MasTec Third Quarter 2023 Earnings Call Presentation

November 1, 2023
NYSE: MTZ

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Safe Harbor Statement

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements include, but are not limited to, statements relating to expectations regarding the future financial and operational performance of MasTec; expectations regarding MasTec's business or financial outlook; expectations regarding MasTec's plans, strategies and opportunities; expectations regarding opportunities, technological developments, competitive positioning, future economic conditions and other trends in particular markets or industries; the impact of inflation on MasTec's costs and the ability to recover increased costs, as well as other statements reflecting expectations, intentions, assumptions or beliefs about future events and other statements that do not relate strictly to historical or current facts. These statements are based on currently available operating, financial, economic and other information, and are subject to a number of significant risks and uncertainties. A variety of factors in addition to those mentioned above, many of which are beyond our control, could cause actual future results to differ materially from those projected in the forward-looking statements. Other factors that might cause such a difference include, but are not limited to: market conditions, including levels of inflation, rising interest rates or supply chain issues, technological developments, regulatory or policy changes, including permitting processes and tax incentives that affect us or our customers' industries and the effects on markets, energy prices and our customers resulting from geo-political events such as the military conflicts in Ukraine and Israel; the effect of federal, local, state, foreign or tax legislation and other regulations affecting the industries we serve and related projects and expenditures; the effect on demand for our services of changes in the amount of capital expenditures by our customers due to, among other things, economic conditions, including the potential adverse effects of potential recessionary concerns, inflationary issues, supply chain disruptions and higher interest rates, the availability and cost of financing, climate-related matters, customer consolidation in the industries we serve and/or the effects of public health matters; activity in the industries we serve and the impact on our customers' expenditure levels caused by fluctuations in commodity prices, including for fuel and energy sources, and/or fluctuations in materials, labor, supplies, equipment and other costs, or supply-related issues that affect availability or cause delays for such items; our ability to manage projects effectively and in accordance with our estimates, as well as 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 estimates of the recoverability of change orders; risks related to completed or potential acquisitions, such as IEA, including our ability to integrate acquired businesses within expected timeframes, including their business operations, internal controls and/or systems, which may be found to have material weaknesses, and our ability to achieve the revenue, cost savings and earnings levels from such acquisitions at or above the levels projected, as well as the risk of potential asset impairment charges and write-downs of goodwill; our ability to attract and retain qualified personnel, key management and skilled employees, including from acquired businesses, our ability to enforce any noncompetition agreements, and our ability to maintain a workforce based upon current and anticipated workloads; any material changes in estimates for legal costs or case settlements or adverse determinations on any claim, lawsuit or proceeding; the adequacy of our insurance, legal and other reserves; the timing and extent of fluctuations in operational, geographic and weather factors affecting our customers, projects and the industries in which we operate; the highly competitive nature of our industry and 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, and/or customer disputes related to our performance of services and the resolution of unapproved change orders; requirements of and restrictions imposed by our credit facility, term loans, senior notes and any future loans or securities; the effect of state and federal regulatory initiatives, including risks related to the costs of compliance with existing and potential future environmental, social and governance requirements, including with respect to climate-related matters; our dependence on a limited number of customers and our ability to replace non-recurring projects with new projects; risks associated with potential environmental issues and other hazards from our operations; disputes with, or failures of, our subcontractors to deliver agreed-upon supplies or services in a timely fashion, and the risk of being required to pay our subcontractors even if our customers do not pay us; any exposure resulting from system or information technology interruptions or data security breaches; the outcome of our plans for future operations, growth and services, including business development efforts, backlog, acquisitions and dispositions; risks related to our strategic arrangements, including our equity investments; risks associated with volatility of our stock price or any dilution or stock price volatility that shareholders may experience in connection with shares we may issue as purchase consideration in connection with past or future acquisitions, or as consideration for earn-out obligations or as a result of other stock issuances; our ability to obtain performance and surety bonds; risks related to our operations that employ a unionized workforce, including labor availability, productivity and relations, as well as risks associated with multiemployer union pension plans, including underfunding and withdrawal liabilities; risks associated with operating in or expanding into additional international markets, including risks from fluctuations in foreign currencies, foreign labor and general business conditions and risks from failure to comply with laws applicable to our foreign activities and/or governmental policy uncertainty; risks associated with material weaknesses in our internal control over financial reporting and our ability to remediate such weaknesses; a small number of our existing shareholders have the ability to influence major corporate decisions, as well as other risks detailed in our filings with the Securities and Exchange Commission. We believe these forward-looking statements are reasonable; however, you should not place undue reliance on any forward-looking statements, which are based on current expectations. Furthermore, forward-looking statements speak only as of the date they are made. If any of these risks or uncertainties materialize, or if any of our underlying assumptions are incorrect, our actual results may differ significantly from the results that we express in, or imply by, any of our forward-looking statements. These and other risks are detailed in our filings with the Securities and Exchange Commission. We do not undertake any obligation to publicly update or revise these forward-looking statements after the date of this press release to reflect future events or circumstances, except as required by applicable law. We qualify any and all of our forward-looking statements by these cautionary factors.

Participants and Agenda

José R. Mas	Chief Executive Officer
Paul A. DiMarco	Chief Financial Officer
J. Marc Lewis	Vice-President, Investor Relations

- CEO Opening Remarks
- CFO Financial Review & Outlook
- Q&A
- Appendix

Q3 2023 Summary

Revenue

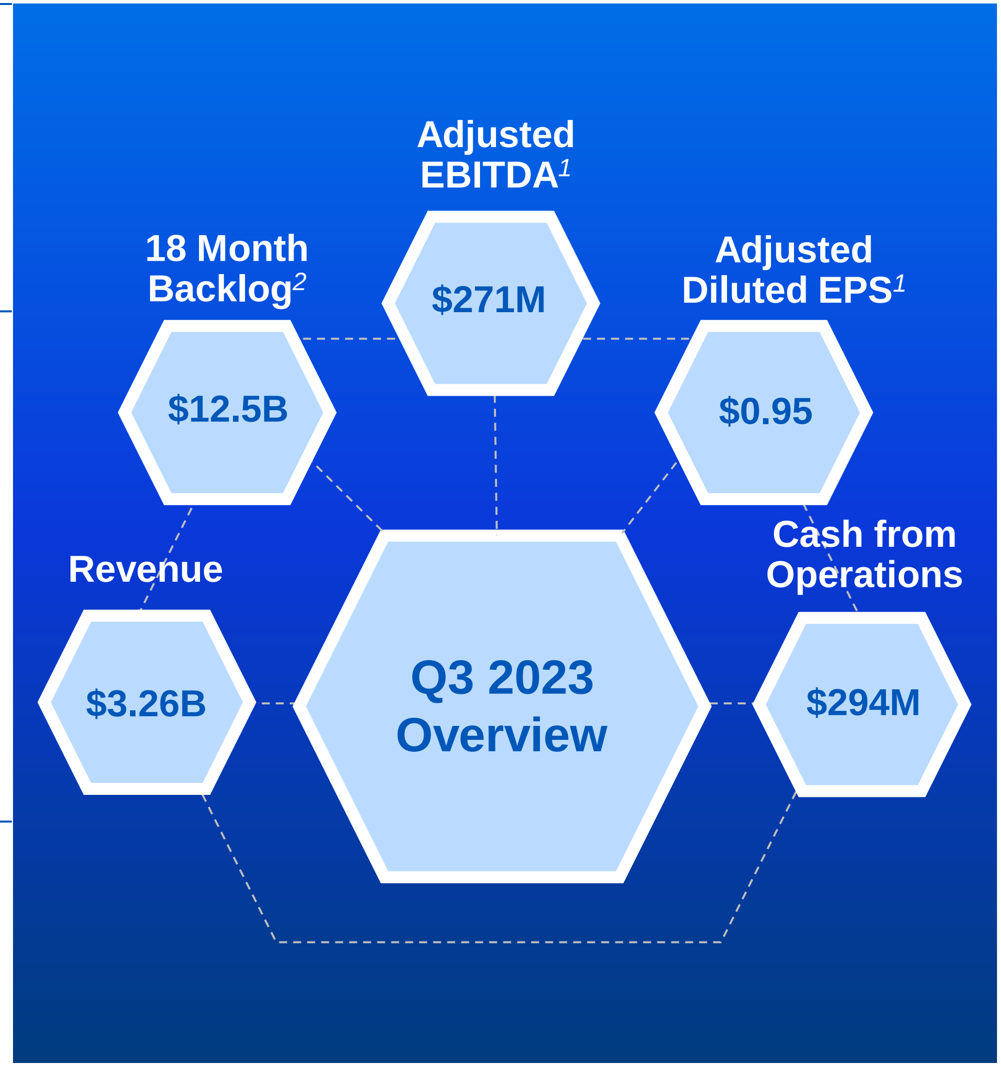
- Record Q3 revenue increased 30% year-over-year, however, results were impacted by continued delays on certain project starts and customer's deferral of previously planned activity
- Non-Oil & Gas revenue grew 21% year-over-year

Backlog

- Total backlog of $12.5B is up 11% year-over-year and reflects a 7% decline vs. Q2 record levels due to timing of project awards and reduced expected near-term activity on MSA contracts
- Signed or received verbal awards for projects totaling over $1.1B post September 30
- Backlog excludes projects totaling ~$2.0B currently under limited notices pending full contract execution.

Adj. EBITDA

- Q3 Adjusted EBITDA results were impacted by continued delays on certain Clean Energy and Infrastructure project starts and customers' deferral of previously planned activity



[1] See Appendix for reconciliations of Adjusted measures to GAAP measures.
[2] Refer to appendix for definition of backlog.

Q3 2023 Segment Results

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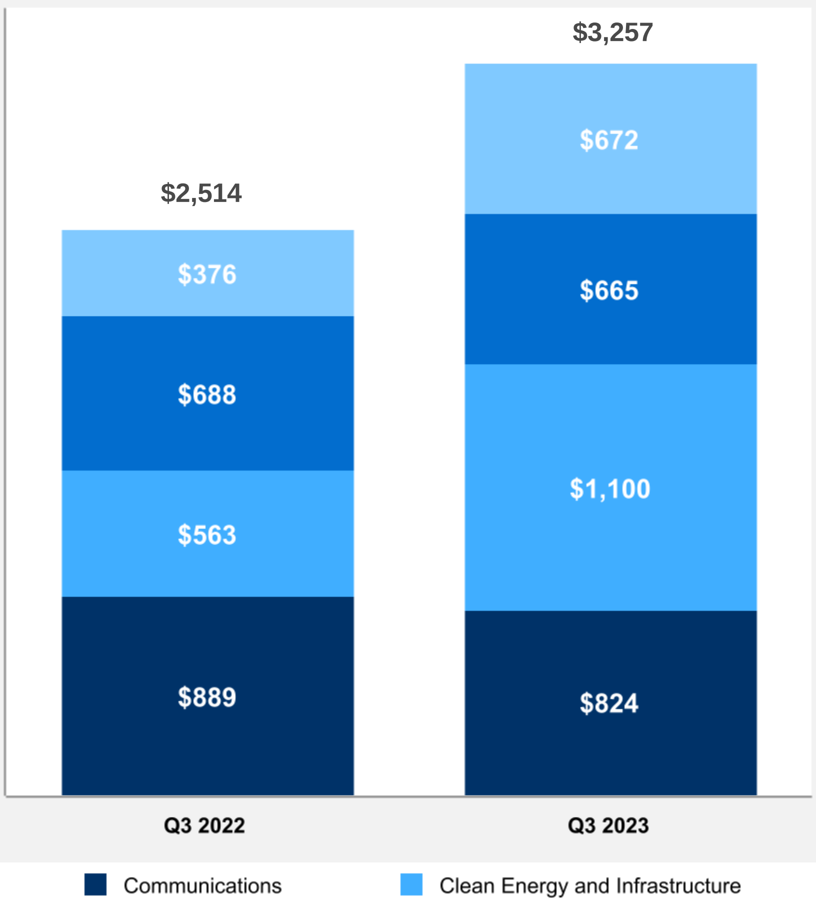
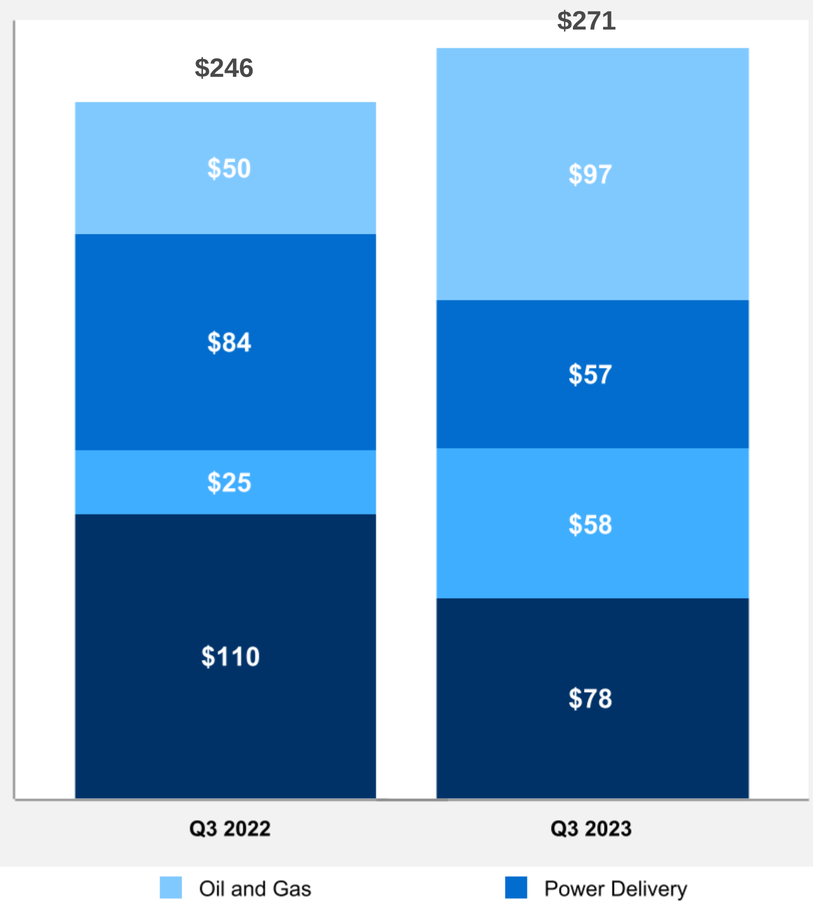
Revenue[1] ($M)



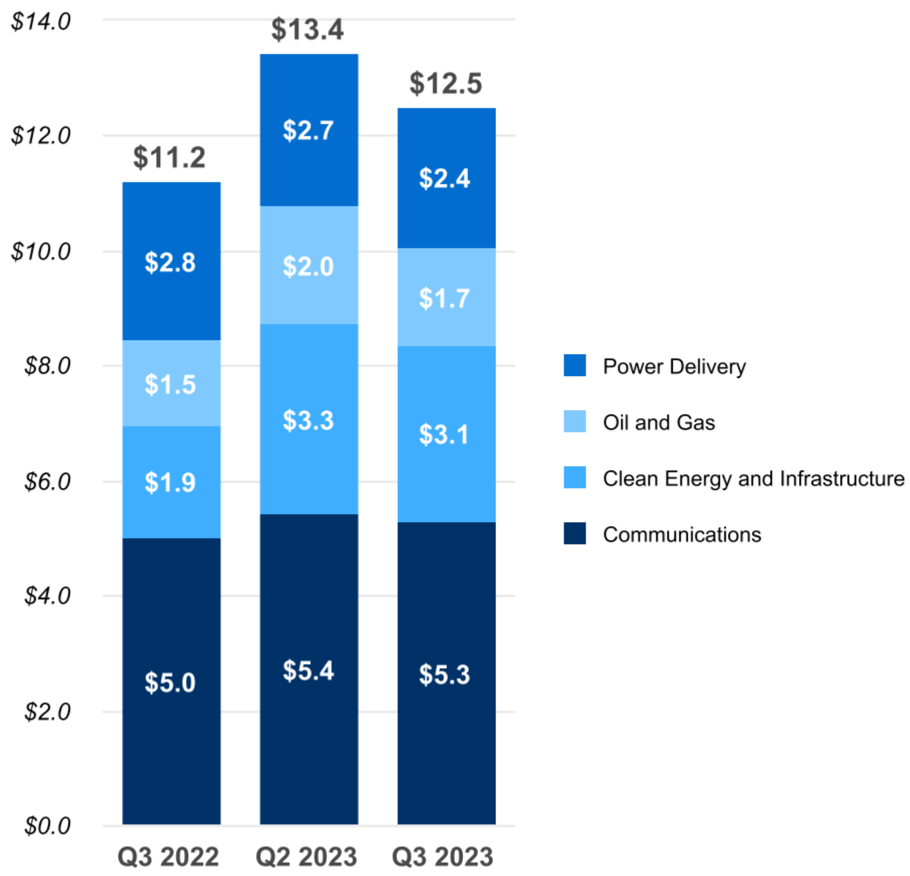
Adj. EBITDA[1,2] ($M)



[1] Consolidated totals also include results from the 'Other' segment, Corporate and eliminations.
[2] See Appendix for reconciliations of Adjusted measures to GAAP measures.

Q3 2023 Backlog[1]

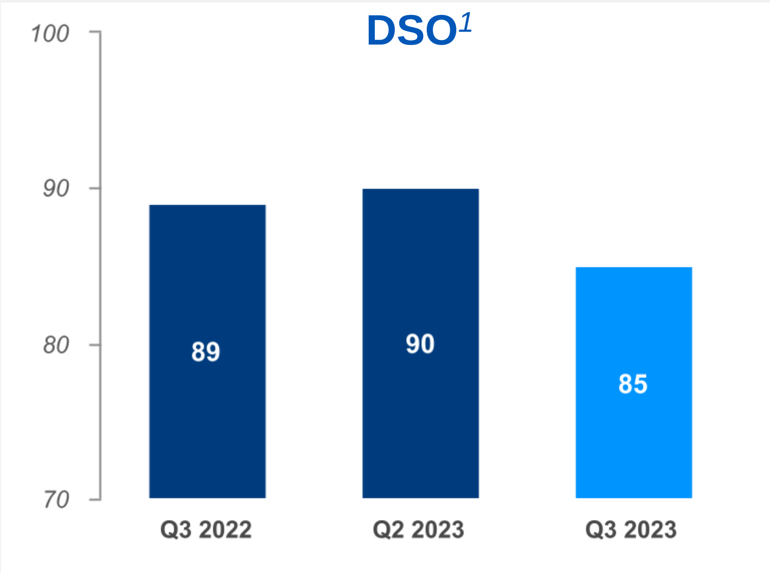
18 Month Backlog ($B)

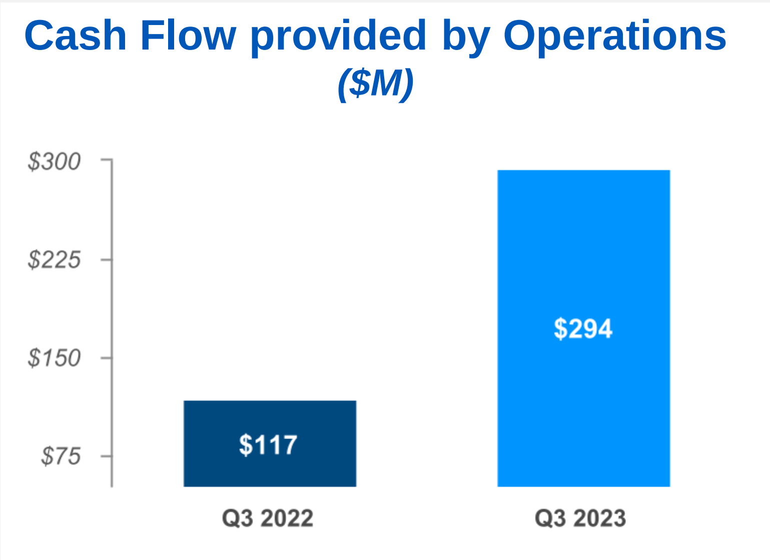


- Total backlog of $12.5B is up 11% on a year over year basis, further demonstrating the broad-based diversification of our end markets; down 7% sequentially due to timing of project awards and reduced expected near-term activity on MSA projects
- Signed or received verbal awards for projects totaling over $1.1B post-September 30
- Backlog excludes CE&I projects totaling ~$2.0B currently under limited notices to proceed pending full contract execution.
- We expect considerable backlog growth by year-end 2023

[1] *Refer to appendix for definition of backlog.*

Cash Flow Profile



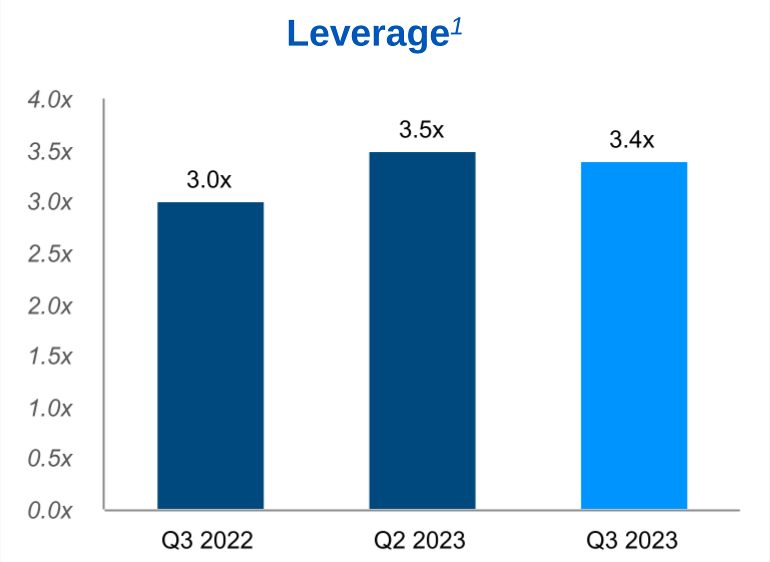


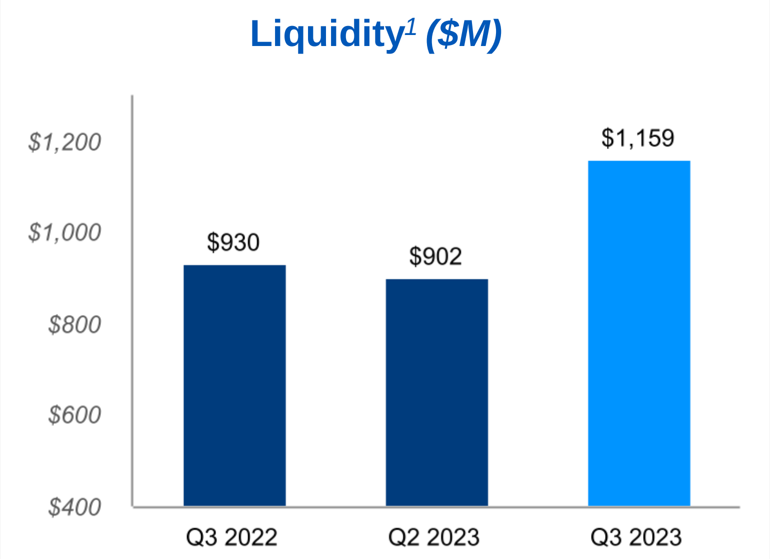
- Cash flow provided by operations was $294M during Q3 2023, reducing net debt by ~$213M to ~$3B. Cash flow was driven by improved working capital metrics, with DSO and DPO both improving and in line with normal levels
- DSO improved sequentially to 85 days, down 5 days from 90 days in Q2 2023

[1] *Refer to appendix for definition of Days Sales Outstanding (DSO).*

Leverage & Liquidity

- Leverage[1] improved slightly from Q2 to 3.4x
- Liquidity[1] remained strong, improving to $1.16B
- Leverage[1] at year-end is expected to remain in the low 3x range but we remain committed to returning to sustained target of ~2.5x in 2024





[1] *Refer to appendix for definitions of leverage and liquidity.*

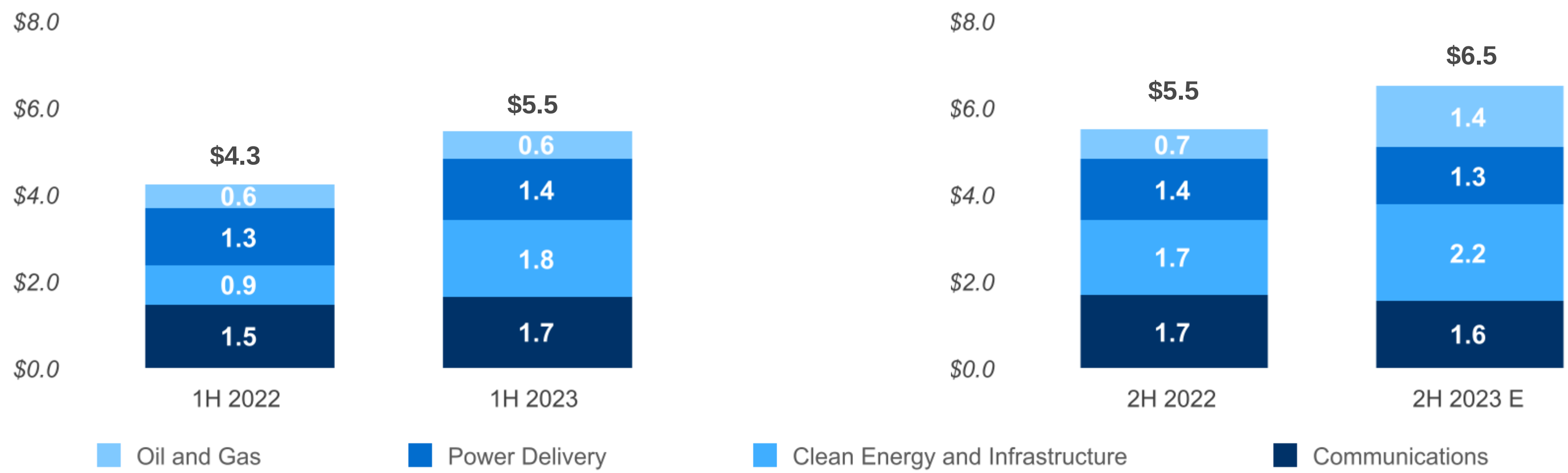
2023 Guidance Summary[1]

($M, with exception of EPS)	Q4 Guidance	Full Year Guidance
Revenue	$3,283	$12,000
Adjusted EBITDA[1]	$221	$850
Adjusted Net Income[1]	$35	$140
Diluted EPS (GAAP)	($0.17)	($0.83)
Adjusted Diluted EPS[1]	$0.44	$1.75

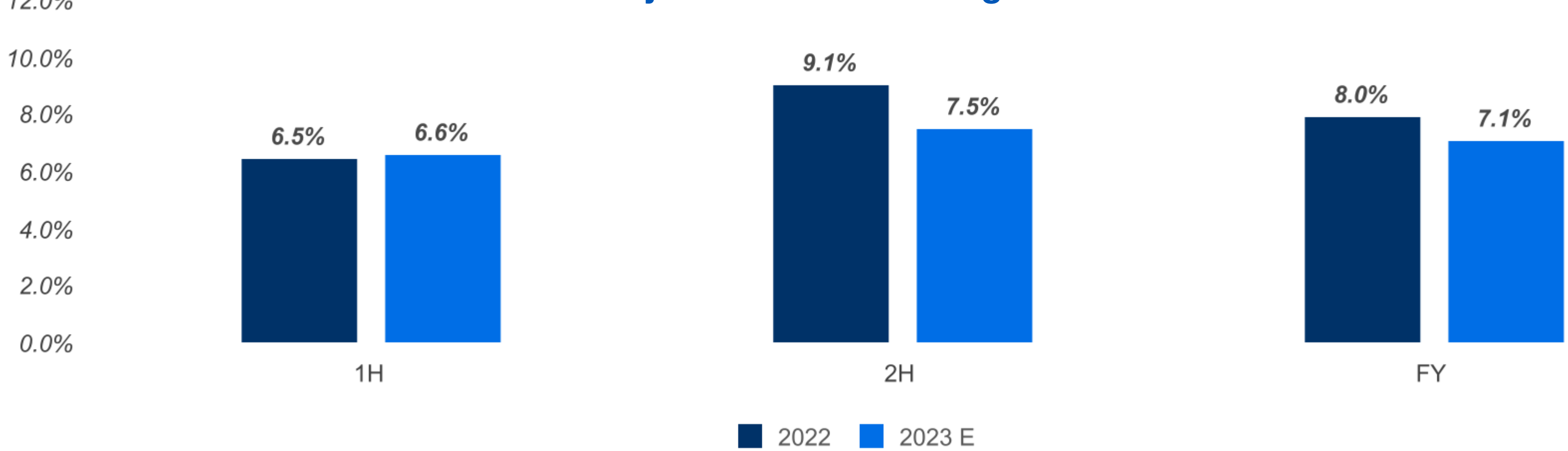
[1] Guidance issued on October 31, 2023. See Appendix for reconciliations of Adjusted measures to GAAP measures.

Revenue and Adjusted EBITDA Cadence

Revenue[1] $B



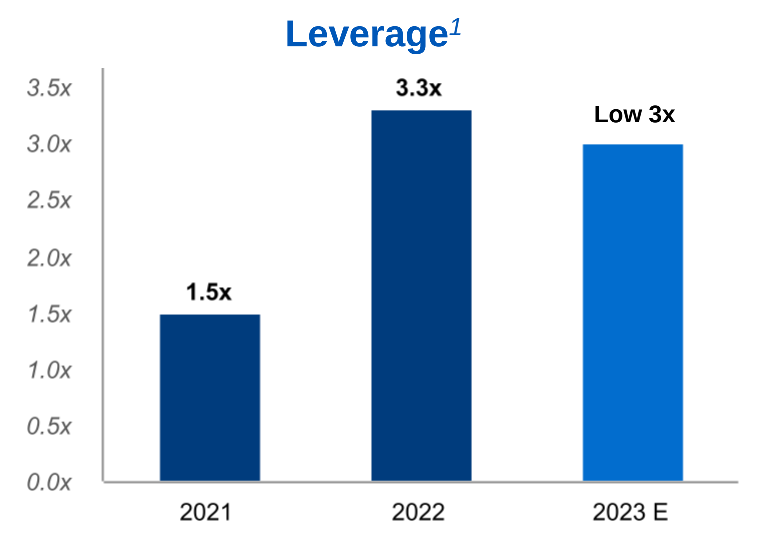
Adjusted EBITDA Margin[2] %

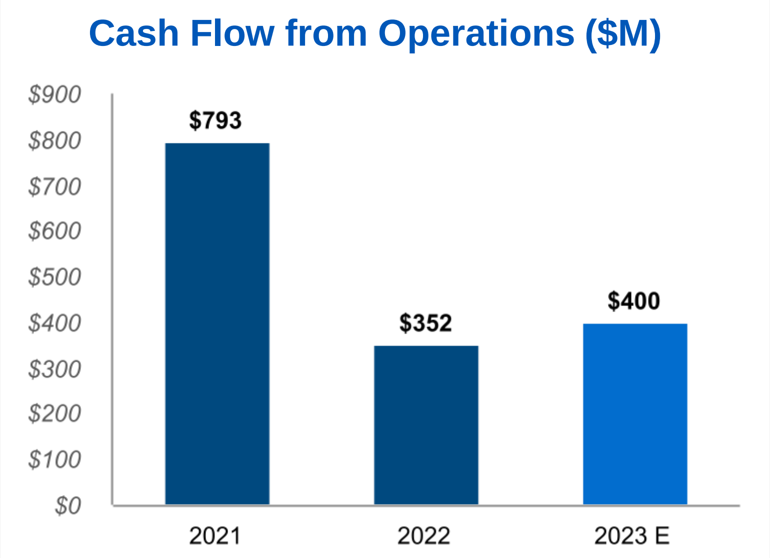


[1] *Guidance as of October 31, 2023.*
[2] *See Appendix for reconciliations of Adjusted measures to GAAP measures.*

2023 Cash Flow and Leverage Projections

- We currently anticipate 2023 cash flow from operations will approximate $500M for the second half of 2023 and $400M for the full year
- We expect year-end leverage[1] will be in the low 3x range, but remain committed to returning to sustained target of ~2.5x in 2024
- We remain dedicated to effectively managing our capital structure and maintaining a strong balance sheet supportive of our Investment Grade Rating
- Coming off the strategic investments we made to diversify our end markets, reducing our leverage is a priority





[1] *See Appendix for definition of leverage.*

Q&A

Appendix

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Full Year Non-GAAP Reconciliations[1,2]

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EBITDA and Adjusted EBITDA Margin Reconciliation	For the Year Ended December 31, 2022 $ (in millions)	For the Year Ended December 31, 2022 % margin	Guidance for the Year Ended December 31, 2023 Est.[3] $ (in millions)	Guidance for the Year Ended December 31, 2023 Est.[3] % margin
Net income (loss)	**$ 33.9**	**0.3%**	**$ (61)**	**(0.5)%**
Interest expense, net	112.3	1.1%	235	2.0%
Provision for (benefit from) income taxes	9.2	0.1%	(38)	(0.3)%
Depreciation	371.2	3.8%	442	3.7%
Amortization of intangible assets	135.9	1.4%	169	1.4%
EBITDA	**$ 662.5**	**6.8%**	**$ 747**	**6.2%**
Non-cash stock-based compensation expense	27.4	0.3%	32	0.3%
Acquisition and integration costs	86.0	0.9%	71	0.6%
Losses on fair value of investment	7.7	0.1%	0	0.0%
Bargain purchase gain	(0.2)	(0.0)%	—	—%
Project results from non-controlled joint venture	(2.8)	(0.0)%	—	—%
Adjusted EBITDA	**$ 780.6**	**8.0%**	**$ 850**	**7.1%**

Adjusted Net Income and Adjusted Diluted Earnings per Share Reconciliation	Net Income (in millions)	Diluted Earnings Per Share	Net (Loss) Income (in millions)	Diluted (Loss) Earnings Per Share
Reported U.S. GAAP measure	**$ 33.9**	**$ 0.42**	**$ (61)**	**$ (0.83)**
Amortization of intangible assets	135.9	1.78	169	2.15
Non-cash stock-based compensation expense	27.4	0.36	32	0.41
Acquisition and integration costs	86.0	1.13	71	0.90
Losses on fair value of investment	7.7	0.10	0	0.00
Bargain purchase gain	(0.2)	(0.00)	—	—
Project results from non-controlled joint venture	(2.8)	(0.04)	—	—
Income tax effect of adjustments	(58.6)	(0.77)	(71)	(0.90)
Statutory tax rate effects	5.5	0.07	—	—
Adjusted non-U.S. GAAP measure	**$ 234.8**	**$ 3.05**	**$ 140**	**$ 1.75**

Notes:

[1] Differences due to rounding, $ in millions, except per share amounts.

[2] Additional non-GAAP reconciliations are included in Company's SEC filings and press releases.

[3] Reflects Guidance issued on October 31, 2023.

Quarterly Non-GAAP Reconciliations[1,2]

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EBITDA and Adjusted EBITDA Margin Reconciliation	Q3 2022 $ (in millions)	Q3 2022 % margin	Q3 2023 $ (in millions)	Q3 2023 % margin	Q4 2022 $ (in millions)	Q4 2022 % margin	Q4 2023 E[3] $ (in millions)	Q4 2023 E[3] % margin
Net income (loss)	**$ 49.2**	**2.0%**	**$ 15.3**	**0.5%**	**$ 3.4**	**0.1%**	**$ (13)**	**(0.4)%**
Interest expense, net	26.9	1.1%	62.6	1.9%	49.9	1.7%	61	1.8%
Provision for (benefit from) income taxes	11.1	0.4%	7.6	0.2%	9.2	0.3%	(4)	(0.1)%
Depreciation	91.3	3.6%	115.0	3.5%	107.8	3.6%	117	3.6%
Amortization of intangible assets	28.0	1.1%	42.3	1.3%	54.7	1.8%	42	1.3%
EBITDA	**$ 206.5**	**8.2%**	**$ 242.7**	**7.5%**	**$ 225.0**	**7.5%**	**203**	**6.2%**
Non-cash stock-based compensation expense	5.7	0.2%	7.2	0.2%	8.6	0.3%	8	0.2%
Acquisition and integration costs	33.3	1.3%	21.1	0.6%	26.6	0.9%	10	0.3%
Losses on fair value of investment	0.1	0.0%	—	—%	0.4	0.0%	—	—%
Project results from non-controlled joint venture	—	—%	—	—%	(2.8)	(0.1)%	—	—%
Adjusted EBITDA	**$ 245.6**	**9.8%**	**$ 271.1**	**8.3%**	**$ 257.9**	**8.6%**	**$ 221**	**6.7%**

Adjusted Net Income and Adjusted Diluted Earnings per Share Reconciliation	Q3 2022 Net Income	Q3 2022 Diluted Earnings Per Share	Q3 2023 Net Income	Q3 2023 Diluted Earnings Per Share	Q4 2022 Net Income	Q4 2022 Diluted Earnings Per Share	Q4 2023 E[3] Net (Loss) Income	Q4 2023 E[3] Diluted (Loss) Earnings Per Share
Reported U.S. GAAP measure	**$ 49.2**	**$ 0.65**	**$ 15.3**	**$ 0.18**	**$ 3.4**	**$ 0.04**	**$ (13)**	**$ (0.17)**
Non-cash stock-based compensation expense	5.7	0.08	7.2	0.09	8.6	0.11	8	0.10
Amortization of intangible assets	28.0	0.37	42.3	0.54	54.7	0.70	42	0.54
Acquisition and integration costs	33.3	0.44	21.1	0.27	26.6	0.34	10	0.13
Losses on fair value of investment	0.1	0.00	—	—	0.4	0.01	—	—
Project results from non-controlled joint venture	—	—	—	—	(2.8)	(0.04)	—	—
Income tax effect of adjustments	(15.5)	(0.21)	(10.0)	(0.13)	(16.4)	(0.21)	(12)	(0.16)
Statutory tax rate effects	—	—	—	—	5.5	0.07	—	—
Adjusted non-U.S. GAAP measure	**$ 100.8**	**$ 1.34**	**$ 75.9**	**$ 0.95**	**$ 80.0**	**$ 1.03**	**$ 35**	**$ 0.44**

Notes:
[1] Differences due to rounding, $ in millions, except per share amounts.
[2] Additional non-GAAP reconciliations are included in Company's SEC filings and press releases.
[3] Reflects Guidance issued on October 31, 2023.

1st and 2nd Half Non-GAAP Reconciliations[1,2]

EBITDA and Adjusted EBITDA Margin Reconciliation	1H 2022		1H 2023		2H 2022		2H 2023 E[3]	
Net (loss) income	**$ (19)**	**(0.4)%**	**$ (64)**	**(1.2)%**	**$ 53**	**1.0%**	**$ 3**	**0.0%**
Interest expense, net	35	0.8 %	112	2.1 %	77	1.4%	123	1.9%
(Benefit from) provision for income taxes	(11)	(0.3)%	(42)	(0.8)%	20	0.4%	4	0.1%
Depreciation	172	4.0 %	210	3.9 %	199	3.6%	232	3.5%
Amortization of intangible assets	53	1.3 %	84	1.5 %	83	1.5%	85	1.3%
EBITDA	**$ 231**	**5.4 %**	**$ 301**	**5.5 %**	**$ 431**	**7.8%**	**$ 446**	**6.8%**
Non-cash stock-based compensation expense	13	0.3 %	17	0.3 %	14	0.3%	15	0.2%
Acquisition and integration costs	26	0.6 %	40	0.7 %	60	1.1%	31	0.5%
Losses on fair value of investment	7	0.2 %	0	0.0 %	1	0.0%	—	—%
Bargain purchase gain	(0)	0.0 %	—	— %	—	—%	—	—%
Project results from non-controlled joint venture	—	— %	—	— %	(3)	(0.1)%	—	—%
Adjusted EBITDA	**$ 277**	**6.5 %**	**$ 358**	**6.6 %**	**$ 503**	**9.1%**	**$ 492**	**7.5%**

Notes:
[1] Differences due to rounding, $ in millions.
[2] Additional non-GAAP reconciliations are included in Company's SEC filings and press releases.
[3] Reflects Guidance issued on October 31, 2023.

2022 Non-GAAP Reconciliations[1,2]

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A reconciliation of EBITDA and EBITDA margin to Adjusted EBITDA and Adjusted EBITDA margin by segment for the periods indicated is as follows (in millions):

Adjusted EBITDA and Adjusted EBITDA Margin by Segment	**For the Year Ended December 31, 2022**		
EBITDA	**$**	**662.5**	**6.8%**
Non-cash stock-based compensation expense [a]		27.4	0.3%
Acquisition and integration costs [b]		86.0	0.9%
Losses on fair value of investment [a]		7.7	0.1%
Bargain purchase gain [a]		(0.2)	(0.0)%
Project results from non-controlled joint venture [c]		(2.8)	(0.0)%
Adjusted EBITDA	**$**	**780.6**	**8.0%**
Segment:			
Communications	$	331.8	10.3%
Clean Energy and Infrastructure		109.2	4.2%
Oil and Gas		171.5	14.1%
Power Delivery		241.9	8.9%
Other		29.0	NM
Segment Total	$	883.4	9.0%
Corporate		(102.8)	—
Adjusted EBITDA	**$**	**780.6**	**8.0%**

NM - Percentage is not meaningful

(a) Non-cash stock-based compensation expense, bargain purchase gain from a fourth quarter 2021 acquisition and losses, net, on the fair value of our investment in AVCT are included within Corporate EBITDA.

(b) For the year ended December 31, 2022, Communications, Clean Energy and Infrastructure, Oil and Gas and Power Delivery EBITDA included $4.7 million, $6.4 million, $8.0 million and $39.0 million respectively, of acquisition and integration costs related to our recent acquisitions, and Corporate EBITDA included $27.9 million of such costs.

(c) Project results from a non-controlled joint venture are included within Other segment results.

Notes:
[1] Differences due to rounding, $ in millions.
[2] Additional non-GAAP reconciliations are included in Company's SEC filings and press releases.

Q3 2023 Non-GAAP Reconciliations[1,2]

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A reconciliation of EBITDA and EBITDA margin to Adjusted EBITDA and Adjusted EBITDA margin by segment for the periods indicated is as follows (in millions):

Adjusted EBITDA and Adjusted EBITDA Margin by Segment	Q3 2022			Q3 2023		
EBITDA	**$**	**206.5**	**8.2%**	**$**	**242.7**	**7.5%**
Non-cash stock-based compensation expense [(a)]		5.7	0.2%		7.2	0.2%
Acquisition and integration costs [(b)]		33.3	1.3%		21.1	0.6%
Losses on fair value of investment [(a)]		0.1	0.0%		—	—%
Adjusted EBITDA	**$**	**245.6**	**9.8%**	**$**	**271.1**	**8.3%**
Segment:						
Communications	$	110.4	12.4%	$	78.2	9.5%
Clean Energy and Infrastructure		24.6	4.4%		57.6	5.2%
Oil and Gas		50.3	13.4%		97.3	14.5%
Power Delivery		83.5	12.1%		57.0	8.6%
Other		5.6	NM		4.4	NM
Segment Total	$	274.4	10.9%	$	294.5	9.0%
Corporate		(28.8)	—		(23.4)	—
Adjusted EBITDA	**$**	**245.6**	**9.8%**	**$**	**271.1**	**8.3%**

NM - Percentage is not meaningful

(a) Non-cash stock-based compensation expense, losses on the fair value of our investment in AVCT and the bargain purchase gain from a fourth quarter 2021 acquisition are included within Corporate results.

(b) For Q3 2023, Communications, Clean Energy and Infrastructure and Power Delivery EBITDA included $4.8 million, $15.3 million and $0.5 million, respectively, of acquisition and integration costs related to the Company's recent acquisitions, and Corporate EBITDA included $0.5 million of such costs. For Q3 2022, Communications, Oil and Gas, Power Delivery and Corporate EBITDA included $0.5 million, $1.1 million, $20.4 million and $11.2 million of such acquisition and integration costs, respectively.

Notes:
[1] Differences due to rounding, $ in millions.
[2] Additional non-GAAP reconciliations are included in Company's SEC filings and press releases.

Miscellaneous Definitions[1]

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- **Backlog -** Backlog represents the amount of revenue we expect to realize over the next 18 months from future work on uncompleted construction contracts, including new contracts under which work has not begun, as well as revenue from change orders and renewal options. Our estimated backlog also includes amounts under master service and other service agreements ("MSAs") and includes our proportionate share of estimated revenue from proportionately consolidated non-controlled contractual joint ventures.

- **Organic growth -** is defined as growth derived from other than Acquisition results. "Acquisition" results are defined as results from acquired businesses for the first twelve months following the dates of the respective acquisitions, with the balance of results for a particular item attributed to "organic" activity.

- **DSO -** Days sales outstanding, net of contract liabilities ("DSO") is calculated as total accounts receivable, net of allowance, less contract liabilities, divided by average daily revenue for the most recently completed quarter as of the balance sheet date. Total accounts receivable consists of contract billings, unbilled receivables and retainage, net of allowance.

- **EBITDA -** is defined as earnings before interest, taxes, depreciation and amortization.

- **Leverage -** is defined as total debt less cash, divided by adjusted EBITDA pro-forma for acquisitions.

- **Liquidity -** is defined as availability under the credit facility plus cash.

Adjusted net income, adjusted diluted earnings per share and adjusted EBITDA, which are all non-GAAP measures exclude certain items that are detailed and reconciled to the most comparable GAAP-reported measures in the Company's SEC filings and press releases.

Certain information may be provided in this presentation that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP). Because non-U.S. GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-U.S. GAAP financial measures having the same or similar names. These financial measures should not be considered in isolation from, as substitutes for, or alternative measures of, reported net income or diluted earnings per share, and should be viewed in conjunction with the most comparable U.S. GAAP financial measures and the provided reconciliations thereto. We believe these non-U.S. GAAP financial measures, when viewed together with our U.S. GAAP results and related reconciliations, provide a more complete understanding of our business. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not rely on any single financial measure. In addition, please refer to the accompanying reconciliation tables.

[1] *See 10-Q for additional details*