non-recurring projects with new projects; the timing and extent of fluctuations in geographic, weather, equipment and operational factors affecting the industries in which we operate; our ability to attract and retain qualified personnel, key management and skilled employees, including from acquired businesses, and our ability to enforce any noncompetition agreements, integrate acquired businesses within expected timeframes and achieve the revenue, cost savings and earnings levels from such acquisitions at or above the levels projected; any exposure related to divested businesses; any exposure resulting from system or information technology interruptions or data security breaches; the impact of U.S. federal, local or state tax legislation and other regulations affecting renewable energy, electricity prices, electrical transmission, oil and gas production, broadband and related projects and expenditures; the effect of state and federal regulatory initiatives, including costs of compliance with existing and future environmental requirements; increases in fuel, maintenance, materials, labor and other costs; fluctuations in foreign currencies; risks associated with operating in international markets, which could restrict our ability to expand globally and harm our business and prospects or any failure to comply with laws applicable to our foreign activities; the highly competitive nature of our industry; our dependence on a limited number of customers; the ability of our customers, including our largest customers, to terminate or reduce the amount of work, or in some cases, the prices paid for services on short or no notice under our contracts; the impact of any unionized workforce on our operations, including labor availability and relations; liabilities associated with multi-employer pension plans, including underfunding and withdrawal liabilities, for our operations that employ unionized workers; the adequacy of our insurance, legal and other reserves and allowances for doubtful accounts; restrictions imposed by our credit facility, senior notes, convertible notes and any future loans or securities; our ability to obtain performance and surety bonds; the outcome of our plans for future operations, growth and services, including business development efforts, backlog, acquisitions and dispositions; any dilution or stock price volatility that shareholders may experience in connection with shares we may issue as consideration for earn-out obligations or as purchase consideration in connection with past or future acquisitions, or as a result of conversions of convertible notes or other stock issuances; our ability to settle conversions of our convertible notes in cash due to contractual restrictions, including those contained in our credit facility, and the availability of cash; as well as other risks detailed in our filings with the Securities and Exchange Commission. Actual results may differ significantly from results expressed or implied in these statements. We do not undertake any obligation to update forward-looking statements.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/mastec-lowers-2015-guidance-and-announces-approval-of-stock-repurchase-program-300010986.html>

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